

**Date:** Friday, October 10, 2008

**Time:** 9:00 a.m.

**Where:** Orange County Transportation Authority Headquarters  
600 South Main Street, First Floor - Conference Room 154  
Orange, California 92868



## BOARD AGENDA

Orange County Transportation Authority Board Meeting  
Orange County Transportation Authority Headquarters  
First Floor - Room 154  
600 South Main Street, Orange, California  
*Friday, October 10, 2008, at 9:00 a.m.*

ACTIONS

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA Clerk of the Board, telephone (714) 560-5676, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

### **Agenda Descriptions**

The agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Board of Directors may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

### **Public Comments on Agenda Items**

Members of the public wishing to address the Board of Directors regarding any item appearing on the agenda may do so by completing a Speaker's Card and submitting it to the Clerk of the Board. Speakers will be recognized by the Chairman at the time the agenda item is to be considered. A speaker's comments shall be limited to three (3) minutes.

### **Public Availability of Agenda Materials**

All documents relative to the items referenced in this agenda are available for public inspection at [www.octa.net](http://www.octa.net) or through the Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.



## **BOARD AGENDA**

ACTIONS

### **Call to Order**

### **Invocation**

Vice Chairman Buffa

### **Pledge of Allegiance**

Director Green

### **Special Matters**

**1. Introduction of the New Orange County Sheriff-Coroner**

Sheriff Sandra Hutchens will address the OCTA Board of Directors.

**2. Anaheim Base Inspection**

Arthur T. Leahy

### **Consent Calendar (Items 3 through 8)**

All matters on the Consent Calendar are to be approved in one motion unless a Board Member or a member of the public requests separate action on a specific item.

### **Orange County Transportation Authority Consent Calendar Matters**

**3. Approval of Minutes**

Of the Orange County Transportation Authority and affiliated agencies' regular meeting of September 22, 2008.

**4. Capital Assets Review**

Kathleen M. O'Connell

#### ***Overview***

The Internal Audit Department has completed a review of internal controls over capital assets. The review found that Orange County Transportation Authority's internal controls are adequate. Recommendations are being made to improve written policies and procedures.



## BOARD AGENDA

ACTIONS

4. (Continued)

***Recommendation***

Direct staff to implement the recommendations in the Capital Asset Review, Internal Audit Report No. 08-017.

5. **Audit Report for the State Transportation Improvement Program - Planning, Programming, and Monitoring Program, Fiscal Year 2005-06 Work Program**

Kathleen M. O'Connell

***Overview***

At the request of management, an independent audit on compliance with the State Transportation Improvement Program – Planning, Programming, and Monitoring Program has been completed by the professional accounting firm of Thompson, Cobb, Bazilio and Associates, PC for the fiscal year 2005-06 work program. The audit found no exceptions, and there were no audit recommendations provided.

***Recommendation***

Receive and file the audit report for the State Transportation Improvement Program – Planning, Programming, and Monitoring Program, Fiscal Year 2005-06 Work Program.

6. **State Legislative Status Report**

Manny Leon/P. Sue Zuhlke

***Overview***

The Fiscal Year 2008-2009 State Budget was signed by the Governor on September 23, 2008. An overview of the major provisions of the approved budget and the transportation component of the approved budget is provided. Included within the budget is trailer bill language that provides guidelines and implements specific Proposition 1B programs.

***Recommendation***

Receive and file as an informational item.



## BOARD AGENDA

ACTIONS

7. **Amendment to Cooperative Agreement with the California Department of Transportation for the Eastbound Riverside Freeway (State Route 91) Project**  
Dipak Roy/Kia Mortazavi

### **Overview**

On October 5, 2007, the Board of Directors approved a cooperative agreement with the California Department of Transportation, in the amount of \$1,016,400, to provide for the acquisition of right-of-way and right-of-way support services for the Eastbound Riverside Freeway (State Route 91) Project between the Eastern Transportation Corridor (State route 241) and the Corona Expressway (State Route 71).

### **Recommendations**

- A. Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement No. C-7-1152 between the Orange County Transportation Authority and the California Department of Transportation, in the amount of \$307,600, for additional right-of-way support services.
- B. Amend the Orange County Transportation Authority's Fiscal Year 2008-09 Budget by \$307,600 for additional right-of-way support services related to the Eastbound Riverside Freeway (State Route 91) Project, and authorize the transfer of 91 Express Lanes reserves to fund this amendment.



## BOARD AGENDA

ACTIONS

### Orange County Transit District Consent Calendar Matters

8. **Public Transit/Human Services Transportation Coordination Plan for Orange County**

Dana Wiemiller/Beth McCormick

***Overview***

The Federal Transit Administration has established funding opportunities to address the special transportation needs of seniors, persons with disabilities, and persons of low income. To access this funding, communities must engage in a coordinated planning process with local human services agencies and stakeholder organizations to develop strategies which address the transportation needs of these vulnerable populations. The planning process has concluded and a Public Transit/Human Services Transportation Coordination Plan for Orange County has been developed. Board of Directors' approval is required to adopt the plan and initiate the next steps in accessing these federal funds.

***Recommendations***

- A. Adopt the Public Transit/Human Services Transportation Coordination Plan for Orange County.
- B. Direct staff to develop final project recommendations and return to the Board of Directors with a Call for Projects for the Section 5316 and Section 5317 federal funding programs.



## BOARD AGENDA

ACTIONS

### Regular Calendar

#### Orange County Transportation Authority Regular Calendar Matters

9. **South Orange County Major Investment Study - Recommended Locally Preferred Strategy**  
Charlie Larwood/Kia Mortazavi

##### *Overview*

The Orange County Transportation Authority is nearing completion of a major investment study for the south Orange County area. The effort spanned over two years and includes input from stakeholders and policymakers in south Orange County. The recommended locally preferred strategy is presented for review and consideration.

##### *Recommendations*

- A. Accept the locally preferred strategy recommendations from the Policy Advisory Committee.
- B. Establish the Renewed Measure M freeway plan as a priority for improving transportation in south Orange County followed by additional proposed improvements to the Santa Ana Freeway (Interstate 5) and the San Diego Freeway (Interstate 405), as defined in the locally preferred strategy and based on funding availability.
- C. Continue to evaluate the feasibility of the locally preferred strategy by:
  - (1) working with the Transportation Corridor Agencies and the California Department of Transportation to maximize the efficiency of south Orange County's freeway and toll road facilities;
  - (2) affirming local agencies' decisions to further study east-west arterial improvements identified in the locally preferred strategy; and,
  - (3) conducting a comprehensive review of the Master Plan of Arterial Highways improvements with the input of local agencies.
- D. Seek further public input on the transportation concepts included in the locally preferred strategy through the Long-Range Transportation Plan update starting in late 2008.



## BOARD AGENDA

ACTIONS

10. **Request to Award Contract for Armored Vehicle and Fare Collection Counting Services**

Tom Wulf/James S. Kenan

**Overview**

As part of the Orange County Transportation Authority's Fiscal Year 2009 Budget, the Board of Directors approved contracting for armored vehicle and fare collection counting services. Offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

**Recommendation**

Authorize the Chief Executive Officer to execute Agreement No. C-8-0921 between the Orange County Transportation Authority and Sectran Security, Inc., in an amount not to exceed \$3,000,000, for armored vehicle and fare collection counting services for a five-year term.

11. **91 Express Lanes Debt Restructure**

Kirk Avila/James S. Kenan

**Overview**

Over the past several months, staff evaluated various alternatives related to the restructuring of the 91 Express Lanes debt. The variable rate demand bonds experienced higher interest rate costs as a result of the downgrading of Ambac Assurance Corporation in 2008. Ambac Assurance Corporation insures the 91 Express Lanes debt. Staff has been working with the Orange County Treasurer's office to negotiate a private placement transaction for a two-year period for the \$100 million in variable rate demand bonds.

**Recommendation**

Authorize staff to negotiate final terms with the Orange County Treasurer on a private placement for the \$100 million in 91 Express Lanes variable rate demand bonds and return to the Board of Directors with draft financing documents.





## BOARD AGENDA

ACTIONS

### Orange County Local Transportation Authority Regular Calendar Matters

#### 12. Fullerton Transportation Center Parking Expansion Project Update

James Staudinger/Kia Mortazavi

##### *Overview*

The City of Fullerton has completed negotiations for the acquisition of property required for the Fullerton Transportation Center Parking Expansion project. The actual cost of the right-of-way exceeds the amount allocated to the project for this phase. Staff is recommending the use of Measure M transit funds to fully fund the right-of-way phase.

##### *Recommendations*

- A. Authorize the use of Measure M transit funds to fully fund the right-of-way component of the Fullerton Transportation Center Parking Expansion, in the amount of \$3,150,000.
- B. Authorize the Chief Executive Officer to negotiate and execute an agreement with the City of Fullerton to govern the use of Measure M funds for the right-of-way phase of the Fullerton Transportation Center Parking Expansion project.
- C. Direct staff to reduce the State Transportation Improvement Program funds in the construction phase by \$3,150,000.
- D. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program and State Transportation Improvement Program and to execute any necessary agreements to facilitate the actions above.



## **BOARD AGENDA**

*ACTIONS*

### **Discussion Items**

13. **Investment Report Update**  
Kirk Avila/James S. Kenan

14. **Metrolink Board of Directors Actions Impacting the Orange County Transportation Authority**  
Darrell E. Johnson/Kia Mortazavi

15. **Public Comments**

At this time, members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three (3) minutes per speaker, unless different time limits are set by the Chairman subject to the approval of the Board of Directors.

16. **Chief Executive Officer's Report**

17. **Directors' Reports**

18. **Closed Session**

A Closed Session is not scheduled for this meeting.

19. **Adjournment**

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, October 27, 2008**, at the OCTA Headquarters.



Minutes of the Meeting of the  
Orange County Transportation Authority  
Orange County Service Authority for Freeway Emergencies  
Orange County Local Transportation Authority  
Orange County Transit District  
Board of Directors  
September 22, 2008

## Call to Order

The September 22, 2008, regular meeting of the Orange County Transportation Authority and affiliated agencies was called to order by Chairman Norby at 9:00 a.m. at the Orange County Transportation Authority Headquarters, Orange, California.

## Roll Call

Directors Present: Chris Norby, Chairman  
Peter Buffa, Vice Chairman  
Arthur C. Brown  
Carolyn Cavecche  
Cathy Green  
Allan Mansoor  
John Moorlach  
Janet Nguyen  
Miguel Pulido  
Mark Rosen  
Gregory T. Winterbottom  
James Pinheiro attended for Cindy Quon, Governor's  
Ex-Officio Member

Also Present: Arthur T. Leahy, Chief Executive Officer  
Paul C. Taylor, Deputy Chief Executive Officer  
Wendy Knowles, Clerk of the Board  
Laurena Weinert, Assistant Clerk of the Board  
Kennard R. Smart, Jr., General Counsel  
Members of the Press and the General Public

Directors Absent: Jerry Amante  
Patricia Bates  
Bill Campbell  
Richard Dixon  
Paul Glaab  
Curt Pringle

## **Invocation**

Director Rosen gave the invocation.

## **Pledge of Allegiance**

Director Cavecche led the Board and audience in the Pledge of Allegiance.

## **Public Comments on Agenda Items**

Chairman Norby announced that members of the public who wished to address the Board of Directors regarding any item appearing on the agenda would be allowed to do so by completing a Speaker's Card and submitting it to the Clerk of the Board.

## **Special Matters**

### **1. Presentation of Resolutions of Appreciation for Employees of the Month for September 2008**

Chairman Norby presented Orange County Transportation Authority Resolutions of Appreciation Nos. 2008-58, 2008-59, 2008-60 to Leticia Rivera, Coach Operator; Kelton Ross, Maintenance; and Monica Roman, Administration, as Employees of the Month for September 2008.

### **2. Presentation of Resolution of Appreciation to Orange County Sheriff's Department Employee of the Quarter**

Chairman Norby presented Orange County Transportation Authority Resolution of Appreciation No. 2008-61 to Orange County Sheriff's Sergeant Keith Godfrey.

## **Consent Calendar (Items 3 through 20)**

Chairman Norby stated that all matters on the Consent Calendar would be approved in one motion unless a Board Member or a member of the public requested separate action on a specific item.

## **Orange County Transportation Authority Consent Calendar Matters**

### **3. Approval of Resolutions of Appreciation for Employees of the Month for September 2008**

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to adopt Orange County Transportation Authority Resolutions of Appreciation Nos. 2008-58, 2008-59, and 2008-60 to Leticia Rivera, Coach Operator; Kelton Ross, Maintenance; and Monica Roman, Administration, as Employees of the Month for September 2008.

**4. Approval of Resolution of Appreciation to Orange County Sheriff's Department Employee of the Quarter**

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to adopt Orange County Transportation Authority Resolution of Appreciation No. 2008-61 for Orange County Sheriff's Sergeant Keith Godfrey.

**5. Approval of Minutes**

Director Moorlach pulled this item and stated that the minutes did not reflect that he voted in opposition on item 11A in the minutes.

A motion was made by Director Moorlach, seconded by Vice Chairman Buffa, and declared passed by those present, to approve the minutes of the Orange County Transportation Authority and affiliated agencies' regular meeting of September 8, 2008.

Directors Nguyen and Rosen abstained from voting on this item.

**6. Approval of Board Member Travel**

Approval is requested for Director Paul Glaab to travel to Baltimore, MD, September 21-24, 2008, to participate in the International Bridge, Tunnel and Turnpike Association (IBTTA) Annual Meeting.

**7. Orange County Transportation Authority Draft 2009 State Legislative Platform**

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to authorize staff to circulate copies of the Draft 2009 State Legislative Platform to advisory groups, Orange County legislative delegations, cities, and interested members of the public.

**8. Federal Legislative Status Report**

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to receive and file as an information item.

**9. Agreements for Design Support During Construction for the San Diego Freeway (Interstate 5) at Oso Parkway Interchange Improvement Project**

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to:

- A. Authorize the Chief Executive Officer to execute Agreement No. C-7-1426 between the Orange County Transportation Authority and the California Department of Transportation, in an amount not to exceed \$676,000, to cover additional costs for design and right-of-way services to improve the San Diego Freeway (Interstate 5) and Oso Parkway interchange.

**9. (Continued)**

- B. Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement No. C-5-2595 between the Orange County Transportation Authority and the California Department of Transportation to transfer a total of \$135,200 from Agreement No. C-7-1426 to Agreement No. C-5-2595 for design and construction support services to improve the San Diego Freeway (Interstate 5) and Oso Parkway interchange.
- C. Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement No. C-5-2712 between the Orange County Transportation Authority and CH2M HILL, in an amount not to exceed \$147,613, for construction support services to improve the San Diego Freeway (Interstate 5) and Oso Parkway interchange, bringing the total contract value to \$1,819,810.

**10. Cooperative Agreements with California Department of Transportation for the Soundwall Projects Along the San Diego Freeway (Interstate 5) in the City of San Clemente**

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to:

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0721 between the Orange County Transportation Authority and the California Department of Transportation for the preparation of plans, specifications, and estimate for the El Camino Real soundwall project on the San Diego Freeway (Interstate 5) in San Clemente.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0720 between the Orange County Transportation Authority and the California Department of Transportation for the preparation of plans, specifications, and estimate for the Avenida Vaquero soundwall project on the San Diego Freeway (Interstate 5) in San Clemente.

**11. Award of Construction Contract for Americans with Disabilities Act Bus Stop Modifications**

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to:

- A. Request the Board of Directors to determine the low bidder, S. Parker Engineering, Inc., non-responsive.

**11. (Continued)**

- B. Authorize the Chief Executive Officer to execute Agreement No. C-8-0939 between the Orange County Transportation Authority and L.H. Engineering Company, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$427,280, for construction of Americans with Disabilities Act bus stop modifications in the cities of Brea, Fountain Valley, Huntington Beach, La Habra, and Westminster.

**12. Commuter Bikeways Strategic Plan Update Status Report**

Chairman Norby pulled this item and asked that staff look into how planning for bicycle commuting will be addressed and if changes are needed to staffing the related projects.

Director Pulido asked that staff contact Long Beach and gather information on how their bicycle plan is administered.

A motion was made by Chairman Norby, seconded by Director Pulido, and declared passed by those present, to receive and file as an information item.

**13. Agreement for Rideshare Marketing and Outreach**

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement No. C-8-0811 between the Orange County Transportation Authority and MOB Media Inc., in an amount not to exceed \$588,700 for an initial term of two years with one two-year option term, to perform various marketing activities including market research, analysis, planning, implementation and production.

**14. Preliminary Criteria for Property Acquisition and Restoration for Renewed Measure M Program-Level Freeway Mitigation**

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to:

- A. Adopt the preliminary criteria for evaluating the biological mitigation potential of properties that may be acquired or restored, which will help guide outreach efforts.
- B. Direct staff to implement a public outreach plan to build an inventory of potential conservation sites.



**15. Fourth Quarter Fiscal Year 2007-08 Grant Status Report**

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to receive and file as an information item.

**16. Fiscal Year 2007-08 Fourth Quarter Budget Status Report**

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to receive and file as an information item.

**17. Excess Workers' Compensation Insurance Policy**

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to authorize the Chief Executive Officer to issue Purchase Order No. A09980, in an amount not to exceed \$550,000, to purchase the excess workers' compensation insurance policy for the period October 1, 2008 to October 1, 2009.

**Orange County Local Transportation Authority Consent Calendar Matters**

**18. Cooperative Agreements with the Cities of Anaheim and Santa Ana for Go Local Step Two Fixed-Guideway Project Development**

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to:

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-1156 with the City of Anaheim, in an amount not to exceed \$5.9 million, for detailed planning, alternatives analysis, conceptual engineering, and state and federal environmental clearance for the proposed fixed-guideway from the Anaheim Regional Transportation Intermodal Center to the Platinum Triangle to Anaheim Resort Connector.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-1157 with the City of Santa Ana, in an amount not to exceed \$5.9 million, for detailed planning, alternatives analysis, conceptual engineering, and state and federal environmental clearance for the proposed fixed-guideway from Santa Ana Regional Transportation Center to Harbor Boulevard.

**19. Selection of Consultants for On-Call Traffic Engineering Services**

Chairman Norby pulled this item and updated the Board that the procurement process is being reviewed and will be addressed at an Executive Committee meeting.

A motion was made by Chairman Norby, seconded by Director Pulido, and declared passed by those present, to:

- A. Approve the selection of Advantec Consulting Engineers Agreement No. C-8-0612, Albert Grover and Associates Agreement No. C-8-1166, DKS Associates Agreement No. C-8-1167, Fehr & Peers Associates, Inc., Agreement No. C-8-1168, Iteris, Inc., Agreement No. C-8-1169, Kimley-Horn Agreement No. C-8-1170, KOA Corporation Agreement No. C-8-1171, and RBF Consulting Agreement No. C-8-1172 to provide on-call traffic engineering services for the Proposition 1B Traffic Light Synchronization Program.
- B. Authorize staff to request cost proposals from the recommended firms and negotiate agreements for services.
- C. Authorize the Chief Executive Officer to execute the final agreements. Direct staff to bring contract task orders, for work associated with the Proposition 1B Traffic Light Synchronization Program, to the Board for review and approval. Background data to be included shall indicate the number of firms originally selected and their respective ranking; justification for awarding services; and information on the firm's previous work for the Proposition 1B Traffic Light Synchronization Program.

Vice Chairman Buffa and Director Nguyen abstained from voting on this item.

**Orange County Transit District Consent Calendar Matters**

**20. Amendment to Agreement for Compressed Natural Gas Fueling Stations at Anaheim and Garden Grove Bases**

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 4 to Agreement No. C-6-0890 between the Orange County Transportation Authority and California Trillium Company, in the amount of \$130,967, for electrical service upgrades at the Garden Grove Base.

## Regular Calendar

### Orange County Local Transportation Authority Regular Calendar Matters

#### 21. Renewed Measure M Transit Funding Program Guidelines

Kurt Brotcke, Director of Strategic Planning, presented this item to the Board, updating the Renewed Measure M Transit Funding Program Guidelines. Mr. Brotcke provided an update for the following:

- M2 Transit Programs
- Project T – Metrolink Gateways
- Project T pre-requisites
- High-speed rail plans
- Proposed criteria and measures
- Next steps for program

Discussion followed, which concluded with a motion by Director Pulido, seconded by Director Nguyen, and declared passed unanimously by those present, to postpone action on this item until after the November 4, 2008, election.

## Discussion Items

#### 22. Bravo! Bus Rapid Transit Conceptual Shelter Designs

Gordon Robinson, Project Manager-Bus Rapid Transit, gave a presentation on shelter designs and highlighted the various aspects of station markers, branding elements, shelter canopies, seating, next-bus signage, wheelchair access, shelter sizes and possible configurations.

Director Winterbottom asked if signage could include the street name, and Mr. Robinson responded that it could be included; Vice Chairman Buffa requested that the branding be made more distinct and noticeable.

#### 23. State Legislative Status Report

Wendy Villa, Manager of State Relations, provided this update and informed the Board that a state budget deal has been agreed upon, and the Governor is expected to sign it by the end of the week. Provisions were included to address potential advanced withholdings from taxpayers and stronger provisions for the recommended “rainy-day” fund.

Ms. Villa also stated that there are some 800 bills on the Governor’s desk which he is expected to address by September 30th.

## **24. Positive Train Control Legislation**

Chief Executive Officer (CEO), Arthur T. Leahy, provided an overview of legislation which has been introduced by Senators Boxer and Feinstein as a result of the September 12 Metrolink incident.

Mr. Leahy informed Members that the legislation would require that no later than 12 months after enactment that a plan be submitted to the Secretary of Transportation with a positive train control system in effect by December 31, 2014. A special provision is included that railroads which are deemed by the Secretary of Transportation to have the highest safety risk should have implemented the system by December 31, 2012; the Secretary is required to submit a report to Congress by December 2011.

Mr. Leahy reported that the Metrolink Board considered this legislation at the request of the Senators last week and unanimously supported it. He further stated that by supporting this legislation, OCTA would be in a position to be with the other counties and the industry to discuss how Positive Train Control might be developed, how it might be funded, and how this may take place.

Although the bill does not contain funding, there will be discussions on the Federal Reauthorization next year, and it is anticipated that some combination of railroad money and public money would be discussed. The Office of Homeland Security has indicated that it is permissible to use Proposition 1B funds (money for goods movement) for signal systems or train control systems.

A motion was made by Director Brown, seconded by Vice Chairman Buffa, and declared passed unanimously by those present, to support legislation proposed by Senators Boxer and Feinstein's for Positive Train Control.

Vice Chairman Buffa requested that more information be provided regarding what positive train control systems are available, how well they work, and the costs involved.

## **25. Public Comments**

Chairman Norby announced that members of the public who wished to address the Board of Directors regarding any item appearing on the agenda would be allowed to do so by completing a Speaker's Card and submitting it to the Clerk of the Board.

No public comments were received.

**26. Chief Executive Officer's Report**

Paul C. Taylor, Deputy Chief Executive Officer (reporting for CEO, Mr. Leahy, who had to leave for a public hearing) directed Members' attention to a hand-out provided to them today, advertising the public hearing planned for the OCTA Board meeting of October 10 regarding potential fare adjustments.

**27. Directors' Reports**

Director Rosen requested statistics on ridership within the First District (Santa Ana and Garden Grove in particular): earnings levels of bus riders versus those using Metrolink and 91 Express Lanes; include impact of potential fare increase.

Director Rosen also asked if OCTA is expected to lose money with Lehman Brothers declaring bankruptcy.

James S. Kenan, Executive Director, Finance, Administration, and Human Resources, responded that an answer at this time is premature. He stated that the real issue is that of OCTA's \$996 million investment portfolio, there currently is \$3 million of exposure to Lehman Brothers' senior bonds. Therefore, that will become part of the bankruptcy proceedings and as that proceeds, OCTA will be at risk for that investment.

Mr. Kenan further stated that there are other issues that staff is working on with respect to relationships OCTA has, the most important of which is the issue of a private placement of OCTA's \$100 million variable rate debt that OCTA has on which Lehman Brothers is the counter-party. OCTA is looking at a private placement of that debt with the Orange County Treasurer, which is expected to close by the middle of November. The County Treasurer has indicated that with all the events currently unfolding, the placement is still on-schedule.

Chairman Norby stated that at least one consulting firm has contacted him regarding reviewing parking at Metrolink stations. OCTA could possibly be the lead agency in that effort, and requested that the Executive Committee discuss this matter.

**28. Closed Session**

A Closed Session is not conducted at this meeting.

**29. Adjournment**

The meeting adjourned at 10:22 a.m. The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on FRIDAY, OCTOBER 10, 2008**, at the OCTA Headquarters.

ATTEST

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Wendy Knowles  
Clerk of the Board

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Chris Norby  
OCTA Chairman





MEMO

October 7, 2008

To: Members of the Board of Directors  
From: Wendy Knowles<sup>WK</sup>, Clerk of the Board  
Subject: **Capital Assets Review**

The following item is being discussed at a Committee meeting which takes place subsequent to distribution of the Board agenda. Therefore, you will be provided a transmittal following that Committee meeting (and prior to the Board meeting) informing you of Committee action taken.

Thank you.





**October 8, 2008**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Capital Assets Review

### **Overview**

The Internal Audit Department has completed a review of internal controls over capital assets. The review found that Orange County Transportation Authority's internal controls are adequate. Recommendations are being made to improve written policies and procedures.

### **Recommendation**

Direct staff to implement the recommendations in the Capital Asset Review, Internal Audit Report No. 08-017.

### **Background**

Orange County Transportation Authority (OCTA) generally capitalizes assets with a unit cost in excess of \$5,000 and an estimated useful life greater than one year. The historical cost of capital assets is adjusted to include costs related to renovations and improvements if the cost exceeds \$5,000 per unit and either substantially enhances the asset's performance or productivity, or extends the useful life of the original asset.

The Federal Transit Administration Circular 5010.1C states that a physical inventory of equipment must be taken and the results reconciled with equipment records at least once every two years. Equipment includes rolling stock and all other such property used in the provision of public transit service. Before the end of every other fiscal year, a physical inventory is taken at OCTA. Inventories are conducted to ensure completeness, validity, and reliability of capital asset records and to ensure that assets are on hand and serviceable.

***Discussion***

The fiscal year 2007-08 Internal Audit Department plan included a review of capital assets. The review objectives were to assess the adequacy of internal controls and to determine compliance with established policies and procedures. The review scope included a review of procedures for the 2008 physical inventory and a review of the June 2008 depreciation report.

Internal Audit recommended that standard procedures and guidelines be established for inventorying high-dollar items such as vehicles and then incorporated into the Capital Asset Inventory Procedures, provided to asset custodians. Internal Audit also recommended that a section on lease criteria review be added to the Capitalization Policy and that language concerning depreciation during the month of acquisition be revised in the Capitalization Policy. Finally, Internal Audit recommended that General Accounting clarify the useful life of an improvement in the Capitalization Policy.

***Summary***

Based on the review, Internal Audit offered three recommendations, which management has indicated will be implemented.

***Attachment***

- A. Capital Assets Review, Internal Audit Report No. 08-017

**Prepared by:**

Kathleen M. O'Connell  
Manager, Internal Audit  
(714) 560-5669



INTEROFFICE MEMO

September 24, 2008

To: James S. Kenan, Executive Director  
Finance, Administration and Human Resources

From: <sup>SN</sup>  
Serena Ng, Senior Internal Auditor  
Internal Audit

Subject: **Capital Assets Review, Internal Audit Report No. 08-017**

Attached hereto is the Capital Assets Review, Internal Audit Report No. 08-017. The management responses to the three recommendations made in the review have been incorporated into the attached final audit report. Internal Audit concurs with the responses.

We appreciate the cooperation received during this review. Internal Audit will follow up on management's planned corrective action in six months.

Appendix: Capital Assets Review, Internal Audit Report No. 08-017

c: Ken Phipps  
Tom Wulf  
Vicki Austin  
Bonnie Mazaheri  
Kathleen O'Connell

# ORANGE COUNTY TRANSPORTATION AUTHORITY INTERNAL AUDIT DEPARTMENT



## Capital Assets Review

INTERNAL AUDIT REPORT NO. 08-017

September 23, 2008



**Internal Audit Team:**

Kathleen M. O'Connell, CPA, Internal Audit Manager  
Serena Ng, CPA, CIA, Senior Internal Auditor

ORANGE COUNTY TRANSPORTATION AUTHORITY  
INTERNAL AUDIT DEPARTMENT

Capital Assets Review  
September 23, 2008

**CONCLUSION .....1**  
**BACKGROUND .....1**  
    *Capitalization Policy.....1*  
    *Capital Asset Physical Inventory.....2*  
**OBJECTIVES, SCOPE, AND METHODOLOGY .....2**  
**AUDIT COMMENTS, RECOMMENDATIONS AND MANAGEMENT RESPONSES .....3**  
    *Noteworthy Accomplishments.....3*  
    *Vehicle Inventory Procedures.....3*  
    *Capitalization Policy.....3*  
    *Useful Lives of Improvements.....4*

**ORANGE COUNTY TRANSPORTATION AUTHORITY  
INTERNAL AUDIT DEPARTMENT**

**Capital Assets Review  
September 23, 2008**

**CONCLUSION**

Internal Audit has completed a review of internal controls over capital assets. The review found that Orange County Transportation Authority's (OCTA) internal controls are adequate. Recommendations are being made to improve written policies and procedures.

**BACKGROUND**

The General Accounting section of the Accounting and Financial Reporting Department is responsible for recording and reconciling capital asset activity, maintaining depreciation schedules, assigning and distributing asset tags, and processing asset retirements and transfers. The Truly Relational Integrated Application Developer (TRIAD) subsystem of the Integrated Financial & Administrative Solution (IFAS) system, a SunGard Bi-Tech product, is used to track capital assets. General Accounting also maintains the Capitalization Policy.

The General Services section is responsible for coordinating the biennial physical inventory required by the Federal Transit Administration (FTA), tracking movement of assets, and providing periodic training to asset custodians on proper procedures.

Asset custodians for each OCTA department are appointed by the department manager to coordinate and/or conduct the physical inventories of their departments. They apply capital asset tags and record asset serial numbers and locations on the tag forms, initiate the asset retirement and transfer processes, and investigate missing, stolen, damaged, and destroyed assets.

**Capitalization Policy**

OCTA generally capitalizes assets with a unit cost in excess of \$5,000 and an estimated useful life greater than one year. The capital asset classifications are:

- Land
- Building and Improvements
- Leasehold Improvements
- Revenue Vehicles
- Other Vehicles
- Tools and Support Equipment
- Communications Equipment
- Computer Hardware/Software
- Transponders (bulk purchases)
- Furniture and Fixtures

**ORANGE COUNTY TRANSPORTATION AUTHORITY  
INTERNAL AUDIT DEPARTMENT**

**Capital Assets Review  
September 23, 2008**

The historical cost of capital assets is adjusted to include costs related to renovations and improvements if the cost exceeds \$5,000 per unit and either substantially enhances the asset's performance or productivity, or extends the useful life of the original asset. Historical cost is also adjusted for costs associated with midlife bus overhauls, bus refurbishments, and bus rehabilitations that were budgeted as capital and meet specified criteria.

**Capital Asset Physical Inventory**

FTA Circular 5010.1C states that a physical inventory of equipment must be taken and the results reconciled with equipment records at least once every two years. Equipment is defined to be all tangible, nonexpendable, personal property that has a useful life of more than one year and an acquisition cost that exceeds \$5,000 per unit. Equipment includes rolling stock and all other such property used in the provision of public transit service.

Before the end of every other fiscal year, a physical inventory is taken at OCTA. Inventories are conducted to ensure completeness, validity, and reliability of capital asset records and to ensure that assets are on hand and serviceable.

**OBJECTIVES, SCOPE, AND METHODOLOGY**

This engagement was included in the Internal Audit Plan for Fiscal Year 2007-08. The review objectives were to assess the adequacy of internal controls and to determine compliance with established policies and procedures. The review scope included a review of procedures for the 2008 physical inventory and a review of the June 2008 depreciation report. The methodology included:

- Following up on recommendations in the Review of Fixed Asset Accounting & Administration, Internal Audit Report No. 05-034;
- Reviewing the Capitalization Policy;
- Inquiring about the status of the research project on capitalizing labor costs associated with capital assets; and
- Observing the May 2008 capital asset inventory.

This audit was conducted in accordance with generally accepted government auditing standards. Those standards require that Internal Audit plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. Internal Audit believes that the evidence obtained provides a reasonable basis for these findings and conclusions.

**ORANGE COUNTY TRANSPORTATION AUTHORITY  
INTERNAL AUDIT DEPARTMENT**

**Capital Assets Review  
September 23, 2008**

**AUDIT COMMENTS, RECOMMENDATIONS AND MANAGEMENT RESPONSES**

**Noteworthy Accomplishments**

The Review of Fixed Asset Accounting & Administration, Internal Audit Report No. 05-034, was issued in 2005. Since the report was issued, all recommendations have been appropriately implemented and/or otherwise addressed.

General Services has developed Capital Asset Inventory Procedures that provide guidance to asset custodians. General Services also invites all asset custodians to a pre-capital asset inventory meeting to discuss the inventory procedures and allow asset custodians the opportunity to ask questions if they are unclear on the process. Internal Audit considers this process one that fosters consistency, accuracy, and good internal controls.

**Vehicle Inventory Procedures**

The detailed procedures for inventorying vehicles are not documented in the Capital Asset Inventory Procedures and do not appear to be entirely uniform among custodians. One custodian reconciled the vehicles on the inventory listing to the prior day's servicing/fueling log. Another custodian assigned a department staff to check off vehicles on the inventory list during the bus safety inspections. Vehicles not checked off during the inspections were verified by the custodian through review of activity in the fueling system reports.

**Recommendation 1:** Internal Audit recommends that standard procedures and guidelines be established for inventorying high-dollar items such as vehicles and then incorporated into the Capital Asset Inventory Procedures, provided to asset custodians.

**Management Response:** Management agrees with the recommendation. Staff from General Services will meet with staff from Operations to establish standard procedures and guidelines of a uniform and consistent manner in which to inventory all revenue producing vehicles, such as buses and Access vehicles. Once consensus is reached, the newly established procedures and guidelines will be incorporated into the Capital Asset Management Manual.

**Capitalization Policy**

Governmental Accounting Standards Board Statement No. 34 amends and establishes new financial reporting requirements for state and local governments, including significant new requirements to depreciate general governmental capital assets.



**ORANGE COUNTY TRANSPORTATION AUTHORITY  
INTERNAL AUDIT DEPARTMENT**

**Capital Assets Review  
September 23, 2008**

Depreciation, which previously was reported only in proprietary and certain trust fund types, is now required to be recorded as an expense at the government-wide level in the Statement of Activities.

During our review of the Capitalization Policy, we noted the following:

- The Capitalization Policy does not include policies or procedures for reviewing leases for appropriate classification as capital or operating leases; and
- The Capitalization Policy states that depreciation is recognized during the month of acquisition only if the acquisition date is on or before the 15th of the month, or the 16th if the month has thirty-one days in it. However, Internal Audit noted that IFAS system's depreciation in the acquisition month is not dependent on the number of days in that month.

**Recommendation 2:** Internal Audit recommends that a section on lease criteria review be added to the Capitalization Policy and that language concerning depreciation during the month of acquisition be revised in the Capitalization Policy.

**Management Response:** Management agrees with recommendations. The Capitalization Policy will be updated to include a section on criteria for capital leases. The depreciation method will also be updated to reflect the actual calculation that takes place in the fixed asset system of IFAS.

**Useful Lives of Improvements**

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According to OCTA's Capitalization Policy, the useful life of an improvement to an asset should be the useful life of the new asset or the expected remaining service life of the underlying asset, whichever is less. General Accounting has indicated that the expected remaining service life is not necessarily the same as the remaining depreciable life and can be significantly longer.

