



Measure M
Taxpayers Oversight Committee
at the Orange County Transportation Authority
600 S. Main Street, Orange CA
Room 103/4
October 13, 2009
6:00 p.m.



AGENDA

- 1. Welcome**
- 2. Pledge of Allegiance**
- 3. Approval of Minutes/Attendance Report for August 11, 2009**
- 4. Chairman's Report**
- 5. Action Items**
 - A. Quarterly Measure M Revenue and Expenditure Report – June 2009
 - a. Receive and File
 - B. Growth Management Subcommittee 2009/10 Eligibility Report
Presentation – Jim Hillquist, Growth Management Subcommittee
- 6. Presentation Items**
 - A. Rail Program Update
Presentation – Darrell Johnson, Executive Director, Rail Program
 - B. I-405 Freeway Improvement Project
Presentation – Rose Casey, Program Manager, Highway Project Delivery
 - C. Revenue Forecast Update
Presentation – Andy Oftelie, Acting Director, Measure M Program Office
 - D. Early Action Plan Update
Presentation – Andy Oftelie, Acting Director, Measure M Program Office
- 7. Growth Management Subcommittee Report**
- 8. Audit Subcommittee Report**
- 9. Committee Member Reports**
- 10. OCTA Staff Update**
- 11. Public Comments***
- 12. Next Meeting Date – December 8, 2009**
- 13. Adjournment**

*Public Comments: At this time, members of the public may address the Taxpayers Oversight Committee (TOC) regarding any items within the subject matter jurisdiction of the TOC, provided that no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to five (5) minutes per person and 20 minutes for all comments, unless different time limits are set by the Chairman, subject to the approval of the TOC.

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 business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

3.

**APPROVAL OF MINUTES/
ATTENDANCE REPORT FOR
AUGUST 11, 2009**

Measure M Taxpayers Oversight Committee

August 11, 2009
Meeting Minutes

Committee Members Present:

David Sundstrom, County Auditor-Controller, Chairman
Vivian Kirkpatrick-Pilger, First District Representative
Howard Miowitz, Second District Representative
Anh-Tuan Le, Second District Representative
C. James Hillquist, Third District Representative
Edgar Wylie, Third District Representative
Gregory Pate, Fourth District Representative
Hamid Bahadori, Fifth District Representative
James Kelly, Fifth District Representative

Committee Members Absent:

Charles Smith, First District Representative
Rose Coffin, Fourth District Representative

Orange County Transportation Authority Staff Present:

Tom Bogard, Director of Highway Project Delivery
Ellen Burton, Executive Director of External Affairs
Janice Kadlec, Public Reporter
Roger Lopez, Project Delivery Section Manager
Ken Phipps, Interim Executive Director of Finance and Administration
Alice Rogan, Community Relations Officer

Members of the Public

1. Welcome

Chairman David Sundstrom welcomed everyone to the meeting and introduced Will Kempton, the new OCTA CEO. Mr. Kempton gave his background information and expressed appreciation for the work and dedication of the TOC members to the Measure M Program. Programs like Measure M are not successful unless they meet the commitment to the voters and the reason Orange County was successful with getting Measure M2 passed was because the will of the voters was followed in the first measure.

Committee member Howard Miowitz asked what Mr. Kempton considered his three most urgent questions were about OCTA. Will Kempton said: 1) Figure out how to soften the affects of the loss of revenue to the transit program, 2) Adherence to the Measure M Program, and 3) Increase the accountability and transparency of OCTA, make it a workplace of choice, and work on succession planning.

Chairman David Sundstrom said it was the first meeting for three new members – Vivian Kirkpatrick-Pilger, Anh-Tuan Le and Gregory Pate – and acknowledged the reappointment of James Kelly to the TOC. Chairman Sundstrom asked all the members to introduce themselves and give their background.

2. Pledge of Allegiance

Chairman David Sundstrom led everyone in the pledge of allegiance.

3. Approval of Minutes/Attendance Report for June 16 2009

Chairman David Sundstrom asked if there were any additions or corrections to the June 16, 2009 minutes and attendance report. James Hillquist requested a change on page 2, Item 6 Subcommittee Selection. He is a member of the Growth Management Subcommittee and Hamid Bahadori is a member of the Audit Subcommittee. A motion was made by Edgar Wylie and seconded by James Hillquist to approve the June 16, 2009 minutes and attendance report as corrected. The motion passed unanimously.

4. Chairman's Report

Chairman David Sundstrom said he had just attended the TOC new member orientation. The orientation meeting was very finely done and he always learns something new at these meetings.

5. Action Items

There were no Action Items.

6. Presentation Items

A. Revenue Forecast

Ken Phipps gave a sales tax revenue update. Ken reported on Sales Tax Forecasts, Sales Tax Growth Rates, the Impact of Sales Tax Reductions, a Draft June 30, 2009 M1 Report, and the Impact of Ridership Reductions. Ken said the next steps would be to track and report revenues and track and report expenses with a potential mid-year budget amendment.

Committee member James Kelly asked if the dollar amounts shown were in 2005 dollars or 2008 dollars. Ken said the figures shown are nominal revenues or year of receipt dollars.

Chairman David Sundstrom asked what action is being taken to get the money back to the SR-57. Ken said the Board of Directors would need to undo their programming of the \$22 million in M1 funds to SR-57. All of the expenditures are being paid from M2 Commercial Paper – no M1 dollars are being spent on the project. At the end of M1 they will take a look at the Freeway Mode and make adjustments. Chairman David Sundstrom said he doesn't feel comfortable having a public document with a \$10 million deficit. If it is known there is slack in the SR-57 project, why can't the money be taken out now to cover the deficit? Ken said the

TOC could make that recommendation. Chairman David Sundstrom said he would like to discuss this at the next Audit Subcommittee.

James Kelly asked if he understood there are budgeted estimated funds that can reduce the deficit? Ken said yes, instead of being paid for with M1 money it can be paid for with M2 Commercial Paper and Prop. 1B funds. James asked if the Commercial Paper Program is part of the accelerated M2. Ken said yes, it is part of the M2 Early Action Plan (EAP).

Hamid Bahadori asked what will happen if the projects in M2 are not delivered? Ken said the M2 program of projects was 100% funded with sales tax revenues; it was an \$11.8 billion program in 2005 buying power. Committee member Bahadori asked about the I-405 widening project? Ken said the I-405 is not fully funded with Measure M sales tax revenues, and as within M1, there are other revenues that can be brought to the table. Ellen Burton said the revenue stream is always changing and the EAP will be revisited. Committee member Bahadori said he does not get overly excited about the revenue picture because he knows it changes. If for some reason this does not change the way it is expected to, he would like to go to the Board with a policy approach of spend-as-we-go. Tom Bogard said it is the Board's view and also staff's view to let things play-out. M1 had very similar things happen to it and eventually everything worked out. At this time OCTA will go forward with the EAP for the first five years. They will keep track and hope to see improvements in the financial forecast.

Committee member Howard Miowitz asked if there have been any assumptions made in construction cost savings. Tom Bogard said they have seen savings; a recent bid came in on the SR-91 that was 30 percent below what is expected.

B. Freeway Program Update

Tom Bogard gave a Freeway Program update. The program managed by OCTA is a \$3 billion Highway Program and constitutes a series of projects for which OCTA provides funding. Tom handed out a status report of the program and highlighted a few of the projects that had significant activity or milestones.

Hamid Bahadori asked if OCTA had any opportunities to considered using Advanced Design for some of its projects. Tom said yes, OCTA has four projects moving along which have used Advanced Design.

Chairman David Sundstrom commented on the price of some of the projects. Tom said the construction figures shown in his report contain right-of-way costs and may seem high.

Committee member James Kelly asked if OCTA has thought about acquiring right-of-way early at depressed prices? Tom said they are looking into this, but they will need the proper environmental documents in place in order to proceed.

Chairman David Sundstrom asked if the Grade Separations were all overpasses? Tom said approximately half are overpasses and half are underpasses.

Committee member Anh-Tuan Le asked if the project costs in the report contain all costs for building the project? Tom all costs associated with the project contains soft costs – right-of-way, construction management, environmental documents, etc. Committee member Le asked where would the costs come in for impacts to the city because of construction. Tom said each project has a Traffic Management Plan, if traffic in a city is impacted, OCTA will help the city mitigate the problem and it is considered a project cost.

C. Combined Transportation Funding Programs (CTFP) Update

Roger Lopez gave an update on the Combined Transportation Funding Programs (CTFP). The CTFP is a mechanism OCTA uses for administration of the funding for streets and roads and every six months OCTA performs a review of the program with the cities. Roger highlighted the Measure M portion of the program.

Chairman David Sundstrom asked if the EIRs and other needed documents are supposed to be completed during the planning stage? Roger said it depends on the individual project; it could happen during the construction allocation stage.

Chairman David Sundstrom asked what happens if there is left over money in the MI program? Roger said that would be a Board decision on how to reallocate the funds.

Hamid Bahadori asked if OCTA had looked into shifting money into the Regional Capacity Program (RCP)? Roger said they are limited by the local and regional components. It would be allowed within the individual programs.

Chairman David Sundstrom asked if all else fails, would the left over money go to the Board for reallocation to M2. Roger said that is correct. The worst-case scenario would be the cities don't meet their obligations and the money allocated to them goes unused.

Anh-Tuan Le said the projects proposed by the cities are needed projects that make for a better transportation system and everything should be done to help the cities complete the projects.

Vivian Kirkpatrick-Pilger asked what was the reason the cities cannot complete the projects. Roger said it was because of the current economy. The cities are not getting the matching funds from other government agencies to complete the projects.

Howard Miowitz asked if OCTA is getting new projects from the cities? Roger said no, the last call for projects was in 2007, this usually happened every two to three years, but currently there are no plans for another call for projects. It would take Board action for another call for projects.

Ellen Burton said the comments she heard from the committee members are very valid and she recommends taking them to the Technical Advisory Committee (TAC) steering committee. The committee discussed RCP guidelines to facilitate timely use of funds and overall project delivery. Ellen said their concerns would be taken to the TAC.

Anh-Tuan Le asked if the projects are audited. Roger said the projects are audited once they have been closed out.

Chairman David Sundstrom said everything possible should be done to get the funds used.

D. Smart Street Update

Roger Lopez gave an update on the Smart Street Program. At the first Board meeting in July, an item was brought forward to make modifications in the Master Plan of Arterial Highways (MPAH) and Smart Street programs. Two remaining segments on Imperial and Katella were experiencing cost overruns and because the Smart Street program is 100% funded, it came back to OCTA. The Board approved the cancellation of those MPAH allocations, with approval of the cities, and designated all MPAH allocations toward the Smart Street Program.

7. Growth Management Subcommittee Report

There was nothing to report from the Growth Management Subcommittee.

8. Audit Subcommittee Report

Chairman David Sundstrom said the Audit Subcommittee sent a letter to the OCTA Board Chairman asking him to clarify how long excess interest earned can be allocated by a local jurisdiction in the Ordinance.

James Kelly asked if there is an update on the letter sent to the District Attorney involving an investigation of the City of Placentia. Chair Sundstrom said he has not heard back from anyone.

Alice Rogan asked the new Audit Subcommittee if they would like a copy of the letter to the District Attorney? All new member requested copies.

9. Committee Member Reports

Anh-Tuan Le said the Urban Land Institute has a function coming up which they have advertised to public officials which may be of interest to committee members. He also requested information on: 1) In newspaper articles, new OCTA CEO Will Kempton talked about new innovative programs to meet the needs of the transit dependent, and 2) the Code of Conduct for OCTA employees/officials.

Howard Miowitz said he had a communication from someone in the community drawing his attention to a newspaper article on August 3. The article was about the Santa Ana Street Car Go Local project. There was a vendor selected who ranked

lowest of all the vendors being considered by the technical experts. Howard asked what role the TOC has in this. Chairman David Sundstrom said this would be an M1 expenditure and he did not know if it is covered in the Ordinance. Alice Rogan said the TOC could write a letter to the City of Santa Ana expressing the concern of the TOC, but even the Board does not have a say in the City of Santa Ana's procurement process as long as they followed established procedures.

Committee member James Kelly said he has requested an excel copy of the Quarterly Financial Report and has not received it. Alice Rogan said she would follow-up.

10. OCTA Staff Update

Alice Rogan said Andy Oftelie sent out the Scope of Work for the performance review asking the TOC for comments. Howard Miowitz asked to have it resent to him and he will be on evaluation panel.

Alice reported Jim Kelly had requested a tour of the I-5 Gateway Project she will send out possible dates to the members to see what would work into their schedules.

11. Public Comments

There were no public comments

12. Next Meeting Date – October 13, 2009

13. Adjournment

The meeting adjourned at 8:15 p.m.



**Taxpayers Oversight Committee
Fiscal Year 2009-2010
Attendance Record**



X = Present

E = Excused Absence

* = Absence Pending Approval

U = Unexcused Absence

-- = Resigned

Meeting Date	14-Jul	11-Aug	8-Sep	18-Oct	10-Nov	14-Dec	12-Jan	9-Feb	9-Mar	13-Apr	11-May	8-Jun
Hamid Bahadori		X										
Rose Coffin		*										
C. James Hillquist		X										
James Kelly		X										
Vivian Kirkpatrick-Pilger		X										
Anh-Tuan Le		X										
Howard Miowitz		X										
Gregory Pate		X										
Chuck Smith		R										
David Sundstrom		X										
Edgar Wylie		X										

Absences Pending Approval

Meeting Date

August 11, 2009
August 11, 2009

Name

Rose Coffin
Chuck Smith

Reason

Out of town
Resigned

5.

ACTION ITEMS

Measure M
Schedule of Revenues, Expenditures and Changes in Fund Balance
as of June 30, 2009

(\$ in thousands)	Quarter Ended June 30, 2009	Year to Date June 30, 2009	Period from Inception to June 30, 2009
	(A)	(A)	(B)
Revenues:			
Sales taxes	\$ 60,550	\$ 237,397	\$ 3,579,190
Other agencies share of Measure M costs			
Project related	1,478	3,010	383,182
Non-project related	-	-	614
Interest:			
Operating:			
Project related	62	91	1,014
Non-project related	1,755	20,160	244,050
Bond proceeds	-	-	136,067
Debt service	593	3,033	80,846
Commercial paper	-	26	6,072
Orange County bankruptcy recovery	-	-	42,268
Capital grants	5,630	13,144	158,155
Right-of-way leases	60	353	4,712
Proceeds on sale of assets held for resale	537	2,147	21,891
Miscellaneous:			
Project related	-	-	26
Non-project related	-	-	775
Total revenues	<u>70,665</u>	<u>279,361</u>	<u>4,658,862</u>
Expenditures:			
Supplies and services:			
State Board of Equalization (SBOE) fees	525	2,729	51,700
Professional services:			
Project related	6,557	16,139	177,553
Non-project related	1,080	1,917	29,315
Administration costs:			
Project related	490	2,125	17,838
Non-project related	562	4,413	76,972
Orange County bankruptcy loss	-	-	78,618
Other:			
Project related	41	94	1,233
Non-project related	48	235	15,513
Payments to local agencies:			
Turnback	10,345	36,361	530,755
Competitive projects	36,634	71,501	564,023
Capital outlay	34,168	67,827	1,963,202
Debt service:			
Principal payments on long-term debt	-	75,355	842,755
Interest on long-term debt and commercial paper	(2)	13,362	547,905
Total expenditures	<u>90,448</u>	<u>292,058</u>	<u>4,897,382</u>
Excess (deficiency) of revenues over (ex) under) expenditures	<u>(19,783)</u>	<u>(12,697)</u>	<u>(238,520)</u>
Other financing sources (uses):			
Transfers out:			
Project related	86	(1,305)	(252,674)
Non-project related	-	-	(5,116)
Transfers in project related	(86)	-	1,829
Bond proceeds	-	-	1,169,999
Advance refunding escrow	-	-	(931)
Payment to refunded bond escrow agent	-	-	(152,930)
Total other financing sources (uses)	<u>-</u>	<u>(1,305)</u>	<u>760,177</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	<u>\$ (19,783)</u>	<u>\$ (14,002)</u>	<u>\$ 521,657</u>

See accompanying notes to Measure M Schedules

Measure M

Schedule of Calculations of Net Tax Revenues and Net Bond Revenues (Debt Service)
as of June 30, 2009

(\$ in thousands)	Quarter Ended June 30, 2009 (actual)	Year Ended June 30, 2009 (actual)	Period from Inception through June 30, 2009 (actual)		Period from July 1, 2009 through March 31, 2011 (forecast)		Total (F.I.)
			(C.I.)	(D.I.)	(E.I.)		
Tax revenues:							
Sales taxes	\$ 60,550	\$ 237,397	\$ 3,579,190	\$ 378,080	\$ 3,957,270		
Other agencies share of Measure M costs	-	-	614	-	614		
Operating interest	1,755	20,160	244,050	15,138	259,188		
Orange County bankruptcy recovery	-	-	20,683	-	20,683		
Miscellaneous, non-project related	-	-	775	-	775		
Total tax revenues	<u>62,305</u>	<u>257,557</u>	<u>3,845,312</u>	<u>393,218</u>	<u>4,238,530</u>		
Administrative expenditures:							
SBOE fees	525	2,729	51,700	3,516	55,216		
Professional services, non-project related	1,072	1,863	20,456	3,067	23,523		
Administration costs, non-project related	562	4,413	76,972	10,174	87,146		
Operating transfer out, non-project related	-	-	5,116	-	5,116		
Orange County bankruptcy loss	-	-	29,792	-	29,792		
Other, non-project related	48	235	6,414	2,398	8,812		
	<u>2,207</u>	<u>9,240</u>	<u>190,450</u>	<u>19,155</u>	<u>209,605</u>		
Net tax revenues	<u>\$ 60,098</u>	<u>\$ 248,317</u>	<u>\$ 3,654,862</u>	<u>\$ 374,063</u>	<u>\$ 4,028,925</u>		
 Bond revenues:							
Proceeds from issuance of bonds	\$ -	\$ -	\$ 1,169,999	\$ -	\$ 1,169,999		
Interest revenue from bond proceeds	-	-	136,067	-	136,067		
Interest revenue from debt service funds	593	3,033	80,846	7,186	88,032		
Interest revenue from commercial paper	-	26	6,072	-	6,072		
Orange County bankruptcy recovery	-	-	21,585	-	21,585		
Total bond revenues	<u>593</u>	<u>3,059</u>	<u>1,414,569</u>	<u>7,186</u>	<u>1,421,755</u>		
 Financing expenditures and uses:							
Professional services, non-project related	8	54	8,859	-	8,859		
Payment to refunded bond escrow	-	-	153,861	-	153,861		
Bond debt principal	-	75,355	842,755	161,200	1,003,955		
Bond debt interest expense	(2)	13,362	547,905	14,414	562,319		
Orange County bankruptcy loss	-	-	48,826	-	48,826		
Other, non-project related	-	-	9,099	-	9,099		
Total financing expenditures and uses	<u>6</u>	<u>88,771</u>	<u>1,611,305</u>	<u>175,614</u>	<u>1,786,919</u>		
Net bond revenues (debt service)	<u>\$ 587</u>	<u>\$ (85,712)</u>	<u>\$ (196,736)</u>	<u>\$ (168,428)</u>	<u>\$ (365,164)</u>		