**Recommendation 3:** Internal Audit recommends that General Accounting clarify the term "expected remaining service life" in the Capitalization Policy.

**Management Response:** Management agrees with the recommendation. Exhibit B of the Capitalization Policy, Useful Life Standards, will be modified to read as follows:

- Improvements: Useful life of the improvement or the period of time the underlying asset will continue to provide benefit to the Authority, whichever is less.





MEMO

October 7, 2008

To: Members of the Board of Directors

From: Wendy Knowles<sup>WK</sup>, Clerk of the Board

Subject: **Audit Report for the State Transportation Improvement Program – Planning, Programming, and Monitoring Program, Fiscal Year 2005-06 Work Program**

The following item is being discussed at a Committee meeting which takes place subsequent to distribution of the Board agenda. Therefore, you will be provided a transmittal following that Committee meeting (and prior to the Board meeting) informing you of Committee action taken.

Thank you.



**October 8, 2008**

**To:** Finance and Administration Committee

**From:** Arthur T. Leahy, <sup>AL</sup> Chief Executive Officer

**Subject:** Audit Report for the State Transportation Improvement Program - Planning, Programming, and Monitoring Program, Fiscal Year 2005-06 Work Program

### **Overview**

At the request of management, an independent audit on compliance with the State Transportation Improvement Program – Planning, Programming, and Monitoring Program has been completed by the professional accounting firm of Thompson, Cobb, Bazilio and Associates, PC for the fiscal year 2005-06 work program. The audit found no exceptions and there were no audit recommendations provided.

### **Recommendation**

Receive and file the audit report for the State Transportation Improvement Program – Planning, Programming, and Monitoring Program, Fiscal Year 2005-06 Work Program.

### **Background**

The State Transportation Improvement Program (STIP) is a multi-year capital improvement program of transportation projects on and off the California State Highway System, funded with revenues from the State Highway Account and other funding sources. The Planning, Programming, and Monitoring Program (PPM) is defined as “the project planning, programming, and monitoring activities related to development of the Regional Transportation Improvement Program and the STIP required by Government Code Section 14527. et. seq. and for the monitoring of project implementation...”

The Orange County Transportation Authority (OCTA) entered into funding Agreement No. PPM06-6071(027) on August 18, 2005, with the California Department of Transportation (Caltrans) to provide for \$1,777,000 in funding under the STIP/PPM for fiscal year 2005-06. Each year, OCTA prepares a

program of projects (work program) that is approved by Caltrans as part of the funding agreement. In accordance with the funding agreement, an independent audit is required to provide assurance that the STIP/PPM funds were used in conformance with Article XIX of the California State Constitution.

***Discussion***

Agreement No. PPM06-6071(027) provided funding for the approved fiscal year 2005-06 work program. Separate funding agreements are entered into each fiscal year. The audit found that costs were reasonable, adequately supported, and eligible. In addition, the audit found that accounting and invoicing procedures were adequate and in accordance with the Agreement No. PPM06-6071(027).

***Summary***

An independent audit on compliance with the STIP/PPM has been completed by the professional accounting firm of Thompson, Cobb, Bazilio and Associates, PC. The detailed audit scope and results are included in the attached audit report.

***Attachment***

- A. Orange County Transportation Authority, State Transportation Improvement Program Planning, Programming, and Monitoring Program, Financial and Compliance Review, Fiscal Year 2005-06, Agreement No. PPM06-6071 (027)

**Prepared by:**



Kathleen M. O'Connell  
Manager, Internal Audit  
(714) 560-5669

***ORANGE COUNTY TRANSPORTATION  
AUTHORITY***

State Transportation Improvement Program  
Planning, Programming, and Monitoring Program  
Financial and Compliance Review  
Fiscal Year 2005–06

Agreement No. PPM06–6071 (027)

Prepared by

**TCBA**

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**THOMPSON, COBB, BAZILIO & ASSOCIATES, PC**

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**STATE TRANSPORTATION IMPROVEMENT PROGRAM  
PLANNING, PROGRAMMING, AND MONITORING PROGRAM  
FISCAL YEAR 2005-06**

**FINANCIAL AND COMPLIANCE REVIEW**

**TABLE OF CONTENTS**

	<u>Page</u>
Results in Brief	1
Background	2
Procedures Performed	2
Limitations and Restrictions	3

## INDEPENDENT ACCOUNTANT'S REPORT ON FINANCIAL AND COMPLIANCE REVIEW

Kathleen O'Connell, Manager  
Internal Audit Department  
Orange County Transportation Authority

We have completed our financial and compliance review of Agreement No. PPM06-6071 (027) (Agreement) awarded to the Orange County Transportation Authority (OCTA) by the State of California Department of Transportation (Caltrans) to provide reimbursement of up to \$1,777,000 in funding under the State Transportation Improvement Program (STIP) Planning, Programming, and Monitoring Program (PPM), Fiscal Year 2005-06 work program. Our fieldwork began on August 13, 2008 and was completed on August 28, 2008. The objectives of this review were to determine whether 1) adequate documentation was maintained evidencing that costs were reasonable, adequately supported, and eligible, 2) OCTA's accounting and invoicing procedures were adequate to ensure that project costs charged are in accordance with the STIP PPM Agreement with Caltrans and in conformance with *Article XIX – Motor Vehicle Revenues* of the California State Constitution, 3) OCTA complied with the reporting requirements of the Agreement, and 4) the fund account set up by OCTA for the project was separately maintained.

### **RESULTS IN BRIEF**

- Based on our review of \$658,477 in sampled costs (37% of the \$1,777,000 Agreement amount) charged to the STIP PPM for Fiscal Year 2005-06, we found that the costs were reasonable, adequately supported, and eligible.
- Per the Agreement with Caltrans, OCTA had 60 days following the “completion of expenditures” to submit a Final Report of Expenditures to Caltrans. The last payment for the program was made on February 27, 2008 and the Final Report of Expenditures including the final OCTA invoice was submitted to Caltrans 119 days later on June 25, 2008. However, the Agreement also states that allocated PPM funds are available for expenditure until June 30, 2008. Therefore, we do not consider this an exception because there is no risk to funding.
- We found OCTA's accounting and invoicing procedures were adequate to ensure that project costs incurred are in accordance with the Agreement with Caltrans, and in conformance with *Article XIX – Motor Vehicle Revenues* of the California State Constitution. Our assessment was based on an internal control questionnaire, observations and interviews with OCTA officials.



- Based on our review of four of the six vendor contract files, we found adequate evidence of competitive bidding.
- Segregation of project costs was found to be adequate. Because OCTA is reimbursed for expenditures incurred for the Program on an actual cost reimbursement basis, no fund interest allocation was required.

## **BACKGROUND**

On August 18, 2005 OCTA entered into Agreement No. PPM06-6071 (027) (Agreement) with Caltrans to provide reimbursement of \$1,777,000 in funding for six projects or elements under the Program from funds allocated for Fiscal Year 2005-06. OCTA has submitted two invoices to Caltrans totaling the Agreement amount of \$1,777,000 for costs incurred during the Agreement term. One invoice for \$1,620,891.60 has been paid and the other invoice for \$166,108.40 is outstanding. The six projects have been completed.

## **PROCEDURES PERFORMED**

We performed the following procedures to ensure that OCTA had complied with the Agreement and *Article XIX - Motor Vehicle Revenues* of the California State Constitution requirements:

1. We reviewed the Agreement between OCTA and Caltrans to obtain an understanding of the Program and funding requirements.
2. We obtained and reviewed contract files for contracts issued by OCTA for the Program to identify contract provisions pertinent to our review and evidence of competitive bidding procedures.
3. We reviewed fund accounting procedures established by OCTA to account for Program transactions.
4. We obtained a detailed listing of Program expenditures and selected a statistical sample for testing. For the sample selected, we determined whether the expenditures were properly supported, approved, recorded, and consistent with the approved work program and in accordance with the Agreement and/or *Article XIX - Motor Vehicle Revenues* of the California State Constitution requirements.
5. We assessed whether OCTA complied with the reporting requirements of the Agreement.

## **LIMITATIONS AND RESTRICTIONS**

The procedures described above did not constitute an audit in accordance with generally accepted auditing standards, the objective of which would be the expression of an opinion on the specified elements, accounts, or items.

Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of OCTA and is not intended to be and should not be used by anyone other than these specified parties.

Torrance, California  
September 23, 2008





**October 10, 2008**

**To:** Members of the Board of Directors  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** State Legislative Status Report

**Overview**

The Fiscal Year 2008-2009 State Budget was signed by the Governor on September 23, 2008. An overview of the major provisions of the approved budget and the transportation component of the approved budget is provided. Included within the budget is trailer bill language that provides guidelines and implements specific Proposition 1B programs.

**Recommendation**

Receive and file as an informational item.

**Discussion**

Fiscal Year 2008-2009 State Budget

On September 23, 2008, Governor Schwarzenegger signed the Fiscal Year (FY) 2008-2009 State Budget, ending a record-breaking 85-day budget impasse. For FY 2008-2009 General Fund revenues are projected to be \$101.9 billion, \$1.837 billion less than FY 2007-2008. General Fund expenditures are projected to be \$103.4 billion, including a General Fund reserve of \$1.7 billion. However, the enacted budget projects a \$1 billion deficit beginning in FY 2009-2010. Before signing the budget, the Governor used his line-item veto authority to make an additional \$510 million in spending cuts to the General Fund.

The enacted budget closes the majority of the \$15.2 billion deficit through an estimated \$7.1 billion in spending cuts, modifying a number of "tax loopholes," and borrowing from future lottery revenues. Specifically, the budget modifies tax codes related to the vehicle and aircraft use tax ("yacht tax"), the net operating loss suspensions for businesses, and the estimated payment option for high-income taxpayers. Furthermore, the budget puts forth legislation which will modernize the state lottery system and allow for a portion

of future lottery revenue to be “securitized.” If approved by California voters, the budget projects \$5 billion will be realized for FY 2009-2010 to provide General Fund relief.

In addition, the budget provides several “budget reform” measures which were top priorities for Governor Schwarzenegger during budget negotiations. These measures include establishing a rainy day fund which equals 12.5 percent of annual General Fund revenues, requiring a minimum of 3 percent of General Fund revenues to be transferred into the rainy day fund in “high-growth” years, restricting the Legislature’s ability to access reserves to only deficit-driven years, and allowing the Governor to freeze or reduce departmental spending up to 7 percent midyear when expenditures exceed revenues.

Spillover and other transit revenues continue to be re-directed to General Fund obligations. Overall, the enacted budget shifts approximately \$1.7 billion in transportation funds to cover General Fund expenditures. A detailed summary of the abovementioned funding shifts is provided in the “spillover” section of this report.

Additionally, budget trailer bill language provides guidelines and implementation language for several Proposition 1B programs including the Trade Corridors Improvement Fund (TCIF), the State-Local Partnership Program (SLPP), and the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). A detailed summary of all the Proposition 1B program guidelines are provided in the “infrastructure funding” section of this report.

#### Transportation Component of the Budget

The major components of the Business, Transportation & Housing Agency (BT&H) revised budget affecting the Orange County Transportation Authority (OCTA) are described below:

#### Proposition 42

The enacted budget fully funds Proposition 42 at \$1.43 billion, to be distributed as follows:

- \$572.8 million to the State Transportation Improvement Program (STIP)
- \$572.8 million to local cities and counties
- \$286.4 million to the Public Transportation Account (PTA)

The budget also includes a minimum Proposition 42 loan repayment of \$83 million, as required by Proposition 1A that passed in November 2006.

#### State Transit Assistance

The enacted budget will fund the State Transit Assistance (STA) Program at \$306 million. Initially funded at \$559 million in the July Conference Committee budget, both the Governor and Republican Caucus provided alternative STA figures before the Legislature ultimately approved \$406.4 million in August. Governor Schwarzenegger used his veto authority to cut an additional \$100 million in STA funds from the final spending plan.

#### Spillover

For FY 2008-2009, spillover (a calculation of the difference between a portion of the state sales tax on all goods and the sales tax on gasoline) revenue is estimated to be \$1.427 billion. The enacted budget diverts all of the spillover to pay for General Fund obligations. The total diverted spillover funds, in combination with other PTA funds, totals \$1.7 billion in diversions and will be allocated to pay for the following expenditures:

- \$939 million for debt service on General Obligation transportation bonds
- \$83 million to payback a portion of the outstanding Proposition 42 loan
- \$593 million to pay for home-to-school transportation
- \$138 million to pay for regional center transportation

Trailer bill language in the FY 2007-2008 budget established a permanent diversion of spillover funds to cover General Fund expenditures. The formula diverts 50 percent of all spillover revenues to the Mass Transportation Fund (MTF) to be used to cover General Fund expenditures related to transportation.

Under trailer bill language in the FY 2008-2009 budget, there will be a required quarterly transfer of \$234.8 million to the MTF, for a total of \$939.4 million. This is more than the required 50 percent allocation under current law. If there is not enough funding in a particular quarter to allow for the required transfer, the transfers in subsequent quarters are to be increased to allow the total obligation to be met for the fiscal year. In retrospect, in the FY 2007-2008 budget message, the Governor warned that in future years further re-direction of spillover funds may occur based on budget needs at the time.

#### High-Speed Rail Authority

The Legislature's proposed budget funds the California High-Speed Rail Authority (CHSRA) at \$13.8 million with \$5.6 million in Public Transportation

Account (PTA) funds and \$8.2 million in Proposition 116 (1990) funds. The proposed budget also assumes the passage of the revised Safe, Reliable High-Speed Passenger Train Bond Act for the 21<sup>st</sup> Century (Proposition 1A) and would appropriate \$29.1 million in bond funds if approved.

#### Infrastructure Funding

The FY 2008-2009 budget appropriates \$4.74 billion of the \$19.95 billion total Proposition 1B bond funds. Specific program allocations are listed in Attachment A.

The enacted budget amended and provided clarification to three of the Proposition 1B programs: the TCIF, the PTMISEA, and the SLPP.

For the TCIF program, the budget allocates \$504 million for FY 2008-2009. Trailer bill language is included to establish the following provisions:

- Requires all projects which receive TCIF funding to meet specified air quality standards and requires to the California Transportation Commission (CTC) to collaborate with the California Air Resources Board to ensure projects are meeting the set standards
- Sets in statute the minimum regional allocations as adopted by the CTC for approved TCIF projects as follows:
  - Los Angeles/Inland Empire Corridor - \$1.5 billion
  - San Diego/International Border Corridor - \$250 million
  - San Francisco Bay/Central Valley Corridor - \$640 million
  - Other corridors - \$60 million
- Establishes criteria for funding eligibility for the Colton Crossing project and provides that if the Colton Crossing loses eligibility, the Southern California county transportation commissions are to select the replacement project
- Establishes reporting requirements for the California Department of Transportation (Caltrans)

Allocation guidelines were also included for PTMISEA, extending the FY 2007-2008 budget allocation formula through FY 2008-2009. The guidelines will expire on January 1, 2010, unless a later statute extends or deletes this deadline. This program is proposed to be funded at \$350 million.

Lastly, Proposition 1B included \$1 billion for the SLPP to be used by local and regional transportation agencies who have received voter approval for the imposition of local sales taxes or fees for transportation projects. Because of the desire to implement this program starting in FY 2008-2009 and the lack of

eligibility and allocation guidelines, enacted trailer bill language creates guidelines for the disbursement of SLPP funds.

Under the guidelines the CTC is now required to segregate SLPP funds into two continuously appropriated sub-accounts. The first account would receive 95 percent of the funds to be distributed by formula granting Northern California 37.6 percent of the funds and Southern California 62.4 percent of the funds. Funds distributed to Southern California counties would be further distributed by population, while funds distributed to Northern California counties would be distributed based on the amount of funds each county generates locally (return to source). Matching funds would be required in order to receive funding from this program.

The remaining 5 percent of the funds would be distributed through a competitive grant application process to be administered by the CTC. Eligible candidates are regional agencies which levy uniform developer fees which are used for transportation purposes. Initial project allocations will be made in April 2009, with no project to receive over \$1 million in a single funding cycle. In subsequent years, each year's allocation will be made by October.

Eligible projects under the SLPP include improvements to the state highway system, improvements to transit facilities, the acquisition of transit equipment, improvements to the local road system, improvements to bicycle or pedestrian safety, and to mitigate the environmental impacts of a project.

#### State Highway Account

The Governor's May Revise proposed a number of loans from various special funds to the General Fund to serve as one-time funding solutions, including a \$200 million loan from the State Highway Account (SHA). Enacted trailer bill language includes this element and further authorizes the SHA to borrow from the Pooled Money Investment Account to offset the SHA loan to the General Fund in an amount no greater than \$200 million in any given year. This amount is to be repaid no later than 30 days after the enactment of the subsequent year's budget. This authorization will become inoperative as of January 1, 2011, and is scheduled to be repealed January 1, 2012, unless later extended.

#### Impact on Orange County

The STA funding for transit operations is proposed at \$306.4 million statewide, of which OCTA is estimated to receive approximately \$18 million.

STIP funding is projected at \$572.8 million, of which OCTA will receive roughly \$27.9 million. These funds are already programmed against projects in



the 2008 STIP. Although Proposition 42 is proposed to be fully funded in FY 2008-2009, the STIP will continue to experience cost pressures due to the high level of project demand compared to available project funding, which could potentially cause project delays in the upcoming fiscal year.

In regards to Proposition 1B funding, it is estimated that OCTA will receive \$20.6 million from the PTMISEA. In addition, with the new guidelines approved through trailer bill language for the SLPP, it is projected that OCTA will receive \$84.8 million. These funds are to be dispersed over a five-year period for eligible projects. Furthermore, eight projects have been approved by the CTC for TCIF funding in Orange County, totaling \$218 million.

Overall, the \$1.7 billion cut in transportation funding will significantly impact transportation agencies throughout the state and limit OCTA's ability to provide adequate and sufficient services to meet the transportation needs of Orange County residents.

**Summary**

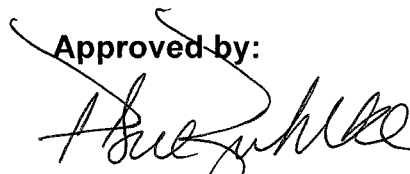
The enacted FY 2008-2009 State Budget was signed into law after a record-breaking 85-day impasse. The enacted budget diverts approximately \$1.7 billion in transportation funds to cover General Fund expenditures, cuts General Fund spending by an estimated \$7.1 billion, and uses a variety of borrowing and accounting maneuvers to cover the \$15.2 billion deficit. Trailer bill language was enacted for several Proposition 1B programs.

**Attachment**

A. Proposition 1B: Program Funding

**Prepared by:**

Manny S. Leon  
Senior Government Relations  
Representative  
(714) 560-5393

**Approved by:**

P. Sue Zuhke  
Chief of Staff  
(714) 560-5574

**Proposition 1B: Program Funding**Allocations for FY 2008-2009  
(Dollars in Millions)

<b>Program:</b>	<b>2008/09 Allocation:</b>	<b>Remaining Balance:</b>
Corridor Mobility:	\$1,556	\$2,336
Trade Corridors:	\$504	\$1,496
PTIMSEA:	\$350	\$2,650
STIP:	\$996	\$141
Local Streets and Roads:	\$250	\$713
SHOPP:	\$214	\$133
SLPP:	\$201	\$799
Grade Separations:	\$63	\$64
Highway 99:	\$104	\$882
Local Seismic:	\$21	\$90
Intercity Rail:	\$73	\$139
School Bus Retrofit:	\$0	\$7
Air Quality:	\$250	\$500
Transit Security:	\$101	\$798
Port Security:	\$58	\$1
<b>Total Appropriations:</b>	<b>\$4,741</b>	<b>\$10,749</b>





*BOARD COMMITTEE TRANSMITTAL*

**October 10, 2008**

**To:** Members of the Board of Directors

**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board

**Subject:** Amendment to Cooperative Agreement with the California Department of Transportation for the Eastbound Riverside Freeway (State Route 91) Project

Highways Committee Meeting of September 29, 2008

**Present:** Directors Amante, Cavecche, Dixon, Glaab, Green, Mansoor, Norby, Pringle, and Rosen

**Absent:** None

***Committee Vote***

This item was passed by all Committee Members present.

Director Pringle was not present to vote on this matter.

***Committee Recommendations***

- A. Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement No. C-7-1152 between the Orange County Transportation Authority and the California Department of Transportation, in the amount of \$307,600, for additional right-of-way support services.
- B. Amend the Orange County Transportation Authority's Fiscal Year 2008-09 Budget by \$307,600 for additional right-of-way support services related to the Eastbound Riverside Freeway (State Route 91) Project, and authorize the transfer of 91 Express Lanes reserves to fund this amendment.



**September 29, 2008**

**To:** Highways Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Amendment to Cooperative Agreement with the California Department of Transportation for the Eastbound Riverside Freeway (State Route 91) Project

**Overview**

On October 5, 2007, the Board of Directors approved a cooperative agreement with the California Department of Transportation, in the amount of \$1,016,400, to provide for the acquisition of right-of-way and right-of-way support services for the Eastbound Riverside Freeway (State Route 91) Project between the Eastern Transportation Corridor (State route 241) and the Corona Expressway (State Route 71).

**Recommendations**

- A. Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement No. C-7-1152 between the Orange County Transportation Authority and the California Department of Transportation, in the amount of \$307,600, for additional right-of-way support services.
- B. Amend the Orange County Transportation Authority's Fiscal Year 2008-09 Budget by \$307,600 for additional right-of-way support services related to the Eastbound Riverside Freeway (State Route 91) Project, and authorize the transfer of 91 Express Lanes reserves to fund this amendment.

**Background**

The proposed project improvements to the Riverside Freeway (State Route 91) between the Eastern Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71) include the construction of a fifth eastbound mixed-flow lane and widening of the existing lanes and shoulders to standard widths. This was also selected by the California Transportation Commission to receive Proposition 1B funding for construction of improvements.

Agreements with the California Department of Transportation (Caltrans) have been executed for Caltrans to prepare plans, specifications, and estimate, and right-of-way certification. The right-of-way costs were programmed based on the draft project report. The agreed upon budget for right-of-way capital and support was \$924,000 and \$92,400, respectively, totaling \$1,016,400.

***Discussion***

Due to the complexity of some right-of-way parcels on the project, the support cost for acquiring the properties has increased. Currently, the programmed amount for right-of-way support is insufficient to complete right-of-way acquisition. It is forecasted that the cost of right-of-way support for the project will be \$400,000. This is an increase of \$307,600 from the originally programmed amount of \$92,400. Staff believes that this increased amount is reasonable given the number and complexity of the parcels required for the project.

Right-of-way acquisition and support for this project is funded with 91 Express Lanes toll revenues. Toll revenues are used to fund expenditures related to operating capital, debt service, reserve set-asides, and the repayment of internal borrowings from the Commuter Urban Rail Endowment Fund (CURE). The amendment of \$307,600 has been modeled through the 91 Express Lanes cash flow to see the impact to the repayment schedule for the CURE. The use of these funds will not delay the final repayment beyond the anticipated date of fiscal year 2011.

**Fiscal Impact**

The additional right-of-way support services described in Amendment No. 1 to Cooperative Agreement No. C-7-1152 was not included in the Orange County Transportation Authority's (Authority) Fiscal Year 2008-09 Budget. Funds have been transferred from the 91 Express Lanes Revenues to Account 0017-7514-FJ100-HGL.

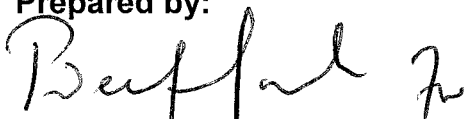
***Summary***

Staff recommends approval of Amendment No. 1, in the amount of \$307,600, to Cooperative Agreement No. C-7-1152 with Caltrans for additional right-of-way support services for the Eastbound Riverside Freeway (State Route 91) Project and to amend the Authority's Fiscal Year 2008-09 Budget by \$307,600 with funding through the 91 Express Lanes reserves.

***Attachments***

- A. California Department of Transportation, Cooperative Agreement No. C-7-1152 Fact Sheet
- B. Amendment No. 1 to Agreement No. C-7-1152

**Prepared by:**



Dipak Roy, P.E.  
Project Manager  
(714) 560-5863

**Approved by:**



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

**California Department of Transportation  
Cooperative Agreement No. C-7-1152 Fact Sheet**

1. October 5, 2007, Cooperative Agreement No. C-7-1152, \$1,016,400, approved by the Board of Directors.
  - Right-of-way acquisition and certification for the Riverside Freeway (State Route 91) eastbound lane addition between Eastern Transportation Corridor (State Route 241) and Corona Expressway (State Route 71).
2. October 6, 2008, Amendment No. 1 to Cooperative Agreement No. C-7-1152, \$307,600, pending approval by the Board of Directors.
  - Additional work for right-of-way support services.

Total committed to Caltrans after approval of Amendment No. 1 to Cooperative Agreement No. C-7-1152, \$1,324,000.



**ATTACHMENT B**

**AMENDMENT NO. 1 TO AGREEMENT NO. C-7-1152**

**APPROVED AS TO FORM WITH  
MINOR CHANGES**

Date: June 10, 2008  
Reviewed by: Stan Vander Mey  
Office of Cooperative Agreements

12-ORA-91 - PM 15.9/18.9

08-RIV-91 - PM 0.0/2.9

Widening SR-91 EB From SR-241/SR-91

To SR-71/SR-91 Interchange

EA 12-0G0401

District Agreement No. 12-573 A-1

Authority Agreement No. C-7-1152 A-1

**AMENDMENT NO 1 TO AGREEMENT No. 12-573**

This AMENDMENT NO.1 AGREEMENT No. 12-573, entered into effective on \_\_\_\_\_, 2008 is between the STATE OF CALIFORNIA, acting by and through its Department of Transportation, referred to herein as STATE, and,

ORANGE COUNTY TRANSPORTATION  
AUTHORITY, a public entity, referred to  
herein as "AUTHORITY"

District Agreement No. 12-573 A-1

**RECITALS**

1. The parties hereto entered into an Agreement No. 12-573 on November 27, 2007. Said Agreement defined the terms and conditions of a project to widen an additional lane on State Route 91 in eastbound direction from the SR-241/SR-91 interchange to the SR-71/SR-91 interchange in Orange County and Riverside County, referred to herein as "PROJECT".

2. The purpose of this Amendment No.1 is:

To increase the AUTHORITY'S obligation for right of way support cost to \$400,000.00 as shown in Exhibit A (Revised June 2008), attached hereto..

IT IS THEREFORE MUTUALLY AGREED

1. Article 2 of Section II of the original Agreement shall be revised to read as follows:

"To bear 100% of the actual R/W capital and R/W support costs for PROJECT, which is estimated to be \$ 400,000 for support and \$ 924,000.00 for capital, as indicated in the attached Exhibit A (Revised June 2008). Said costs of R/W shall include costs of providing personnel resources and their equipment and all direct and indirect costs (functional and administrative overhead assessments) attributable to R/W applied in accordance with STATE'S standard accounting

procedures. The actual cost of R/W for PROJECT shall be determined after completion of all work and upon final accounting of costs.”

District Agreement No. 12-573 A-1

2. Article 3 of Section II of the original Agreement shall be revised to read as follows:

“To deposit with STATE amount of \$ 924,000.00 towards R/W capital and \$400,000.00 towards R/W support costs within twenty (20) working days of receipt of billing from STATE which billing will be forwarded following execution of this Agreement.

3. Article 7 of Section III of the original Agreement shall be revised to read as follows:

“Neither STATE nor any officer or employee thereof is responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by AUTHORITY under or in connection with any work, authority, or jurisdiction conferred upon AUTHORITY or arising under this Agreement. It is understood and agreed that, AUTHORITY will fully defend, indemnify, and save harmless STATE and all of its officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, including, but not limited to, tortious, contractual, inverse condemnation, or other theories or assertions of liability occurring by reason of anything done or omitted to be done by AUTHORITY under this Agreement.”

4. Article 8 of Section III of the original Agreement shall be revised to read as follows:

“Neither AUTHORITY nor any officer or employee thereof is responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by STATE under or in connection with any work, authority, or jurisdiction conferred upon STATE or arising under this Agreement. It is understood and agreed that, STATE will fully defend, indemnify, and save harmless AUTHORITY and all of its officers and employees from all claims, suits, or actions of every name, kind and description brought forth under, including, but not limited to, tortious, contractual, inverse condemnation, or other theories or assertions of liability occurring by reason of anything done or omitted to be done by STATE under this agreement.”

5. All other terms and conditions of said Agreement shall remain in full force and effect.
6. This Amendment No. 1 to Agreement is hereby deemed to be a part of the Agreement 12-573.

District Agreement No. 12-573 A-1

STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION

ORANGE COUNTY  
TRANSPORTATION AUTHORITY

WILL KEMPTON  
Director of Transportation

By: \_\_\_\_\_  
Jim Beil

By: \_\_\_\_\_

Arthur T. Leahy  
Chief Executive Officer

APPROVED AS TO FORM  
AND PROCEDURE:

APPROVED AS TO FORM:

\_\_\_\_\_  
Attorney  
Department of Transportation

\_\_\_\_\_  
Kennard R. Smart, Jr.  
General Counsel

CERTIFIED AS TO FUNDS:

APPROVED

\_\_\_\_\_  
District Budget Manager

By: \_\_\_\_\_

Kia Mortazavi  
Executive Director

CERTIFIED AS TO FINANCIAL TERMS  
AND CONDITIONS:

Date: \_\_\_\_\_

\_\_\_\_\_  
HQ Accounting Administrator

District Agreement No. 12-573 A-1

**EXHIBIT A (REVISED June 2008)**

The Right of Way Support Services are established through the STATE WEN (Work Estimating Norms), (estimated at 4,000 hrs). This estimate is based on CTIPS and is established for project to be

	Additional Support	\$ 92,400.00
	OCTA's share	<u>\$ 307,600.00</u>
		\$ 400,000.00
Estimated R/W Capital costs for project		<u>\$924,000.00</u>
	OCTA's share	\$924,000.00
Estimated OCTA's total cost for PROJECT		\$ 400,000.00
		<u>\$ 924,000.00</u>
		\$1,324,000.00





## **BOARD COMMITTEE TRANSMITTAL**

**October 10, 2008**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles<sup>WK</sup>, Clerk of the Board  
**Subject:** Public Transit/Human Services Transportation Coordination Plan for Orange County

Transit Committee meeting of September 25, 2008

**Present:** Directors Brown, Green, Nguyen, Pulido, and Winterbottom  
**Absent:** Directors Buffa and Dixon

### **Committee Vote**

This item was passed by all Committee Members present.

Director Pulido was not present to vote on this item.

### **Committee Recommendations**

- A. Adopt the Public Transit/Human Services Transportation Coordination Plan for Orange County.
- B. Direct staff to develop final project recommendations and return to the Board of Directors with a Call for Projects for the Section 5316 and Section 5317 federal funding programs.





**September 25, 2008**

**To:** Transit Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Public Transit/Human Services Transportation Coordination Plan for Orange County

### **Overview**

The Federal Transit Administration has established funding opportunities to address the special transportation needs of seniors, persons with disabilities, and persons of low income. To access this funding, communities must engage in a coordinated planning process with local human services agencies and stakeholder organizations to develop strategies which address the transportation needs of these vulnerable populations. The planning process has concluded and a Public Transit/Human Services Transportation Coordination Plan for Orange County has been developed. Board of Directors' approval is required to adopt the plan and initiate the next steps in accessing these federal funds.

### **Recommendations**

- A. Adopt the Public Transit/Human Services Transportation Coordination Plan for Orange County.
- B. Direct staff to develop final project recommendations and return to the Board of Directors with a Call for Projects for the Section 5316 and Section 5317 federal funding programs.

### **Background**

Coordination of public transit and human services transportation has long been a topic of discussion at federal and state levels, as well as within Orange County. There are a number of specialized human services transportation programs available in the County which serve seniors, persons with disabilities, and persons of low-income. Combined with Orange County Transportation Authority (Authority) public transit and other partnership programs, these services provide more than 70 million trips per year. Despite these efforts,

there are still unmet transportation needs. Coordinating public transit and human services transportation is a way to maximize scarce resources.

The 2005 reauthorization of federal transportation funding under the Safe, Affordable, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) reflects renewed attention to coordination, specifically in three Federal Transit Administration (FTA) programs – the Section 5310 Capital Grant Program, the New Freedoms Initiative, and the Job Access and Reverse Commute (JARC) Program – which target seniors, persons with disabilities, and persons of low income. In order to access funding under these federal grant programs, local and regional jurisdictions are required to develop a coordination plan to identify strategies which address unmet transportation needs among these populations.

One of the FTA objectives in requiring the development of a coordination plan is to provide an opportunity for human services agencies to leverage existing resources to secure additional funding through these grant programs. For fiscal year 2008, the Section 5310 program has over \$12 million available for statewide competition. The four-year federal allocation through fiscal year 2009 for Section 5317 New Freedom funds is more than \$3.4 million. Similarly, more than \$7.3 million in Section 5316 JARC funds is available to Orange County. Consistent with other competitive grant programs such as the Authority's combined transportation funding programs (CTFP), agencies obtaining funds under these grant programs are required to provide a local match. The FTA requires a 20 percent local match for capital expenses and a 50 percent match for operating expenses. As the regional transportation planning agency (RTPA) in Orange County, the Authority is responsible for allocating New Freedom and JARC funds based on a competitive selection derived from the coordination plan.

### ***Discussion***

The Authority retained the consulting services of A Menninger–Mayeda Alternative (AMMA) in October 2007 to assist in the development of the coordination plan (Attachment A). The planning process involved a variety of activities such as an assessment of existing specialized transportation services, trip demand estimates and a comprehensive public outreach effort. As a result of these efforts, five priority project strategies were identified as having the highest possibility of impacting large numbers of consumers and offering the most viable opportunities for grant funding and project implementation by interested agencies. The priority project strategies include:

- Enhancements to current non-emergency medical transportation services for seniors and persons with disabilities
- Enhancements to human services transportation
- Voucher and subsidized transportation programs for low-income transit users
- Vehicle replacement and expansion for human services organizations
- Coordination of transportation information and services through the establishment of mobility managers

Development of programs to address these needs is consistent with one of the Authority's paratransit growth management objectives to improve mobility in Orange County through coordinated partnerships and projects. Even before the growth management effort, the Authority was proactive in developing community partnerships and coordination strategies, resulting in several alternative transportation programs which provide consumers with additional mobility options. Adoption of the coordination plan allows the Authority to further facilitate these efforts by developing a process and structure for the review, selection, and approval of projects and programs submitted for federal grant funding and implementation by interested agencies.

Following adoption of the coordination plan by the Board of Directors (Board), staff will work with the consultant to further refine the recommended strategies and develop a Call for Projects for the Section 5316 and Section 5317. The statewide Section 5310 program is currently in progress; the Board recently approved the Regional Priority List which included capital funding projects submitted by five Orange County organizations pursuing more than \$1.85 million for vehicles and equipment to transport seniors and persons with disabilities. Funding approval by the California Transportation Commission for the Section 5310 projects is anticipated in November 2008.

### ***Summary***

The Public Transit/Human Services Transportation Coordination Plan for Orange County has been prepared in accordance with federal guidelines under SAFETEA-LU. The plan identifies unmet transportation needs for seniors, persons with disabilities, and persons of low income and offers recommended project strategies for funding under three Federal Transportation Administration grant programs. Board adoption of the plan allows the Authority to facilitate coordination of transportation programs and projects among human service agencies and develop a process and structure for the review, selection, and approval of projects submitted by these agencies for grant funding.

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***Attachment***

- A. Public Transit/Human Services Transportation Coordination Plan for Orange County Executive Summary

**Prepared by:**

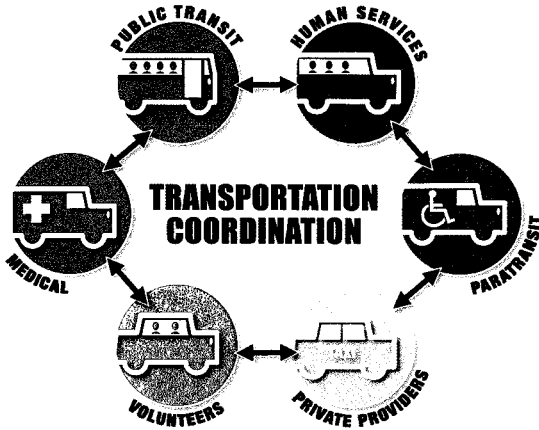


Dana Wiemiller  
Community Transportation Coordinator  
(714) 560-5718

**Approved by:**



Beth McCormick  
General Manager, Transit  
(714) 560-5964



**PUBLIC TRANSIT/HUMAN SERVICES  
TRANSPORTATION COORDINATION PLAN  
FOR ORANGE COUNTY**

*Executive Summary*

*Submitted to:*

**Orange County Transportation Authority  
Orange, CA.**

*Submitted by:*



**A-M-M-A TRANSIT PLANNING  
CLAREMONT, CA.**

*With:*

**TRANSIT MARKETING  
TUCSON, AZ.**

**TRANSPORTATION PLANNING & POLICY  
COSTA MESA, CA.**

**AUGUST DRAFT 2008**

## Introduction to This Plan

### Introduction to This Plan

While public transportation addresses the needs of the broad population within Orange County, there are groups for whom it is of particular importance. The elderly, when they are no longer able to drive, must still have transportation if they are to remain independent and have access to critical services. Persons with disabilities face physical, cognitive and mental challenges that increase the difficulty of travel by either personal or public means. And persons of low income struggle to access jobs and services that often require transportation to locations and at times of day that are outside the mainstream. These populations, and their often difficult-to-serve needs, are the topic of this plan.

In recognition of the special needs of the elderly, persons with disabilities and persons of low income, Congress has established new funding specifically to address the transportation needs of these vulnerable groups. To access this funding, a community must actively engage in Public Transportation-Human Services Transportation Coordination. Specifically, they must create a plan which identifies needs not met by current public transit and human services transportation and which proposes strategies for using both current and new funding to meet those needs.

Orange County Transportation Authority (OCTA) has a history both of providing extensive transit services for the general population, and of striving to meet the special needs of seniors and persons with disabilities. OCTA has forged creative partnerships, with cities and human service agencies to construct and fund coordinated responses to specialized transportation needs. OCTA's Senior Mobility Program, which long pre-dates this new federal direction requiring coordination, demonstrates the organization's commitment to meeting the transportation needs of all.

The current array of public and human services transportation in Orange County is currently meeting a wide variety of needs and providing more than 70 million trips per year. These services are heavily used by the three target populations: 80% of fixed route riders are low income, while ACCESS paratransit and senior mobility services are used by thousands of persons with disabilities, including seniors. Despite OCTA's best efforts, however, there remain needs that are not fully met by the current transportation network. The goal of this plan is to identify those needs, and where possible, identify strategies for meeting them.

*A strong America depends on citizens who are productive and actively participate in the life of their communities.*

*Transportation plays a critical role in providing access to employment, medical and health care, education and other community services and amenities. The importance of this role is underscored by the variety of transportation program that have been created in conjunction with health and human services program, and by significant Federal investment in accessible public transportation systems throughout the Nation.*

*President George W. Bush  
Washington DC*

*February 24, 2004*

*-- United We Ride Initiative*

Some of the needs identified are long-standing issues of which OCTA is aware and, in some instances, has programs on the drawing board to address. Other needs have emerged because of the growth in particular population segments, particularly the elderly, and will require expansion of programs that target these groups. Some needs are simply “quality of service” issues that any transit agency struggles to address daily. Yet other needs are so specialized and so difficult-to-serve that they may never be met by public transit services and must be addressed by human services systems, if at all. That is the objective of “coordination” – to determine what type of organization is best suited to address specific needs, recognizing that a public transit authority like OCTA cannot do it all.

Input from a broad spectrum of sources has been used in development of this plan: quantitative sources such as census data and a survey of agencies, and qualitative sources including interviews and focus groups with hundreds of individuals.

Some of the needs outlined in the needs assessment portion of the plan are broad and cut across various constituencies. Others are quite specific and are relevant only for those with a particular challenge. The plan attempts to capture all of these needs and then to suggest and prioritize strategies that will provide enhanced transportation for significant numbers of Orange County residents.

The plan is organized into six chapters. The first chapter sets forth requirements the Plan must address in order to draw down these new funding sources. Chapter 2 quantifies the population groups and estimates trips these individuals might need, now and over the next two decades. Chapter 3 considers the public transit resources available and how these compare to estimates of trip need. Chapter 4 considers funding resources of both the public transit and human services industries. In Chapter 5, the major information gathering efforts of the planning process are reported, presenting the market research findings developed from the Plan’s broad-based surveying and public outreach activities. Finally, in Chapter 6, the Plan sets forth four goals and priority strategy areas that the findings suggest, to provide future direction to both OCTA and its human service agency planning partners. Technical appendices include a detailed survey findings and summaries of outreach meetings and focus groups.

# PUBLIC TRANSIT – HUMAN SERVICES TRANSPORTATION COORDINATION PLAN FOR ORANGE COUNTY

## Executive Summary

### A COORDINATED PLAN: MEETING A NEED

Orange County's public transportation is an extensive network of public transit routes and services interconnecting the county's 34 cities and linking the north, south and west areas of the county. Its elements include fixed-route local, express and inter-county services, Metrolink station shuttles, the Federally-mandated Americans with Disabilities Act (ADA) program, ACCESS, and other specialized services that are partly supported by Orange County Transportation Authority (OCTA) but operated by cities and other agencies. Orange County enjoys a wealth of public transit services, although some needs of individual seniors, persons with disabilities and persons of low-income are not well-met by the existing fabric of services. This Plan assesses the challenge of providing transportation for Orange County's at-risk populations, and proposes integrated solutions to help meet the challenge of developing cost-effective transportation options to continue to improve the mobility – and thus the health, welfare and economic status – of the county's most vulnerable citizens.

### WHY IS THIS PLAN REQUIRED?

This Plan is prepared, on behalf of the Orange County Transportation Authority, in response to the coordinated planning requirements of SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users, P.L. 190-059), set forth in three sections of the Act: Section 5316-*Job Access and Reverse Commute* program (JARC), Section 5317-*New Freedom* program and Section 5310-*Elderly Individuals and Individuals with Disabilities* program.

The Coordinated Plan establishes the framework for developing a unified comprehensive strategy for transportation service delivery focused on unmet transportation needs of three target population groups -- persons with disabilities, individuals of low-income and seniors. The Coordinated Plan must contain the following four (4) required elements, as identified in the implementing circulars FTA C. 9070.1F, FTA C. 9050.1 and FTA C. 9045.1:

1. An **assessment of available services** identifying current providers (public and private);
2. An **assessment of transportation needs** for individuals with disabilities, older adults and persons with low incomes, based upon an understanding of needs and gaps in service;
3. **Strategies and/or activities and/or projects** to address the identified gaps between current services and needs, as well as opportunities to improve efficiencies in service delivery;
4. **Priorities for implementation** based on resources (from multiple program sources), time and feasibility for implementing specific strategies and/or activities identified.



## HOW WAS THIS PLAN DEVELOPED?

Responding to the Federal guidance around the coordinated plan, an early vision and three working goals were articulated for the Plan's development:

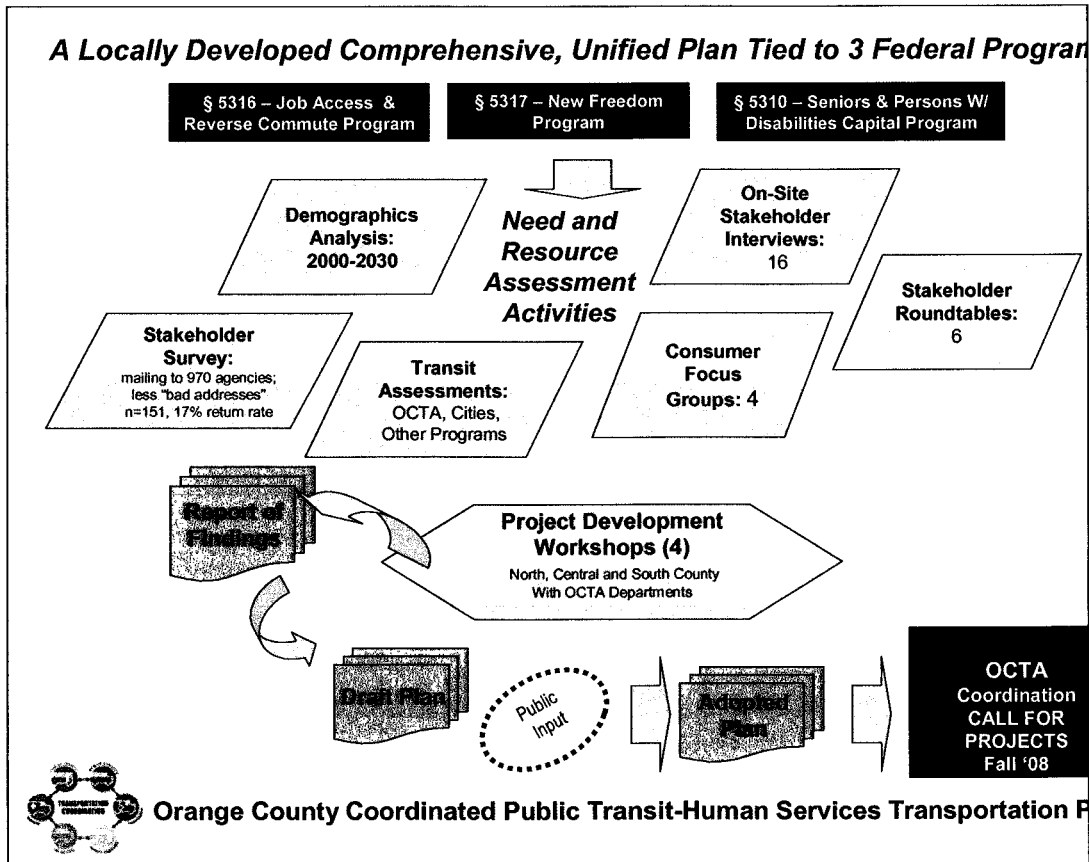
**Vision:** *TO IMPROVE MOBILITY IN ORANGE COUNTY THROUGH COORDINATED PARTNERSHIPS AND PROJECTS.*

**Working goals:**

1. To **identify and promote partnerships** to address specialized transportation need by looking for **interested, willing and able partners** among the public and private agencies and organizations working with the target populations.
2. To **identify possible projects** that can respond to needs and gaps emerging through the process.
3. To encourage these new partnerships towards **project development** and in making application for funding under a coordinated planning process.

To meet these, a comprehensive process was designed that included a countywide survey distributed twice to almost 1,000 agencies and an extensive outreach process involving almost 450 individuals who provided direct input to this Plan's assessment of needs and recommended direction. The overall plan development is depicted in Exhibit ES-1 below:

Exhibit ES-1



## WHICH ORANGE COUNTY RESIDENTS NEED TRANSPORTATION ASSISTANCE?

Population estimates identified Orange County's target population groups and projects the number of trips these persons potentially need. Detailed in Chapter 2 of the Plan, the U.S. 2000 census data defines specific subgroups by which **a range of 412,000 to 450,000 persons are estimated as the countywide target population size**. These individuals are between ages 16 to 64 and are low-income or disabled or are seniors ages 65 and older; together they represent between 14 to 16 percent of Orange County's 2000 population of 2.8 million residents.

**Population projections**, drawn from the California Department of Finance, suggest that significantly increasing numbers of residents will be within the target population:

- By 2010, 486,000 to 519,000 persons, up to 16 percent of projected 3.3 million residents.
- By 2020, between 611,000 to 646,000 persons, up to 18 percent of 3.5 million residents.
- By 2030, between 771,000 to 807,000 persons, up to 22 percent of 3.6 million residents

Target group average trips per day were estimated to suggest the proportion of these trips that might present for public transit. Public transit trip need was also estimated as a range. Projected **annual trip needs of 11.6 million to 14.5 million public transit trips** are estimated, based upon the 2000 Census population base. In Chapter 3, these trips are contrasted with trips currently provided in FY 2007. For all public transit trips, over 67.2 million trips were provided on both fixed-route and public paratransit. Of these 1.6 million were specialized transit trips of ADA and demand responsive service. It appears then that Orange County is meeting the needs likely to present.

However, the Plan further hypothesizes, that of total public transit trips needed, one in four trips or 25 percent, requires special assistance. Such assistance could be paratransit or individualized service, shuttle services, or information about fixed-route transit. This estimated level of need is estimated at **2.9 to 3.6 million specialized transportation trips** needed annually by the target populations. Contrasted with only the specialized transit trips provided, 1.6 million current specialized transit trips the Plan documents, **trips provided are about half the low-end range of specialized trips needed**, suggesting some latent demand, service gaps or undermet needs exist.

Trips provided can be described as follows, in relation to the 2007 Orange County population:

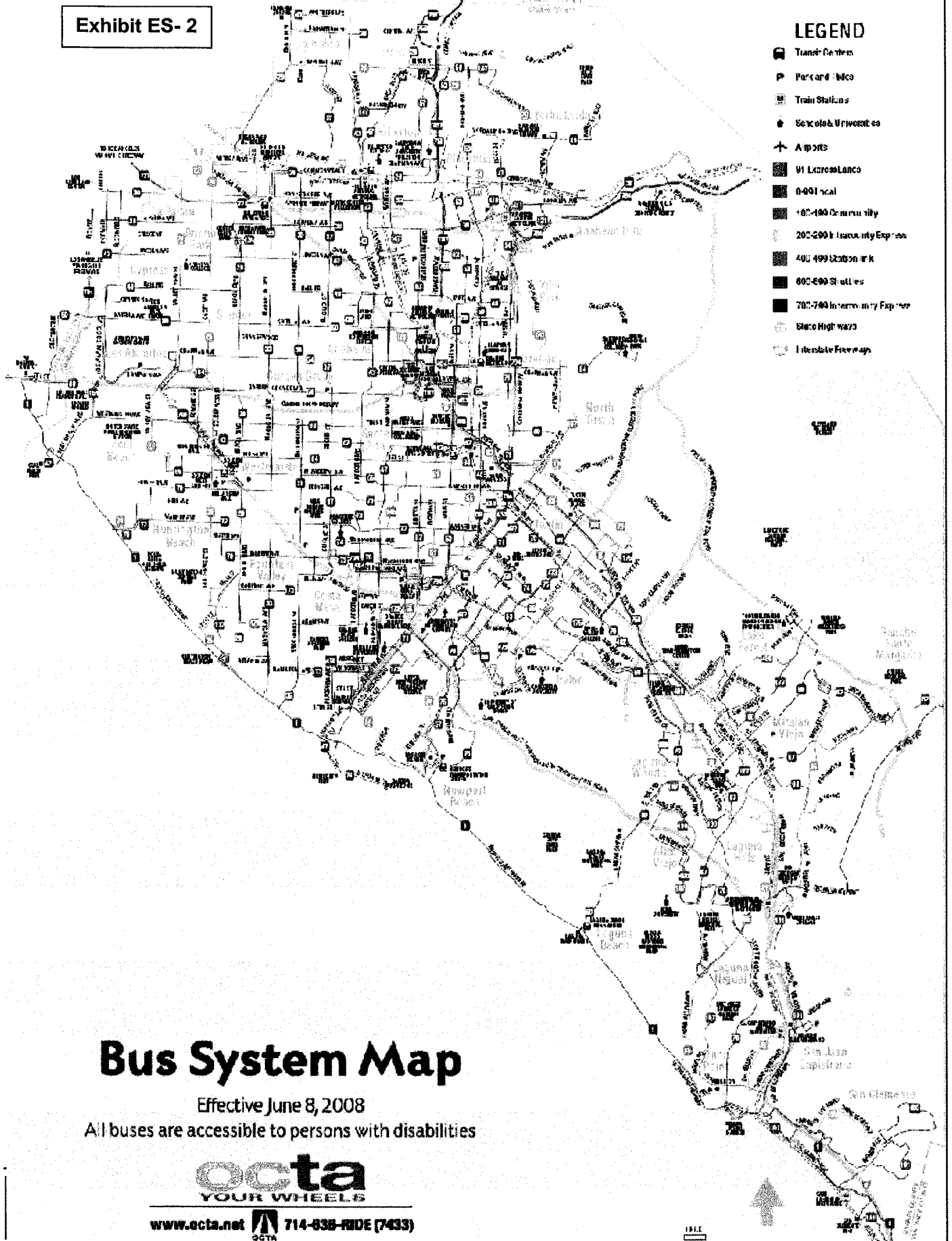
- |   |                       |
|---|-----------------------|
| - All trips   | 21.7 trips per capita |
| - Fixed-route only trips                              | 21.1 trips per capita |
| - All demand response trips of all types reported     | 0.6 trips per capita  |
| - Only OCTA demand response & Senior Mobility Program | 0.5 trips per capita  |
| - Only stakeholder reported trips, no OCTA support    | 0.1 trips per capita  |

## What Public Transit Resources Now Exist?

Orange County does have a significant network of public transit services, with OCTA's primary services presented in ES-2 that account for almost 98 percent of all transit documented, inclusive of Laguna Beach Transit. Other smaller programs include OCTA's ACCESS program, providing 2 percent of documented trips and then modest additional trips provided through the OCTA's Senior Mobility Programs' 21 cities and agencies, and other coordinated transportation programs, including the County Office on Aging's Senior Non-Emergency Medical Transportation.

Exhibit ES- 2

See reverse of map for close-ups of major bus transfer areas.



**LEGEND**

- Transit Centers
- Port of Call
- Train Stations
- Schools & Universities
- Airports
- V1 Express/Lanco
- 0-401 Local
- 600-100 Community
- 200-299 Inland County Express
- 400-499 Interurban
- 600-699 St. Altes
- 700-799 Interurban Express
- State Highways
- Interstate Freeways

**Bus System Map**

Effective June 8, 2008

All buses are accessible to persons with disabilities



[www.octa.net](http://www.octa.net) 714-838-ride (7433)



## WHAT FUNDING IS AVAILABLE?

Funding of obvious interest to this review, is considered in Chapter 4. For FY 2007, transit expenditures countywide were \$300 million, of which 96 percent were expended for public transit operations. Human service organizations reported \$15.3 million, with the largest proportion spent for direct operations, but also including purchasing bus tokens and passes, taxi vouchers and some mileage reimbursement. These same agencies reported providing 550,000 trips, a small proportion of the more than 66 million trips provided by fixed route but significant when contrasted with almost 1.1 million ACCESS trips provided that year.

## WHAT DID THE MARKET RESEARCH SURVEY TELL US?

A survey of potential planning partners develops a picture of specialized transportation resources, needs and gaps in service for Orange County residents. Of the almost 1,000 agencies contacted twice during this process, a healthy 17 percent return rate, returned responses from 159 agencies and organizations, with results summarized in Chapter 5. Respondents included a good mix of public and private, for-profit and not-for-profit, including faith-based groups.

**Transportation functions** of some type are reported by six in ten of respondents (95 agencies-62 percent), including directly providing service, contracting for service, subsidizing bus passes and tokens, arranging for volunteer drivers or arranging transport for the consumer.

**Vehicles reported** numbered 1,362, of which 409 (30 percent) are in public transit operations. Notably, of the vehicles reported by human service agencies, only one-fifth are lift-equipped, while 100 percent of the public transit vehicles are accessible and lift-equipped. Importantly, respondents indicate that a third of reported vehicles must be replaced within two years.

**Trips provided** by human service organizations were reported as 184,000 one-way trips for FY 2007, below that of OCTA's *Senior Mobility Program* (300,000 one-way trips) and double the County Office on Aging *Senior Non-Emergency Medical Transportation* (72,000 one-way trips).

There was agreement on the top-ranked need across public transit, human services and private-sector organizations – **non-emergency medical trips ranked as the highest need by 45 percent of all responding agencies**. Among exclusively the 41 human service transportation providers currently providing trips, the next ranked needs were medical trips (76 percent); counseling or mental health treatment (71 percent); shopping with multiple errand trips (54 percent); and training and education (39 percent).

Top-ranked barriers to accessing needed transportation identified by responding agencies included:

- **Difficulty in working with public transit** in terms of its reliability, and its rules and requirements that sometimes conflict with the individualized needs of consumers.
- **Consumers' individualized needs** make it difficult to use available public transit. These needs include assistance in finding and planning trips on existing service, interpreting information about transit, booking trips, special help for individuals on dialysis or with behavioral health needs.
- **Funding challenges** for directly operating or contracting for transportation.
- **Agency restrictions**, structures or organizational limits impacting provision of transportation.

## WHAT WE LEARNED FROM STAKEHOLDERS: NEEDS, GAPS AND BARRIERS?

An extensive outreach process, involving both agency representatives and consumers is also described in Chapter 5 of the Plan. A series of workshops, roundtables, meetings, interviews and consumer focus groups were held, involving more than 450 individuals. In addition to other outreach activities, four workshops were conducted – in Orange, Laguna Niguel, in Anaheim and internally with OCTA staff – to report back to participants and invite feedback on early findings. Outreach findings are grouped into four categories of issues:

### 1. Enhanced Transportation Information and Coordination

*Seven strategy areas* considered included gatekeeper training, information updates, resource guides, input to service planning decisions, consumer trip planning assistance, mobility training and buddy travel and getting transit information to mono-lingual or isolated communities.

### 2. Enhancements to Human Services Transportation

*Fifteen strategy areas* detailed such topics as driver training, volunteer retention and insurance, bilingual drivers, rising fuel costs, enhanced passenger information, accessible vehicles and vehicle replacement, coordinated trip scheduling, vehicle and driver back-ups or shared use, assistance with transit contracting and full cost accounting, operations manager training, services at capacity and Mobility Managers.

### 3. New/Expanded Services to Meet Specific Needs

*Five strategy areas* addressed same-day non-emergency medical transportation, transportation appropriate for frail elderly and for medical trips, specialized shuttles or van pools for particular purposes or consumer groups, need for reduced fares.

### 4. Enhancements to OCTA Services

For *fixed-route services*, *six strategy areas* identified included limited weekend and evening services, reducing overcrowding on selective routes, driver training for fixed-route, pockets of unserved needs, express bus needs, and bus stop signage.

For *ACCESS services*, *nine strategy areas* identified included topics of telephone contact after 5 p.m., call-ahead notification, addressing no-shows, same-day service, ride times, supplemental taxi service quality issues, ADA eligibility processes and reservations.

## LEADING TOWARDS RECOMMENDATIONS

Federal guidance suggests that coordination-friendly policies must be developed by regional public transit agencies and human service organizations to ensure that projects seeking funding can be approved and incorporated into the regional Program of Projects (POP), the tool by which Federal funding is assured. Implementation of strategies identified in this Plan will assist OCTA and other organizations in Orange County in promoting a “culture of coordination” to stretch scarce resources and meet mobility needs of the target populations.

Such a culture of coordination is complicated by the differing missions and regulatory requirements of two service industries: *public transit* and *human services* agencies and organizations. While very real differences in mission, language and structures pose significant challenges, nonetheless, continuing such efforts to coordinate will build the capacity of Orange County to address identified needs, growing the quantity and quality of trips provided by leveraging a range of funding resources. Orange County has more history at this than many other areas, with its Senior Mobility Program and its other coordinated programs. To continue to develop cost-effective, responsive services suggested by this Plan, both public transit and human services agencies must be active partners in larger capacity-building efforts.

## RECOMMENDATIONS AND PRIORITY AREAS

This Plan's findings are addressed, in part, by a series of near-term and longer-term activities OCTA has on the drawing board. Nonetheless, continued focus on the identified needs of the target groups can be addressed by the Plan's vision statement and considered – over time -- in relation to four implementing goals:

**VISION: TO IMPROVE MOBILITY IN ORANGE COUNTY THROUGH COORDINATED PARTNERSHIPS AND PROJECTS ON BEHALF OF SENIORS, PERSONS WITH DISABILITIES AND PERSONS OF LOW-INCOME.**

GOAL 1: ENHANCED TRANSPORTATION INFORMATION AND COMMUNICATION

GOAL 2: ENHANCEMENTS TO HUMAN SERVICES TRANSPORTATION

GOAL 3: NEW/ EXPANDED SERVICES TO MEET SPECIFIC NEEDS

GOAL 4: ENHANCEMENTS TO OCTA FIXED ROUTE AND ACCESS

Chapter 6 presents a matrix detailing these goals in terms of strategy areas discussed and their appropriateness for funding through Section 5310, Section 5316 or Section 5317. Such strategies only suggest potential projects, to evolve as the County's response to this Coordinated Plan unfolds.

Five priority opportunities are proposed, offering guidance for implementation:

Project Area #1: Enhancements to current non-emergency medical services provided to senior and non-senior persons with disabilities.

Project Area #2: Enhancements to Human Services Transportation

Project Area #3: Programs for Vouchers or Subsidized Work/Training-Oriented Transportation for Low-Income Transit Users

Project Area #4: Human Services Vehicle Replacement and Expansion

Project Area #5: Mobility Managers to Coordinate Information and Support Services

Each priority area involves considerable implementation detail. All of OCTA's planning partners concerned with the content of this Plan are encouraged to participate and to assist, as appropriate to each organization. Making choices among equally worthy alternatives, or priorities, requires developing consensus and supporting policy makers in moving forward.





BOARD COMMITTEE TRANSMITTAL

October 10, 2008

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** South Orange County Major Investment Study - Recommended Locally Preferred Strategy

Highways Committee Meeting of September 29, 2008

**Present:** Directors Amante, Cavecche, Dixon, Glaab, Green, Mansoor, Norby, Pringle, and Rosen  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

Director Pringle was not present to vote on this matter.

**Committee Recommendations**

- A. Accept the locally preferred strategy recommendations from the Policy Advisory Committee.
- B. Establish the Renewed Measure M freeway plan as a priority for improving transportation in south Orange County followed by additional proposed improvements to the Santa Ana Freeway (Interstate 5) and the San Diego Freeway (Interstate 405), as defined in the locally preferred strategy and based on funding availability.
- C. Continue to evaluate the feasibility of the locally preferred strategy by:  
(1) working with the Transportation Corridor Agencies and the California Department of Transportation to maximize the efficiency of south Orange County's freeway and toll road facilities; (2) affirming local agencies' decisions to further study east-west arterial improvements identified in the locally preferred strategy; and, (3) conducting a comprehensive review of the Master Plan of Arterial Highways improvements with the input of local agencies.
- D. Seek further public input on the transportation concepts included in the locally preferred strategy through the Long-Range Transportation Plan update starting in late 2008.





**September 29, 2008**

**To:** Highways Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** South Orange County Major Investment Study – Recommended Locally Preferred Strategy

**Overview**

The Orange County Transportation Authority is nearing completion of a major investment study for the south Orange County area. The effort spanned over two years and includes input from stakeholders and policymakers in south Orange County. The recommended locally preferred strategy is presented for review and consideration.

**Recommendations**

- A. Accept the locally preferred strategy recommendations from the Policy Advisory Committee.
- B. Establish the Renewed Measure M freeway plan as a priority for improving transportation in south Orange County followed by additional proposed improvements to the Santa Ana Freeway (Interstate 5) and the San Diego Freeway (Interstate 405), as defined in the locally preferred strategy and based on funding availability.
- C. Continue to evaluate the feasibility of the locally preferred strategy by: (1) working with the Transportation Corridor Agencies and the California Department of Transportation to maximize the efficiency of south Orange County's freeway and toll road facilities; (2) affirming local agencies' decisions to further study east-west arterial improvements identified in the locally preferred strategy; and, (3) conducting a comprehensive review of the Master Plan of Arterial Highways improvements with the input of local agencies.
- D. Seek further public input on the transportation concepts included in the locally preferred strategy through the Long-Range Transportation Plan update starting in late 2008.

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***Background***

In October 2005, the Orange County Transportation Authority (OCTA) launched the South Orange County Major Investment Study (SOCMIS). The study's objective was to develop consensus on a locally preferred strategy (LPS) of long-range, multi-modal transportation improvements. This major investment study (MIS) follows a three-phase process, with the same set of tasks and decision milestones as other MISs previously conducted in Orange County. In Phase I of the study, the SOCMIS Mobility Problem and Statement of Purpose and Need, as well as 14 initial alternative strategies were approved by the Board of Directors (Board) for screening on May 14, 2007.

Phase II of the study involved screening of this initial set of alternative strategies. On October 22, 2007, the Board approved a reduced set of six alternative strategies for more detailed evaluation. The third and final phase of this study identifies and recommends a LPS for the SOCMIS study area, which is presented in this report. The SOCMIS also included an extensive public involvement program that continued throughout the life of this study. OCTA is committed to encouraging public involvement and seeking input throughout the transportation planning process. Attachment A provides an overview of OCTA's outreach activities to date.

***Discussion***

The purpose of Phase III of this study was to identify, through additional technical analysis as well as public input, the best performing elements of the reduced set of six alternative strategies and package them into a final LPS. The information produced during the evaluation of alternatives was then used to provide the technical rationale and basis of discussion for developing the LPS. Community and agency input on the various high performing elements was sought to help identify the final package of improvements recommended to be included and moved forward in a LPS. The draft SOCMIS Evaluation of Alternatives Report Executive Summary is included in Attachment B.

The Policy Advisory Committee (PAC) reached consensus for a LPS on July 16, 2008. The LPS includes arterial, freeway/toll road, and transit system improvements and addresses all modes of transportation in the south Orange County study area. The following is a summary of the draft LPS recommendation, beginning with the future year baseline improvements. Details on these improvements are included in Attachment C.

- Future Transportation Baseline (2030) – This defines what projects are already funded and/or committed within the study area for implementation prior to 2030. Examples of major committed infrastructure include: completion of Foothill Transportation Corridor (State Route 241), 30-minute Metrolink service, as well as several arterial improvement projects such as the completion of Avenida La Pata between San Juan Capistrano and San Clemente.
- Transportation System Management/Transportation Demand Management (TSM/TDM) – These are lower cost improvements that can be implemented relatively quickly in the study area. The TSM/TDM improvements aim to maximize use of existing transportation infrastructure. Examples include merging lanes and signal coordination along major arterials. Also included are increases in transit service, access improvements to rail stations, and non-motorized transportation options (e.g., bike and pedestrian facilities).
- Arterial System – These are proposed improvements to the arterial system as well as the identification of strategies to address east-west capacity needs to keep pace with growing traveling demand in the rapidly developing areas of southeast Orange County. Any future study of local east-west arterial concepts will be at the discretion of the affected local governments and would need to include extensive public outreach.
- Freeway and Toll Road System – This would add lanes to the freeway system in locations that experience the most severe levels of freeway congestion. It would also achieve a better balance between the freeway system and the toll road system by widening the toll roads in the study area and by reducing the price of tolls for users. This portion of the LPS emphasizes the benefits provided by the Renewed Measure M freeway program.
- Bus Transit System – These are enhancements to the existing bus service and the introduction of new types of bus transit services to address a variety of travel markets within the study area. Proposed transportation features would include better local and express bus services by increasing frequency and expanding geographic coverage, investing in community based shuttles, adding new beach buses and special event shuttles, and introducing bus rapid transit service.

- Rail Transit System – These are enhancements that would improve travel times and trip reliability. Some of the proposed transportation features include double tracking the Los Angeles - San Diego - San Luis Obispo Rail Corridor on a new alignment, addressing the area that is currently single track, and increasing passenger rail service by adding more round trip trains, more weekend trains between Los Angeles and San Diego counties, and a potential new train station at Lake Forest.

One of the main objectives of the SOCMIS was to reduce the amount of traffic congestion building up on the major arterials and freeways in the study area while minimizing community impacts. If all elements were constructed by 2030, mobility improvements would be realized over the baseline condition. The LPS eliminates more than half of this traffic congestion (an estimated 58 percent reduction in vehicle hours of delay) through a multimodal investment in arterials, freeways, toll roads, and transit.

Mobility benefits include (approximately):

- Fifty-five to eighty percent improvement in average speeds on the major arterials during the morning peak period;
- Thirty percent improvement in average speeds on the freeway system during the morning peak period; and
- Thirty-five percent increase in daily transit ridership.

The total capital cost estimate for the recommended draft LPS is \$12.5 billion (2008). As with all major investment studies, the plan exceeds available funding and is intended to provide a vision so needed funding can be identified and sought in future years. This estimate is intended to illustrate the total cost if everything being recommended in the strategy, including projects resulting from studies such as of east-west arterials, were constructed. The SOCMIS is not suggesting that all the elements included in the draft LPS can be built; rather, that these decisions be made sequentially throughout the planning process. If approved, this would be pursued through focused locally-led studies as well as through OCTA's Long-Range Transportation Plan (LRTP).

The PAC accepted the findings of the SOCMIS identified in the LPS discussed above and in Attachment C, while not necessarily endorsing all of the east-west arterial elements of the strategy that will require further study. Consequently, the PAC approved a two-part recommendation for the LPS, clearly separating elements that require additional study prior to moving forward into subsequent phases of project development. The PAC recommendations are shown in Attachment D.

Staff recommends that the Highways Committee accept the LPS recommendations from the PAC. These recommendations include seeking further public input on the transportation concepts included in the LPS through the LRTP update starting in late 2008. This will also allow regional projects with public support and identified funding to move forward into the next update of the Southern California Association of Governments' Regional Transportation Plan.

Another recommendation relates to establishing the Renewed Measure M freeway plan as a priority for improving transportation in south Orange County followed by additional proposed improvements to the Santa Ana Freeway (Interstate 5) and the San Diego Freeway (Interstate 405), as defined in the LPS and based on funding availability. The technical analysis and public outreach results underscore the need and support to move forward with these projects in an expeditious manner and subject to funding availability.

Finally, the recommendations include further study of the LPS by: (1) working with the Transportation Corridor Agencies and the California Department of Transportation to maximize the efficiency of south Orange County's freeway and toll road facilities; (2) affirming local agencies' decisions to further study east-west arterial improvements identified in the LPS as a starting point; and, (3) OCTA conducting a comprehensive review of the Master Plan of Arterial Highways improvements with the input of local agencies. These further studies will help make decisions on whether these concepts should move forward into the project development and funding process. For example, the concept of a new east-west roadway between Interstate 5 (I-5) and Antonio Parkway as well as considering direct ramp connections to San Joaquin Transportation Corridor (State Route 73) and I-5 offers extensive transportation benefits to south Orange County. However, it is not clear if these benefits merit the costs and potential impacts. As a result, further study is recommended.

***Summary***

OCTA is working to develop strategies to improve travel in the south Orange County area. The Draft SOC MIS LPS is presented for Board review and consideration.

***Attachments***

- A. South Orange County Major Investment Study (MIS) Overview of Outreach Activities, August 2008
- B. Draft South Orange County Major Investment Study Final Evaluation Report – Executive Summary, September 2008
- C. Draft Locally Preferred Strategy (LPS) for South Orange County MIS Study Area
- D. South Orange County Major Investment Study Policy Advisory Committee Locally Preferred Strategy Recommendations

**Prepared by:**



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**Approved by:**



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**South Orange County Major Investment Study (MIS)  
Overview of Outreach Activities**

**August 2008**

To address the transportation needs of South Orange County, the Orange County Transportation Authority (OCTA) launched the South Orange County Major Investment Study (SOCMIS). The SOCMIS is charged with identifying the transportation challenges and potential improvements to keep this fast growing region moving over the next 25 years. Through the combined effort of technical analysis and a comprehensive public involvement program, the study is nearing completion and a locally preferred strategy (LPS) has been developed for which there is overall consensus.