See accompanying notes to Measure M Schedules

Measure M
Schedule of Revenues and Expenditures Summary
as of June 30, 2009

Project Description (G) (\$ in thousands)	Net Tax Revenues Program to date Actual			Total Net Tax Revenues Net Tax Revenues			Variance Project Budget to Est. Revenues to Est. at Completion			Variance Project Budget to Est. Revenues to Est. at Completion			Reimbursements through June 30, 2009			Net Project Cost (P)			Percent of Budget Expended (Q)				
	(H)			(I)			(J)			(K)			(L)			(M)			(N)			(O)	
Freeways (43%)																							
I-5 between I-405 (San Diego Fwy) and I-605 (San Gabriel Fwy)	\$	862,297	\$	950,551	\$	810,010	\$	801,082	\$	149,469	\$	8,928	\$	82,739	\$	725,398	\$	89.6%					
I-5 between I-5/I-405 Interchange and San Clemente		61,678		67,990		57,836		59,935		8,055		(2,099)		70,294		10,358		59,936		103.6%			
I-5/I-405 Interchange		78,189		86,295		72,802		73,075		13,220		(273)		98,157		25,082		73,075		100.4%			
S.R. 55 (Costa Mesa Fwy) between I-5 and S.R. 91 (Riverside Fwy)		52,189		57,530		44,511		50,196		7,334		(5,685)		55,512		6,172		49,340		110.8%			
S.R. 57 (Orange Fwy) between I-5 and Lambert Road		45,072		49,685		46,128		44,536		5,089		1,532		25,617		2,859		22,758		49.3%			
S.R. 91 (Riverside Fwy) between Riverside Co. line & Los Angeles Co. line		112,680		124,213		116,136		105,666		18,547		10,470		123,995		18,606		105,389		90.7%			
S.R. 22 (Garden Grove Fwy) between S.R. 55 and Valley View Sc.		359,390		396,173		303,297		302,871		93,302		426		609,747		313,282		296,465		97.7%			
Subtotal Projects		1,571,589		1,732,437		1,450,720		1,437,421		295,016		13,299		1,791,459		459,098		1,332,361					
Net (Bond Revenue)/Debt Service						307,286		307,286		(307,286)		-		165,553								165,553	
Total Freeways		\$ 1,571,589		\$ 1,732,437		\$ 1,758,006		\$ 1,744,707		\$ (12,270)		\$ 13,299		\$ 1,957,012		\$ 459,098		\$ 1,497,914		47.8%			
Regional Street and Road Projects (11%)																							
Smart Streets	\$	137,841	\$	151,948	\$	149,574	\$	149,574	\$	2,374	\$	-	\$	154,115	\$	3,489	\$	150,626		100.7%			
Regionally Significant Interchanges		80,407		88,636		88,636		88,636		-		-		62,331		146		62,185		70.2%			
Intersection Improvement Program		114,867		126,623		126,623		126,623		-		-		77,437		214		77,223		61.0%			
Traffic Signal Coordination		57,434		63,312		63,312		63,312		-		-		46,445		132		46,313		73.2%			
Transportation Systems Management and Transportation Demand Management		11,487		12,662		12,662		12,662		-		-		7,461		149		7,312		57.7%			
Subtotal Projects		402,036		443,181		440,807		440,807		2,374		(2,374)		347,789		4,130		343,659					
Net (Bond Revenue)/Debt Service																						1,279	
Total Regional Street and Road Projects		\$ 402,036		\$ 443,181		\$ 443,181		\$ 443,181		\$ 11,0%		\$ -		\$ 349,068		\$ 4,130		\$ 344,938		11.0%			

Measure M
Schedule of Revenues and Expenditures Summary
as of June 30, 2009

Project Description (G) (\$ in thousands)	Net Tax Revenues Program to date Actual (H)	Total Net Tax Revenues (I)	Project Budget (J)	Estimate at Completion (K)	Variance Total Net Tax Revenues to Est at Completion (L)	Project Budget to Est at Completion (M)	Expenditures through June 30, 2009 (N)	Reimbursements through June 30, 2009 (O)	Net Project Cost (P)	Percent of Budget Expended (Q)
Local Street and Road Projects (21%)										
Master Plan of Arterial Highway Improvements	\$ 136,160	\$ 160,331	\$ 160,331	\$ 160,331	\$ -	\$ -	\$ 86,511	\$ 99	\$ 86,412	53.9%
Streets and Roads Maintenance and Road Improvements	531,361	585,744	585,744	585,744	-	-	530,771	-	530,771	90.6%
Growth Management Area Improvements	100,000	100,000	100,000	100,000	-	-	74,220	431	73,789	73.8%
Subtotal Projects	767,521	846,075	846,075	846,075	-	-	691,502	530	690,972	-
Net (Bond Revenue)/Debt Service	\$ 767,521	\$ 846,075	\$ 846,075	\$ 846,075	\$ -	\$ -	\$ 691,502	\$ 530	\$ 690,972	22.1%
Transit Projects (25%)										
Pacific Electric Right-of-Way	\$ 17,685	\$ 19,495	\$ 15,000	\$ 14,000	\$ 5,495	\$ 1,000	\$ 16,564	\$ 2,686	\$ 13,878	92.5%
Commuter Rail	327,802	363,398	347,633	380,691	(17,293)	(33,058)	351,437	60,805	290,632	83.6%
High-Technology Advanced Rail Transit	400,836	441,882	422,713	410,688	31,194	12,025	128,557	6,873	121,984	28.9%
Elderly and Handicapped Fare Stabilization	20,000	20,000	20,000	20,000	-	-	17,010	-	17,010	85.1%
Transitways	147,373	162,457	146,381	126,348	36,109	20,033	162,648	36,687	125,961	86.1%
Subtotal Projects	913,716	1,007,232	951,727	951,727	55,505	-	676,516	107,051	569,465	-
Net (Bond Revenue)/Debt Service			55,505	55,505	(55,505)	-	29,904		29,904	-
Total Transit Projects					24.9%					19.1%
Total Measure M Program	\$ 3,654,862	\$ 4,028,925	\$ 4,054,494	\$ 4,041,195	\$ (12,270)	\$ 13,299	\$ 3,704,002	\$ 570,899	\$ 3,133,193	-

See accompanying notes to Measure M Schedules.



October 13, 2009

To: Taxpayers Oversight Committee
From: Growth Management Program Subcommittee
Subject: Fiscal Year 2009-10 Measure M Growth Management Program Subcommittee Eligibility Review

Overview

The Measure M Ordinance requires all local jurisdictions in Orange County to annually satisfy the requirements of the Measure M Growth Management Program to the Orange County Transportation Authority in order to remain eligible for receiving Measure M turnback and competitive funds. The eligibility review process requirements of the Growth Management Program Subcommittee for fiscal year 2009-10 have been completed.

Recommendation

Approve the Measure M Growth Management Program Eligibility Review and find all local jurisdictions eligible to receive Measure M funds for turnback and competitive funds for fiscal year 2009-10.

Background

To maintain eligibility to receive Measure M funds each fiscal year, all local jurisdictions are required to submit eligibility packages including, a seven-year Capital Improvement Program (CIP) and a Maintenance of Effort (MOE) certification to the Orange County Transportation Authority (OCTA) on an annual basis. Some jurisdictions, based on an alternating year schedule, are required to submit a Pavement Management Plan (PMP) update that is consistent with the countywide pavement condition assessment standards as set forth in the Arterial Highway Rehabilitation Program (AHRP).

The Taxpayers Oversight Committee (TOC) is responsible for reviewing and approving the jurisdictions' CIP for eligible use of Measure M revenues. The Technical Advisory Committee (TAC) is responsible for approving the MOE

and PMP. The determinations of both of these committees are forwarded to the OCTA Board of Directors for final eligibility determination.

The TAC, comprised of Public Works Directors and representatives from the local agencies, reviewed and approved the MOE certifications for all jurisdictions and PMP's for cities included in this year's staggered review on September 23. The local agencies required to submit this year were: Anaheim, Brea, Cypress, Dana Point, Irvine, Lake Forest, La Habra, Los Alamitos, Newport Beach, San Clemente, San Juan Capistrano, Stanton, and Tustin.

Discussion

The TOC designated the GMP Subcommittee to review the eligibility submittals with support from OCTA staff. The fiscal year (FY) 2009-10 GMP Subcommittee members are:

- Ed Wylie (Chair)
- C. James Hillquist (Vice-Chair)
- Ahn-Tuan Le
- Vivian Kirkpatrick-Pilger
- Linda Rogers

OCTA staff reviewed the submittals to ensure each eligibility package was complete and accurate and worked with the local jurisdictions to obtain additional information and/or backup materials as needed. More than 500 projects were included in the CIP's submitted by the local jurisdictions and reviewed by the GMP Subcommittee. Consistent with the Measure M Ordinance, the Subcommittee's review is to ensure the proposed projects are eligible transportation projects as described by Article XIX. All projects proposed for funding were ultimately determined as eligible.

Based upon feedback received during this and previous cycles, the GMP Subcommittee suggests that local jurisdictions continue to consider the following when compiling CIPs:

- Provide clear and concise description within the confines of the software.
- Be prepared to provide additional project description materials during the review process.
- Include a candidate list of projects for annual maintenance program activity in the first fiscal year of the cycle.

- Delete projects from the database which may have been completed in previous years.

OCTA staff will present a final recommendation of eligibility to the Highways Committee on October 19, 2009, and to the OCTA Board of Directors on October 26, 2009.

Summary

All local jurisdictions in Orange County have submitted FY 2009-10 Measure M Growth Management Program eligibility packages. The Growth Management Program Subcommittee reviewed the necessary documentation and found all local jurisdictions meet the eligibility requirements for fiscal year 2009-10.

6.

PRESENTATION ITEMS

14.



BOARD COMMITTEE TRANSMITTAL

August 24, 2009

To: Members of the Board of Directors
WK
From: Wendy Knowles, Clerk of the Board
Subject: Los Angeles – San Diego – San Luis Obispo Rail Corridor Grade Separation Project Development

Transportation 2020 Committee Meeting of August 17, 2009

Present: Directors Amante, Brown, Buffa, Campbell, Cavecche, Dixon, and Pringle
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Approve the five at-grade rail-highway crossings, located at Ball Road and Orangethorpe Avenue in the City of Anaheim, Main Street in the City of Orange, and Grand Avenue and 17th Street in the City of Santa Ana, to proceed into the project development phase for future grade separations.

Committee Discussion

The Committee requested that reference to the Sand Canyon Grade Separation in the City of Irvine be modified as follows:

Sand Canyon Avenue: This grade separation project is in the final design stage. The City of Irvine has recently identified an \$8 million funding shortfall for the construction phase. The City and OCTA staff are currently exploring additional funding options.



August 17, 2009

To: Transportation 2020 Committee
From: Will Kempton, Chief Executive Officer
Subject: Los Angeles – San Diego – San Luis Obispo Rail Corridor Grade Separation Project Development

Will Kempton

Overview

The Orange County Transportation Authority has been working to develop a comprehensive approach for the development of railroad grade separations on the Los Angeles – San Diego – San Luis Obispo rail corridor within Orange County. This report recommends the next five at-grade rail-highway crossings to begin the formal project development process for railroad grade separations.

Recommendation

Approve five at-grade rail-highway crossings, located at Ball Road and Orangethorpe Avenue in the City of Anaheim, Main Street in the City of Orange, and Grand Avenue and 17th Street in the City of Santa Ana, to proceed into the project development phase for future grade separations.

Background

On February 23, 2009, staff presented to the Orange County Transportation Authority (Authority) Board of Directors a report summarizing the strategy for setting priorities among the 51 at-grade rail-highway crossings (grade crossings) along the Los Angeles – San Diego – San Luis Obispo (LOSSAN) rail corridor within Orange County, which includes both the Orange and Olive subdivisions.

To set priorities among the potential grade separations and maintain eligibility for state and federal funding, staff applied the evaluation method adopted by the California Public Utilities Commission (CPUC) called the Grade Separation Program, Section 190 formula of the California Street and Highways Code (Section 190 Program). The formula weighs vehicular and train traffic volumes at a project location along with project costs and measures a variety of special condition factors at each site.

Before beginning the project development process on the highest priority projects, staff circulated the preliminary ranking list to the cities for review and comment (Attachment A).

On April 10, 2009, Authority staff received comments back from all the cities and staff incorporated these comments into the selection criteria used to evaluate which potential projects will proceed to the next level of project development at this time.

On June 15, 2009, staff presented a recommended priority list of future grade separations on the LOSSAN rail corridor to the Transportation 2020 Committee (Committee) as shown below to begin the formal development process:

- Ball Road, City of Anaheim
- Orangethorpe Avenue, City of Anaheim
- Chestnut Avenue, City of Santa Ana
- Grand Avenue, City of Santa Ana
- 17th Street, City of Santa Ana

The Committee noted that there were no locations in the City of Orange (City) selected for consideration of a grade separation, even though three locations were sufficiently high on the preliminary ranking list. Authority staff discussed the process in place for cities to review, comment, and identify the grade crossing locations on the preliminary ranking list that were being considered for future grade separation projects. The Committee directed staff to meet with the City to revisit this issue and determine if the City would like to pursue a project study report (PSR) for any locations included on the preliminary ranking list.

Discussion

On July 1, 2009, Authority staff met with the City to discuss the City's position on the inclusion of grade crossings to be considered for future grade separation projects. Three grade crossings on the priority list were discussed, Chapman Avenue, La Veta Avenue, and Main Street. At this meeting, the City decided to conduct a field review of the Main Street grade crossing to determine if the City wanted to pursue a PSR. On July 14, 2009, City staff submitted a request to include the Main Street grade crossing on the recommended priority list. The recommended priority list has been revised to reflect the addition of Main Street in Orange (Attachment B).

Based upon its review of the priority list, comments provided by each city, and the re-evaluation of the grade crossings in Orange, Authority staff is seeking approval of the revised priority list of five grade crossings, as shown below, to begin the formal project development process:

- Ball Road, City of Anaheim
- Orangethorpe Avenue, City of Anaheim
- Main Street, City of Orange
- Grand Avenue, City of Santa Ana
- 17th Street, City of Santa Ana

At the June 15, 2009, Committee meeting, staff was also directed to include the rationale for each city's preference in order to have a complete record of the selection process.

In addition to the Section 190 Program criteria, other factors were also taken into account, such as community impacts and other related planning efforts, as summarized below:

City of Anaheim

- All grade crossings located in the City of Anaheim are located along the California High Speed Rail Authority (CHSRA) project alignment. All plans for future grade separations must be considered in and coordinated with the CHSRA's plans. At this point in time, the City of Anaheim's staff preference is to focus on Orangethorpe Avenue and Ball Road.
- State College Boulevard, City of Anaheim: A PSR has been completed by the City of Anaheim and the project is in the environmental phase.

City of Orange

- Under the Section 190 Program criteria, the La Veta Avenue grade crossing in Orange is ranked higher than Main Street; however, the City of Orange staff responded to the Authority stating its interest in pursuing a grade separation project at Main Street in lieu of La Veta Avenue at this time.

City of Santa Ana

- The City of Santa Ana requested that Grand Avenue be advanced before Lyon Street and McFadden Street. Lyon Street and McFadden Street, along with Ritchey Street, are in close proximity to each other and will thus need

to be considered collectively. Individual grade separations at these locations would likely be infeasible.

- Santa Ana Boulevard: On March 23, 2009, the Authority approved the City of Santa Ana's \$3 million funding request for the Santa Ana Regional Transportation Center (SARTC) Master Site Plan. The City of Santa Ana intends to incorporate this proposed grade separation in conjunction with SARTC, which is scheduled to complete preliminary engineering and environmental clearance by 2011.

City of Irvine

- Harvard Avenue in the City of Irvine has been eliminated from further consideration at this time based on the City of Irvine's request.
- Sand Canyon Avenue: This grade separation project is in the final design stage and is fully funded.

City of San Juan Capistrano

- Del Obispo Street has been eliminated from further consideration at this time based on the City of San Juan Capistrano's request. This crossing is located near the historic San Juan Capistrano Mission.

City of Tustin

- Red Hill Avenue: A PSR and a draft project report has been completed for this crossing and is pending final Tustin City Council and Southern California Regional Rail Authority's approval.

Fiscal Impact

The expenses associated with the development of five PSRs are included in the Authority's Adopted Fiscal Year 2009-10 Budget, Rail Programs Division, Account 0017-7519-TR201-P6M, and is funded through the Local Transportation Authority.

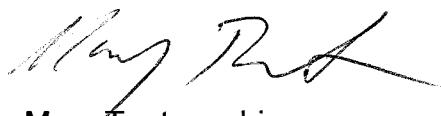
Summary

This report recommends the next five at-grade rail-highway crossings to begin the formal project development process for railroad grade separations along the LOSSAN rail corridor. The first task is to prepare a PSR for each crossing, which includes preliminary engineering analysis, evaluation of right-of-way impacts, and environmental evaluation and public outreach.

Attachments

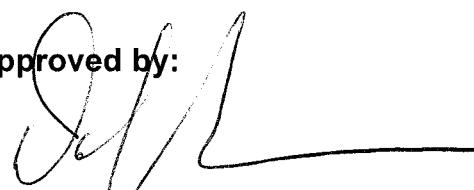
- A. Section 190 Grade Separation Ranking
- B. Revised Final Grade Separation Ranking Summary
- C. LOSSAN Railroad Crossings and Vicinity Map

Prepared by:



Mary Toutounchi
Project Manager
(714) 560-5833

Approved by:



Darrell Johnson
Executive Director, Rail Programs
(714) 560-5343

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**Look under
Board Meeting of August 24, 2009**

18.



BOARD COMMITTEE TRANSMITTAL

August 24, 2009

To: Members of the Board of Directors
WKC
From: Wendy Knowles, Clerk of the Board
Subject: Update on Project Alternatives for the San Diego Freeway
(Interstate 405) Improvement Project

Highways Committee Meeting of August 17, 2009

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

Committee Vote

No action was taken on this receive and file information item.

Staff Recommendation

Receive and file as an information item.

Committee Discussion

Directors Cavecche and Pringle expressed concerns that Alternative 3, the high-occupancy toll (HOT) lanes (or Express Lane) option, would take away the existing high-occupancy vehicle (HOV) lanes. Staff stated that proposed Alternative 3 would add one new express lane and include the existing HOV lane within the two-lane Express Lanes facility in each direction. The HOV lane is not being eliminated or taken away. This alternative will also add one new general purpose (free) lane in each direction to fulfill the Renewed Measure M. Slides 4 and 11 in the PowerPoint presentation have been modified to reflect this clarification.

Staff will present at future Committee and Board meetings further information regarding the proposed Express Lane concept, as well as the traffic and revenue analysis currently underway. This information will be provided for the Board's consideration before setting any operational and tolling policies for the HOV lanes and proposed Express Lanes facility for the San Diego Freeway (Interstate 405) Improvement Project.



August 17, 2009

To: Highways Committee
For: Sam J. Ken

From: Will Kempton, Chief Executive Officer

Subject: Update on Project Alternatives for the San Diego Freeway (Interstate 405) Improvement Project

Overview

Staff is presenting information on the viability of the four alternatives under consideration in the environmental phase of the San Diego Freeway (Interstate 405) Improvement Project. Preliminary information is provided on likely right-of-way impacts and funding considerations of the alternatives.

Recommendation

Receive and file as an information item.

Background

The San Diego Freeway (Interstate 405) Improvement Project proposes to add new lanes to Interstate 405 from the Costa Mesa Freeway (State Route 55) to the San Gabriel River Freeway (Interstate 605), generally within the existing right-of-way (ROW).

On January 26, 2009, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved staff's recommendation to consider four alternatives. Alternative 1 proposes to add one general purpose lane in each direction, and Alternative 2 proposes to add two general purpose lanes in each direction. Alternative 3, the high-occupancy toll (HOT) lanes alternative, would add one general purpose lane and one HOT lane in each direction; converting the existing high-occupancy vehicle lane to a HOT lane would result in a total of two HOT lanes in each direction of Interstate 405. From here forward, this alternative will be referred to as the Express Lanes alternative. Alternative 4 would identify improvements related to adding one general purpose lane in each direction that match the currently available funding.