From the study's inception, OCTA committed to engaging the public in a transparent and inclusive outreach program that supported the transportation planning process. In order to solicit feedback from a broad range of stakeholders, the public involvement program utilized both traditional and non-traditional outreach methods to communicate proactively and engage stakeholders throughout the study process.

Since our last update to the OCTA Board of Directors (Board) in the fall of 2007, the following highlights some of the key outreach activities conducted by OCTA.

**Committees**

- Facilitated the Stakeholder Working Group (SWG) to solicit their feedback throughout the study process. Members represent a wide range of interests in south Orange County. Since the fall of 2006, the SWG has met eight times.
- Worked with the Policy Advisory Committee (PAC) to provide regular updates on the study's status and receive members' feedback on the study's technical and public outreach activities. The PAC has met 11 times since 2006.

**City/Agency Outreach**

- Provided city council briefings on the LPS to 12 of the study area cities and presented to the San Diego Association of Governments' (SANDAG) Borders and Transportation committees.
- Continued the newsletter network - partnering with local cities to disseminate study information, website, and survey links to a larger audience utilizing existing newsletters, websites, etc.

**General Outreach and Education**

- Presented study information to more than 50 interested community organizations through the OCTA speakers bureau program.

- Prepared updates to the study website to provide detailed information on the reduced set of alternatives and the draft LPS.
- Created three additional online surveys seeking input on the initial set of 14 alternatives, the reduced set of six alternatives, and the draft LPS. To date, more than 500 stakeholders have provided their feedback on south County's transportation challenges and possible improvements.
- Communicated via email updates with people interested in the study.
- Conducted three public open house meetings to provide information on the reduced set of alternatives with more than 100 stakeholders participating.
- Facilitated mini-open house sessions for the City of San Clemente's Human Affairs Committee Forum and the OCTA's Citizens Advisory Committee on the reduced set of alternatives.
- Prepared a fact sheet on the key transportation improvements proposed in the reduced set of alternatives.
- Participated in the Ladera Ranch Town Hall to provide study information and respond to stakeholders' interest in the east/west connector concepts.
- Developed and distributed press releases on the public open house meetings to 15 local and regional publications.

As the SOCMIS nears completion, the public outreach program will continue to move forward to provide stakeholders with information on the OCTA Board's recommendation regarding the LPS. Tactics similar to those mentioned above will be implemented.



**D R A F T**

**SOUTH ORANGE COUNTY  
MAJOR INVESTMENT STUDY  
FINAL EVALUATION REPORT**

**EXECUTIVE SUMMARY**

*Prepared for:*



**SEPTEMBER 2008**

**URS**

*In association with:*

**PARSONS CORPORATION**

**IBI GROUP**

**AUSTIN-FOUST ASSOCIATES**

## ***S.0 EXECUTIVE SUMMARY***

### **S.1 ROLE OF THE MAJOR INVESTMENT STUDY**

The South Orange County Major Investment Study (MIS) was undertaken by the Orange County Transportation Authority to assess and define the need for a program of strategic transportation investments that addresses current and future mobility problems in the south Orange County study area. In this regard, the study will help establish a long-term transportation vision for this part of Orange County. The intended outcome of the South Orange County MIS is consensus on a multimodal Locally Preferred Strategy that encompasses an integrated package of transportation improvements for the southern portion of Orange County. This study will also provide preliminary cost estimates and related technical information describing key elements of the Locally Preferred Strategy that will enable project sponsors to seek funding for future phases such as environmental studies, project design, and eventually, implementation.

In addition, the South Orange County MIS follows the requirements of a Regionally Significant Transportation Investment Study (RSTIS) – a formal planning process used by transportation agencies in the six-county Southern California region to make better decisions about transportation. It is a collaborative process that involves the public, local cities and communities, concerned citizens, major stakeholders, business interests, transportation and environmental resource agencies, and elected officials.

In November 2006, Orange County voters approved the renewal of Measure M, a half-cent local sales tax to fund transportation programs and projects throughout Orange County. Renewed Measure M included a program of projects in the south Orange County study area. Another objective of the South Orange County MIS is to provide more detailed information on these now-funded Renewed Measure M projects as well as identify the need for additional transportation improvements for south Orange County beyond the Renewed Measure M projects.

The Locally Preferred Strategy that results from the South Orange County MIS will provide input to the Southern California Association of Government's Regional Transportation Plan (RTP). In Southern California, for corridors and subareas, the RTP lists and describes ongoing and proposed RSTIS studies. In addition, the RTP includes the status of RSTIS studies and environmental documents on individual transportation projects. In metropolitan areas such as Southern California that experience air quality problems, before a federally funded, non-exempt project can be environmentally approved, it must be included in a conforming regional transportation plan.

The South Orange County MIS Locally Preferred Strategy will also be used to update the Long Range Transportation Plan for Orange County. The Orange County Transportation Authority (OCTA) updates this plan once every three years.

### **S.2 PURPOSE OF THIS REPORT**

The purpose of this South Orange County MIS Final Evaluation Report is to summarize the MIS process and the decisions made throughout the course of the study. This includes defining the Purpose and Need within the study area, as well as describing the steps taken during screening to narrow down the initial set of alternatives to a reduced set of six.

Additionally, this report explains the method by which a Locally Preferred Strategy was developed and how both public and agency participation played a role in shaping this decision.

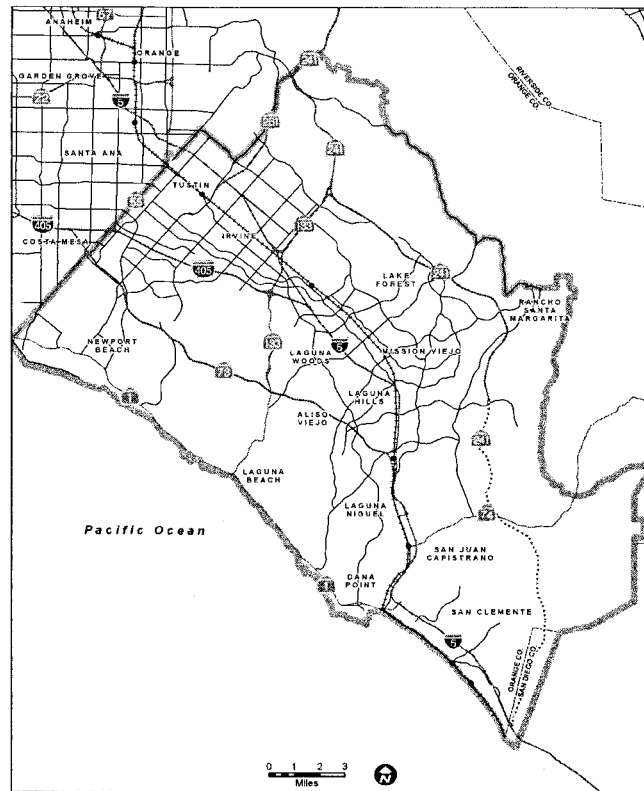
### S.3 SOCMIS CORRIDOR STUDY AREA

The south Orange County study area covers over forty percent of the land area of Orange County. Consequently, the study area is large and it encompasses many different travel patterns within its boundaries.

A map of the study area is shown in Figure S-1 and its boundaries are generally defined as follows:

- State Route 55 (northern boundary)
- Santiago Canyon Road/Cleveland National Forest (eastern boundary)
- San Diego County Line (southern boundary)
- Pacific Coastline (western boundary)

**Figure S-1**  
**South Orange County MIS**  
**Study Area**



### S.4 COMMUNITY AND AGENCY PARTICIPATION

The South Orange County MIS is being conducted through the cooperative effort of several agencies, organizations, and localities with jurisdiction in the south Orange County study area as well as the active participation of numerous community groups, interested citizens, and project stakeholders. Representatives of these groups comprised three committees formed to advise OCTA: (1) Technical Advisory Committee (TAC); (2) Policy Advisory Committee (PAC); and (3) Stakeholders Working Group (SWG).

The Technical Advisory Committee was made up of technical planning and public works staff from the cities within the study area and the County of Orange, with the addition of staff from Caltrans, Transportation Corridor Agencies (TCAs), Southern California Association of Governments (SCAG), San Diego Association of Governments (SANDAG), Southern California Regional Rail Authority (SCRRA), and Federal Highway Administration (FHWA). The TAC's role was to track project status, provide coordination of work activities, support

the exchange of technical information, review interim work products, and work to resolve technical issues that surfaced during the study. The TAC met seventeen times over the duration of the study.

The Policy Advisory Committee was comprised of elected officials from participating south Orange County cities, Caltrans, SCAG, SANDAG, and the County of Orange. The PAC members provided input and policy direction to technical staff and the consultant on significant policy issues such as purpose and need for transportation improvements; alternatives considered; evaluation criteria; a reduced set of alternatives; and the selection of a Locally Preferred Strategy. The PAC met eleven times over the three-year duration of the study, generally, prior to major decision points.

A Stakeholders Working Group was also established to more fully incorporate community opinions and suggestions into the study process. The forum provided by the SWG allowed for project continuity and time for more in-depth discussions than what can normally be obtained during interaction with the public at community meetings. Members included a broad and diverse range of interest groups, including: business, environmental, public safety, land developers, homeowner associations, transportation, community and other groups with an interest in transportation. The SWG met eight times over the course of the study.

In addition, OCTA established a public outreach program for the South Orange County MIS that was structured to engage the public and local communities in the overall study process. The primary objective of the outreach program was to actively solicit public interest in order to obtain important feedback prior to major study milestones, including: the need for transportation improvements; alternatives considered; and the relative benefits, costs, and impacts of various transportation options. Public input was critical to developing an understanding of the level of support and opposition to certain alternative strategies. Public feedback assisted the technical team during the evaluation of the alternative strategies and was key to building consensus for a Locally Preferred Strategy.

The public outreach program consisted of a number of related activities. These activities included: development of a communications network (mailing list, telephone hotline, and website link); dissemination of public information materials (newsletters, fact sheets, e-mail blasts, and surveys); and community workshops and meetings to facilitate open dialogue between the study team and members of the public (roundtable discussions, speakers bureau presentations, activity center outreach, and open houses/public workshops.)

## **S.5 PURPOSE AND NEED**

In early May 2007, the OCTA Board of Directors approved a *Purpose and Need Statement* as well as an *Initial Set of Alternative Strategies*.

During the Purpose and Need phase, a technical assessment was performed to identify the issues and problems related to the transportation system in the south Orange County study area and their underlying root causes. Analysis of the transportation system coupled with community input led to the development of eight key issues to be addressed by the South Orange County MIS. These key issue areas represent problems that need to be solved as well as opportunities for improvement.

Taken together, the eight issue areas establish the Purpose and Need for transportation improvements in the south Orange County study area:

- Freeway Congestion
- Arterial Roadway Congestion
- Weekend Congestion
- Lack of Transit Choices
- Rail Corridor Constraints
- Economic Growth and Quality of Life
- Maximize Use of Existing Infrastructure
- Systems Gaps

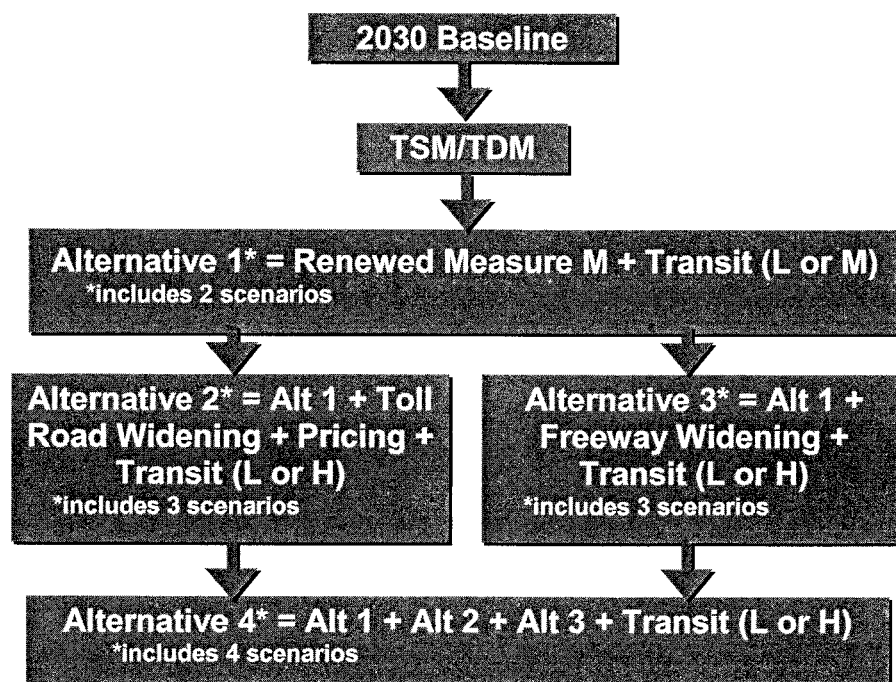
The key issues in Purpose and Need led to the determination of specific study objectives that provide the framework for the development of transportation alternative strategies. Purpose and Need also helps identify which of those alternative strategies should move forward for further evaluation and consideration.

## S.6 ALTERNATIVES CONSIDERED

### INITIAL SET OF ALTERNATIVE STRATEGIES

Figure S-2 illustrates the framework used for the conceptual alternatives that comprise the Initial Set of Alternative Strategies that was approved by the OCTA Board in May 2007.

**Figure S-2**  
**Initial Set of Alternative Strategies (Fourteen Scenarios in All)**



A summary description of the Initial Set of Alternative Strategies that was evaluated during the alternatives screening phase of the South Orange County MIS is provided as follows. A more comprehensive description, including detailed lists of the transportation improvements included in each alternative, can be found in the document entitled *Initial Set of Alternative Strategies*.

Each of the initial alternatives contained options and variations. For example, Alternatives 1-4 also assessed different levels of investment in the bus transit and rail system. Alternative 2 examines different pricing options for the toll road system, whereas Alternative 3 looked at different operational treatments (general purpose lanes, high occupancy vehicle lanes, or high occupancy toll lanes) for added freeway capacity. Additionally, Alternative 4 included selected combinations of all of these options. In total, the Initial Set of Alternative Strategies yielded as many as fourteen different scenarios that were tested in alternatives screening.

- **2030 Baseline:** This alternative represents the future baseline transportation system for the planning horizon year, which is the year 2030. The 2030 Baseline includes not only facilities and services in place today, but also those transportation improvements funded and/or committed for implementation prior to 2030.
- **Transportation System Management (TSM) / Transportation Demand Management Alternative (TDM):** The TSM/TDM Alternative consists primarily of operational investments, policies and actions aimed at improving traffic movement, promoting travel safety, and increasing transit usage and rideshare participation in the south Orange County study area. These TSM/TDM measures are generally classified as 'soft' improvements that do not require extensive construction, right-of-way acquisition and the resulting high capital cost to fund those improvements.
- **Alternative 1:** Alternative 1 is a multimodal package of transportation improvements that provides a major investment in the Master Plan of Arterial Highways (MPAH) system; the freeway system; and transit in south Orange County. Alternative 1 is structured to be generally consistent with the Long Range Transportation Plan (LRTP) Balanced Plan that forms the basis for the Renewed Measure M program of projects.
- **Alternative 2:** Alternative 2 builds upon Alternative 1 and emphasizes an investment in the toll road system within south Orange County. Alternative 2 proposes widening all the existing toll roads in the study area by one lane in each direction above the 2030 baseline condition. Alternative 2 also examines how a change in pricing such as elimination of tolls or a reduced toll would affect travel demand in south Orange County.
- **Alternative 3:** Alternative 3 also builds upon Alternative 1, however Alternative 3 focuses on added capacity improvements to the freeway system rather than the toll road system. Alternative 3 proposes widening both I-5 and I-405 in the study area by one lane in each direction above what is planned to be constructed in the Renewed Measure M program of projects. Alternative 3 looks at three options for this added lane: (a) general purpose (GP) lane; (b) high occupancy vehicle (HOV) lane; and (c) high occupancy toll (HOT) lane.
- **Alternative 4:** Also called the "kitchen sink alternative," Alternative 4 examines how much travel would improve in south Orange County if a maximum capital investment was

to be made in the freeway system, the toll road system, the arterial roadway system, and the transit system. Alternative 4 includes all of the improvements proposed in the preceding alternatives in a single, integrated package.

## SCREENING

To develop the Reduced Set of Alternatives, each of the Initial Set of Alternative Strategies was subjected to a preliminary screening analysis under 2030 travel conditions. Based on this analysis some alternatives and options were carried forward for further study while others were eliminated. Due to the complexity of the Initial Set of Alternative Strategies this process was conducted in a sequence of steps.

To begin narrowing the range of initial alternatives and roadway options, major components of the alternatives were evaluated in relation to a series of key questions. Drawn from the technical screening analysis, these questions were found to be critical to the Purpose and Need for transportation improvements in south Orange County. Specific questions included:

*Must the alternative be carried forward in order to meet federal planning requirements?*

*Must the alternative be included in the Reduced Set of Alternative Strategies to satisfy Renewed Measure M voter intent?*

*Does the alternative include a sufficient level of rail and bus transit improvements to address these aspects of Purpose and Need?*

*Is the alternative potentially affordable by the year 2030?*

*Does the alternative respond to the need for additional east-west arterial capacity?*

*Is the alternative cost-effective relative to other choices?*

Through this screening process the associated benefits, costs, and impacts were weighed and compared using screening criteria. The relative performance of these alternatives, along with input from the South Orange County MIS Technical Advisory Committee, led to a technical screening recommendation on the major roadway concepts and options of the Initial Set of Alternatives as summarized in Table S-1.

**Table S-1  
Screening Recommendation – Roadway Concepts and Options**

<b>Alternative</b>	<b>Recommended Action</b>	<b>Rationale</b>
2030 Baseline Alternative	Carry forward.	<ul style="list-style-type: none"> <li>• Satisfies federal requirement.</li> </ul>
TSM/TDM Alternative	Carry forward.	<ul style="list-style-type: none"> <li>• Satisfies federal requirement.</li> <li>• Relatively low cost, operational improvements.</li> <li>• Near-term phasing option.</li> </ul>
Alternative 1	Carry forward with package of medium transit improvements.	<ul style="list-style-type: none"> <li>• Satisfies Measure M voter intent</li> <li>• Provides congestion relief where it is needed the most.</li> <li>• Boosts transit service.</li> </ul>

Alternative	Recommended Action	Rationale
Alternative 2 (Toll Free Option*)	Drop from further consideration.	<ul style="list-style-type: none"> <li>Substantially reduces level of vehicle delay.</li> <li>However, cost to reimburse loss of toll road revenue is prohibitively high and funding is restricted.</li> </ul>
Alternative 2 (Reduced Toll Option)	Carry forward.	<ul style="list-style-type: none"> <li>Provides solid mobility benefits (reduced delay, reduced congestion)</li> <li>Both freeways and arterials benefit.</li> <li>Cost to reimburse loss of toll road revenue is still high, but not out of reach compared to other choices.</li> </ul>
Alternative 3 (General Purpose Lane Option)	Carry forward.	<ul style="list-style-type: none"> <li>Improves congestion on freeway system.</li> <li>Flexible (can add lane capacity where it is needed the most.)</li> </ul>
Alternative 3 (HOV Lane Option)	Drop from further consideration.	<ul style="list-style-type: none"> <li>Benefits carpoolers.</li> <li>Not as much congestion relief compared to other two freeway options.</li> </ul>
Alternative 3 (High Occupancy Toll Option)	Carry forward.	<ul style="list-style-type: none"> <li>Improves congestion on freeway system.</li> <li>Flexible (serves carpoolers, demand can be adjusted through price).</li> <li>Revenue helps defray cost.</li> </ul>
Alternative 4 (Reduced Toll Options + Freeway Widening)	Drop from further consideration.	<ul style="list-style-type: none"> <li>High cost relative to mobility benefits.</li> <li>Mobility benefits are not additive.</li> </ul>
Alternative 4 (Toll Free Options* + Freeway Widening)	Drop from further consideration.	<ul style="list-style-type: none"> <li>High cost relative to mobility benefits.</li> <li>Mobility benefits are not additive.</li> </ul>

\* Note: The toll road system is projected to become toll free by 2041.

Additionally, the initial alternatives contained rail and bus transit elements as well as several roadway features which also underwent a preliminary screening analysis. The next step in the screening process was to select transit elements, transit packages, and/or discrete roadway elements that should be carried forward based on the technical screening results. This step was performed as part of the screening analysis so that the most competitive features of the Initial Set of Alternatives could be brought forward and included in the Reduced Set of Alternative Strategies. In some cases, the screening analysis led to modifications of the proposed improvements in order to improve their relative performance. In other cases, certain features were eliminated from further study.



The technical recommendations that resulted from this step in the screening analysis are presented in Table S-2.

**Table S-2  
Screening Recommendation – Key Features and Elements**

<b>Key Feature / Element</b>	<b>Recommended Action</b>	<b>Rationale</b>
New Lake Forest Rail Station [Transit Medium]	Carry forward. [Transit Medium]	<ul style="list-style-type: none"> <li>• Added accessibility for rail users.</li> <li>• Robust boardings at Lake Forest Station.</li> <li>• Net increase in rail ridership.</li> </ul>
Express Bus Routes on Toll Roads [Transit Low]	Drop from further consideration.	<ul style="list-style-type: none"> <li>• Extremely low productivity.</li> </ul>
Western BRT Corridor from Tustin Station to Irvine Station [Transit High]	Carry forward. [Transit High]	<ul style="list-style-type: none"> <li>• Good productivity.</li> </ul>
Western BRT Corridor from Irvine Station to Dana Point Harbor [Transit High]	Carry forward, but truncate route at San Juan Capistrano Station. [Transit High]	<ul style="list-style-type: none"> <li>• Reasonable productivity.</li> </ul>
Eastern BRT Corridor from Tustin to Mission Viejo [Transit High]	Drop from further consideration.	<ul style="list-style-type: none"> <li>• Low productivity.</li> </ul>
Passenger Rail (Double Track LOSSAN Corridor) [Transit High]	Carry forward. [Transit High]	<ul style="list-style-type: none"> <li>• Ridership improvement.</li> <li>• Helps address need for weekend service / intercity passenger rail.</li> </ul>
Passenger Rail, Eastern Alignment Option [Transit High – Option]	Drop from further consideration.	<ul style="list-style-type: none"> <li>• Extremely high cost and lower ridership potential relative to other rail choices.</li> </ul>
Low Transit Package Concept	Merge with Transit Medium Package of Improvements.	<ul style="list-style-type: none"> <li>• Need for robust level of transit service in the study area.</li> </ul>
Medium Transit Package	Carry forward.	<ul style="list-style-type: none"> <li>• Solid performance relative to cost.</li> </ul>
High Transit Package	Carry forward as modified.	<ul style="list-style-type: none"> <li>• Need to provide competitive rail / transit choices to attract the discretionary rider.</li> </ul>
SR-73/SR-241 Connector [Alternatives 2, 4]	Carry forward as part of integrated package of east-west arterial improvements.	<ul style="list-style-type: none"> <li>• Addresses need for added east-west arterial capacity in critical location.</li> </ul>
Oso Parkway Ortega Highway [Alternative 3]	Carry forward as part of integrated package of east-west arterial improvements.	<ul style="list-style-type: none"> <li>• Addresses need for added east-west arterial capacity in critical location.</li> </ul>
Truck Bypass Lane in the North Direction of I-5 from El Toro Rd. to Lake Forest Drive [Alternatives 1, 2]	Drop from further consideration.	<ul style="list-style-type: none"> <li>• Minimal level of benefit relative to potential right-of-way impacts for this element.</li> </ul>

Key Feature / Element	Recommended Action	Rationale
Truck Climbing Lanes in the vicinity of Avenida Pico [Alternatives 3, 4]	Carry forward.	<ul style="list-style-type: none"> <li>Improves existing mainline operational deficiency when no other freeway capacity is being added.</li> </ul>
Direct Connector Ramps to Tustin Station [Transit High]	Drop northbound connector ramps. Retain southbound ramps for further study. [Transit High]	<ul style="list-style-type: none"> <li>High potential impact (northbound)</li> <li>Feasibility / constructability concerns.</li> <li>Low cost-benefit.</li> </ul>
Direct Connector Ramps to Laguna Niguel / Mission Viejo Station [Transit High]	Carry forward as part of Saddleback Connector concept. [Transit High]	<ul style="list-style-type: none"> <li>Physically feasible as opposed to direct connection to I-5.</li> <li>Improves access to rail station.</li> </ul>

In the last step of alternatives screening, the selected transit packages and roadway features from Table S-2 were matched with the recommended roadway design concepts (Table S-1) to form a draft set of six multimodal alternative strategies called the Reduced Set of Alternatives. Final adjustments were then made to the draft multimodal strategies to help ensure that they make clear distinctions among choices and that they address different aspects of Purpose and Need.

The South Orange County MIS Technical Advisory Committee approved the technical screening findings and recommendation on July 12, 2007. This technical recommendation was reviewed by the Stakeholders Working Group on July 25, 2007. On August 1, 2007, the Policy Advisory Committee discussed the findings and added their recommendation for the Reduced Set of Alternative Strategies.

## REDUCED SET OF ALTERNATIVES

As a result of alternatives screening, six alternative strategies were approved by the OCTA Board of Directors in October 2007. These recommended alternatives incorporated refinements that occurred through the screening process and were labeled "A" through "F".

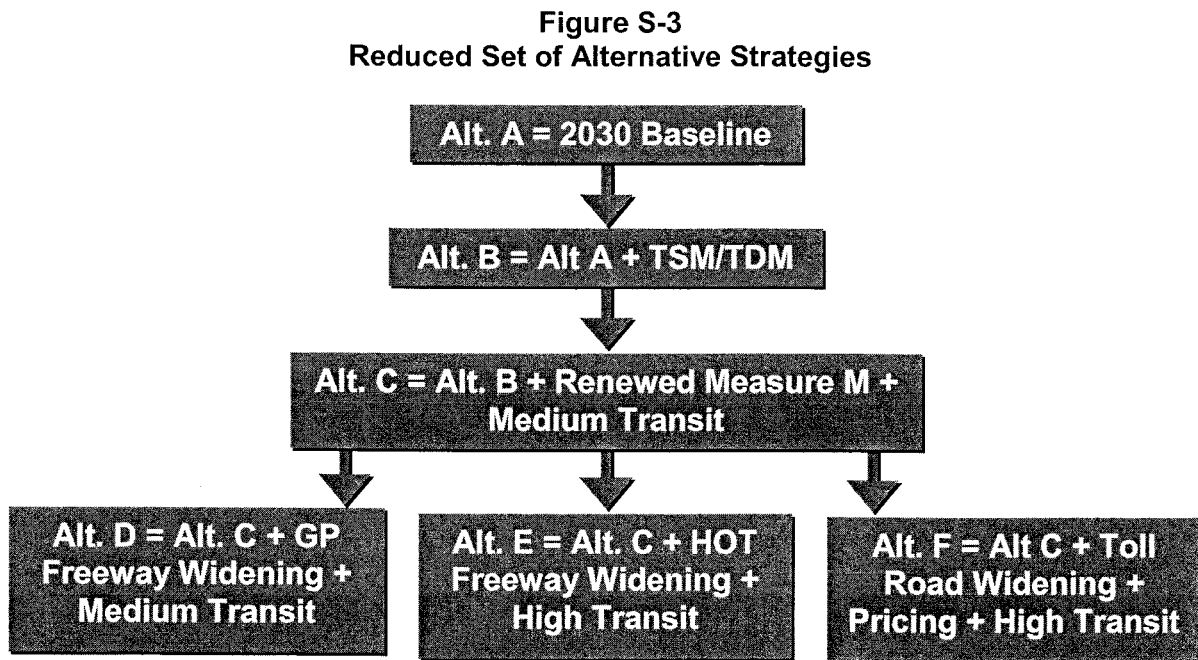
The Reduced Set of Alternative Strategies provided a range of choices for further study in the SOCMIS in that the Alternative Strategies were structured to accomplish slightly different objectives. The reduced set of six alternative strategies is summarized as follows:

- Alternative A – 2030 Baseline:** This alternative represents the future baseline transportation system for the planning horizon year, which is the year 2030. The 2030 Baseline includes not only facilities and services in place today, but also those transportation improvements funded and/or committed for implementation prior to 2030. Examples of future baseline projects in the south Orange County study area include: completion of Foothill South (SR-241) Toll Road; widening portions of the toll road system by one lane in each direction; 30 minute frequency Metrolink service; and completion of arterial roadway projects such as La Pata Road, Alton Parkway Extension, Tustin Ranch Road Extension, and Cow Camp Road.

- **Alternative B – Transportation Systems Management (TSM) / Transportation Demand Management Alternative (TDM):** The TSM/TDM Alternative consists primarily of operational investments, policies and actions aimed at improving traffic movement, promoting travel safety, and increasing transit usage and rideshare participation in the south Orange County study area. These TSM/TDM measures are generally classified as ‘soft’ improvements that do not require extensive construction, right-of-way acquisition and the resulting high capital cost to fund those improvements. The proposed TSM/TDM freeway measures include auxiliary lanes and minor interchange improvements such as ramp widening and intersection improvements at ramp termini. On the arterial system, the TSM/TDM measures include signal coordination, bus turnouts and other safety and operational improvements. The freeway and arterial improvements are coupled with technology to maximize traffic information gathering and sharing to improve system-wide efficiency. In addition, transit and intermodal improvements such as increased bus service, new park and ride facilities, and bicycle and pedestrian improvements are included as well as rideshare programs, marketing and educational initiatives on alternative modes, and workplace flex time.
- **Alternative C – Renewed Measure M + Medium Transit:** Alternative C is a multimodal package of transportation improvements that provides a major investment in the Master Plan of Arterial Highways (MPAH) system; the freeway system; and transit in the south Orange County study area. This alternative is structured to be generally consistent with the Long Range Transportation Plan (LRTP) Balanced Plan that forms the basis for the Renewed Measure M program of projects. Consequently, Alternative C includes widening portions of I-5 and I-405 by one lane in each direction and selected interchange improvements as well as buildout of the MPAH system within the study area. Alternative C also provides for increases in local bus, express bus, community shuttles, and Metrolink feeder/distributor bus services; and also improvements at Metrolink rail stations (access, parking, and platforms), increased train service, and added multimodal centers.
- **Alternative D – General Purpose Freeway Widening + Medium Transit:** Alternative D builds upon Alternative C and emphasizes an investment in the freeway and roadway system within south Orange County. Alternative D proposes widening both I-5 and I-405 in the study area by one lane in each direction above what is planned to be constructed in the Renewed Measure M program of projects. Alternative D reflects an emphasis in general purpose travel in that the additional freeway capacity is largely devoted to mixed flow lanes. Additionally, Alternative D proposes the same level of rail and transit improvements as Alternative C.
- **Alternative E – High Occupancy Toll Freeway Widening + High Transit:** Alternative E also builds upon Alternative C and emphasizes an investment in the freeway and roadway system within south Orange County. Alternative E proposes widening both I-5 and I-405 in the study area by one lane in each direction (and, in selected locations of I-5, by two lanes in each direction) above what is planned to be constructed in the Renewed Measure M program of projects. However, Alternative E presents an option whereby the additional lanes are managed as High Occupancy Toll (HOT) lanes that serve carpools and single-occupant vehicles willing to buy their way into the HOT lane by paying a toll. Alternative E introduces a higher level of rail and transit improvements in the study area, including double-tracking the LOSSAN rail corridor, adding bus rapid transit (BRT) routes, and increased rail service.

- Alternative F – Toll Road Widening + Pricing + High Transit:** Alternative F also builds upon Alternative C, however Alternative F emphasizes an investment in the toll road system within south Orange County. Alternative F proposes widening the toll roads in the study area by one lane in each direction above the 2030 baseline condition. This alternative also examines how a change in pricing such as a reduced toll would affect travel demand in south Orange County. As with Alternative E, Alternative F includes a high level of investment in the rail and transit system.

Figure S-3 provides an illustration of the Reduced Set of Alternative Strategies:



These six alternatives were approved by the OCTA Board of Directors on October 22, 2007 and are further described, along with the screening process, in the *Initial Screening Report (October 2007)*. Maps and a detailed list of the transportation improvements included in each alternative are documented in the *Reduced Set of Alternative Strategies (revised November 2007)*, which can be found in the Appendix of this report.

## **S.7 ALTERNATIVES EVALUATION**

During Alternatives Evaluation, a technical assessment was performed on the packages of transportation improvements included in Alternatives A through F. The purpose of the technical assessment was to elicit evaluative information on the alternatives as well as to provide some additional definition of their respective operational and physical characteristics. This multidisciplinary technical assessment included: travel demand forecasting; conceptual engineering (freeway improvements); right-of-way impact analysis; environmental screening analysis; and estimation of costs. This technical information was used to assess the travel benefits, costs, and impacts of the proposed alternatives.

Alternative A, the 2030 Baseline Alternative, provided an important basis of comparison for the proposed alternatives. The technical results were portrayed such that they highlighted the differences between the proposed alternatives (Alternatives B through F) and Alternative A, so that South Orange County MIS committee members and study participants were able to distinguish the amount of mobility improvement associated with different packages of transportation investment in the roadway system (arterials, freeways, and toll roads) as well as the transit system (bus transit and rail).

A number of different performance measures were utilized in the evaluation of the alternatives. Key measures related to mobility benefits, potential community impacts, and costs are highlighted and described as follows. Some of these measures focus on the mobility benefits to the roadway network, while others are geared to capturing changes in the performance of the transit system.

### **MOBILITY BENEFITS**

An important benefit in the evaluation of the Reduced Set of Alternative Strategies is how well each of the respective alternatives would improve mobility within the south Orange County study area. By the year 2030, the arterial roadways and freeways in the study area are projected to experience a great deal of congestion, particularly in the AM and PM peak periods and even during the weekends.

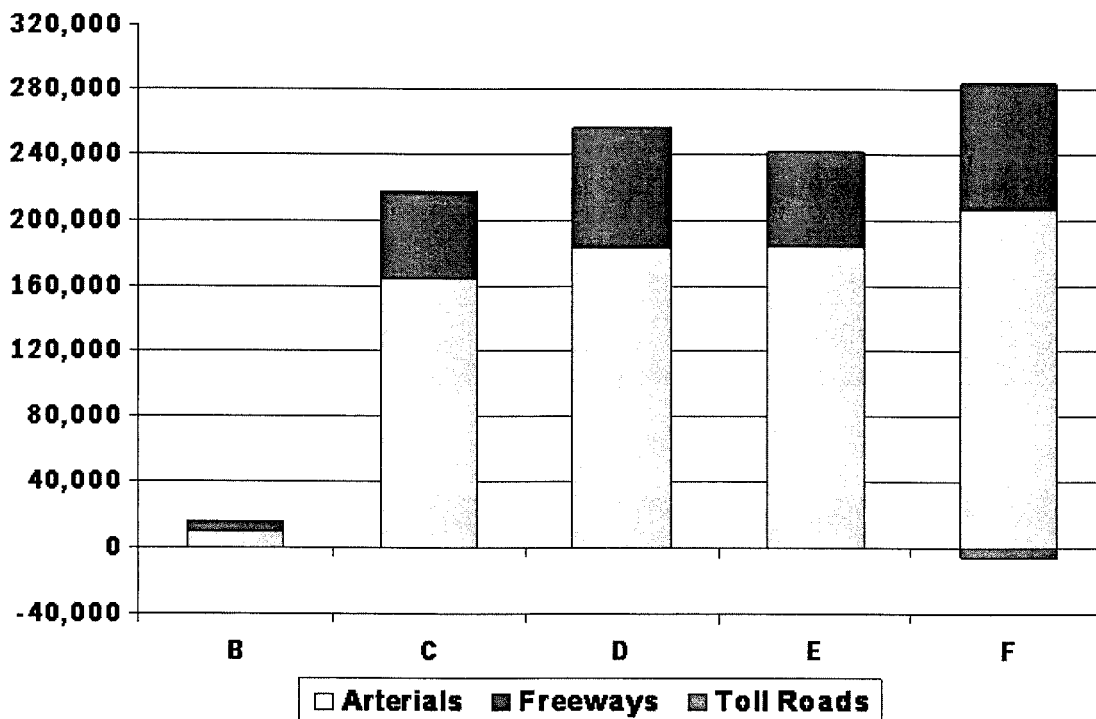
OCTA's regional travel demand forecast model (OCTAM 3.2) was used to estimate future weekday traffic volumes and resulting mobility performance in the south Orange County study area for each of the six alternatives in the Reduced Set of Alternatives. Mobility benefits were calculated by comparing the performance of each of these alternatives against the 2030 Baseline Alternative under 2030 travel conditions. Five multimodal mobility benefit measures are presented in the following discussions.