Alternatives 3 and 4 were included to address the significant funding gap between the available funding for the project and the estimated cost to add one or two general purpose lanes, which ranged from \$1 billion to \$2 billion. Currently, less than \$400 million is available in Renewed Measure M (M2) for this project.

Discussion

OCTA staff and the consultant team have been evaluating the viability of the four build alternatives during the last four months. To date, the focus of this evaluation has been on identifying what improvements could be built for the currently available funding (Alternative 4), analyzing the two-lane alternatives (Alternatives 2 and 3) and the extent of associated ROW impacts, and performing a planning-level traffic and revenue analysis to determine the potential for revenue generation from the Express Lanes (Alternative 3).

As a result of engineering performed over the last four months, staff has determined that only a short segment of one lane could be added in each direction with the currently available funding. The consultant team was given a range of \$300 million to \$400 million as an estimate of funding available from M2. The primary reason for the high cost to add even one lane is because every local street overcrossing would need to be reconstructed. There are columns adjacent to the mainline freeway shoulders and there are existing non-standard lanes and shoulders; therefore, it would not be possible to accommodate even one additional lane without impacting the bridges. The commitment in M2 is to add new lanes throughout the corridor, generally within existing ROW, from State Route 55 to Interstate 605, and Alternative 4 may not meet that commitment entirely.

Another area of focus was to look into the viability of the two-lane alternatives (Alternatives 2 and 3) and the extent of potential ROW impacts. The locally preferred strategy (LPS) adopted by the OCTA Board called for the implementation of additional lanes generally within existing ROW. As a result of analysis and engineering performed by the consultant team, it appears that two lanes in each direction (Alternatives 2 and 3) can generally be built within the LPS footprint. Standard lanes and shoulders can be provided throughout the corridor mainline. Further analysis is still needed at certain spot locations and at the local interchanges, but this is a highly positive determination about the viability of both two-lane alternatives from a footprint and ROW standpoint. The slides and oral presentation accompanying the staff report will provide more information on this subject.

The analysis to date also shows that the cost of Alternative 1, one lane in each direction, is approximately \$1.2 billion while Alternative 2, two lanes in each direction, is \$1.7 billion. Given that the M2 revenues for this project are estimated to be about \$400 million, an option is to seek alternative funding to construct the project. Therefore, the concept of Express Lanes is being considered as Alternative 3.

A traffic and revenue analysis is underway to determine the extent of additional funding that could be generated. The Express Lanes facility could significantly alleviate congestion on Interstate 405 by providing additional capacity and by also providing additional choices to commuters. Carpoolers could still use the Express Lanes free or at a discounted rate. Tolling strategies and policies based on vehicle occupancy will be determined at a future date after information is available from the traffic and revenue analysis. The Express Lanes alternative also includes one additional general purpose lane in each direction, for a total of two additional lanes of capacity. The Express Lanes will provide an additional lane to carpoolers and a choice to single drivers who opt to pay to use an uncongested facility when better mobility and trip reliability are desired. Experience with the 91 Express Lanes shows that those who choose to use those lanes come from all income levels. The revenue generated by those who choose to pay a toll will help fund that portion of the project and possibly generate supplemental funds to improve the corridor. Staff will present the outcome of the traffic and revenue analysis to the Board as part of the next project update in September 2009.

Project briefings have been provided to the city councils of Costa Mesa, Fountain Valley, Garden Grove, Huntington Beach, Los Alamitos, Seal Beach, and Westminster, and the Board of Directors for the community of Rossmoor. These presentations took place between February and May 2009, and focused on the four alternatives, the status of the project, and the community outreach program. The Interstate 405 Stakeholders Working Group (SWG) was formed and kicked off in May 2009, with the members representing a cross-section of stakeholder interests along the corridor including business, homeowners, chambers of commerce, and others. Two SWG meetings have been held to date in order to obtain input about each of the four alternatives prior to public scoping. Participation from the SWG members has been excellent, and there has been a high level of interactive discussion and positive feedback received about the meetings afterwards.

Under the National Environmental Policy Act and the California Environmental Quality Act, scoping is an early and open process for determining the scope of issues to be addressed and for identifying the range of alternatives, significant issues, and any necessary mitigation measures related to a proposed project.

Notices and advertisements about the public scoping meetings for this project will be sent on September 4, 2009. Four public scoping meetings will be held with one each in Fountain Valley, Huntington Beach, Rossmoor, and Westminster in late September/early October 2009. At these scoping meetings, staff will share information about the project and the four alternatives and gather input to be considered as the project moves into the formal environmental process.

Staff will return to the Board with two future updates on the project. In September 2009, staff will report on the outcome of the initial traffic and revenue analysis and provide information on potential Express Lanes operating and tolling policies. In November 2009, staff will provide information on strategies to implement the project, including a discussion related to operating toll lanes on Interstate 405.

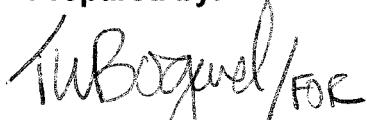
Summary

Staff is providing information on the four build alternatives under consideration for the Interstate 405 Improvement Project to be received and filed.

Attachment

None.

Prepared by:



Rose Casey, P.E.
Program Manager
Highway Project Delivery
(714) 560-5729

Approved by:



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

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Board Meeting of August 24, 2009**

INFORMATION ITEMS

15.



August 24, 2009

Will Kempton

To: Members of the Board of Directors

From: Will Kempton, Chief Executive Officer

Subject: Measure M Quarterly Progress Report

Overview

Staff has prepared a Measure M progress report for the second quarter of 2009. This is a regular report that highlights the Measure M projects and programs currently under development.

Recommendation

Receive and file as an information item.

Background

Measure M Ordinance No. 2 requires quarterly reports to the Orange County Transportation Authority's (OCTA) Board of Directors (Board), which present the progress of implementing the Measure M Expenditure Plan. Quarterly reports highlight accomplishments for the freeway, streets and roads, and transit programs within Measure M. Reports also include summary financial information for the period and total program to date.

Discussion

This quarterly report updates progress in implementing the Measure M Expenditure Plan during the second quarter of 2009 (April through June). Highlights and accomplishments of work-in-progress for freeway, streets and roads, and transit programs, along with expenditure information are presented for Board review.

Freeway Program

Prior Measure M construction projects along the Santa Ana Freeway (Interstate 5), Costa Mesa Freeway (State Route 55), Orange Freeway (State Route 57), and

the Riverside Freeway (State Route 91) are complete. The following are highlights and major accomplishments along active freeway corridor projects:

Interstate 5 (I-5), Gateway Project

The two-mile stretch of the I-5, from just north of the I-5/State Route 91 (SR-91) interchange to the Los Angeles County line, is the last phase of the I-5 in Orange County to be improved. On April 18, 2006, the freeway widening construction package was awarded to FCI Constructors/Balfour Beatty Construction, Inc. Various construction activities continued during the report period, with the project currently 73 percent complete.

During the quarter, the re-constructed east side of the Beach Boulevard bridge is nearing completion with two northbound lanes to open August 17, 2009, and Beach Boulevard fully opened in mid-September 2009. Crews completed approach slabs for the southbound Artesia Boulevard undercrossing bridge. The foundation work for the Orange County sign was finished during this quarter and the sign was completed and unveiled on July 16, 2009. Construction continues on the I-5 southbound retaining walls adjacent to the Union Pacific Railroad tracks from Beach Boulevard to Stanton Avenue, with crews completing the I-5 northbound retaining walls behind the Nissan and Toyota dealerships.

The public outreach team continues to attend community meetings and is making presentations to the city council, local organizations, and business associations concerning the Beach Boulevard closure and freeway detours.

State Route 57 (SR-57)

In November 1992, OCTA completed the Measure M carpool lane project on the SR-57, between the I-5 and Lambert Road. In September 2007, the Board approved amending the Measure M Expenditure Plan to include additional projects along the SR-57, which are currently included in Project J in the Renewed Measure M. The amendment allocated \$22 million in anticipated Measure M freeway program savings to pay for design and right-of-way pre-construction costs to add a new northbound lane along the SR-57 from Orangewood Avenue to Lambert Road.

Three projects to provide the additional freeway capacity are currently underway. The design notice to proceed for the Orangethorpe Avenue to Yorba Linda Boulevard project was issued on February 18, 2008. The project's original design schedule was very aggressive at 22 months. The pre-final design plans and specifications were completed and submitted for review to the California Department of Transportation's (Caltrans) District 12

office on April 21, 2009, two months ahead of schedule. Caltrans is expediting and reducing the review process from six months to three months. Final plans and specifications were submitted to Caltrans' Sacramento headquarters for preparation of final contract documents in mid-July 2009, five months ahead of schedule.

The design notice to proceed for the Yorba Linda Boulevard to Lambert Road project was also issued on February 18, 2008. This project also had a compressed design duration of only 22 months. The pre-final design plans and specifications were completed and submitted for review to Caltrans' District 12 office on April 7, 2009, two months ahead of schedule. This project also has an expedited Caltrans three-month review process. Final plans and specifications were submitted to Caltrans' Sacramento headquarters for preparation of final contract documents in early July 2009, also five months ahead of schedule.

Project development work is also underway on the SR-57 project between Katella Avenue and Lincoln Avenue. To expedite project delivery, OCTA awarded a consultant contract combining both environmental and design services. The combined effort is scheduled to be completed in an accelerated 31-month schedule. The notice to proceed was issued on April 10, 2008. The environmental phase is nearing completion with the draft environmental document issued for public review and comment on March 24, 2009. Final environmental approval is expected in the third quarter of 2009. Preliminary design activities are also underway with the draft 35 percent plans issued for review and comment during this quarter.

Streets and Roads Programs

Substantial additional funding to cities and the County is provided by the various programs within the Measure M Local and Regional Streets and Roads programs through OCTA's Combined Transportation Funding Program (CTFP). The CTFP encompasses Measure M streets and roads competitive programs, as well as federal sources such as the Regional Surface Transportation Program. Funds are awarded on a competitive basis within the guidelines of each program and are used to fund a wide range of transportation projects.

During the second quarter of 2009, the CTFP provided \$12 million towards streets and roads projects throughout the County. Some of the significant projects include \$6.6 million to the City of Irvine for MacArthur Boulevard and Red Hill Avenue intersection improvements, \$1.8 million to the County of Orange for intersection improvements at Ortega Highway and Antonio Parkway, and \$400,000 to the City of Buena Park for Valley View Street improvements.

At the July 27, 2009, Board meeting, it was requested that staff provide quarterly updates on the CTFP similar to those provided as part of the semi-annual review. Below is a table showing the current status of the program along with the data from the previous report period for comparison:

Status	Definition	Measure M Allocations (millions) 3/31/09	Measure M Allocations (millions) 7/31/09
Completed	Project work is complete, final report is filed, approved, and the final payment has been made.	\$ 389.5	\$ 407.5
Pending	Project work has been completed and only final report submittal/approval is pending.	49.0	48.2
Started	Project has begun and the funds have been obligated.	95.7	116.2
Planned	Projects are planned but have not entered the program year or a delay has been requested.	171.1	133.9
TOTAL PROJECT ALLOCATIONS		\$ 705.3	\$ 705.8

Transit Programs

Rail Program

The OCTA rail program is comprised mainly of the Metrolink Commuter Rail Program and the associated capital improvements intended to support existing service as well as future service expansion.

Metrolink Service Expansion Program (Expansion)

On November 14, 2005, the Board authorized the implementation of the Expansion. The Expansion includes all of the capital and operational improvements necessary to accomplish high-frequency service between the stations located in Fullerton and Laguna Niguel/Mission Viejo. When feasible and appropriate, local, state, and federal funds are used to fund program elements. Only those elements supported by Measure M funding are discussed here.

On March 27, 2009, the Southern California Regional Rail Authority (SCRRRA) awarded the civil package to Herzog Contracting Corporation to support the Expansion. The bid package includes civil construction work for both the Expansion (Measure M) and the Grade Crossing Safety Enhancements and Quiet Zone Program, which is part of the Early Action Plan for Renewed Measure M.

In addition to the civil construction contract, there are four other procurement packages associated with the Expansion, including special track work, signal construction, signal maintenance, and rail and ties. All contracts associated with the Expansion were expected to be awarded no later than the second quarter of 2009. However, a protest was filed regarding the signal materials proposed contract award, delaying this until July 2009. The signal materials contract came in significantly higher than the engineer's estimates. The SCRRRA and OCTA staff are reviewing project elements to determine the impact to the overall program. This matter should be decided during the third quarter of 2009.

The SCRRRA plans to start construction of the rail infrastructure improvements and grade crossing enhancements in August 2009; the notice to proceed to the civil construction contractor is expected to be issued on August 3, 2009.

Staff continues to meet with individual station cities in order to develop plans for expansion of parking facilities necessary to support the expanded service. The City of Orange is continuing with further studies to determine if the project will be a mixed use development project. Design work for the new parking structure to be built on the existing surface parking lot at the Tustin Metrolink Station began in April 2009 and is currently 23 percent complete. Final plans are expected in the first quarter of 2010, with a construction contract to be awarded in the second quarter of 2010. The City of Fullerton is completing design plans that will go out to bid for design build of an 818 space parking structure in the summer of 2009. OCTA is continuing to work with the City of Laguna Niguel regarding added station parking capacity in the city.

City-Initiated Transit Extensions to Metrolink

Project development continued with the two Board-approved Go Local fixed-guideway project concepts. The City of Anaheim completed several key project study reports including the Definition of Alternatives, Screening Methodology, and Initial Screening Alternatives Analysis study reports. OCTA staff participated in the review and comment of these documents. The City of Anaheim hosted an initial public workshop in April 2009 to introduce the public to the fixed-guideway project that proposes to connect the Anaheim Regional Transportation Intermodal Center (ARTIC) to the Anaheim Resort. The City of Anaheim also hosted an early public scoping meeting in July 2009 to solicit public input on the initial set of alternatives, including alignments and technologies identified to date. This information will assist the City of Anaheim in assessing which alternatives merit further advancement into the environmental clearance phase.

The City of Santa Ana continues to negotiate the procurement of a technical consultant to conduct the alternatives analysis and environmental clearance for its

fixed-guideway concept. It is anticipated that the consultant will be on board by August 2009. The City of Santa Ana's fixed-guideway concept proposes to connect the Santa Ana Regional Transportation Center through downtown Santa Ana to Harbor Boulevard in the City of Garden Grove.

During the reporting period, cooperative agreements for the service planning of the Board-approved bus/shuttle projects were executed with the following cities: Aliso Viejo, Anaheim, Fullerton, Irvine, Laguna Beach, Lake Forest, Mission Viejo, San Clemente, and Westminster. Scopes of work were finalized for the service planning effort and the contract task orders are expected to be released to the OCTA Board-approved bench of service planning consultants next quarter. The consultants will be tasked with evaluating the viability and feasibility of the bus/shuttle proposals by evaluating areas such as ridership, alignment, operating parameters, and financial plans.

All planning work done as part of Step One and Step Two of the Go Local Program is funded by Measure M in preparation for the implementation of Step Three through Project S, Transit Extensions to Metrolink, under Renewed Measure M.

Financial Status

As required in Measure M, all Orange County eligible jurisdictions receive 14.6 percent of the sales tax revenue based on population ratio, Master Plan of Arterial Highways miles, and total taxable sales. There are no competitive criteria to meet, but there are administrative requirements such as having a growth management plan. This money can be used for local transportation projects as well as ongoing maintenance of local streets and roads. The total amount of Measure M turnback funds distributed since program inception is \$530.7 million. Distributions to individual agencies, from inception-to-date and for the report period, are detailed in Attachment A.

Net Measure M expenditures through June 30, 2009, total \$3.09 billion. Net expenditures include project specific reimbursements to Measure M from local agencies and Caltrans on jointly funded projects. Total net tax revenues consist primarily of Measure M sales tax revenues and non-bond interest minus estimated non-project related administrative expenses through 2011. Net revenues, expenditures, estimates at completion, and summary project budgets, per the Measure M Expenditure Plan, are presented in Attachment B. The basis for project budgets within each of the Measure M Expenditure Plan programs is identified in the notes section of Attachment B. Additional details and supporting information to the Measure M Revenue and Expenditure Summary are provided under Attachment C.

Budget Variances

Project budget versus estimate at completion variances relate to freeway and transitway elements as these programs have defined projects. Other programs, such as regional and local streets and roads, assume all net tax revenues will be spent on existing or yet to be defined future projects.

The Garden Grove Freeway (State Route 22) project budget and estimate at completion were increased \$1.8 million during the report period to reflect the April 13, 2009, Board action to include the cost of additional soundwalls not included in the original project scope. The estimate at completion for the previously completed I-5 projects from Chapman Avenue to SR-91 has been reduced by \$3.8 million to reflect the settlement of final construction claims and potential revenues associated with the sale of excess properties.

Revenue Projections

Staff continues to closely monitor actual local sales tax revenues versus prior forecasts. Based on the trend in continued declining revenues, the June 2009 report includes an updated revenue forecast that results in an additional reduction of \$28.4 million in revenues as compared to the March 2009 report. The following revenue reductions are anticipated within the various Measure M programs: freeways \$12.2 million, turnback funding (streets and roads maintenance and improvement program) \$4.1 million, competitive grant programs \$5 million, and transit \$7.1 million.

The Measure M Expenditure Plan was amended to allocate \$22 million in funding for the three SR-57 freeway projects included in Renewed Measure M, Project J. The allocation is currently included in the Attachment B freeway program budget and estimate at completion. Project costs are initially charged to Renewed Measure M, with subsequent reimbursement through the original Measure M program. The reimbursements have not yet occurred and are temporarily suspended. The initial \$22 million planned allocation could be adjusted to compensate for anticipated revenue reductions.

OCTA staff recently analyzed the status of all active and pending Measure M-funded competitive projects. The goal was to assess potential project delivery issues and promote timely completion of the projects. The Board directed staff to provide more frequent status updates. This progress report has been expanded in response to this request and staff is working with local agencies to develop project specific remedies. It should also be noted that at the present time, the funding commitments to competitive projects exceed the revenue forecast by \$3.5 million. This is a relatively small and manageable variance given the available program balance. Staff will continue to monitor and apprise the Board.

The transit component of Measure M is the other remaining program element with several outstanding projects. This program is currently funding the Expansion project, station improvements, and the planning phases of the Go Local Program. The reduction in Measure M revenues has been somewhat offset by new revenues including Proposition 1B and Proposition 116 and down scoping of future capital projects. Staff is continuing to monitor program status and funding.

Summary

As required in Measure M Ordinance No. 2, a quarterly report is provided to update progress in implementing the Measure M Expenditure Plan. This report covers freeways, streets and roads, transit program highlights, and accomplishments from April through June 2009.

Attachments

- A. Measure M Local Turnback Payments
- B. Measure M Revenue and Expenditure Summary as of June 30, 2009
- C. Supporting Information to Measure M Revenue and Expenditure Summary

Prepared by:

Norbert Lippert
Project Controls Manager
(714) 560-5733

Approved by:

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

ATTACHMENTS AVAILABLE UPON REQUEST

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**Look under
Board Meeting of August 24, 2009**

16.



BOARD COMMITTEE TRANSMITTAL

August 24, 2009

To: Members of the Board of Directors
WK
From: Wendy Knowles, Clerk of the Board
Subject: Renewed Measure M Environmental Mitigation Program Update

Transportation 2020 Committee Meeting of August 17, 2009

Present: Directors Amante, Brown, Buffa, Campbell, Cavecche, Dixon, and Pringle
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Approve the modification to the property acquisition criteria to include public access as a co-benefit.
- B. Approve the revised Environmental Mitigation Program prioritization process to establish the framework for evaluation of property acquisition and/or restoration.