### Travel Time Savings

The first mobility measure presented for the Reduced Set is the Improvement in Daily Vehicle Hours of Delay. The stacked bar chart in Figure S-4 displays the reduction in the total vehicle hours of delay for each alternative compared to Alternative A, 2030 Baseline. The reduction in delay by alternative is further broken down by roadway system: arterials, freeways and toll roads. The taller the bar the better an alternative is performing; Alternatives F and D perform the best on this measure, though it was noted that Alternative C, which represents the projects approved in Measure M2 produces a significant improvement over the 2030 Baseline. The majority of reduction in vehicle hours of delay for each alternative is forecast to occur on the arterial system, which is principally a result of the build out of the Master Plan of Arterial Highways, included in Alternatives C - F.

Alternatives F and D result in the largest travel time savings for the freeway system. However, Alternative F is predicted to result in additional vehicle delay to the toll road system in the study area compared to the 2030 Baseline Alternative and this is represented by a negative value in Figure S-4. A reduction in the toll price in that alternative attracts additional motorists to the toll road facilities and the toll roads experience a slightly higher level of vehicle delay as a result.

**Figure S-4  
Improvement in Daily Vehicle Hours of Delay Compared to 2030 Baseline**



## Utilization

For each alternative, Table S-3 displays the forecast allocation of vehicle miles of travel (VMT) between the toll road system and the freeway system during the AM and PM peak periods within the study area for the year 2030. This measure provides an indicator of the relative distribution of peak period traffic between the freeways and toll roads in the study area.

**Table S-3  
Toll Road System VMT as a Percentage of Toll Road and Freeway System VMT  
(AM & PM Peak Periods)**

Alternative	Freeway Percentage	Toll Road Percentage
Alternative A 2030 Baseline	76.2%	23.8%
Alternative B TSM/TDM Improvements	76.2%	23.8%
Alternative C Renewed Measure M + Medium Transit	76.5%	23.5%
Alternative D General Purpose Freeway Widening + Medium Transit	77.4%	22.6%
Alternative E High Occupancy Toll Freeway Widening + High Transit	77.8%	22.2%
Alternative F Toll Road Widening + Pricing + High Transit	70.4%	29.6%

One of the study's objectives is to increase utilization of the existing transportation infrastructure. The future 2030 Baseline, Alternative A, has over 76% of peak period traffic using the freeways and only 24% using the toll roads. Alternatives B – E do not appreciably change this relative allocation of traffic. Alternative F, which includes reduced tolls, produces a measurable shift in peak period traffic from the freeway system to the toll road system in the study area.

## Improvement in Speeds

Table S-4 displays the improvement in AM peak period average speeds within the study area on the arterial system, freeway system, and toll road system for each alternative compared to Alternative A.

**Table S-4**  
**Percentage Improvement in Average Speeds Compared to the**  
**2030 Baseline Alternative (AM Peak Period)**

<b>Alternative</b>	<b>Arterial System</b>	<b>Freeway System</b>	<b>Toll Road System</b>
Alternative A (Baseline)	+0%	+0%	+0%
Alternative B	+3%	+1%	+0%
Alternative C	+54%	+18%	+1%
Alternative D	+61%	+30%	+1%
Alternative E	+64%	+25%	-1%
Alternative F	+82%	+28%	-8%

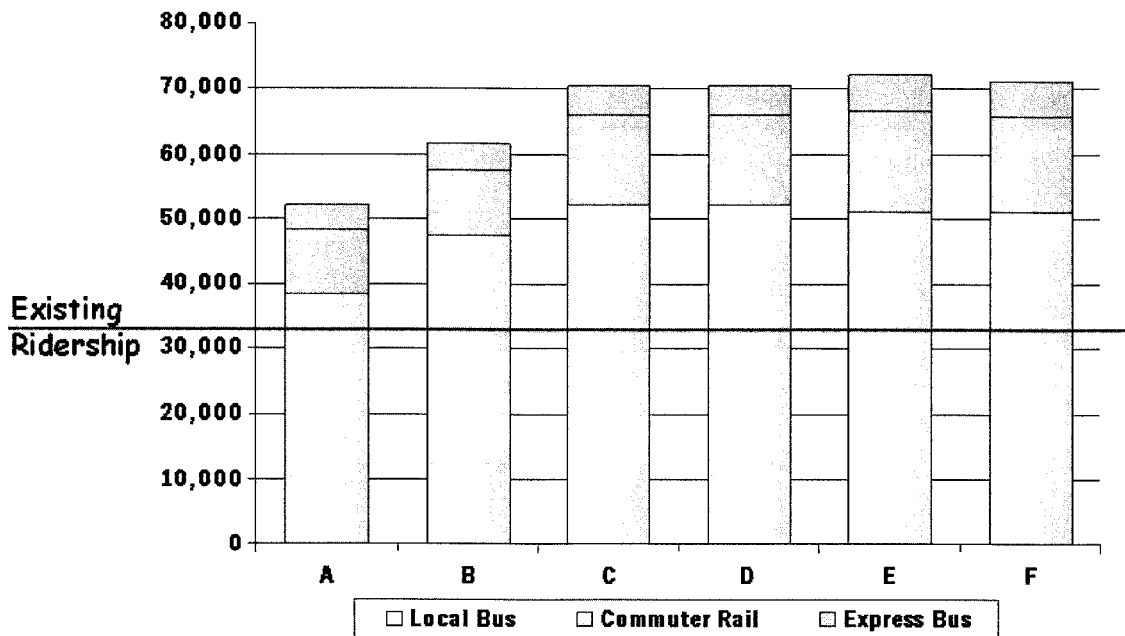
The largest percentage increase in average speeds is forecast to occur on the arterial system with Alternative F producing the highest increase in average arterial speeds. The largest increase in AM peak period average speeds on the freeway system is produced by Alternative D, and the largest increase on the toll roads by alternatives C and D. It is noted that Alternative F would somewhat reduce average AM peak period speeds on the toll road system as it is designed to attract more traffic to the toll roads by reducing the tolls.



### Transit Ridership

Another measure of mobility benefits is the projected transit usage in the study area. Figure S-5 displays the forecast total daily transit ridership in the study area broken out by local bus, express bus and commuter rail, and Table S-5 shows the forecast percent change in transit ridership from the 2030 Baseline. Future Baseline transit ridership (Alternative A) in the study area is forecast to increase by approximately 20,000 average weekday trips compared to existing study area transit ridership, for an increase of about 63 percent. Alternative E is forecast to have the highest transit ridership, followed closely by Alternative F, both slightly less than 20,000 trips per average weekday greater than the 2030 Baseline. The highest percentage of growth in transit ridership for those two alternatives is in commuter rail, as Alternatives E and F include the LOSSAN double tracking and its associated increase in train service.

**Figure S-5  
Daily Study Area Transit Trips (Average Weekday)**



**Table S-5  
Percentage Improvement in Daily Transit Ridership  
Compared to the 2030 Baseline Alternative**

Type of Service	Alt. B	Alt. C	Alt. D	Alt. E	Alt. F
Local Bus Trips	+24%	+36%	+36%	+33%	+34%
Commuter Rail Trips	+2%	+36%	+36%	+54%	+44%
Express Bus	-2%	+21%	+21%	+40%	+40%
All Transit Trips	+18%	+35%	+35%	+38%	+36%

## COMMUNITY IMPACTS

### Right-of-Way Assessment

Local cities and their communities are very sensitive to right-of-way (ROW) impacts. Therefore, a preliminary level of analysis was undertaken to identify where the alternatives have the greatest potential for land use impacts adjacent to major transportation facilities due to the need for additional ROW. The precision of this ROW assessment is governed by the general level of engineering design of the various alternatives, which is highly conceptual at this early planning stage of study. It is important to note here that these are sketch level estimates only to identify order of magnitude differences among some of the major transportation components in order to help identify a preferred alternative strategy for south Orange County.

The ROW analysis performed in the alternatives evaluation first focused on the freeway widening elements of the proposed alternatives as there is not a great deal of space between the existing edge of shoulder and adjacent land uses for I-5 and I-405 within the study area. In this analysis, a new footprint was developed for each of the freeway widening options based upon typical cross-sections on a segment by segment basis along the full length of I-5 and I-405. A notation was made where the newly proposed footprint exceeded the existing ROW line along these freeway mainline segments. In this manner, it was possible to estimate how much of the existing freeway ROW line would be potentially impacted by the proposed freeway widening options. Interchanges were accounted for separately from the mainline estimates.

Through this method it was found that approximately 10.6 percent of the existing mainline freeway ROW line is potentially impacted by the added lanes proposed in Alternative C (Measure M Renewed) and, by definition, Alternative F. Both contain the Measure M Renewed program of projects. The majority of these are likely sliver or partial takes of parcels. However, Alternatives D and E contain additional freeway lanes above and beyond Renewed Measure M. In this case, about 24.4 percent of the existing ROW line is impacted by the added general purpose lanes and 29.5 percent of the existing ROW line is impacted by the HOT lane option. Areas of particular concern for Alternatives D and E include sections of I-5 between Cristianitos Rd. and Avenida Pico as well as those portions of I-5 between La Paz Road and Bake Parkway.

**Table S-6**  
**Estimated Amount of Freeway Mainline ROW Line Impacted by the Proposed Alternative (Both I-5 and I-405, Both Directions)**

Alternative	Estimated Impact (in miles)	% Impact
Alternative C	8.4 miles	10.6%
Alternative D	19.2 miles	24.4%
Alternative E	23.2 miles	29.5%
Alternative F	8.4 miles	10.6%

\*Total number of freeway miles in the study area in both directions is approximately 80 miles.

A review of the toll road system capacity improvements included in Alternative F indicated that these added lanes to the toll roads generally fit within existing rights of way, which is why Alternative F shows a similar level of total potential ROW impacts as Alternative C in Table S-6 above.

A preliminary ROW assessment was also conducted for the added east-west arterial elements evaluated for the arterial system - specifically Ortega Highway, Oso Parkway, and the SR-73/SR-241 Roadway Connector. Both the Ortega Highway and Oso Parkway capacity improvements would involve widening these arterials by one lane in each direction beyond their MPAH designations. The ROW assessment for Oso Parkway and Ortega Highway showed that the new footprints would exceed the existing ROW line for the full length of these facilities between I-5 and Antonio Parkway. In addition, as the SR-73/SR-241 Connector would involve the construction of a new four-lane arterial roadway (two lanes in each direction) between I-5 and Antonio Parkway – the ROW for this new roadway would need to be acquired. The potential for direct impacts associated with this new roadway connector is especially problematic for existing land uses that line the northbound side of I-5 between Avery Parkway and Crown Valley Parkway in order to accommodate the western terminus of the new arterial roadway and to provide direct ramp connections to both SR-73 and I-5.

## **COST ESTIMATES / COST EFFECTIVENESS**

During the evaluation of alternatives, it was important to develop estimates of project costs in addition to the mobility benefits to gauge the effectiveness of the alternatives in light of their relative project costs. All costs are shown in terms of current year dollars (2008) to provide an objective comparison across the alternatives.

### **Roadway Capital Costs**

Preliminary cost estimates were developed for the freeway and toll road elements of the reduced set of alternatives compared to the 2030 baseline condition. These preliminary cost estimates take into account the capital cost to construct the proposed improvements; the cost to acquire ROW as needed, and, in the case of some alternatives, the additional cost resulting from a loss of toll road revenue when tolls are reduced on the toll road system. In addition, Alternative E examined what would happen if high occupancy toll (HOT) lanes are added to I-5 and I-405 in the south Orange County study area. These HOT lanes provide additional revenue that has the potential to defray a portion of their construction costs. For this reason, the potential HOT lane revenue was also factored into the roadway estimates of project costs for this alternative. The conceptual level roadway capital costs are based upon recent estimates from OCTA, Caltrans, and city studies, as well as national data, applied to the conceptual engineering definition of each alternative. The cost associated with loss of toll revenue in Alternative F is based upon the results of the travel demand forecasting, as are the estimates of HOT lane revenue in Alternative E. Total roadway cost estimates are shown in billions of 2008 dollars.

Figure S-6 displays the freeway and toll road costs for the Reduced Set of Alternatives. It includes capital costs estimates for the freeway and toll road elements of each alternative as well as the arterials. It also includes the cost of reduced tolls (shadow tolls) for Alternative F and the revenue estimates from the HOT lanes for Alternative E.

**Figure S-6**  
**Roadway Costs and Toll Revenue Loss (2008 \$'s, in Billions)**

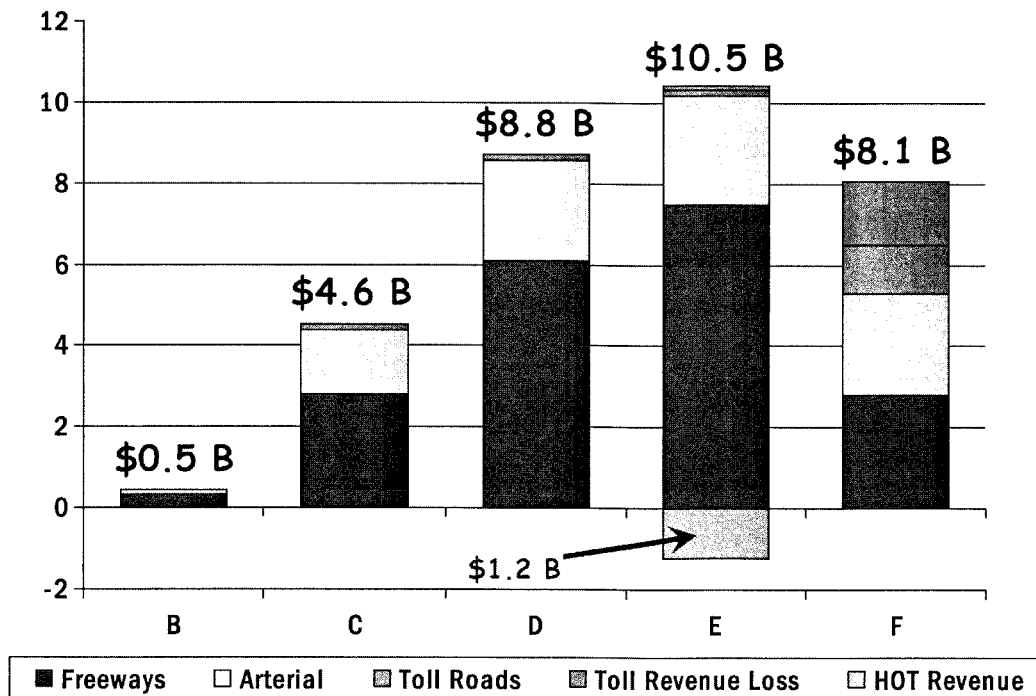
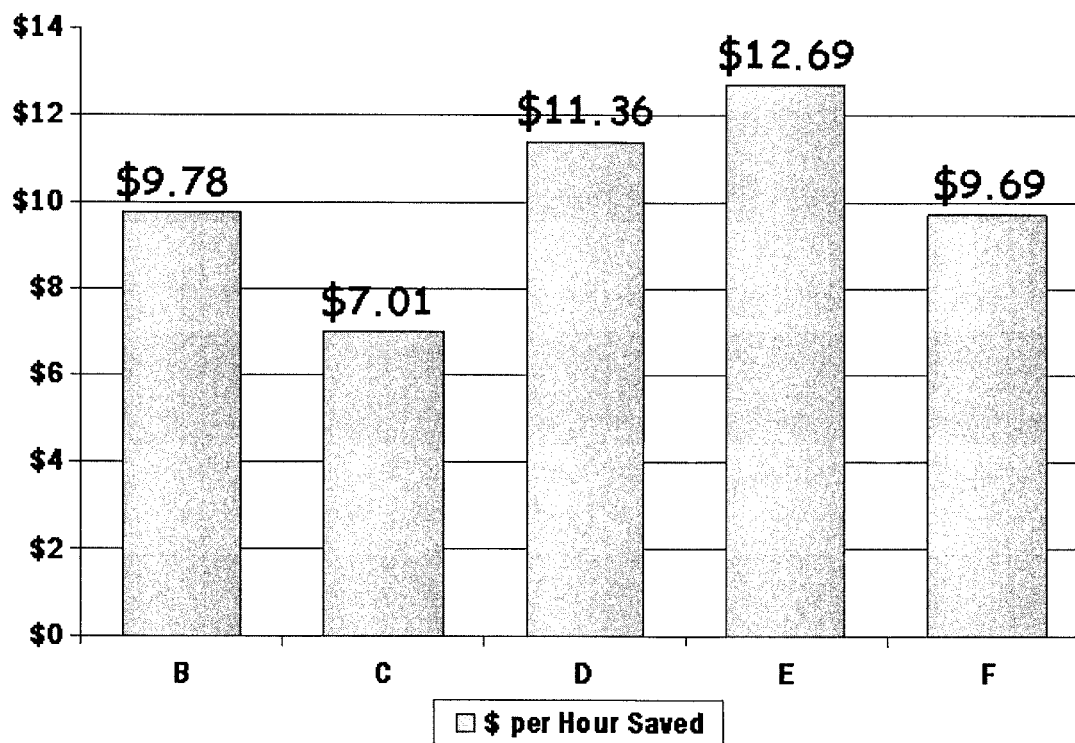


Figure S-6 shows that Alternative E, the HOT lane alternative, has the highest roadway cost of \$10.5 billion, as Alternative E includes the greatest amount of freeway widening. This cost is somewhat offset by the projected HOT lane revenues of \$1.2 billion, resulting in a net total roadway cost of \$9.3 billion. Alternative D, which includes additional general purpose freeway lanes on I-5 and I-405 over and above Alternative C, is the next most costly alternative at \$8.8 billion. Alternative F, which has the same proposed level of freeway improvements as Alternative C, is estimated at a total roadway cost of \$8.1 billion. This estimate includes the estimated \$1.6 billion in shadow toll costs to finance the reduced tolls included in Alternative F, along with the \$1.2 billion to widen the toll roads which will maintain a higher level of service for the forecast increase in traffic volumes attracted by the reduced tolls. Alternative C, which includes the freeway projects contained in the Renewed Measure M along with the build out of the Master Plan of Arterial Highways, is estimated to have a total roadway cost of \$4.6 billion in 2008 dollars. This represents a more modest level of roadway investment included in this alternative. Alternative C is about half the cost of Alternative E, the most expensive alternative. Alternative B, the Transportation Systems Management/Transportation Demand Management (TSM/TDM) alternative, has the lowest estimated roadway cost, reflective of the alternative's intent to undertake low cost projects which improve the efficiency of the existing roadway system. It is important to note that the TSM/TDM improvements and corresponding costs are also included in Alternatives C through F.

## Roadway Cost-Benefit

When the total roadway cost estimates are converted to annualized costs using standard engineering economic formulas, they can be used to develop a cost/benefit ratio for each alternative. Annualized roadway costs were divided by the annual roadway system travel time savings for each alternative estimated by the travel forecasting model to provide an estimate of cost per vehicle hour saved within the south Orange County study area. The lower the dollar cost per vehicle hour saved, the more cost-effective the alternative. The cost/benefit ratios for each of the alternatives are shown in Figure S-7.

**Figure S-7**  
**Roadway System Cost Per Hour of Travel Time Saved**

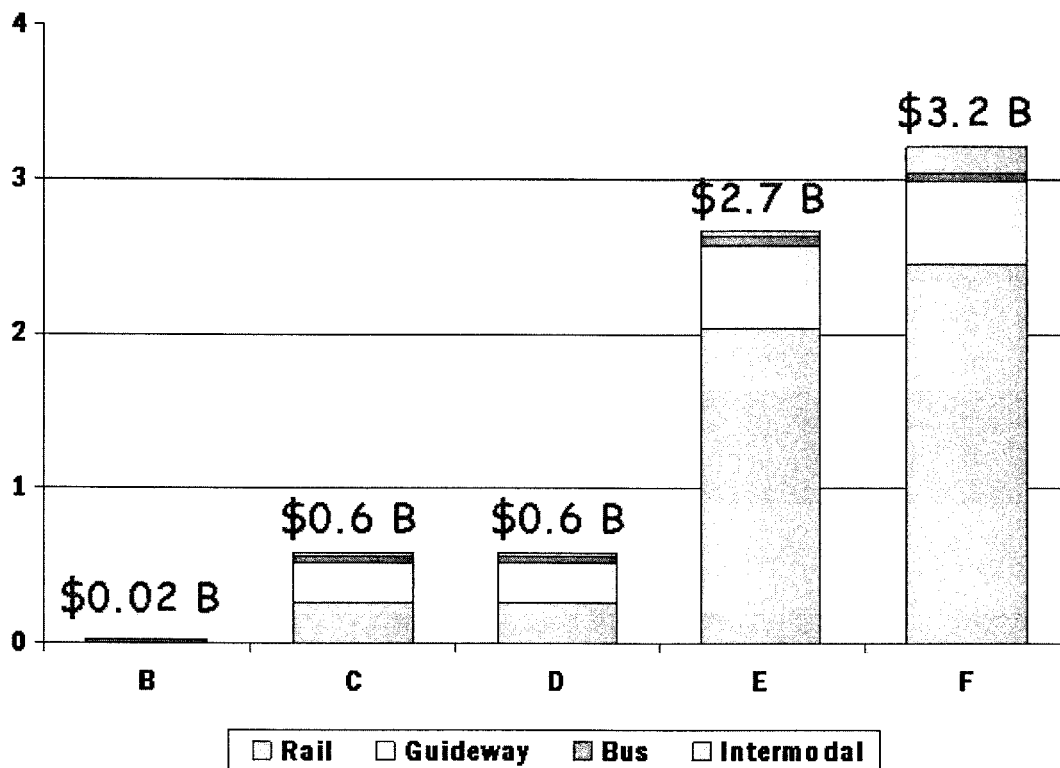


Alternative C, Renewed Measure M, provides the best roadway cost-benefit among the alternatives, as it includes the most needed freeway improvements included in Renewed Measure M, as well as build out of the MPAH. Alternative F is the next most cost-effective alternative as it provides additional capacity on the toll roads at a relatively low cost. Alternative E, the HOT lanes, has the worst roadway cost-benefit ratio as its higher cost does not produce proportionate travel time savings.

## Transit Capital Cost

Cost estimates were also developed for the categories of rail and bus transit elements included in the Reduced Set of Alternative Strategies shown in Figure S-8. Similar to the roadway elements of the alternatives, capital costs were estimated for the rail and bus transit improvements in current year (2008) dollars using local and national data. "Hard" dollar transit cost items such as transit vehicles, stations, track, and tunnel/trench sections for the rail options were incorporated into the estimates.

**Figure S-8**  
Total Transit Capital Cost (2008 \$'s, in Billions)

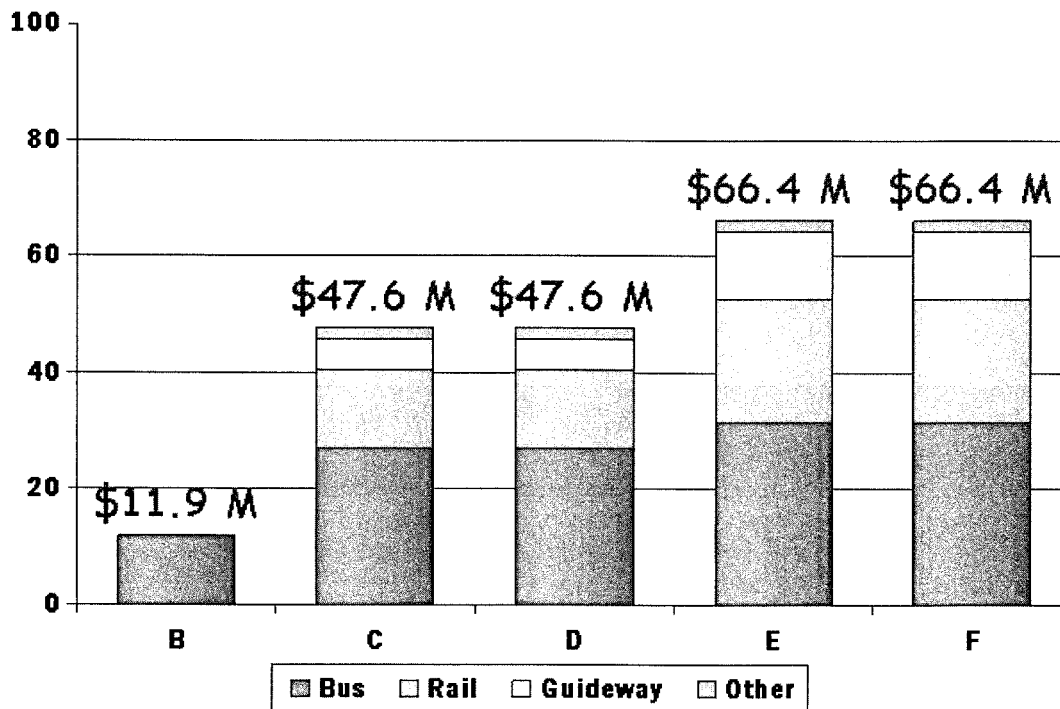


The estimated cost of the integrated package of transit elements included in the TSM/TDM Alternative is the lowest at \$0.02 billion. The total estimated capital cost of the medium level of rail/transit improvements included in Alternatives C and D is in the middle of the range at \$0.6 billion, which represents a higher level of investment in rail, bus and fixed guideway projects. The high levels of transit investment included in Alternatives E and F are projected at \$2.7 - \$3.2 billion due largely to the extensive tunnel segments of the two alignment variations of double-tracking the LOSSAN Corridor in the southern portions of the study area, along with two additional fixed guideway Go Local transit projects included in these two alternatives.

### Transit Operations and Maintenance Costs

The transit elements of the Reduced Set of Alternatives include services that require costs to operate and maintain, including bus routes and commuter trains. Alternatives B – F propose expanded transit service levels and new services over and above Alternative A, the future Baseline. Figure S-9 displays the estimated annual transit operating and maintenance costs. The lowest O&M cost is associated with Alternative B, the TSM/TDM Alternative, as it has the least increase in transit service levels above Alternative A, the 2030 Baseline. Alternatives C and D include the so-called medium level of transit investments, with an estimated \$47.6 million annual transit O&M cost, proportional to their proposed increases in transit service levels. Alternatives E and F both include a high level of transit investment, which contains a greater level of bus service than the medium transit package as well as substantially increased passenger train service to take advantage of LOSSAN double tracking included in these two alternatives. In addition, these two alternatives include two additional fixed guideway Go Local transit projects. The annual transit O&M cost for Alternatives E and F is \$66.4 million, 39 percent greater than Alternatives C and D.

**Figure S-9**  
Annual Transit O&M Cost Above Alternative A (2008 \$'s, in Millions)

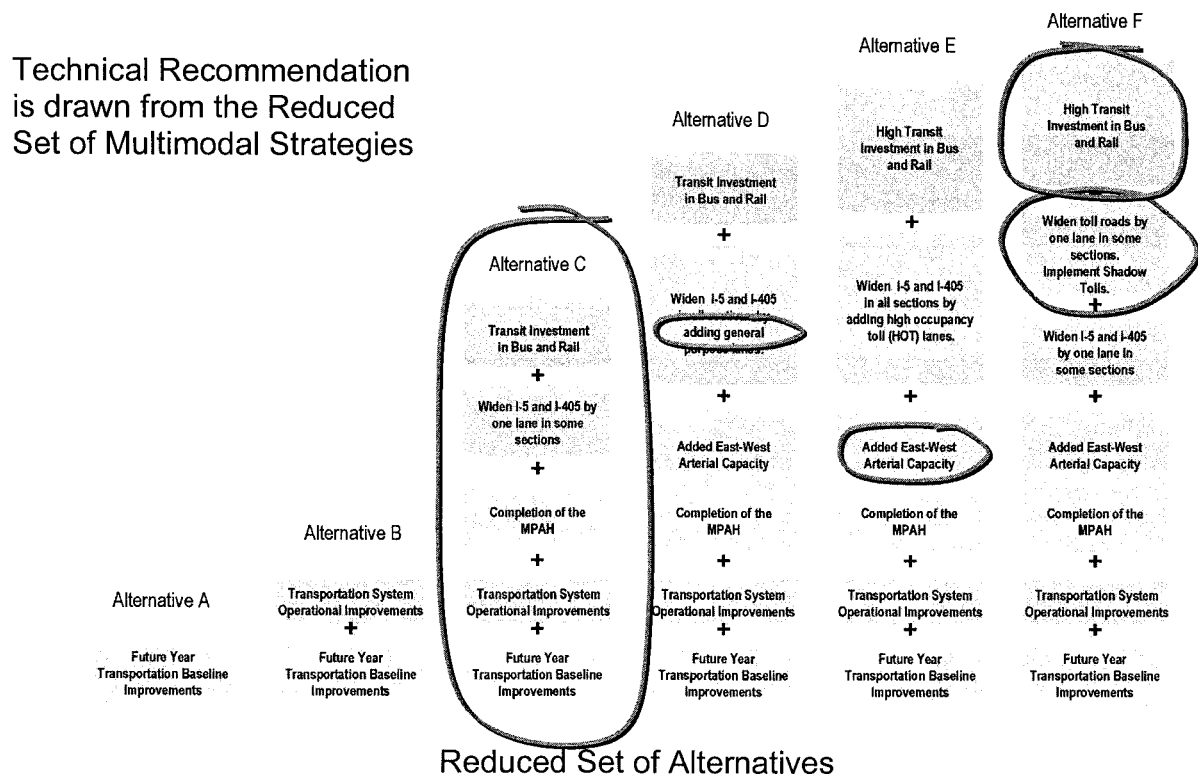


## S.8 RECOMMENDED LOCALLY PREFERRED STRATEGY

Using the technical results on the relative mobility benefits, costs, and impacts associated with the performance of the different alternatives, the study team, with the assistance of the South Orange County Technical Advisory Committee (TAC), employed a mix and match process whereby the most competitive features of the Reduced Set of Alternative Strategies were combined to form a multimodal, technical recommendation for a Draft Locally Preferred Strategy. The goal was to create the best recommendation for the transportation system as a whole. For this reason, the Recommended Locally Preferred Strategy includes improvements to the arterials, the freeways and toll roads, and to bus and rail transit in south Orange County.

Figure S-10 provides a pictorial illustration of the mix and match process that was employed to develop the recommendation for the Draft Locally Preferred Strategy.

**Figure S-10  
Mix and Match Process – Draft Locally Preferred Strategy**



The following discussion summarizes the major components that were identified and combined to form the Draft Locally Preferred Strategy, and also highlights the key factors that shaped the technical recommendations.



**Future Year Transportation Baseline Improvements:** This package of improvements consists of transportation projects that are planned and committed for Year 2030, the planning horizon year for the South Orange County Major Investment Study. It represents future changes to the transportation network in the study area and, as such, it is also a background component of the Alternative C (Renewed Measure M) program of projects and improvements. By definition, the Future Year Transportation Baseline improvements are considered to be part of the Locally Preferred Strategy. However, it is important to note here that the Future Year Transportation Baseline is adjusted as conditions in Orange County evolve or change – typically once every two years or so.

**Transportation System Operational Improvements:** The transportation systems management / travel demand management (TSM/TDM) level of investment consists primarily of operational investments, policies and actions aimed at improving traffic movement, promoting travel safety, and increasing transit usage and rideshare participation in the south Orange County study area. The Transportation System Operational Improvements were recommended for the Draft Locally Preferred Strategy as these improvements provide near-term mobility and safety benefits that can be implemented in advance of larger, more expensive transportation infrastructure projects that take longer to develop. The TSM/TDM improvements are designed to derive mobility efficiencies by maximizing the use of the existing transportation system with relatively small levels of additional investment, which is why this alternative performed well in terms of its cost-effectiveness. As a stand alone alternative, the Transportation System Operational Improvements did not go far enough in addressing the future transportation needs in the study area – namely arterial and freeway congestion – however, it was recommended for inclusion as part of the overall transportation strategy for south Orange County.

**Completion of the Master Plan of Arterial Highways (MPAH):** Build-out of the Master Plan of Arterial Highways dramatically reduces the amount of future roadway congestion on the arterial network throughout the study area. In the Year 2030, it reduces the vehicle hours of delay on the arterial system by more than half. The MPAH improvements also close existing gaps in the arterial roadway system and improves access to both the freeways and the toll roads in the study area. In forming their technical recommendation, the TAC recognized that some of the individual roadway segments included in the MPAH program are potentially controversial and may prove to be a challenge to implement, however they were also supportive of the program as a whole.

**Added East-West Arterial Capacity:** An important aspect of the Purpose and Need for the South Orange County Major Investment Study is to address the lack of east-west arterial infrastructure in south Orange County, particularly in those areas that are undergoing extensive development in southeast Orange County. In order to answer this problem, added east-west arterial capacity elements were included in the higher build alternatives (Alternatives D, E and F) for evaluation. These arterial capacity elements consisted of widening Oso Parkway and Ortega Highway beyond their current MPAH classification as well as a new four-lane arterial that would connect SR-73 to Antonio Parkway (and ultimately to SR-241 via Cow Camp Road). Travel demand forecasts showed that the presence of the SR-73/SR-241 roadway connector greatly relieves the other parallel east-west arterials. It was also shown that a direct ramp connection to I-5 in addition to the connection to SR-73 substantially improves the effectiveness of this roadway connector (Alternative E scenario). The additional capacity enhancements to Oso Parkway and Ortega Highway also improve congestion on these east-west arterials, but to a lesser extent compared to the SR-73/SR-241 connector. The TAC raised concerns about the cost as well

as the environmental and technical challenges associated with developing the individual east-west arterial elements. There is a real possibility that at least one of these arterial elements may not prove to be feasible under more detailed engineering work and environmental study, leaving no fallback options to address the severe mobility problems projected for this area. Therefore, the TAC recommended that all three arterial elements move forward for further study and evaluation as part of an integrated package of improvements.

**Bus and Rail Transit System:** In the course of the alternatives evaluation, a medium investment in bus and rail transit for the study area was examined as well as a high investment in bus and rail transit. Each level of investment was made up of a package of improvements. Based on the transit ridership estimates, the transit productivity analysis, and the need for inter-regional rail connectivity, several bus and rail transit elements were selected via a mix and match process to form the recommended package of transit improvements for south Orange County. Table S-7 summarizes the technical recommendation for the bus and rail transit system.