August 17, 2009

Will Kempton

To: Transportation 2020 Committee
From: Will Kempton, Chief Executive Officer
Subject: Renewed Measure M Environmental Mitigation Program Update

Overview

Renewed Measure M includes a comprehensive Environmental Mitigation Program to off-set environmental impacts of the 13 freeway projects. At the request of the Transportation 2020 Committee in July 2009, modifications have been made to the property acquisition, restoration, and management criteria, as well as enhancements to the stepwise prioritization process.

Recommendations

- A. Approve modification to the property acquisition criteria to include public access as a co-benefit.
- B. Approve the revised Environmental Mitigation Program prioritization process to establish the framework for evaluation of property acquisition and/or restoration.

Background

On November 7, 2006, nearly 70 percent of Orange County voters approved the renewal of Measure M, a half-cent local transportation sales tax, for an additional 30 years beginning in 2011 until 2041. Renewed Measure M (M2) will improve Orange County's transportation system and includes two new environmental programs (Environmental Mitigation Program and the Environmental Cleanup Program).

The Environmental Mitigation Program (Mitigation Program) will provide for comprehensive mitigation of the environmental impacts of freeway improvements using 5 percent of M2 freeway program revenue. The Mitigation Program is designed to help deliver 13 freeway projects through a cooperative process that is supported by state and federal resource agencies.

The Mitigation Program was launched in the fall of 2007 with the creation of the Environmental Oversight Committee (EOC) to make recommendations to the Orange County Transportation Authority's (OCTA) Board of Directors (Board) on how the program is to be designed and implemented. On October 22, 2007, the Board approved the membership for the EOC advisory committee, authorized by the M2 Ordinance. The function of the EOC will be to provide guidance on program design and funding recommendations. OCTA Board Director Patricia Bates chairs the EOC, which will implement the M2 Freeway Mitigation Program. OCTA Board Director Cathy Green is also a member of the EOC. The Transportation 2020 Committee (T2020) and the Board must consider and approve any program, policy, or funding recommendations developed by the committees.

Discussion

Mitigation Program

In August 2008, staff provided the Board a status of the EOC's Mitigation Program's initial efforts to identify mitigation opportunities in Orange County. This included using as a baseline inventory, a comprehensive listing of potential conservation opportunities known as the Green Vision Plan, which was developed by the Friends of Harbors, Beaches, and Parks (Attachment A).

In September 2008, at the direction of the T2020, this baseline was expanded through an extensive public outreach effort to inventory potential conservation sites. The T2020 also adopted the preliminary criteria for evaluating the biological mitigation potential of properties that may be acquired and/or restored. This also included management criteria (Attachment B).

The acquisition, restoration, and management criteria are intended to set the framework for OCTA, the EOC, property owners, and conservation organizations to facilitate in the evaluation of potential resource and conservation value of properties that may be available for acquisition and/or restoration.

On March 16, 2009, an overview of the Mitigation Program and the Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) process was presented to the T2020. The T2020 provided input and directed staff to establish priorities in evaluating property acquisition and/or restoration prior to approving funding.

On June 15, 2009, staff provided a sequential prioritization process for evaluation of property acquisition and/or restoration. The T2020 directed staff to look into the availability of funds for the Mitigation Program that can be used for acquisition and/or restoration, and the opportunity to leverage this program with the Environmental Cleanup Program.

On July 20, 2009, staff provided an updated sequential prioritization process for evaluation of property acquisition and/or restoration and presented the updated M2 financial projections for the two environmental programs, (Mitigation Program and Environmental Cleanup Program). The T2020 requested that the financial assumptions regarding these environmental programs be presented for review by OCTA's Finance and Administration Committee.

It was requested by Director Bates, Chair of the EOC, that the Mitigation Program's prioritization process be brought back to the EOC for its consideration with the following policy recommendations as directed by the T2020:

1. Proceed with the Early Action Plan (EAP) advance of funds for the Mitigation Program, with funding currently estimated to be available in two tranches (\$30 million in fiscal year 2009-10 and \$25 million in fiscal year 2011-12). The OCTA Finance and Administration Committee will evaluate the benefits and risks of a more aggressive financing plan.
2. The prioritization process for the Freeway Mitigation Program, as endorsed by the EOC, be modified to enable consideration of the following policy and prioritization factors. Prior to determination of mitigation credits and assurances by the resource agencies, the following policy considerations be established:
 - a. An allocation goal of 80 percent of funds for acquisition and 20 percent for restoration over the entire life of the Freeway Mitigation Program.
 - b. Include the total cost, inclusive of long-term management and maintenance costs, in the evaluation of acquisitions or restoration projects.
 - c. Grant some priority consideration to acquisitions or restoration projects that include non-M2 funding or a revenue stream to offset the long-term cost of management and maintenance.
 - d. Vest functional responsibility for long-term management and maintenance with an agency or entity other than OCTA.
 - e. Include public access as a co-benefit in the adopted M2 property acquisition criteria as it is in the restoration criteria.

On August 5, 2009, staff provided an overview of the aforementioned July 20, 2009, T2020 action items to the EOC. The EOC generally concurred with the T2020 action items and recommended further refinements to the prioritization process. The EOC recommended the following items be considered in the prioritization process flowchart:

- Step 2: Policy Considerations reflect the exchange of input between the EOC and T2020;
- Step 3: Mitigation Credits - third bullet: convey that the assurances California Department of Fish and Game (CDFG) and U.S. Fish & Wildlife Service (USFWS) would be preliminary. The word "preliminary" has been added to denote this;
- Step 4: move "Board approval on program parameters (e.g., community and Board values, nexus, etc.)" from Step 2 to Step 4;
- Step 4: include "Reconcile CDFG, USFWS, Caltrans, and OCTA priorities" in this step; and
- Step 5: include "Requires assurance that mitigation credit will be given for M2 freeway program".

In addition, the EOC recommended adding management to the restoration component with respect to the 20 percent allocation goal. The prioritization process flowchart, as presented to the EOC is in Attachment C, and the revised flowchart is in Attachment D.

Mitigation Program Property Acquisition/Restoration Prioritization Process

A sequential prioritization process, which is illustrated in Attachment D, has been developed to segregate properties for potential M2 funding for acquisition and/or restoration. The following is an outline of the sequential prioritization process:

1. Conservation Values: an independent evaluation of the biological characteristics, habitat, and species value of the property or restoration project;
2. Policy Considerations: Board will approve policies for expenditure of M2 environmental mitigation funds and priorities (e.g., acquisition, restoration, and management, etc.). The ability to ensure long-term maintenance and management of properties will also be considered;
3. Mitigation Credits: whether and to what degree the CDFG and the USFWS will grant advance mitigation credit for the 13 M2 freeway projects;

-
4. Mitigation Plan Review and Adoption: as recommended by the EOC and T2020, the Board will approve the list of priority properties/projects for acquisition/funding along with Board approval on program parameters (e.g., community and Board values/support, nexus, etc.); and
 5. Real Estate Value/Economics: the appraised value and asking price of a property, results of due diligence on condition and status of property, and a revisit of the ability/cost to ensure long-term maintenance and management. This will result in offers or grant recommendations being made on proposed properties.

Through this process, the acquisition and restoration evaluation criteria that were approved by the EOC, the T2020, and the Board in September 2008 can be applied to each property or project in a consistent manner. The process does not use a numerical scoring system; instead, it will rank properties or projects as high/medium/low as appropriate to the respective criteria.

The Conservation Biology Institute (CBI) is currently conducting an independent assessment of conservation values for potential property acquisition and/or restoration at the landscape level (Step 1 above). The properties will be evaluated based upon CBI's analysis as high, medium, and low based on the tenets of conservation biology to meet the program's objective.

The conservation assessment utilizes key parameters from the approved acquisition and/or restoration criteria as generally outlined below:

- Landscape integrity (level of disturbance from development, roads, etc.);
- Vegetation representation in existing protected areas;
- Core habitat patches based on size and distribution;
- Special status species distribution or potential habitat for special status species;
- Connectivity between core habitat patches; and
- Buffers or potential additions to existing protected areas;

The T2020 has provided direction to staff on policy considerations under Step 2. This includes guidance regarding the proportion of expenditures on acquisition, restoration, and management, as well as the desire to favor properties that have long-term management agreements as a leveraging tool when a property is under consideration. In addition, the T2020 recommended including public access as a co-benefit in the adopted M2 property acquisition criteria as it is in the restoration criteria.

Under Step 2, with the exchange of policy input between the EOC and T2020, the Board will approve expenditure of mitigation funds and program funding priorities and parameters. This will entail more detail assessment of the following:

- Support of acquisition and/or restoration by local agencies and the community;
- Potential matching funds/funding partners;
- Existing co-benefits, such as historical, archeological or cultural sites, recreation, trails or scenic views situated near underserved areas, and associated economical benefits;
- Include public access as a co-benefit in the adopted M2 property acquisition criteria as it is in the restoration criteria; and
- Threat to habitat in terms of acquiring property in lieu of development or the urgency for restoration efforts.

Assurances that mitigation credits are available for "Step 1-screened" properties will be discussed with CDFG and USFWS under Step 3. Upon review from the EOC and the T2020, it will be necessary to reconcile Board priorities with the mitigation credits that CDFG and USFWS may be willing to provide in exchange for the programmatic mitigation program. It is envisioned that this will be documented by a letter of commitment between OCTA, CDFG, and USFWS on the mitigation credits that OCTA would obtain for the freeway projects. With the Board's approval, properties that are ranked "medium" to "high" will be reviewed on an individual basis for potential mitigation credits with CDFG and USFWS.

Concurrently, the potential for mitigation credits with the U.S. Army Corps of Engineers (Corps) will be assessed. This process was outlined in the draft OCTA NCCP/HCP planning agreement approved by the T2020 and the Board in January 2009. As indicated in the M2 EAP readiness report presented to the T2020 and the Board in January 2009, this may include the need to fund staffing costs for the Corps in order to ensure timely participation and review for regulatory permit applications. A recommendation on this matter will be presented to the T2020 and the Board in fall 2009.