**Table S-7  
Bus and Rail Transit Elements - Recommendation**

Medium Transit Package	High Transit Package
<input checked="" type="checkbox"/> Increase local and express bus services	<input checked="" type="checkbox"/> Provide bus rapid transit (BRT) route from Tustin station to San Juan Capistrano
<input checked="" type="checkbox"/> Provide substantial investment in community-based shuttles	<input checked="" type="checkbox"/> Double-track LOSSAN rail corridor. Carry forward both tunnel concepts through San Juan Capistrano for further study
<input checked="" type="checkbox"/> Increase number of weekend trains between San Diego and Orange Counties	<input checked="" type="checkbox"/> Increase passenger rail service by adding more round trip trains
<input checked="" type="checkbox"/> Add new rail station in Lake Forest	<input checked="" type="checkbox"/> Consider direct ramp from Jamboree Road to Tustin station (southbound direction only)
<input checked="" type="checkbox"/> Increase amount and quality of transit services connecting to and from rail stations (Go Local Metrolink Connectors, Fixed Guideway-Irvine)	<input type="checkbox"/> Direct ramp from I-5 to Laguna Niguel / Mission Viejo station
<input checked="" type="checkbox"/> Increase station parking capacity and station access	<input type="checkbox"/> High capacity rubber tire trolley service to two additional rail stations
<input type="checkbox"/> Grade separation at Del Obispo	

Recommended Transit Improvement

The selected transit elements correspond to a high level of investment in bus and rail for south Orange County. This need to make a solid investment in south Orange County's transit system received a great deal of community and public support when these concepts were presented through the public outreach activities conducted for the study.

**Freeway/Toll Road System:** The freeway improvements embodied in Alternative C (Renewed Measure M) were shown to be highly cost effective in that they provided added freeway capacity and interchange improvements in those segments of the freeway system where congestion was predicted to be the highest. The technical results produced by the study also showed that the performance of the freeway system, and to some extent the

arterial system, was affected positively by changes in the pricing structure on the toll roads. A reduction in price to the toll road users made the toll roads more attractive to motorists in the study area, thereby shifting travel demand from the highly congested freeway system to a less congested toll road system. It was also found that adding capacity to the toll roads was less costly and was predicted to result in fewer community impacts compared to those alternatives that would involve extensive freeway widening beyond Alternative C. In addition, the study analysis identified selected freeway improvements from Alternative D that could be combined with the Alternative C freeway widening and the Alternative F toll road pricing option that would complete the HOV system in Orange County and that would also address potential chokepoints and weekend congestion issues in south Orange County. A major concern for the TAC members was to how to best reduce the severe congestion problem on the freeways and at the same time avoid impacts to businesses and homes alongside I-5 and I-405 as much as possible. Through this mix and match process, a recommended hybrid concept for the freeway/toll road system was developed.

## ELEMENTS OF THE LOCALLY PREFERRED STRATEGY

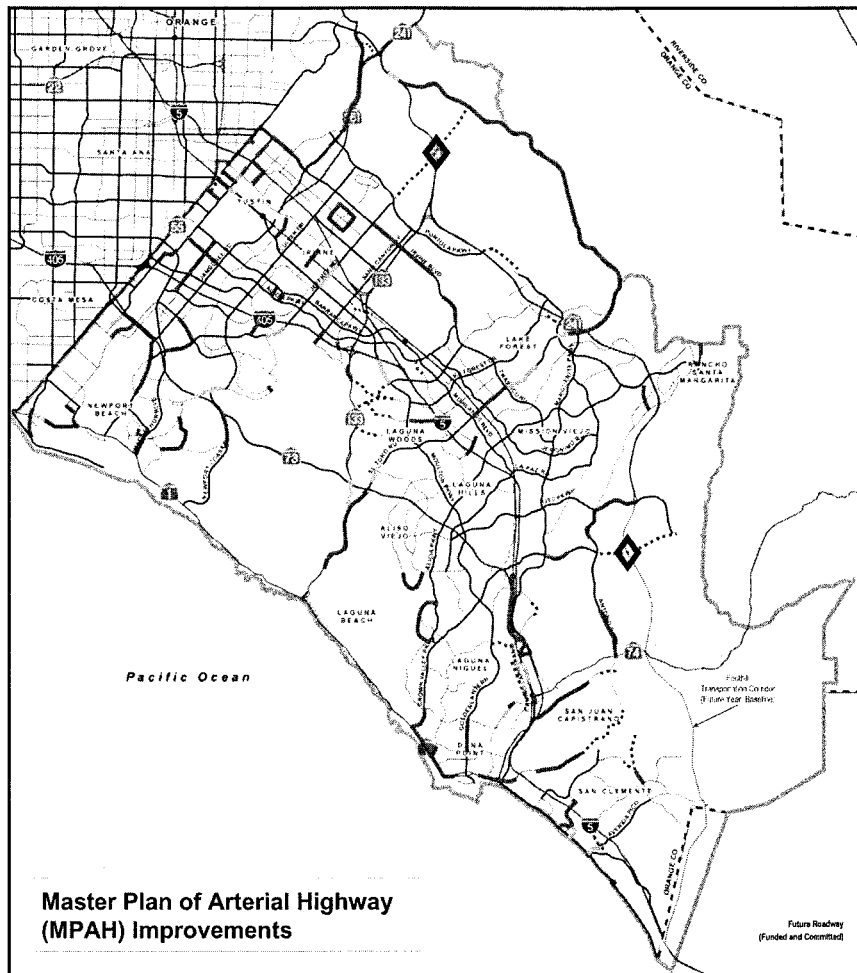
The Locally Preferred Strategy resulting from the process described above can be characterized by the modal layers inherent in the transportation system in the study area. These layers include the arterial system, the freeway and toll road systems, bus transit, and rail transit. The following pages describe in more detail the major transportation elements by layer included in the LPS recommendation.

### Arterial System – Master Plan of Arterial Highways

**Objective:** Complete buildout of the Master Plan of Arterial Highway (MPAH) system. Close major gaps and relieve congestion on the regional arterial system throughout the study area. Provide roadway access and connectivity. Facilitate traffic flow to south Orange County freeway and toll roads.

Proposed Transportation Features:

- Construct unbuilt arterial roadways.
- Widen or extend existing arterial roadways that are currently below their planned classification.
- Provide new interchanges in selected locations to connect unbuilt arterials to the freeways and/or toll roads.



- |  |  |  |   |  |                 |
|--|--|--|---|--|-----------------|
|  | New Arterial Roadway (1 lane in each direction)  |  | Widen Arterial in one direction only        |  | New Interchange |
|  | New Arterial Roadway (2 lanes in each direction) |  | Widen Arterial by 1 lane in each direction  |  |                 |
|  | New Arterial Roadway (3 lanes in each direction) |  | Widen Arterial by 2 lanes in each direction |  |                 |

## Arterial System – Added East-West Capacity

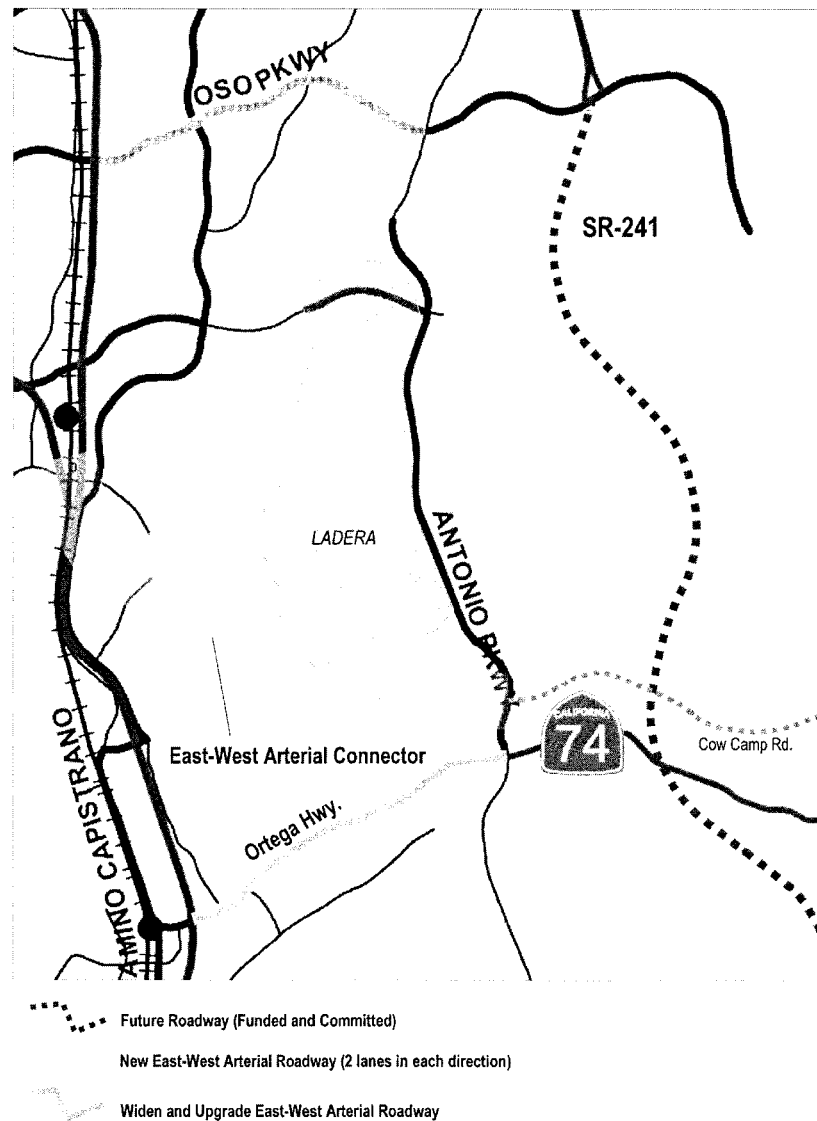
Objective: Affirm local government efforts for a comprehensive study of potential solutions in order to provide east-west roadway capacity needed to keep pace with growing travel demand in rapidly developing areas of southeast Orange County.

Undertake further study\* and public review of east-west arterial concepts, including:

- SR-73/SR-241 Roadway Connector: New four-lane arterial roadway between I-5 and Antonio Pkwy. Provide direct ramp connections to SR-73 and I-5.
- Oso Parkway: Widen by one lane in each direction. Total width of Oso Pkwy. becomes 8 lanes between I-5 and Antonio Pkwy.
- Ortega Highway: Widen Ortega Hwy. further\*\* by one lane in each direction. Total width of Ortega Hwy. becomes 6 lanes between I-5 and Antonio Pkwy.

**Figure S-12  
Added East-West  
Capacity  
Improvements**

### Focus Area for Further Study: Added East-West Arterial Capacity



\* Any future study of local east-west arterial concepts will be at the discretion of the affected local governments and would need to include extensive public outreach.

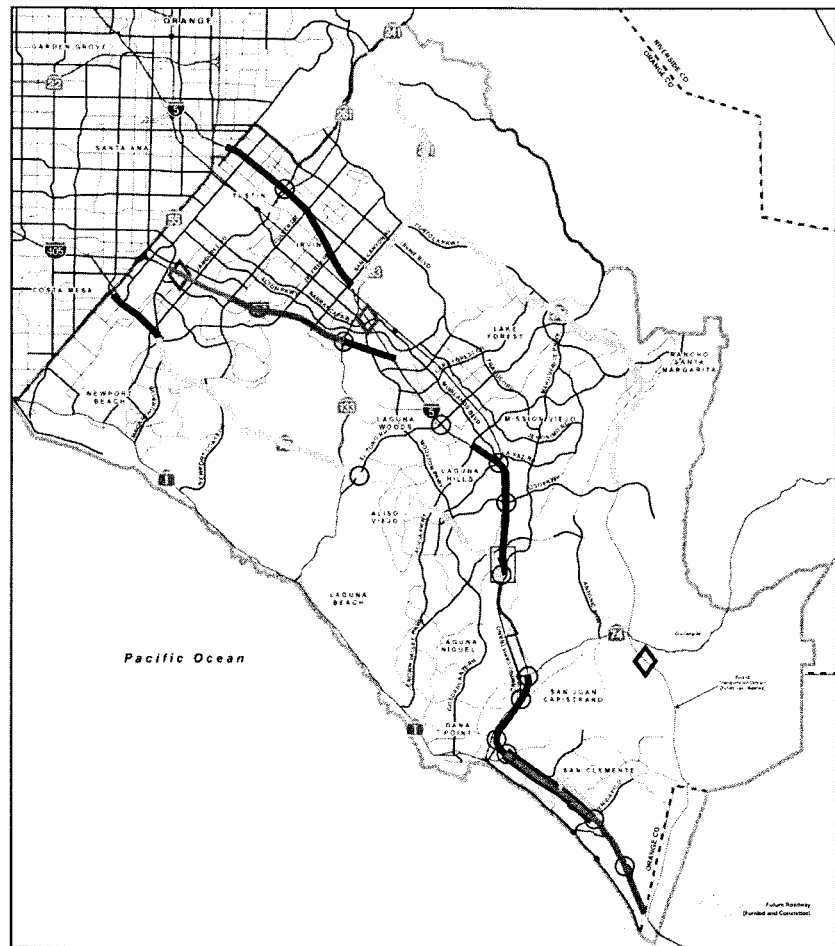
\*\* Ortega Highway (SR-74) is planned to become two lanes in each direction between I-5 and Antonio Parkway. These environmental studies are currently underway.

## Freeway and Toll Road System

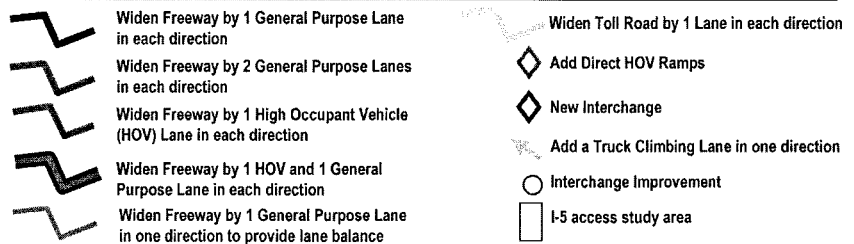
Objective: Add lanes to the freeway system in locations that experience the most severe levels of freeway congestion. Achieve a better balance between the freeway system and the toll road system by widening the toll roads in the study area and by reducing the price of the tolls for toll road users.

### Proposed Transportation Features:

- Add general purpose lanes to sections of I-5 and I-405.
- Extend the existing HOV lanes on I-5 to the County Line.
- Reduce the toll price for toll road users by employing a “shadow toll” or equivalent strategies.\* Widen existing toll roads (SR-73, SR-241, and SR-133) by one lane in each direction to maintain competitive levels of service.
- Conduct further study of new access to I-5 in the vicinity of Saddleback College.
- Provide truck climbing lane, direct HOV ramps, and selected interchange improvements



**Figure S-13  
Freeway and Toll Road  
System Improvements**



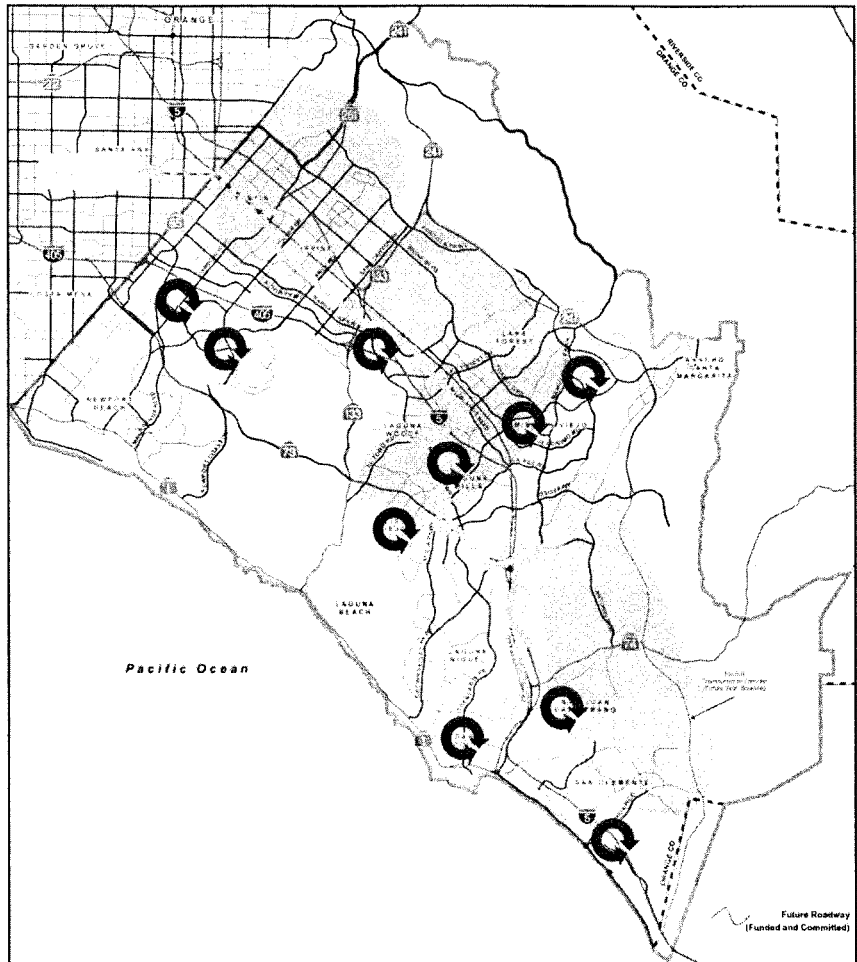
\* Note: A “shadow toll” is a per vehicle subsidy that is paid to a toll road operator by a third party and not by toll road users. Shadow toll amounts are based on the type of vehicle and distance traveled.

## Bus Transit System

Objective: Enhancing existing bus service and introduce new types of bus transit services to address a variety of travel markets within the study area.

Proposed Transportation Features:

- Increase local and express bus service by improving frequency and geographic coverage.
- Provide a substantial investment in community-based shuttles
- Introduce beach buses and special event shuttles
- Provide Bus Rapid Transit (BRT) route serving transit centers and major activity centers along the route. BRT route travels from Tustin Station to downtown San Juan Capistrano contingent upon future demand studies



**Figure S-14  
Bus Transit System  
Improvements**

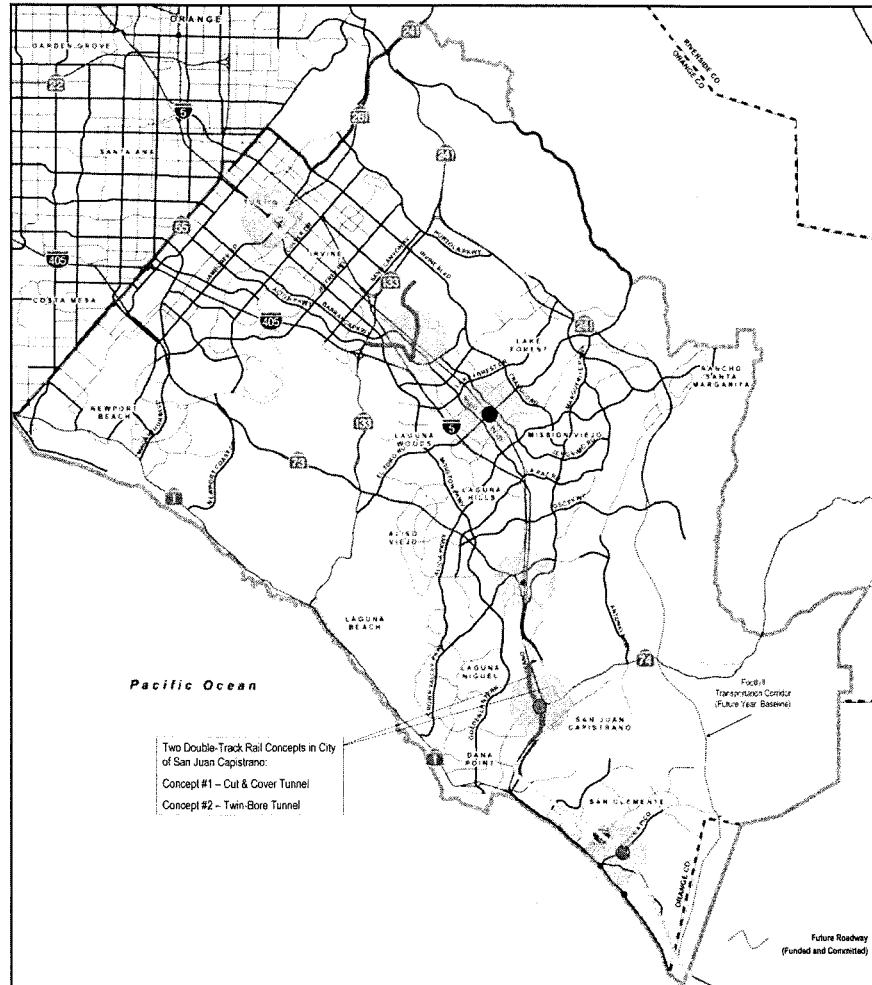


### Rail Transit System

Objective: Improve transit times and trip reliability in order to attract the discretionary rider. Address capacity constraints on the Los Angeles-San Diego (LOSSAN) Rail Corridor within the study area. Improve access to passenger rail stations.

#### Proposed Transportation Features

- Double-track LOSSAN Rail Corridor in tunnel, addressing areas that are currently single-track. Increase passenger rail service by adding more round-trip trains as well as more weekend trains between San Diego and Orange Counties.
- Consider providing direct ramp from Jamboree Road to Tustin Station based on future demand.
- Add a new rail station in Lake Forest.
- Increase the amount and quality of transit services connecting to and from rail stations (e.g., Go Local Metrolink Connectors, Fixed Guideway)
- Increase station parking capacity and station access.



**Figure S-15**  
**Rail Transit System**  
**Improvements**





## LOCALLY PREFERRED STRATEGY COST ESTIMATE

Table S-7 displays the capital cost estimate for the draft Locally Preferred Strategy (LPS). The total estimated capital cost is \$12.5 billion, with the freeway system improvements comprising the largest share among the modal layers, at 33 percent of the total. The LPS costs of the three other modal layers are about equal, indicating that the proposed investment levels are balanced and multimodal.

**Table S-8**  
**Draft Locally Preferred Strategy**  
**Total Capital Cost Estimate**  
**in Billions, Current Year (2008) Dollars**

	<b>Capital Cost</b>
Arterial System	\$ 2.7 B
Freeway System	\$ 4.1 B
Toll Road System*	\$ 2.9 B
Transit System (Bus & Rail)	\$ 2.8 B
Total	\$ 12.5 B

\*includes cost estimate of shadow toll

## TAC RECOMMENDATIONS

The role of the Technical Advisory Committee (TAC) was to provide technical oversight of the study methods, assumptions, and findings throughout the course of the South Orange County Major Investment Study and to make recommendations to the Policy Advisory Committee prior to key decision points. Between February and May, 2008, the TAC met several times to hear and review technical reports from the study team on the evaluation results of the Reduced Set of Alternative Strategies – Alternatives A, B, C, D, E, and F. The TAC members also worked with their elected officials and community representatives as well as OCTA staff to hear public concerns and to help resolve any technical issues related to the features of the alternatives. Through this process, the TAC immersed itself in the details of the elements that made up the various alternatives.

The TAC supported the development of a multimodal preferred strategy made up of the most competitive elements drawn from the Reduced Set of Alternative Strategies through a mix and match process. Based on the relative performance of alternatives, the TAC members easily agreed that the freeway improvements in Alternative C (Renewed Measure M) and the reduced toll/pricing options and added toll lanes in Alternative F should be included in the recommended LPS. However, there were extensive discussions that took place among the TAC members as to how much additional freeway capacity should be included in the LPS in order to address the congestion shown to remain on the freeway system in the future (Year 2030) after accounting for the improvements from Alternatives C and F. These discussions centered on how much of the added freeway capacity from Alternative D (added HOV and general purpose lanes) and/or Alternative E (high occupancy toll lanes) could be pulled into the mix. Ultimately, the TAC recommended a hybrid concept

that integrated selected freeway elements from Alternative D into the freeway/toll road concepts of Alternatives C and F. The hybrid concept resolved three interrelated considerations within the south Orange County study area: (1) need to improve those areas where freeway congestion is at its worst; (2) need to maintain a consistent number of lanes/avoid creating new bottlenecks and new operational problems on the freeway system; and a (3) need to minimize the level of ROW / community impacts.

The hybrid concept for the freeway/toll road system, along with the arterial system and transit elements, formed the basis of the TAC's recommendation for a draft Locally Preferred Strategy.

## **PAC RECOMMENDATION**

The TAC's recommendation for a draft Locally Preferred Strategy was presented to the Policy Advisory Committee (PAC) for their consideration and discussion on May 28, 2008 and again, on July 16, 2008. PAC members were also briefed on the public input received through the open houses, website surveys, community presentations, and Stakeholders Working Group. Although several elements of the Locally Preferred Strategy were reviewed and discussed at length, much of the debate focused on potential public concerns and technical challenges related to the added east-west arterial elements of the technical recommendation (e.g., SR-73/SR-241 Roadway Connector, Ortega Highway, and Oso Parkway.)

Consensus for a preferred strategy was reached among the PAC members at their July 16th meeting. Critical to this consensus was the development of a two-part policy recommendation that explicitly recognizes the South Orange County Major Investment Study as a conceptual planning document and that requires certain transportation concepts embodied in the Locally Preferred Strategy to undergo focused study and public review for feasibility and community acceptance before proceeding further into project development and/or receiving any project-level approvals. Additionally, some of the PAC members raised different points related to specific, individual transportation elements included in the recommended LPS that will need to be examined in further detail in the follow-on technical and/or environmental studies. These are noted and described as follows in the *Issues for Further Consideration* section of this report.

## **STAKEHOLDER FEEDBACK**

### **Stakeholder Working Group**

The Stakeholder Working Group (SWG), comprised of community leaders representing various interest groups, acted as a liaison between the South Orange County MIS study team and their constituency. The SWG membership was very diverse with specific interests in particular concepts. The SWG met at key study milestones to receive information and provide feedback on behalf of their constituency. The SWG met a total of eight times throughout the study process leading up to the draft LPS. On June 4, 2008, the committee was presented the draft LPS, and reconvened for a final meeting on August 13, 2008 at which the PAC Recommended LPS was shared. Feedback from the SWG was considered prior to the PAC's approval of the LPS. The SWG expressed general support for the multi-modal composition of the LPS and acknowledged that a balanced plan is a reasonable approach. The nature of the SWG membership and the formation of the committee was

such that consensus on the complete package of proposed improvements was not requested.

The SWG received strong participation from the environmental community whose members expressed opposition to investments and/or improvements to the infrastructure related to the toll roads, and were generally supportive of the addition of HOV lanes, as well as increased investment in transit. Other SWG members did not place as great a value on transit concepts and remain skeptical of its application in south Orange County given its terrain and socio-economic condition. Additionally, there was a mixed level of support and interest in the east/west connector concepts and the widening of Ortega Highway with positions being somewhat influenced by an interest group's proximity to the proposed concepts.

### **General Public**

Public feedback was gathered and utilized throughout the South Orange County MIS process to shape and refine the transportation improvements being considered. Overall, the feedback received through online surveys, community meetings and presentations, and open houses was generally supportive of the improvements proposed in the LPS, although there were a few instances of dissenting opinion about various individual elements. The general character of public support can be attributed to the significant size of the study area and its diversity of interest in transportation improvements that affect respondents locally. There was strong support for widening and improving Interstates 5 and 405, as well as improvements to the arterial system in the form of signal synchronization. In addition, among this larger constituency there appeared to be general consensus that South County needs additional transit options and greater levels of service to be able to better utilize transit as a viable mode of transportation. To date, there is overall support for the LPS moving forward with stakeholders recognizing that transportation improvements are needed and that the MIS is the appropriate first step in the development process.

## **S.9 ISSUES FOR FURTHER CONSIDERATION**

While the Policy Advisory Committee reached consensus on a recommended Locally Preferred Strategy for south Orange County, it was with the understanding that a number of issues of concern that were raised during the study process would be revisited through follow on feasibility studies and/or during the programmatic and environmental review phases of project development. For the most part, these are issues that were beyond the scope of the MIS. In some cases, general conceptual assumptions were made for study purposes and yet considerable controversy remains. Others have to do with the phasing of the various components and ensuring that they complement other transportation improvements in the region. These issues represent critical concerns of several of the local representatives, as well as the public, and will be a part of future discussions as certain transportation improvements move into their next phases of study.

### **ADDED EAST-WEST ARTERIAL CAPACITY**

Due to severity of the mobility deficiencies projected for east-west travel in the southeastern portions of the south Orange County study area, one of the South Orange County MIS LPS recommendations was to affirm local government efforts for a comprehensive study of potential solutions for east-west arterial improvements. An important condition to this follow-on study is that it be conducted at the discretion of the affected local governments and that it would need to include extensive public outreach.

The three components for added east-west arterial capacity between I-5 and Antonio Parkway that were examined at a preliminary level in the South Orange County MIS included: a) widening Oso Parkway to eight lanes (four lanes in each direction); b) widening Ortega Highway to six lanes (three lanes in each direction); and c) development of a new, east-west, four-lane arterial roadway that would connect both SR-73 and I-5 to Antonio Parkway.

Through the public outreach activities, advisory committee meetings, and briefings conducted during the alternatives evaluation phase of the South Orange County MIS, numerous technical and environmental challenges related to the east-west arterial capacity elements were raised: These included:

- Geotechnical issues related to extensive grading and/or tunnel sections for the SR-73/SR-241 Roadway Connector
- Desire to preserve open space between Ladera Ranch and residential neighborhoods in the City of San Juan Capistrano
- Identification of potential alignments for the SR-73/SR-241 Roadway Connector that provide a direct connection to SR-241 either via Cow Camp Road or on an alternative alignment
- Avoidance/minimization of impacts to Planning Area 3 (Rancho Mission Viejo)
- Potential conflicts to existing land uses along I-5 between Avery Parkway and Crown Valley Parkway posed by the provision of direct ramp connections from the SR-73/SR-241 Roadway Connector to both SR-73 and I-5
- Potential impacts to historical, adobe properties that line Ortega Highway
- Need to maintain quality of life issues (air quality, noise, aesthetics, traffic) for residential communities in Mission Viejo, San Juan Capistrano, and Ladera Ranch

## **I-5 ACCESS ISSUES**

### **Saddleback Connector**

As part of the conceptual engineering analysis for the South Orange County study, different interchange concepts were examined for the proposed roadway elements under consideration. Through the course of this examination, it was found that the interchange concepts that were previously drawn for the Saddleback Connector pose an operational conflict with the I-5 ramps proposed for the SR-73/SR-241 Roadway Connector.

The section of I-5 between Avery Parkway and Crown Valley Parkway is particularly challenging due the close proximity of the commercial properties that abut the existing ROW line in the cities of Laguna Niguel and Mission Viejo as well as the relatively tight interchange spacing between SR-73; Avery Parkway; and Crown Valley.

The addition of a new access point to an interstate freeway requires both federal and state approval with accompanying technical justification. Typically this process is initiated at a conceptual level through a project study report and then is fine tuned during the more detailed environmental studies/preliminary engineering phase of project development.

However, the South Orange County Technical Advisory Committee recommended that access to I-5 in the vicinity of Saddleback College undergo additional, more focused study to identify additional design concepts and/or potential modifications that would take both the Saddleback Connector and the SR-73/SR-241 Roadway Connector into consideration.

### **Stonehill Interchange**

The need to improve the existing interchange at Stonehill Drive and I-5 was identified during the development of the Renewed Measure M program. The South Orange County MIS also examined potential interchange improvement options for the Stonehill Drive interchange. At present there is an existing on-ramp from eastbound Stonehill Drive to northbound I-5, but no corresponding off-ramp to accommodate the reverse movement. Consequently the South Orange County MIS recommended that an off-ramp from southbound I-5 to westbound Stonehill Drive be included in any future modifications to this interchange.

It is anticipated that various interchange concepts for Stonehill Drive will be developed and evaluated in the next step of project development – the project study report (PSR) phase of analysis. As a result of input received from the South Orange County Policy Advisory Committee, it is recommended that the PSR prepared for this section of I-5 also include an examination of the feasibility of constructing an additional ramp from eastbound Stonehill Drive to southbound I-5. This PSR assessment would also assess the ability of this southbound ramp to help relieve the bottlenecks that occur on southbound I-5 in the vicinity of Pacific Coast Highway/Camino Las Ramblas as well as the Camino Estrella interchange.

### **MASTER PLAN OF ARTERIAL HIGHWAYS SYSTEM ISSUES**

Travel demand forecasting performed in conjunction with the South Orange County study demonstrated that the arterial system is projected to bear the brunt of future traffic congestion caused by rapid population and employment growth in the study area. Consequently, a key recommendation that came out of the South Orange County study was the need to complete the Master Plan of Arterial Highways (MPAH) system. Build-out of the MPAH was shown to substantially reduce the amount of future congestion on the arterial network throughout the study area.

However, an on-going concern voiced by the TAC with regard to the analysis of the MPAH system improvements was the assumption that the full complement of the MPAH could be implemented by 2030. It was universally realized that some of the more controversial elements of the MPAH are not likely to move forward due to environmental concerns and/or community opposition. The TAC was concerned that the amount of travel benefits attributable to build-out of the MPAH was therefore over-represented.

As part of the South Orange County LPS recommendation, it was determined that further study of the MPAH system as a whole is warranted. This follow on study would identify which elements of the MPAH might be more challenging to implement due to financial, physical, operational, geotechnical, or institutional issues. It would also assess system functionality without those elements and what measures or improvements would need to be undertaken to mitigate or replace those missing elements.

## **TOLL ROAD PRICING OPTION VIA SHADOW TOLL OR EQUIVALENT STRATEGIES**

The toll road pricing option has several features which will require further, more detailed study subsequent to the South Orange County MIS. This includes selecting the best mechanism to balance traffic between study area freeways and toll roads; determining the optimum amount of toll reduction; choosing the appropriate toll reduction financing methods; and refining the extent of needed toll road widening based on travel demand.

The MIS tested reduced toll levels as the mechanism to attract more traffic to the toll roads and relieve traffic on the study area freeways and arterials. There could be other methods to accomplish this traffic diversion that may garner greater support or provide more funding choices. For example, HOV lanes could be added to the study area toll roads using federal, state and local transportation funds, with carpools allowed to use them without paying a toll. Additional study of alternative methods to shift traffic to the toll roads from the freeways is warranted.

The toll reduction amount tested in the MIS was a 50 percent reduction in toll rates for all users over all time periods. However, at this conceptual level of study, a range of toll reduction strategies that would lead to determining the optimum level of toll reduction was not tested. The optimum level is the amount of toll reduction that maximizes traffic diversion to the toll roads while minimizing the toll revenue loss. This optimum toll reduction amount could vary by toll road as well as by time of day and day of the week. Further, more detailed toll revenue and traffic studies will need to be undertaken to answer these questions.

Shadow tolls are proposed in the MIS as the financing mechanism to fund the cost of the toll reductions. However, shadow tolls are not currently eligible for federal or state transportation funding. Other methods of paying for a toll reduction may be more acceptable or provide a greater range of funding sources. Additional, more detailed financial studies will be needed to address this issue.

Finally, the LPS recommends widening the entire length of the toll roads in the study area to maintain higher traffic levels of service as traffic volumes increase due to reduced toll costs. Preliminary findings from the MIS traffic forecasting suggest that only certain segments of the toll roads would require added capacity. More detailed study of the location and extent of toll road widening is needed to address the higher traffic volumes that would result from the reduced tolls.

## **LOSSAN DOUBLE TRACK ALIGNMENTS**

The LPS includes double tracking of the LOSSAN rail corridor from Laguna Niguel to the San Diego County line primarily in tunnel on new alignment. Two candidate alignments are proposed in the LPS through San Juan Capistrano, based upon prior study by Caltrans in the LOSSAN Corridor Strategic Plan and associated Program Environmental Impact Report. One alignment is proposed in a cut and cover tunnel adjacent to Trabuco Creek from south of Junipero Serra to south of Del Obispo, then rejoining the existing alignment. The other proposed double track alignment is in a twin-bore tunnel under I-5 from just north of Trabuco Creek to the existing rail alignment north of Avenida Aeropuerto. Concerns have been expressed about the potential impacts to the San Juan Capistrano historic district by the proposed Trabuco Creek alignment alternative.

Both of the proposed LPS alignments avoid adding a second track to the current rail alignment along the beach in San Clemente, which was strongly opposed by the community during the conduct of the Strategic Plan. Instead, the proposed LOSSAN double track alignment through San Clemente is in trench/split tunnel under I-5. The LOSSAN double tracking project is following its own development path through Caltrans and the Federal Railroad Administration, with a project level Environmental Document being the next step.

## **BUS TRANSIT – SMALL CIRCULATORS**

The Locally Preferred Strategy includes several types of local bus transit services including community based shuttles, Metrolink feeder/distributor service, and Go Local service to Metrolink stations. The MIS analysis made general assumptions about the definition and locations of these service types. These focused, community and city based bus services will require additional, detailed service planning by OCTA and the cities prior to deployment and implementation. Several cities have begun these studies under the Go Local program and plan to continue this work upon approval by OCTA. Further bus service planning will need to be undertaken as these services move closer to implementation to avoid service duplication and overlap and thereby maximize the effectiveness of these bus services.

## **ASSESS PHASING AND IMPLEMENTATION OF PROPOSED IMPROVEMENTS**

The Policy Advisory Committee's LPS recommendation includes the following:

*Establish the Renewed Measure M Freeway Plan as a priority for improving transportation in South Orange County followed by additional proposed improvements to the Santa Ana Freeway (Interstate 5) and the San Diego Freeway (Interstate 405), as defined in the LPS and based on funding availability.*

There are a myriad of specific projects in the LPS, including the elements listed in the above PAC recommendation. The overall phasing and implementation of these projects needs to be determined based upon several factors, including funding availability, duration of subsequent project development efforts, construction sequencing and ease of implementation. This assessment can be conducted as a stand alone study or incorporated into the upcoming biennial update of the County's Long Range Transportation Plan, scheduled to begin later in 2008.

# Draft LOCALLY PREFERRED STRATEGY (LPS) for South Orange County MIS Study Area

The **LOCALLY PREFERRED STRATEGY** integrates transportation elements drawn from the Reduced Set of Alternative Strategies into a recommended package of transportation improvements for south Orange County. The recommended Locally Preferred Strategy represents a plan for added level investment in south Orange County's transportation infrastructure needed to address projected travel patterns and conditions within the study area on top of the Renewed Measure M (M2) program of projects. The Locally Preferred Strategy is multimodal and encompasses improvements to the freeway system, the toll road system, arterial system, and transit system that are regional in scope. The **DRAFT LPS** includes the following transportation improvements:

**All 2030 BASELINE Improvements**

**All Transportation Systems Management / Travel Demand Management (TSM/TDM) Improvements**

**ARTERIAL SYSTEM**

- Safety and operation improvements at key locations on selected arterials within the study area (primarily near the freeway and toll road interchanges)
- Full Build-Out of the Master Plan of Arterial Highways (MPAH) System.  
[Note: Ultimate build-out (construction/encumbering funds) of designated MPAH facilities would require initiation by the jurisdictions within which the facilities are located.]
- Grade separate selected arterial locations (3-4 locations)
- ATMS (Arterial/Freeway Corridor Management): Provide more green time to arterials parallel to freeway corridors via adaptive control during congested periods and incidents to provide additional corridor capacity (e.g., Moulton Pkwy, Muirlands Blvd, Irvine Center Dr.)

**FOR FURTHER STUDY AT THE DISCRETION OF LOCAL GOVERNMENTS:**

- Add new 4 lane limited access roadway connecting both I-5 and SR-73 to Antonio Parkway and Cow Camp Road (SR-73/SR-241 Roadway Connector)
- Upgrade and expand Oso Parkway from I-5 to Antonio Parkway
- Upgrade and expand Ortega Highway from I-5 to Antonio Parkway

**FREEWAY SYSTEM**

- Add 1 General Purpose lane in each direction on I-5 in the following locations: i) Avenida Pico to Ortega Highway; ii) Avery Parkway to Alicia Parkway; and (iii) vicinity of SR-133 to the SR-55 ramps.
- Add 1 HOV lane in each direction on I-5 from the San Diego County Line to Pacific Coast Highway (PCH)
- Interchange Modifications on I-5: Avenida Pico, El Camino Real, Pacific Coast Highway, Stonehill Dr. [SB ramps], La Novia/Camino Capistrano, Ortega Hwy. (SR-74), Avery Pkwy, Oso Pkwy, La Paz Rd, El Toro Rd, Jamboree Rd.
- Conduct further study of new access to I-5 in the section of I-5 between SR-73 and Crown Valley Parkway in the vicinity of Saddleback College.
- Add truck climbing lane on NB I-5 from Avd. Pico through Avd. Vaquero.
- Add 1 General Purpose lane in each direction on I-405 from the El Toro "Y" to SR-133.
- Add 2 General Purpose lanes in each direction on I-405 from SR-133 to the vicinity of Culver Drive.
- Add 1 General Purpose lane in the NB direction on I-405 from Culver Drive to the vicinity of MacArthur Blvd for lane continuity / balance.
- Provide interchange improvement on I-405 at the SR-133 (e.g., ramp connector SB I-405 to NB SR-133).

**TOLL ROAD SYSTEM / PRICING OPTION**

- Adjust the pricing structure of the toll road system by providing a reduced toll to the user via a shadow toll to attract more users, thereby balancing travel demand across the full roadway network within the study area.
- Add 1 General Purpose lane in each direction on SR-133, SR-73, and SR-241 to maintain a competitive level of service for toll paying users.
- Improve connectivity, flow, and access at the SR-73 / Laguna Canyon Rd / El Toro Rd interchange
- New interchanges at Jeffrey Rd/SR-241; at Crown Valley Pkwy/SR-241; at "CC" Street/SR-241

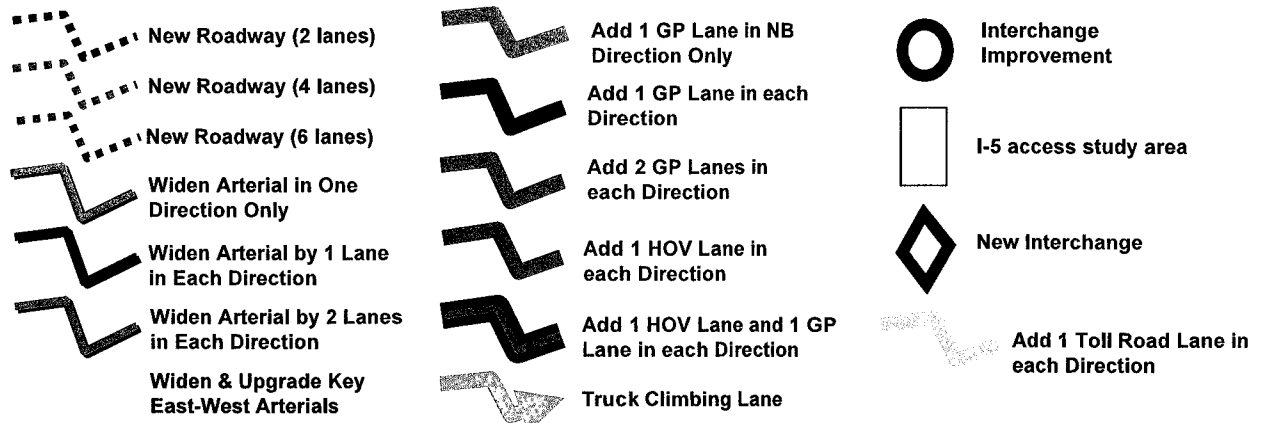
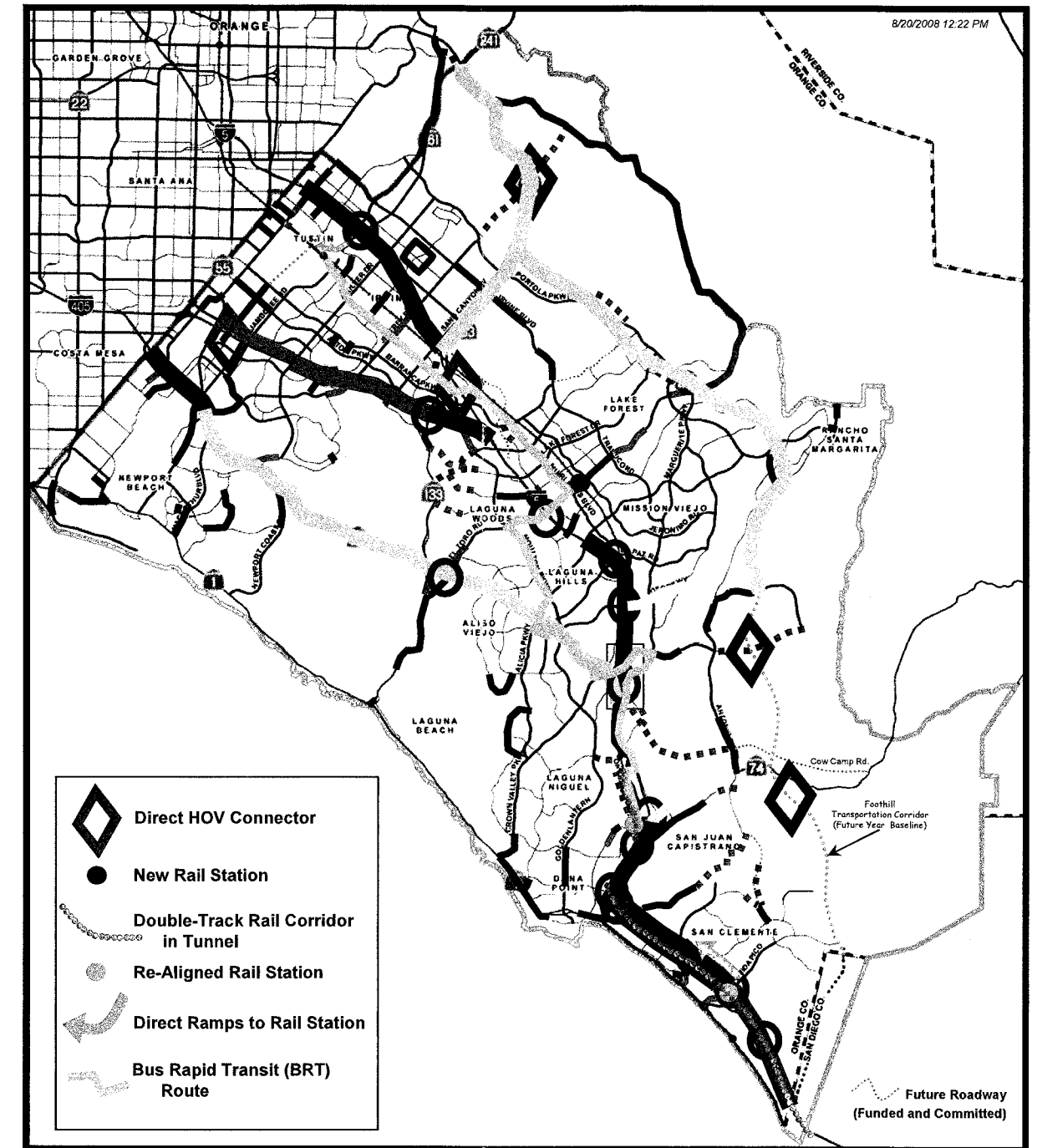
**Note:** The development and further examination of toll pricing options, including assessment of travel demand as well as the financial implications, must be coordinated with the TCA.

**BUS TRANSIT / INTERMODAL FACILITIES**

- Increase fixed route bus service by ~20% over the TSM/TDM level of improvements.
- Increase express bus service by ~10% over TSM/TDM levels.
- Substantial investment in Community Based Shuttles (more than doubles the level of this service proposed in TSM/TDM levels.)  
[ Note: increases in bus transit service are characterized by increases in revenue vehicle service hours, which reflect added/extended routes, improved frequencies, and/or increased span of service.]
- Beach buses and special event buses.
- North-south Bus Rapid Transit (BRT) Corridor from Tustin Station to downtown San Juan Capistrano, serving transit centers and major activity centers along the route
- Direct HOV connector ramps at existing overcrossings: Von Karman Ave and I-405 and at Barranca Pkwy and I-5 (missing ramps)
- Multimodal centers with HOV, bus, BRT, specialty bus, carpool, vanpool, and parking facilities

**RAIL TRANSIT / FEEDER SERVICE / FIXED GUIDEWAY**

- New Metrolink station in Lake Forest with feeder bus that includes a connection to Laguna Hills Transportation Center
- Longer Platforms/Train sets
- Add 2-3 additional train round trips on weekends between Orange County and San Diego County
- Increase station parking by ~25% over 2030 Baseline Alternative
- Increased access near stations (street improvements, intermodal support facilities)
- Direct ramps from Jamboree Road to Tustin Station in the southbound direction only.
- Increase in Metrolink rail feeder/distributor bus service (~100% over TSM/TDM level of improvements.)
- Implement rubber tire "Go Local" connectors to Metrolink stations
- Double track LOSSAN Corridor in San Juan Capistrano via one of two potential alignment options: i) from south of Junipero Serra in cut and cover tunnel adjacent to Trabuco Creek to south of Del Obispo then rejoining existing rail right-of-way, or ii) in twin-bore tunnel under I-5 starting from existing alignment just north of Trabuco Creek then exiting tunnel and rejoining existing rail right-of-way north of Avenida Aeropuerto.
- Double track LOSSAN Corridor from just north of Avenida Aeropuerto in San Juan Capistrano under I-5 via trench/split tunnel with new station at Avenida Pico continuing to Basilone Road then rejoining existing rail right-of-way.
- Increase rail service by 25% over 2030 Baseline levels (e.g., mostly south of Laguna Niguel/Mission Viejo station.)
- High capacity fixed guideway transit line at selected Metrolink stations (e.g. Irvine)
- Accommodate City initiatives for Transit Oriented Development (TOD) near stations
- Inter-jurisdictional policy mechanisms to plan and develop selected transportation systems with a regional view:
  - Policy committee to plan Metrolink station improvements (Cities with Metrolink stations)
  - Integrate passenger rail systems for Los Angeles, Orange, and San Diego counties (Metrolink, Coaster, Amtrak)



Blue text highlights transportation elements that provide an added level of transportation improvement over/above Renewed Measure M (M2) in the study area.



**South Orange County Major Investment Study  
Policy Advisory Committee  
Locally Preferred Strategy Recommendations**

Consensus for a locally preferred strategy (LPS) was reached by the Policy Advisory Committee (PAC) on July 16, 2008. The PAC accepted the findings of the South Orange County Major Investment Study (SOCMIS) as identified in the LPS, while not necessarily endorsing all of the east-west arterial elements of the strategy. In the following two-part LPS, regarding certain projects identified in recommendation B, the PAC endorses local government's prerogative to undertake further study and public review of east-west arterial concepts before a decision to proceed further can be made.

A. Accept the findings of the SOCMIS included in the LPS and recommend the following:

- Seek further public input on the transportation concepts included in the LPS through the Orange County Transportation Authority Long-Range Transportation Plan starting in late 2008.
- Establish the Renewed Measure M freeway plan as a priority for improving transportation in south Orange County followed by additional proposed improvements to the Santa Ana Freeway (Interstate 5) and the San Diego Freeway (Interstate 405), as defined in the LPS and based on funding availability.

B. Continue to evaluate the feasibility of the plan by:

- Working with the Transportation Corridor Agencies and the California Department of Transportation to maximize the efficiency of south Orange County's freeway and toll road facilities.
- Affirming local government efforts for a comprehensive study of potential solutions for east-west arterial improvements identified in the LPS as a starting point.\*
- Conducting a comprehensive review of the Master Plan of Arterial Highways improvements with the input of local agencies.

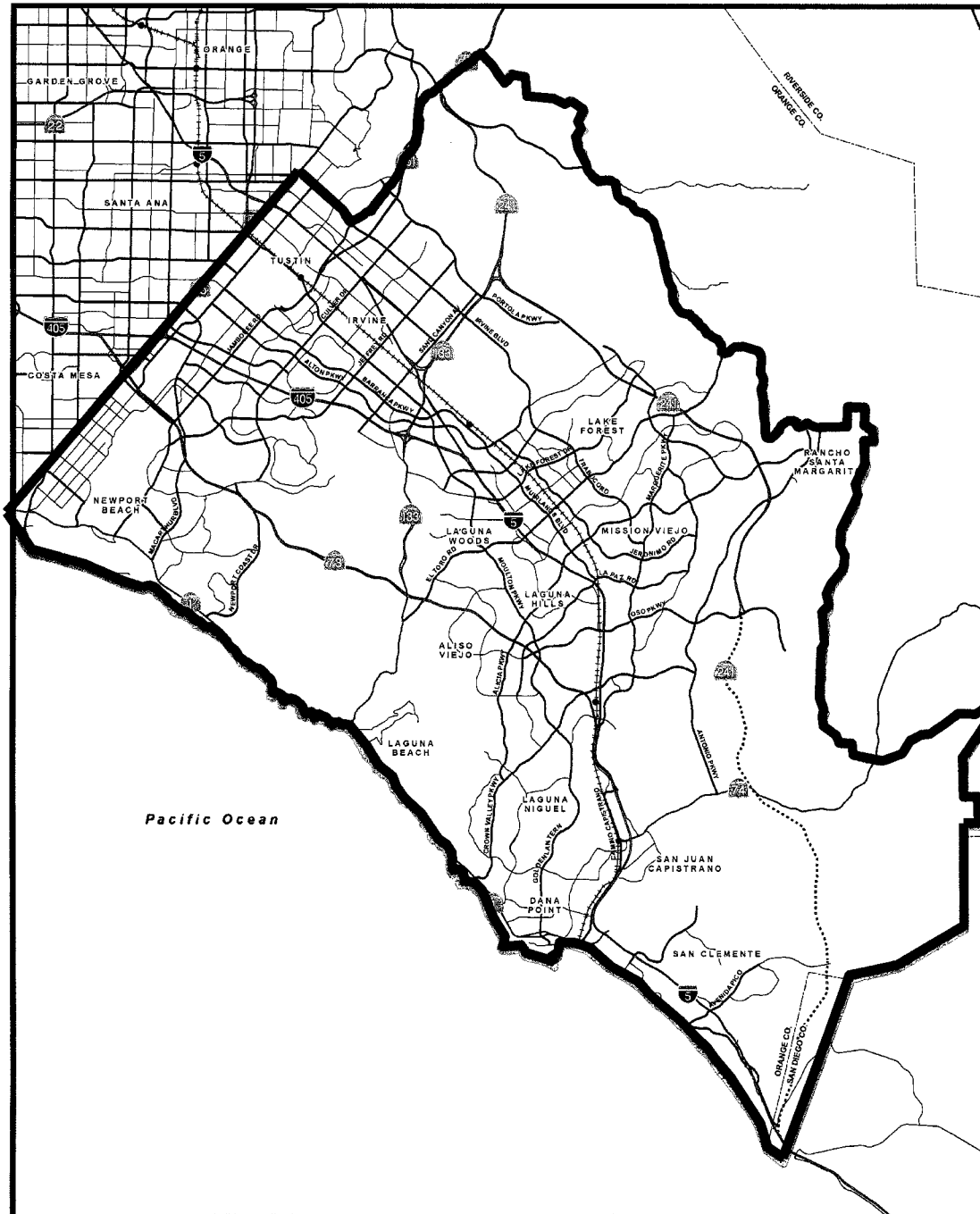
\* Any future study of local east-west arterial concepts will be at the discretion of the affected local governments and would need to include extensive public outreach.

**POWERPOINT  
PRESENTATION**

**South Orange County  
Major Investment Study  
Recommended  
Locally Preferred Strategy**

**Board of Directors' Meeting  
October 10, 2008**





## Study Area

- Covers 40% of Orange County
- Several new and developing communities

# Public Involvement Program

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Study process guided by three committees:

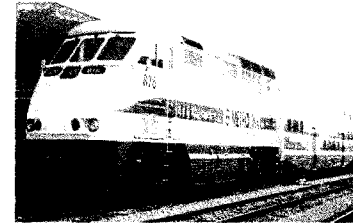
- Policy Advisory Committee (11 meetings)
- Technical Advisory Committee (17 meetings)
- Stakeholder working group (8 meetings)

# The "Transportation Problem"

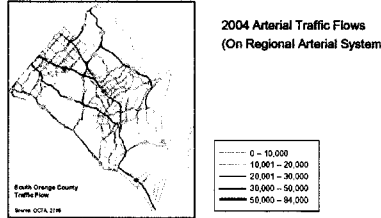
**Freeway Congestion**



**Rail Corridor Constraints**



**Arterial Roadway Congestion**



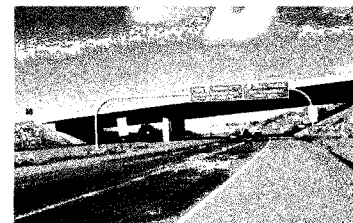
**Economic Growth and Quality of Life**



**Weekend Congestion**



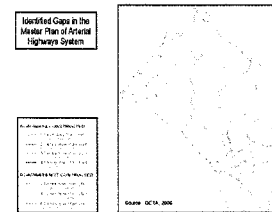
**Need to Maximize Use of Existing Infrastructure**



**Limited Transit Choices**



**System Gaps**

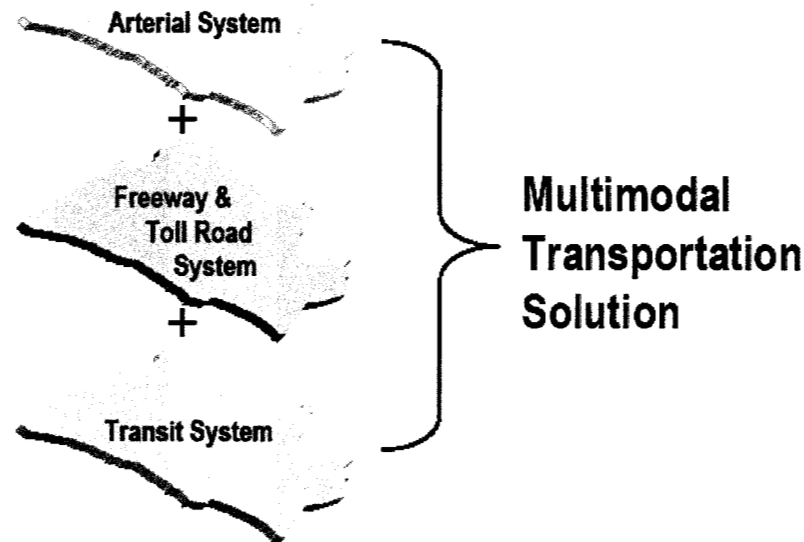


# Forming a Preferred Strategy

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Select the best combination of transportation investment choices that includes the:

- Arterial system
- Freeway/toll road system
- Transit system



# Future Transportation Baseline

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- Committed and funded projects by 2030
- Examples:
  - Foothill South (State Route 241 completion)
  - Adding one lane per direction to the toll roads
  - 30-minute Metrolink service
  - Arterial projects



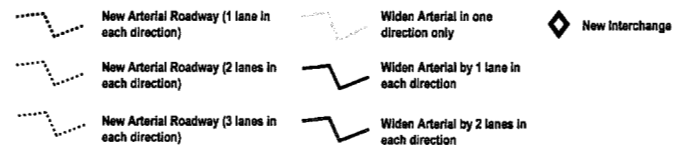
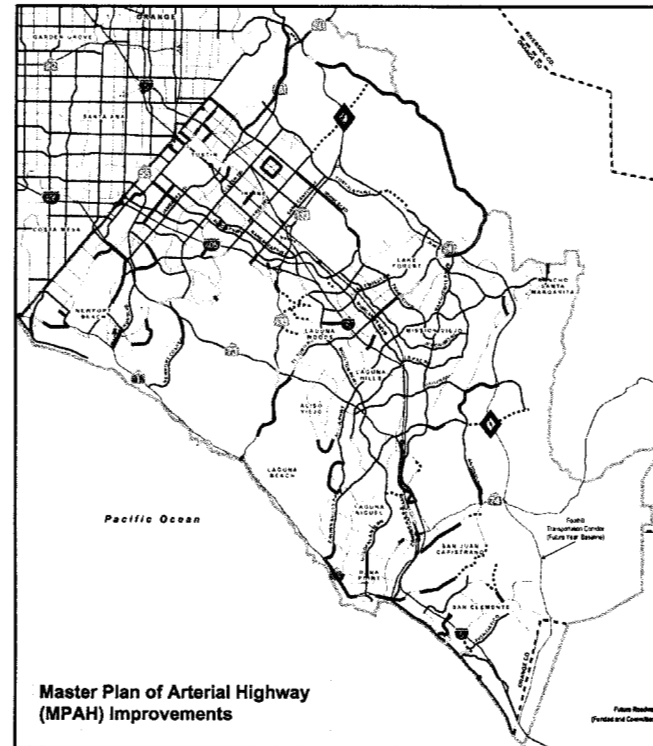
# Arterial System Projects

## Objective:

Complete buildout of the Master Plan of Arterial Highway (MPAH) system. Close major gaps and relieve congestion on regional arterial system.

## Proposed Transportation Features:

- Construct un-built MPAH arterial roadways.
- Widen or extend existing arterial roadways that are currently below their MPAH classification.
- Provide new interchanges to connect new MPAH arterials.



# Arterial System Studies

## Objective:

Affirm local government efforts for a comprehensive study of potential solutions to east-west roadway capacity needs.

Undertake Further Study\* and Public Review of East-West Arterial Concepts, including Consideration of:

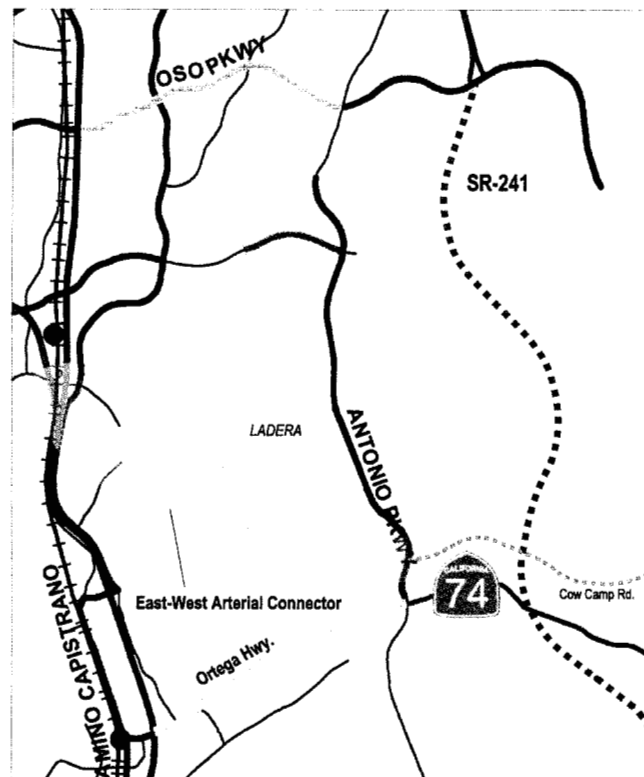
**East-West Arterial Connector:** New four-lane arterial roadway between I-5 and Antonio Parkway. Provide direct ramp connections to SR-73 and I-5.

**Oso Parkway:** Widen by one lane in each direction. Total width of Oso Parkway becomes 8 lanes between I-5 and Antonio Parkway.

**Ortega Highway:** Widen Ortega Highway by one lane in each direction. Total width of Ortega Highway becomes 6 lanes between I-5 and Antonio Parkway.

\* Any future study of local east-west arterial concepts will be at the discretion of the affected local governments and would need to include extensive public outreach.

## Focus Area for Further Study: Added East-West Arterial Capacity



- Future Roadway (Funded and Committed)
- New East-West Arterial Roadway (2 lanes in each direction)
- Widen and Upgrade East-West Arterial Roadway

# Freeway and Toll Road Projects

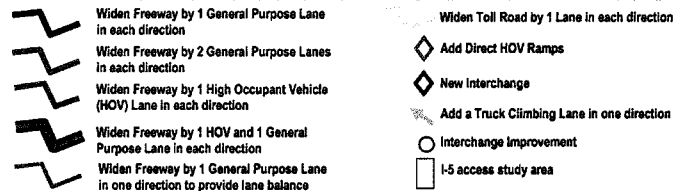
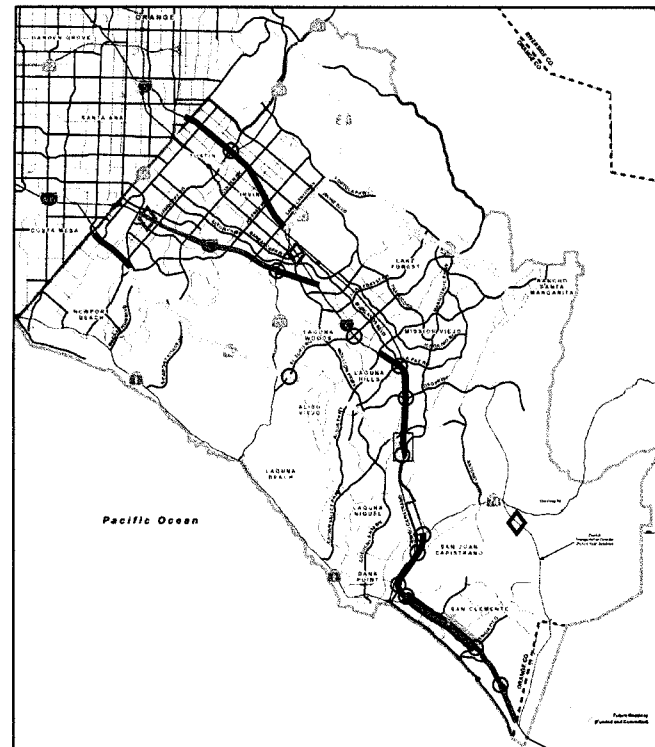
## Objective:

Add lanes to the freeway system in locations that experience the most severe levels of freeway congestion. Achieve a better balance between the freeway system and the toll road system.

## Proposed Transportation Features:

- Add general purpose lanes to sections of I-5 and I-405.
- Extend the existing HOV lanes on I-5 to the County Line.
- Provide truck climbing lane, direct HOV ramps, and selected interchange improvements.
- Conduct further study of toll pricing by employing a "shadow toll" or equivalent strategies.
- Conduct further study of new access to I-5 in the vicinity of Saddleback College.

Note: A "shadow toll" is a per vehicle subsidy that is paid to a toll road operator by a third party and not by toll road users. Shadow toll amounts are based on the type of vehicle and distance traveled.



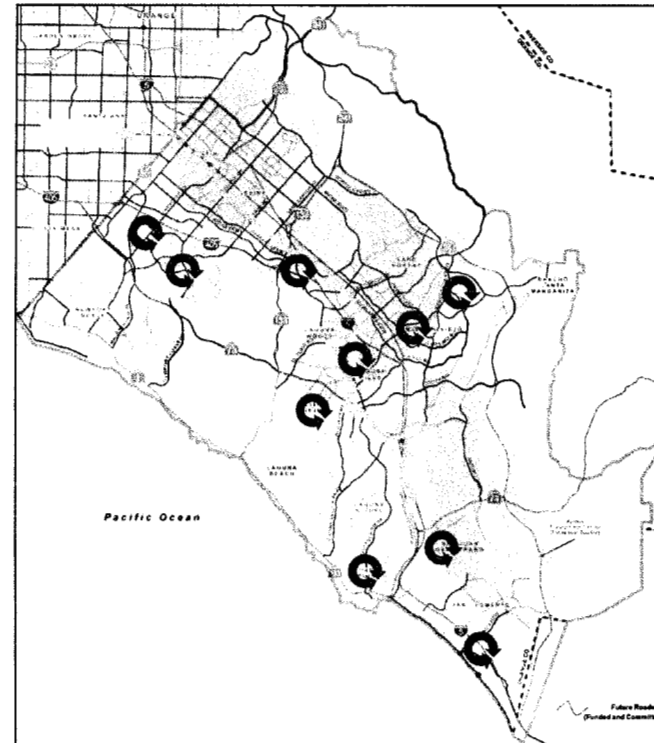
# Bus Transit System

## Objective:

Enhance existing bus service and introduce new types of bus transit services to address a variety of travel markets within the study area.

## Proposed Transportation Features:

- Increase local and express bus services by improving frequency and geographic coverage
- Invest in community-based shuttles including beach buses and special event shuttles
- Provide Bus Rapid Transit (BRT) route serving transit centers and major activity centers along the route.



Bus Rapid Transit Route

New or Extended Local Bus Routes



New Community-Based Shuttles

Local Bus Frequency Improvements

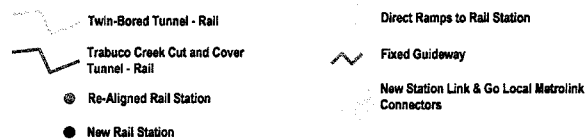
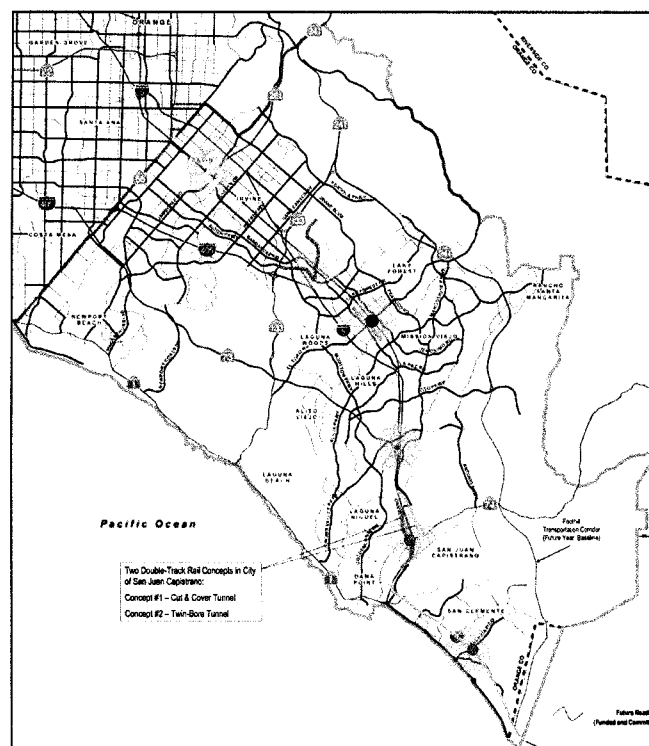
# Rail Transit System

## Objective:

Improve transit travel times and trip reliability in order to attract the discretionary rider. Address capacity constraints and access to rail stations for the Los Angeles – San Diego (LOSSAN) Rail Corridor.

## Proposed Transportation Features:

- Double-track LOSSAN Rail Corridor in tunnel, addressing areas that are currently single-track
- Increase passenger rail service by adding more round-trip trains as well as more weekend trains between San Diego and Orange Counties
- Add a new rail station in Lake Forest
- Increase the amount and quality of transit services connecting to and from rail stations
- Increase station parking capacity and station access



# **Locally Preferred Strategy (LPS)**

## **Mobility Benefits**

- Over 50% reduction in system wide congestion
- 55-80% improvements in average speeds for major arterials for the morning peak
- 30% improvement in average speeds on the freeway system during the morning peak
- 35% increase in daily transit ridership

# Next Steps

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- Continue public outreach activities and briefings
- Orange County Transportation Authority Board of Directors: October 10, 2008
- If approved, efforts to further define LPS recommendations







*BOARD COMMITTEE TRANSMITTAL*

**October 10, 2008**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Request to Award Contract for Armored Vehicle and Fare Collection Counting Services

Finance and Administration Committee Meeting of September 24, 2008

**Present:** Directors Buffa, Campbell, Green, and Moorlach  
**Absent:** Director Amante

***Committee Vote***

This item was passed by all Committee Members present.

***Committee Recommendation***

Authorize the Chief Executive Officer to execute Agreement No. C-8-0921 between the Orange County Transportation Authority and Sectran Security, Inc., in an amount not to exceed \$3,000,000, for armored vehicle and fare collection counting services for a five-year term.



**September 24, 2008**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Request to Award Contract for Armored Vehicle and Fare Collection Counting Services

### **Overview**

As part of the Orange County Transportation Authority's Fiscal Year 2009 Budget, the Board of Directors approved contracting for armored vehicle and fare collection counting services. Offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

### **Recommendation**

Authorize the Chief Executive Officer to execute Agreement No. C-8-0921 between the Orange County Transportation Authority and Sectran Security, Inc., in an amount not to exceed \$3,000,000, for armored vehicle and fare collection counting services for a five-year term.

### **Background**

The Orange County Transportation Authority (Authority) requires armored vehicle services to transport cash collected in fareboxes to counting facilities and from the counting facilities to the bank. Armored vehicle services are also required to transport miscellaneous deposits between Authority properties and the bank. Since 1991, six contracts have been awarded for this service, all to the same vendor, Los Angeles Federal Armored Services, Inc. (LA Federal), the only firm to submit a proposal.

In addition to armored vehicle services, the Authority also requires fare collection counting services to supplement internal resources. The Authority has contracted for this service since 1996. Since that time, four awards have been made, twice to Brinks, Inc. (Brinks) and twice to LA Federal.

Due to the lack of competition for the armored vehicle service contract, the Board of Directors (Board) challenged staff to find a way to increase competition for this service. Staff first attempted to join other local agencies in a group procurement, but the timing and nature of services sought by the Authority did not align with those of the agencies contacted. Staff then decided to combine the two related services into a single procurement hoping that a larger contract would generate more interest. This strategy was successful resulting in three viable proposals being received with significantly lower pricing than is being paid under the current contracts. Staff estimates that the Authority will save approximately \$250,000 per year based on the proposed rates of the recommended firm.

***Discussion***

On June 26, 2008, a request for proposals (RFP) for armored vehicle and fare collection counting services was issued. An electronic notice was sent to 35 firms registered on CAMM NET. In addition, notice of the RFP was advertised in the Orange County Register on June 26 and July 3, 2008. A pre-proposal conference was held on July 15, 2008, and was attended by four firms. One addendum was issued to address questions that were submitted.

On July 29, 2008, proposals were received from three firms: Sectran Security, Inc. (Sectran), LA Federal, and Brinks.

An evaluation committee composed of staff from Contracts Administration and Materials Management, Accounting and Financial Reporting, Accounting Operations, General Accounting, and Maintenance was established to review all offers submitted. The proposals were evaluated based on the following criteria which were approved at the June 23, 2008, Board meeting:

- Cost and Price 30 percent
- Work Plan 30 percent
- Qualification of Firm 25 percent
- Staffing and Project Organization 15 percent

Since the contractor will have possession of large amounts of cash, security was a key factor in awarding this contract. Security was evaluated as a component of the work plan. To reflect the importance of security the work plan weight was increased to 30 percent.

Given the term and significant cost of the service, the weight for cost was increased to 30 percent.

The weight assigned to staffing and project organization was decreased to 15 percent because the service being sought is primarily provided by skilled labor as opposed to professional staff. Consequently, there is less dependence on key technical personnel. Additionally, much of the counting function is automated with equipment used to count the coins and currency.

The evaluation committee rated the three proposals. The evaluation committee interviewed the two highest ranked firms, Sectran and LA Federal, on August 13, 2008, at each of their facilities. These firms provided a tour of their facilities and responded to questions from the committee. Brinks was not invited to interview because the firm scored substantially lower due to lack of a work plan and fuel surcharge.

Based on its findings, the evaluation committee recommends the following firm for consideration of the award:

Firm and Location

Sectran Security, Inc.  
Pico Rivera, California

Qualifications of Firm

Both Sectran Security, Inc. and LA Federal rated high in the area of qualifications. Each firm has extensive experience, including public sector experience.

Staffing and Project Organization

Again, both firms rated high in the area of staffing and project organization. Each firm performs detailed background checks on all employees, has drug and alcohol testing programs in place, and has dedicated employees to be assigned to the contract.

Work Plan

Sectran's work plan was detailed and well thought out. Its work plan thoroughly addressed every task in the RFP. This clearly communicated its ability to meet or exceed all aspects of the required services and required minimal clarification regarding the work plan requirements.

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**Cost and Price**

This procurement has a firm-fixed price component for the armored vehicle services and a variable price for the fare collection counting services which was priced at a rate per hundred dollars of coin and currency. The rate is fixed, but the total cost is ultimately dependent on the volume of fare collections.

Both firms submitted a responsive price proposal; however, Sectran's proposal was substantially less by \$680,000.

Based on the criteria identified in the RFP, Sectran proposed a lower price overall; staff is recommending Sectran to the Board.

**Fiscal Impact**

The project was approved in the Orange County Transportation Authority's Fiscal Year 2009 Budget, Accounting and Financial Reporting Department, Finance, Administration and Human Resources Division, Account 1241-7629-A5105-DU4, for armored vehicle services and Account 1241-7629-A5105-F30, for fare collection counting services, and is funded through the Orange County Transit District Fund.

***Summary***

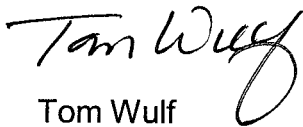
Based on the information provided, staff recommends award of Agreement No. C-8-0921 to Sectran Security, Inc., in an amount not to exceed \$3,000,000, for armored vehicle and fare collection counting services.

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***Attachments***

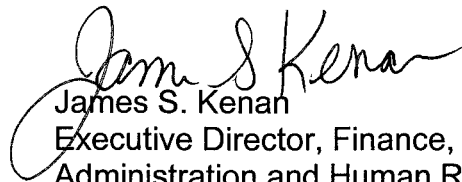
- A. Armored Vehicle and Fare Collection Counting Services Review of Proposals
- B. Proposal Evaluation Criteria Matrix RFP 8-0921 – Armored Vehicle and Fare Collection Counting Services

**Prepared by:**



Tom Wulf  
Manager,  
Accounting and Financial Reporting  
(714) 560-5659

**Approved by:**



James S. Kenan  
Executive Director, Finance,  
Administration and Human Resources  
(714) 560-5678

**ARMORED VEHICLE AND FARE COLLECTION COUNTING SERVICES**

Review of Proposals 8-0921

Presented to Finance and Administration Committee- -9/24/08

3 proposals were received, 2 firms was short-listed. One firm recommended for award.

Overall Ranking	Proposal Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	TIME AND EXPENSE
1	84	Sectran Security, Inc. Pico Rivera, California	None	Highest ranked firm. Firm has very good experience with providing similar services. Detailed workplan. Demonstrated thorough and concise understanding of project requirements and familiarity with handling cash vaults. qualified staff-good security- thorough background checks. Very good interview and site visit. Secure facility. Lower overall price of two short-listed firms - within budget - all inclusive. No exceptions/deviations to Authority's contract.	<u>ARMORED VEHICLES</u> *\$1,270,692  <u>Coin</u> **\$0.15/hundred  <u>Currency</u> **\$1.12/hundred
2	74	L A Federal Armored Services, Inc. Los Angeles, California	None	Firm has wealth of experience with providing armored vehicle services. qualified staff - good security - thorough employee background checks. Very good interview and site visit. Extremely secure facility. Good pricing - within budget - all inclusive.	<u>ARMORED VEHICLES</u> *\$1,186,200  <u>Coin</u> **\$0.19/hundred  <u>Currency</u> **\$1.70/hundred

\*total for 5 years  
\*\*average for 5 years

Evaluation Panel:

Contracts Administration and Materials Management  
Accounting & Financial Reporting  
Accounting Operations  
General Accounting  
Maintenance Department

Evaluation Criteria

Cost and Price  
Work Plan  
Qualifications of Firm  
Staffing and Project Organization

Weight Factors

30%  
30%  
25%  
15%









MEMO

October 7, 2008

To: Members of the Board of Directors  
From: Wendy Knowles, Clerk of the Board  
Subject: **91 Express Lanes Debt Restructure**

The following item is being discussed at a Committee meeting which takes place subsequent to distribution of the Board agenda. Therefore, you will be provided a transmittal following that Committee meeting (and prior to the Board meeting) informing you of Committee action taken.

Thank you.



**October 8, 2008**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** 91 Express Lanes Debt Restructure

**Overview**

Over the past several months, staff evaluated various alternatives related to the restructuring of the 91 Express Lanes debt. The variable rate demand bonds experienced higher interest rate costs as a result of the downgrading of Ambac Assurance Corporation in 2008. Ambac Assurance Corporation insures the 91 Express Lanes debt. Staff has been working with the Orange County Treasurer's office to negotiate a private placement transaction for a two-year period for the \$100 million in variable rate demand bonds.

**Recommendation**

Authorize staff to negotiate final terms with the Orange County Treasurer on a private placement for the \$100 million in 91 Express Lanes variable rate demand bonds and return to the Board of Directors with draft financing documents.

**Background**

In January 2008, Fitch, Inc. downgraded Ambac Assurance Corporation (Ambac), the world's second largest bond insurer, from "AAA" to "AA". Several months later in June 2008, Moody's Investors Services, Inc. and Standard and Poor's also downgraded Ambac to an "AA" level. As a result of these downgrades, investors lost confidence in Ambac's credit position which translated into higher interest costs for the Orange County Transportation Authority's (Authority) 91 Express Lanes \$100 million variable rate demand bonds (VRDBs).

The VRDBs were issued in November 2003 as part of the \$195.265 million in Toll Road Revenue Refunding Bonds. The Authority sold \$95.265 million Ambac-insured fixed rate bonds at an average interest rate of 4.90 percent.

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The other series were sold as VRDBs, in the amount of \$100 million. The VRDBs are also insured by Ambac and are re-priced on a weekly basis.

The Authority entered into a floating-to-fixed interest rate swap with two counterparties, Lehman Brothers (Lehman) and Bear Stearns, to hedge and remove the variable interest rate exposure. The swap synthetically fixed the interest rate on the VRDBs to 4.06 percent. The same two counterparties were used as the remarketing agents for selling the VRDBs to investors.

Although the Authority's VRDBs are hedged to a 4.06 percent rate, the 91 Express Lanes bonds are subject to market fluctuations with each weekly re-pricing. As part of the hedge, the Authority receives the weekly benchmark Securities Industry and Financial Markets Association (SIFMA) rate in return from the two counterparties.

The Authority also entered into a Standby Purchase Agreement with JP Morgan Chase Bank (JP Morgan) and Dexia Credit Local Bank (Dexia) to provide liquidity for the VRDBs. The liquidity provides protection to investors and the remarketing agents in the event that there is no market interest for the bonds. The Standby Purchase Agreement has a five-year term and expires in November 2008.

In March 2008, JP Morgan acquired the assets and liabilities of Bear Stearns. This included the counterparty obligation with the Authority which JP Morgan became responsible for under the acquisition. In September 2008, Lehman filed for bankruptcy. The Authority is currently working with general counsel and bond counsel to determine the impacts of the bankruptcy on the Authority's interest rate swap.

### ***Discussion***

Since the downgrading of Ambac by the rating agencies earlier this year, the Authority has been evaluating various restructuring options for the VRDBs. Over the past month, the alternatives were narrowed to two, a fixed-rate refinancing and a private placement transaction with the Orange County Investment Pool (OCIP).

The costs and benefits of both options have been analyzed and discussed at various Finance and Administration Committee meetings. There are good arguments for pursuing either restructuring option. A two-year OCIP private placement option is an attractive way to use local resources to bridge today's credit and liquidity crunch. The 91 Express Lanes has the financial capacity to pay the swap termination payment as well as the required costs of issuance for

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a fixed rate refunding bond and still have strong debt service coverage and “A” category credit ratings.

#### Two-Year Private Placement With OCIP

The Authority has negotiated a preliminary fixed rate of 3.85 percent for a two-year period with the Orange County Treasurer for the transaction with OCIP. In order to proceed with this option, the Authority would be required to change the mode of the VRDBs to a two-year mode with an unconditional put in 12 months. The unconditional put will allow the Orange County Treasurer to invest in the 91 Express Lanes VRDBs within the guidelines of the Orange County Treasurer’s Investment Policy Statement.

There are many advantages to this transaction. First, the interest rate on the VRDBs is fixed for a two-year period at a time when municipal rates are very volatile. The Authority would pay 3.85 percent and pay the swap interest rate of 4.06 percent to the swap counterparties. In return, the Authority would receive the counterparty payment equal to the weekly SIFMA rate. This assumes that the swap counterparty payment exchange continues given the recent bankruptcy filing by Lehman. This transaction with OCIP also provides a two-year window for liquidity to return to the financial markets.

Another advantage of the transaction with OCIP includes less disclosure requirements compared to a traditional public offering. This translates into lower cost of issuance expenses. It is assumed that the private placement can be completed for approximately \$680,000. This includes fees for ratings, bond counsel, financial advisor, and other miscellaneous expenses.

The primary disadvantage of the private placement is the unconditional put in 12 months. The Authority will need to guarantee that the VRDBs can be returned if OCIP elects to redeem the investment. In two years time, the Authority will incur additional cost of issuance expenses for the next transaction.

#### Fixed Rate Transaction With Swap Termination

The Authority can elect to lock in debt service costs until 2030 with a fixed rate transaction. This transaction would be a current refunding of the VRDBs and interest rates would be fixed at approximately 5.25 percent. The interest rate swaps would be terminated at an estimated value of approximately \$8.5 million. Although a fixed rate financing will provide the Authority with a precise annual debt service cost, this is an expensive restructuring option.

The advantages of a fixed rate transaction include the certainty of the future debt service payments, no counterparty risks, and minimal monitoring of the debt by staff. The disadvantages include the swap termination, higher annual interest costs, and the approximate three to four month time period to complete the transaction. In addition, the cost of issuance expenses for the fixed rate transaction are estimated at approximately \$1.3 million.

#### Recommended Approach

Staff recommends the Board of Directors (Board) select the private placement option with OCIP for the restructuring of the 91 Express Lanes debt. A draft term sheet for the transaction is provided in Attachment A. This option will fix the Authority's debt service payments for a two-year period in an unstable municipal market environment. Disclosure documents can be completed in a short-time period and at costs much lower than a traditional financing.

It was initially thought that the private placement would cost approximately \$600,000 more annually in debt service costs than the fixed rate transaction for the two-year period. However, that may not be the case given the recent Lehman bankruptcy filing. It is uncertain at this time whether Lehman will breach the terms of the swap contract and stop making its counterparty payments. If Lehman does, then the annual debt service costs will be lower for the private placement transaction.

#### Next Steps

If the Board approves the recommended approach, the Authority will finalize the negotiations with the Orange County Treasurer's office and prepare the financing documents for the transaction. These documents, which include a supplemental indenture, will be sent to the rating agencies for review and ratings. Once completed, staff will submit the financing documents to the Board for final review and approval. If these steps cannot be completed prior to the expiration of the Standby Purchase Agreement in mid-November 2008, then the Authority will make a direct investment in the 91 Express Lanes for a temporary period until the transaction with the Orange County Treasurer can be completed.

#### **Summary**

A plan to restructure the 91 Express Lanes variable rate demand bonds is presented for approval by the Finance and Administration Committee and the Board of Directors. The plan entails entering into a private placement transaction with the Orange County Investment Pool.

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**Attachment**

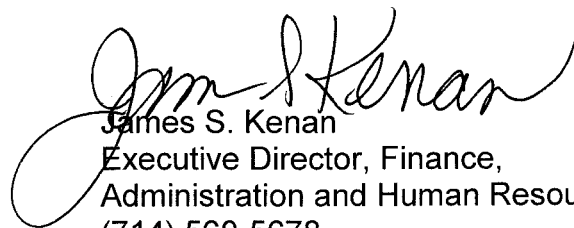
- A. Draft Private Placement Term Sheet

**Prepared by:**



Kirk Avila  
Treasurer  
Treasury/Public Finance  
(714) 560-5674

**Approved by:**



James S. Kenan  
Executive Director, Finance,  
Administration and Human Resources  
(714) 560-5678

**Draft Private Placement Term Sheet**

\$100,000,000

Orange County Transportation Authority

(Orange County, California)

Toll Road Revenue Refunding Bonds (91 Express Lanes)

\$75,000,000 Series 2003-B-1

\$25,000,000 Series 2003-B-2

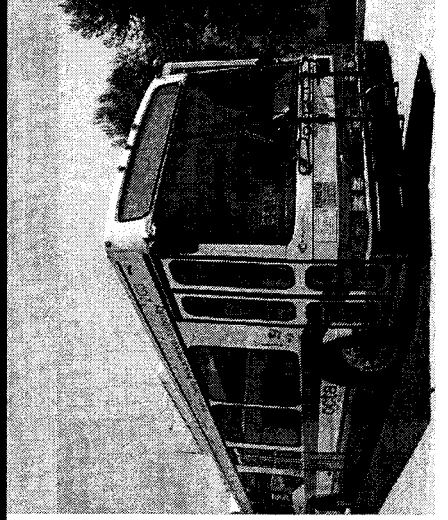
<b>Existing Issue</b>	
Issued	November 5, 2003
Ratings	Underlying ratings are currently A1 Moody's/A- S&P/A Fitch Ratings
Insurance	Ambac on Fixed Rate Bonds and Variable Rate Demand Bonds
Liquidity Expiration Date	The Standby Bond Purchase Agreement with JP Morgan and Dexia Credit Local expires on November 12, 2008
Fixed Rate Bonds	Fixed Rate Serial Bonds: \$74,940,000 due 2009-2021
Due	August 15
VRDB Term Bonds	\$100,000,000 Variable Rate Demand Bonds due December 15, 2030
Current Mode	Weekly Interest Rate is reset each Wednesday
Interest	Calculated on basis of 365/366 days, paid monthly
Debt Structure	Level Debt

<b>\$100,000,000 Series-B-1 and Series-B-2 Private Placement</b>	
Issue Date	To Be Determined
Coupon	3.85%
Pledge	Net Revenues and certain other funds and accounts held by the Trustee pursuant to the Indenture
Ratings	Underlying ratings are currently A1 Moody's; A- S&P; A Fitch Ratings
Bond Insurance	Ambac
Liquidity	OCTA will covenant in supplemental indenture to guarantee funds for unconditional put in 12 months
Mode Maturity	Two Years, with unconditional put in 12 months upon 90 days notice to OCTA
Interest Only	Calculated on basis of 365/366 days; paid semi-annually
Debt Structure	Interest Only
Optional Redemption (Price)	1.00% for 0-12 months 0.50% for 12-18 months 0.25% for 18-24 months
Authorized Denomination; Transferability	A single bond will be issued in the full principal amount of each Series. No transfer of the bonds will be permitted while held by the County Treasurer.
Closed Lien	No Additional Bonds



**POWERPOINT  
PRESENTATION**

# 91 Express Debt Restructure



**Board of Directors Meeting  
October 10, 2008**

# Background

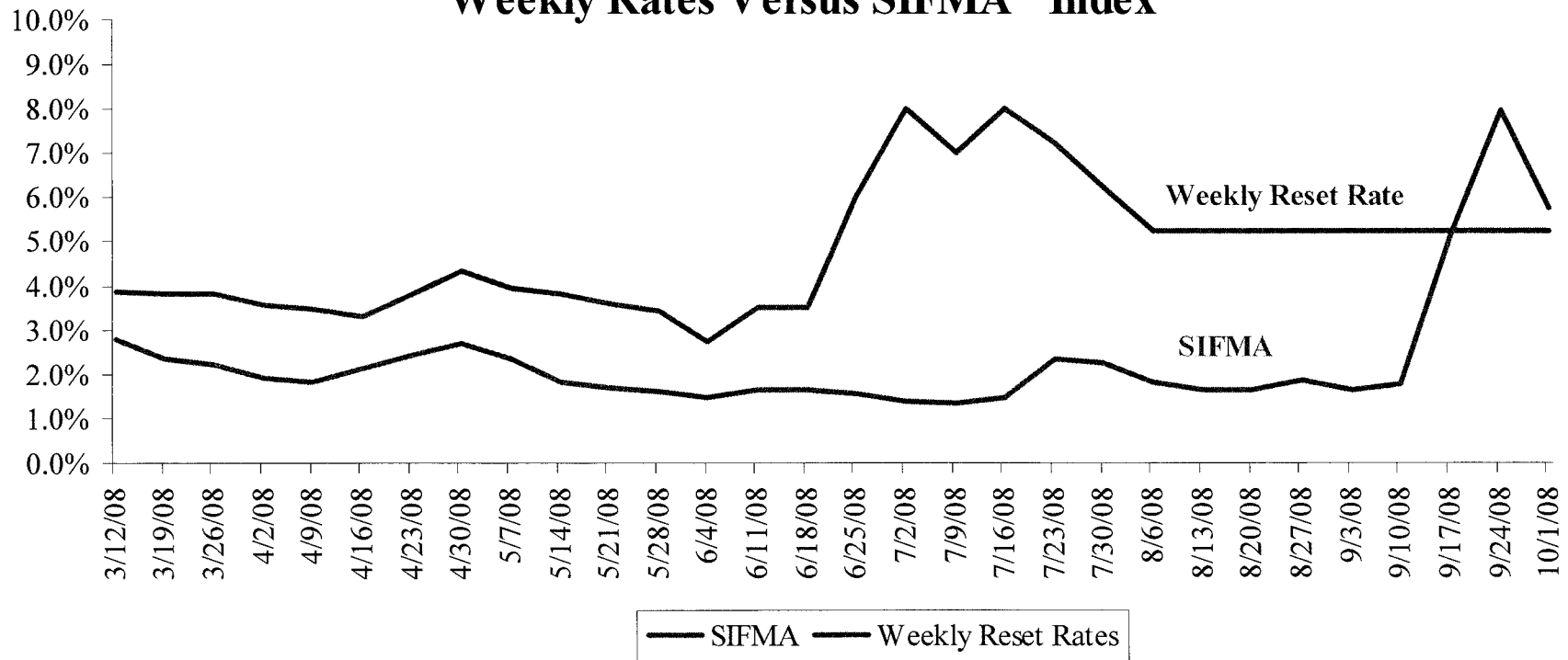
- Issued \$195.265 million Ambac-insured bonds in November 2003
  - \$95.265 million in fixed rate bonds
  - \$100 million in variable rate demand bonds
- Variable rate bonds swapped to synthetic fixed rate of 4.06% with two counterparties
- Standby Bond Purchase Agreement provided by JP Morgan and Dexia Credit Local
  - Expires on November 12, 2008

# Financial Markets in 2008

- January: Fitch downgrades Ambac
- March: Bear Stearns acquired by JP Morgan
- June: Standard & Poor's and Moody's Investors Service downgrades Ambac
- September:
  - Lehman Brothers files for bankruptcy
  - Credit markets tighten
  - Municipal borrowing rates increase

# Recent 91 Express Lanes Pricing

## Weekly Rates Versus SIFMA\* Index



\* SIFMA – Securities Industry Financial Markets Association

# Restructuring Recommendation

- Private placement with Orange County Investment Pool
  
- Advantages
  - Fixed rate
  - Two-year transaction
  - Lower cost of issuance expenditures
  
- Disadvantages
  - Requires self-liquidity
  - Continuing swap counterparty risk
  - Requires take-out financing within two years

# Next Steps

- Draft financing documents and liquidity agreement
- Solicit ratings
- Temporarily invest OCTA investment portfolio in 91 Express Lanes variable rate bonds
- Return to Board of Directors for final approval of financing documents







**October 10, 2008**

**To:** Members of the Board of Directors

**From:** Arthur T. Leahy, Chief Executive Officer

**Subject:** Fullerton Transportation Center Parking Expansion Project Update

**Overview**

The City of Fullerton has completed negotiations for the acquisition of property required for the Fullerton Transportation Center Parking Expansion project. The actual cost of the right-of-way exceeds the amount allocated to the project for this phase. Staff is recommending the use of Measure M transit funds to fully fund the right-of-way phase.

**Recommendations**

- A. Authorize the use of Measure M transit funds to fully fund the right-of-way component of the Fullerton Transportation Center Parking Expansion, in the amount of \$3,150,000.
- B. Authorize the Chief Executive Officer to negotiate and execute an agreement with the City of Fullerton to govern the use of Measure M funds for the right-of-way phase of the Fullerton Transportation Center Parking Expansion project.
- C. Direct staff to reduce the State Transportation Improvement Program funds in the construction phase by \$3,150,000.
- D. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program and State Transportation Improvement Program and to execute any necessary agreements to facilitate the actions above.

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***Background***

The Orange County Transportation Authority (OCTA) Board of Directors (Board) approved the use of \$32.5 million of regional State Transportation Improvement Program (STIP) funds for the right-of-way (ROW) and construction of the Fullerton Transportation Center Parking Expansion project. These funds, combined with \$8 million of interregional STIP funds provided through the state and \$1.5 million of the City of Fullerton (City) funds, provide full funding, \$42 million, for the project. The California Transportation Commission (CTC) approved an allocation of \$7.5 million for the ROW phase of the project in 2007. The City is the lead agency for the delivery of all phases of this project. During the ROW acquisition process, it was determined that the ROW allocation was not sufficient to cover the cost of ROW acquisition. The City has requested OCTA's assistance to address the shortfall in this phase and allow the project to continue moving forward.

***Discussion***

The City identified a portion of a large industrial site as the preferred location for a parking structure that would be used to provide additional parking for the City's Metrolink station. The City and the property owner (Owner) each obtained an appraisal, which varied greatly in amount. The City's appraised value was \$5,400,000 and the Owner's appraised value was \$15,900,000.

Since the City and the Owner were far apart in value, a settlement could not be reached and the City initiated eminent domain proceedings; however, prior to trial, the City and the Owner entered into a formal mediation process. The City and Owner reached a settlement in which the City agreed to pay \$10.5 million, creating a shortfall for the ROW phase. The City had previously obligated \$150,000 of ROW funds to obtain an access easement from the railroad; therefore, a shortfall of \$3,150,000 for the ROW phase exists. OCTA legal counsel and staff believe the settlement amount is fair and reasonable.

Staff has explored potential funding options for the shortfall, including transferring funds from the existing STIP programming for the construction phase. Based on the current cost estimates there is sufficient capacity to accommodate this transfer. However, the construction funding is programmed in the outer years of the STIP (2010-11), and the CTC is not approving any amendments, transfers, or AB 3090 (Statutes of 1992, Chapter 1243) (provision allowing a local agency to expend its funds when STIP funds are not available and seek reimbursement in the future) requests for the STIP. Accordingly, using STIP funds at this time is not an option.

Since the agreement will require reimbursement within 45 days, staff is recommending that Measure M transit funds be used to fully fund the ROW phase. Staff will request an amendment through the CTC for an equal reduction to the construction phase for this project and propose a substitute rail project to be funded with available STIP funds. The approval of the recommended actions will increase the ROW budget by \$3,150,000 and reduce the construction budget by \$3,150,000 (Attachment A). The total budget for the Fullerton Transportation Center Parking Expansion project will not be changed through this action.

The final design, specifications, and bid documents for the parking structure are expected to be completed in September 2009. Construction is expected to begin shortly thereafter, with completion of construction expected in approximately 20 months.

**Fiscal Impact**

There is capacity in the Measure M transit program to accommodate this request. Staff intends to recommend a future Metrolink-related expansion project to be funded through the STIP program to offset use of Measure M dollars. This project could include station or track improvements throughout Orange County. This recommendation will create no net change to the total project budget.

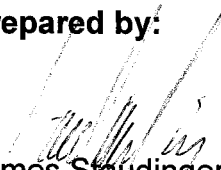
**Summary**

Authorize the use of Measure M transit funds to increase the right-of-way component of the funding agreement for the Fullerton Transportation Center Parking Expansion.

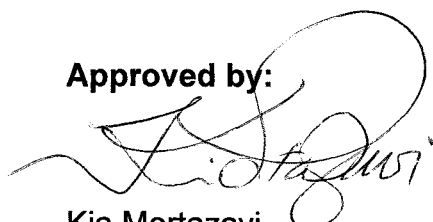
**Attachment**

- A. Fullerton Transportation Center Parking Expansion Project Funding Analysis

**Prepared by:**

  
James Staudinger  
Manager, Right-of-Way  
(714) 560-5746

**Approved by:**

  
Kia Mortazavi  
Executive Director, Development  
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## Fullerton Transportation Center Parking Expansion Project Funding Analysis

<b>Current Programming</b>				
<b>Project Phase</b>	<b>STIP-RIP<sup>1</sup></b> (in millions)	<b>STIP-IIP<sup>2</sup></b> (in millions)	<b>Measure M</b> (in millions)	<b>TOTAL</b> (in millions)
Right-of-Way	\$ 3,250	\$ 4,250	\$ -	\$ 7,500
Construction	\$ 29,219	\$ 2,750	\$ -	\$ 31,969
	<b>\$ 32,469</b>	<b>\$ 7,000</b>	<b>\$ -</b>	<b>\$ 39,469</b>

1= State Transportation Improvement Program - Regional Improvement Program (OCTA Controlled)

2 = State Transportation Improvement Program - Interregional Improvement Program - State Controlled

<b>Proposed Programming</b>				
<b>Project Phase</b>	<b>STIP-RIP<sup>1</sup></b> (in millions)	<b>STIP-IIP<sup>2</sup></b> (in millions)	<b>Measure M</b> (in millions)	<b>TOTAL</b> (in millions)
Right-of-Way	\$ 3,250	\$ 4,250	\$ 3,150	\$ 10,650
Construction	\$ 26,069	\$ 2,750	\$ -	\$ 28,819
	<b>\$ 29,319</b>	<b>\$ 7,000</b>	<b>\$ 3,150</b>	<b>\$ 39,469</b>

1= State Transportation Improvement Program - Regional Improvement Program (OCTA Controlled)

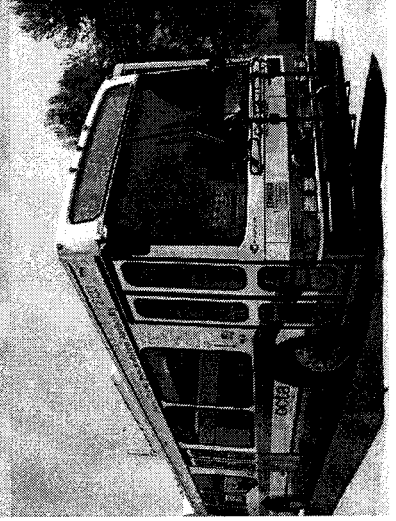
2 = State Transportation Improvement Program - Interregional Improvement Program - State Controlled



# Investment Report Update



**Board of Directors' Meeting  
October 10, 2008**



# OCTA Investment Portfolio

Portfolio totals \$1.01 billion as of September 30, 2008

Portfolio invests solely in fixed income securities

77% of portfolio managed by external investment managers:

- JP Morgan
- Payden & Rygel
- State Street Global Advisors
- Western Asset Management

23% of portfolio managed internally through direct investments, Local Agency Investment Fund, and Orange County Investment Pool

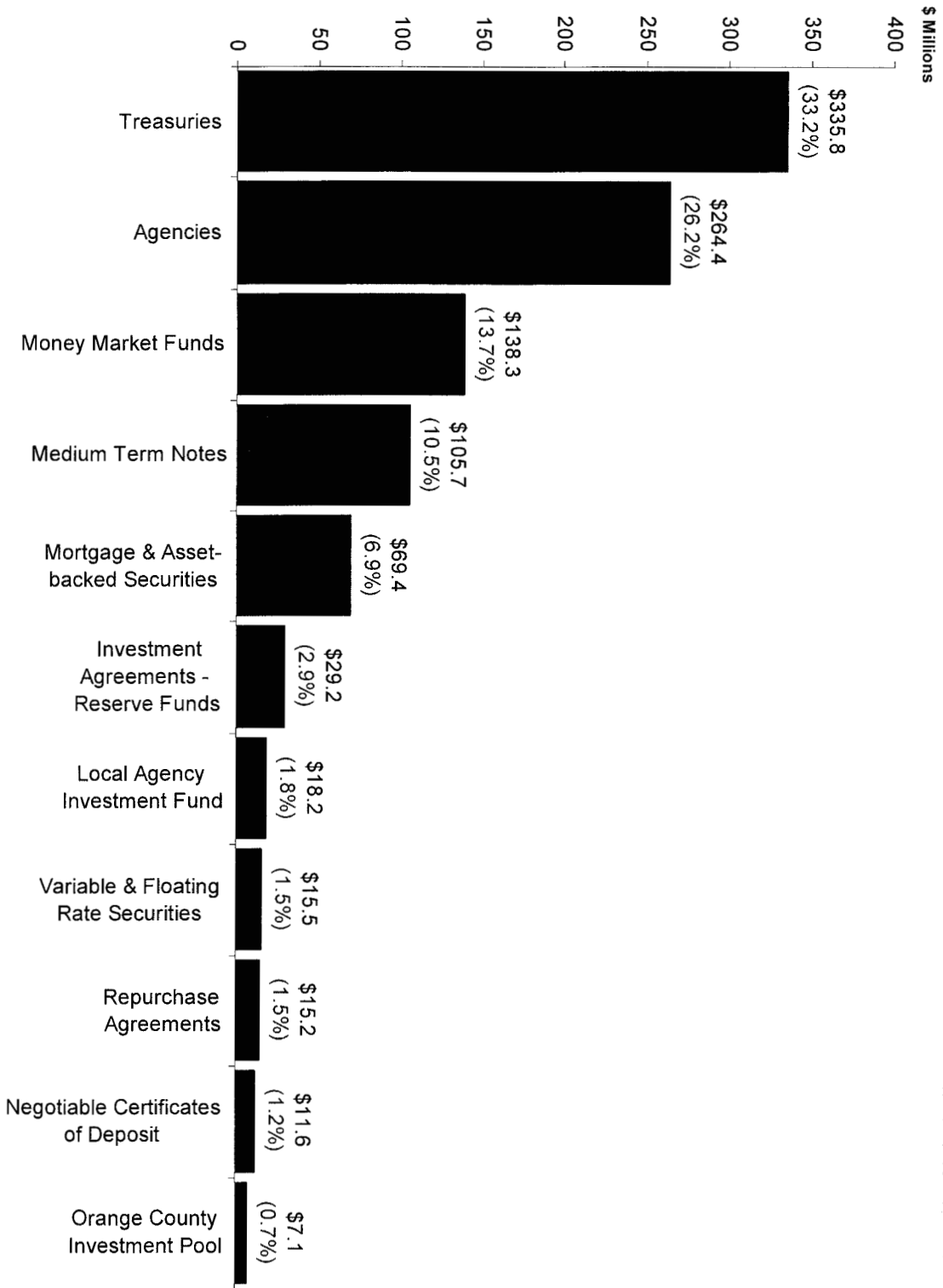


# Financial Institutions

Bank of New York	
◦ Investment Managers	\$781.11 M
◦ Direct Investments	71.47
Bank of the West	15.16
Local Agency Investment Fund	18.22
Orange County Investment Pool	7.13
US Bank	0.06
Deutsche Bank	18.57
Debt Service Reserve Funds	<u>98.66</u>
Total	\$1,010.38 M



# Investment Diversification



# Lehman Brothers Investments

## Medium term note

- Par amount: 2,000,000
- Purchase date: 5/30/07
- Purchase price: 97.57% of par
- Coupon: 4.5%
- Final maturity: 7/26/10

## Medium term note

- Par amount: 1,000,000
- Purchase date: 2/12/08
- Purchase price: 101.33% of par
- Coupon: 5.63%
- Final maturity: 1/24/13

# Next Steps

- Monitor Lehman medium term notes
- Review debt service reserve fund investments
- Continue to monitor financial market changes
- Update Finance and Administration Committee and Board of Directors on market changes



**A HAND-OUT REGARDING  
THIS ITEM  
WILL BE PROVIDED  
AT THE  
BOARD MEETING**