Once preliminary assurance that mitigation credits will be given on properties of interest for the Mitigation Program, the mitigation plan review and adoption will be assessed in detail in Step 4 and will generally include the following:

- Input by community, EOC, T2020, and Board on program parameters;
- Reconciliation of CDFG, USFWS, OCTA, and community priorities; and
- Results in list of priorities for acquisition/funding.

Staff and the EOC's working group will participate in the evaluation process and present the results along with recommendations to the EOC, T2020, and the Board. The EOC working group members consist of staff from OCTA, the California Department of Transportation, CDFG, USFWS, OCTA Board Director Cathy Green, and representatives from the environmental community. Except for OCTA staff, the aforementioned EOC working group participants are also members of the EOC. Only properties that pass Steps 1, 2, 3, and 4 will proceed to Step 5, which involves real estate/economics evaluation.

At this stage of the process, the benefits for each property will have been "screened" and cost considerations will be assessed. In Step 5, potential property acquisition, and real estate/economic considerations will focus on the following:

- Willingness of the individual property owner to sell;
- Appraisal findings related to costs and due diligence, such as access, easements/encroachments, neighboring uses, hazardous conditions/ containment;
- Property management, maintenance, and monitoring responsibilities and costs; and
- Ultimate assurances by CDFG and USFWS that mitigation credit will be given.

For potential property restoration, real estate/economic considerations will focus on the following additional items:

- Initial cost of the restoration;
- Ongoing property management, maintenance, and monitoring responsibilities and costs;
- Accessibility for restoration, maintenance, and management activities;
- Impacts associated with hazardous materials or conflicting conditions; and
- Water availability to insure restoration efforts without creating negative impacts.

After completing the prioritization process, the highest value properties or projects yielding the maximum benefits will be identified for the Mitigation Program.

At this point, a list of properties will be recommended for consideration for purchase or funding. Preliminary recommendations based upon Steps 1 through 4 will be developed by staff and the EOC in fall/winter 2009. These recommendations will subsequently be presented to the T2020 and the Board. Through the Tax-Exempt Commercial Paper Program, approximately \$27.5 million will be available for acquisition and/or restoration. Another \$2.5 million will go towards implementation of the program. As a result, these properties will be recommended for appropriation by the Board. As the real estate and financial assessments are completed (Step 5), the EOC will provide to the T2020 and the Board recommendations on specific properties for acquisition and/or restoration in fall 2009 through winter 2010. Attachment D illustrates how the EOC, T2020, and the Board, including the public, would be engaged throughout the entire prioritization process.

Summary

The revised property prioritization process assures that OCTA will obtain mitigation credit for early acquisition and/or restoration by utilizing a conservation-based, community-supported, and economical approach. Each proposed property being considered for acquisition and/or restoration will be analyzed using the five-step prioritization process to obtain M2 funding. Staff is seeking approval of this process by the T2020. With this approval, opportunities for acquisition and restoration will be evaluated and recommended accordingly by the EOC to the T2020, for Board approval. Staff is also seeking approval of the modified acquisition criteria to include public access as a co-benefit.

Attachments

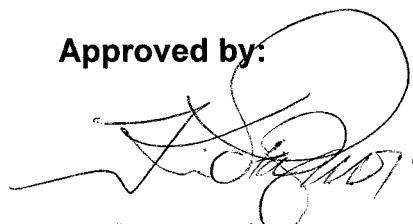
- A. Orange County Green Vision
- B. Renewed Measure M Property Acquisition, Restoration, and Management Criteria (Revised)
- C. Five-Step Sequential Prioritization Process (Draft)
- D. Five-Step Sequential Prioritization Process (Revised)

Prepared by:



Dan Phu
Section Manager, Project Development
(714) 560-5907

Approved by:



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

ATTACHMENTS AVAILABLE UPON REQUEST

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**Look under
Board Meeting of August 24, 2009**

5.



MEMO

September 9, 2009

To: Members of the Board of Directors
W.K.
From: Wendy Knowles, Clerk of the Board
Subject: **Board Committee Transmittal for Agenda Item**

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.



September 10, 2009

[Handwritten signature of Will Kempton, Chief Executive Officer]

To: Transit Committee

From: Will Kempton, Chief Executive Officer

Subject: Cooperative Agreements with the Cities of Buena Park and Tustin for Go Local Step Two Bus/Shuttle Service Planning

Overview

The Orange County Transportation Authority Board of Directors has approved 27 bus/shuttle proposals submitted under Go Local Step One to be advanced to Step Two. As part of Step Two, each bus/shuttle proposal will undergo detailed service planning. Cooperative agreements are needed to outline roles and responsibilities for the Step Two service planning effort. Cooperative agreements with the cities of Buena Park and Tustin for service planning of the cities' respective bus/shuttle proposals are presented for review and approval.

Recommendations

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0427 between the Orange County Transportation Authority and the City of Buena Park to define each party's roles and responsibilities for service planning of the bus/shuttle proposals entitled, "Buena Park Station – Auto Center/Civic Center Shuttle" and "Buena Park Station – Buena Park Downtown Entertainment Zone Shuttle."
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0426 between the Orange County Transportation Authority and the City of Tustin to define each party's roles and responsibilities for service planning of the bus/shuttle proposals entitled, "Local Shuttle Connecting the Metrolink Station to City Hall and Other Locations in Downtown Tustin" and "Transit Connection to the Tustin Legacy Project."

Discussion

On October 27, 2008, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved 25 bus/shuttle proposals submitted under Go Local Step One to be advanced to Step Two. Two additional bus/shuttle

proposals were submitted and approved for Step Two by the Board on January 12, 2009. For the Step Two service planning, OCTA will utilize a bench of consultants that were retained through a competitive procurement process. The four firms on the bench will assist OCTA staff in assessing the feasibility of the proposals by evaluating areas such as, but not limited to, potential demand and customer needs, route segment and system performance, potential impacts to existing OCTA fixed-route bus and paratransit service, boarding/revenue vehicle hours, resources, budgets, policies, and technical aspects of the proposed service. Using OCTA's pre-selected bench of consultants is intended to ensure consistency and standardization in the evaluation process for all participating cities.

As part of Go Local Step One, cooperative agreements were executed with participating cities to specify the roles and responsibilities of the initial needs assessment phase. OCTA encouraged cities to partner with neighboring cities in an effort to develop optimal regional connections to Metrolink stations. When the cities came together as a team, a lead agency was identified as the point of contact to OCTA. Prior to initiation of the Step Two service planning work, new cooperative agreements with the lead agencies are needed as a result of the expiration of the Step One cooperative agreements and to identify any modifications to teaming arrangements.

Currently there are 13 cities/teams participating in the Go Local Step Two bus/shuttle service planning effort. For the past quarter, staff has brought forward cooperative agreements with each of the lead agencies for Board consideration. The order in which the agreements are brought to the Board is dependent upon when the lead agency is scheduled to consider and approve the agreement as shown in Attachment A. To date, the Board has approved cooperative agreements with the cities of Aliso Viejo, Anaheim, Irvine, Fullerton, Laguna Beach, Lake Forest, Mission Viejo, San Clemente, and Westminster. Subsequently, two additional teams, the cities of Buena Park and Tustin have approved the respective agreements and are being presented to the Board for consideration. A brief summary of the bus/shuttle proposals submitted by the two additional teams are included in Attachment B. Note that for the City of Buena Park, the OCTA Board had approved in October 2008 two additional bus/shuttle concepts that were developed in partnership with the cities of Cypress and La Palma (Buena Park Station-Cypress College/Business Park Shuttle and Buena Park Station-La Palma Civic Center/Centerpointe Shuttle). However, subsequent to the Board decision, the cities of Cypress and La Palma withdrew from the Go Local Program. Buena Park requested to move forward with only the two bus/shuttle concepts as presented.

The general purpose and content of the Go Local Step Two cooperative agreement is to identify the roles and responsibilities of both OCTA and the lead agency for the service planning effort. The cooperative agreements will be similar for each lead agency, except for a few minor differences in language to meet city-specific requirements.

OCTA's principal responsibilities described in the cooperative agreements include:

- Procure and manage consultant support to work directly with the lead agency to develop comprehensive service plans for the bus/shuttle proposals as identified in the respective Go Local Step One final reports.
- Participate in service planning team meetings with consultant and city/teams and provide transit planning data and support.
- Evaluate final Go Local Step Two reports summarizing service-planning activities and funding plans for each of the bus/shuttle proposals that have been approved by the city council.

The lead agency's principal responsibilities described in the cooperative agreements include:

- Work collaboratively with consultant selected by OCTA and supply all requested data necessary to support the service planning.
- Participate in the development of a comprehensive service planning report, which will be led by the consultant for each bus/shuttle proposal that addresses all the service planning activities. The report must be accompanied by a city council resolution indicating support and approving the final service planning report and funding plan for each bus/shuttle proposal.
- Provide eligible local matching funds, excluding in-kind sources, for the city's proportionate share. Consistent with previous Board action, cities are required to provide a local funding match of 10 percent of the actual service planning activities cost, up to \$100,000, for each bus/shuttle proposal.

Next Steps

Upon the Board's approval of the subject cooperative agreements, contract task orders will be issued to the bench of consultants and competitively awarded to provide service planning for the subject cities' approved bus/shuttle proposals. Staff will return to the Board in September 2009 with additional cooperative agreements that have been approved by the participating lead agencies, as well as the results of the screening evaluation of the remaining Step One final reports from the cities of Irvine and Laguna Woods.

Fiscal Impact

Funding for this project is currently included in OCTA's Fiscal Year 2009-10 Budget, Account 0010-6062-T5410-3SB. This is a reimbursable agreement as cities are responsible for reimbursing OCTA 10 percent of consultant work for this phase of study.

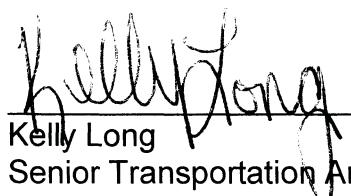
Summary

Staff is seeking Board authorization to execute cooperative agreements with the cities of Buena Park and Tustin to initiate service planning for the cities' respective Board-approved bus/shuttle proposals.

Attachments

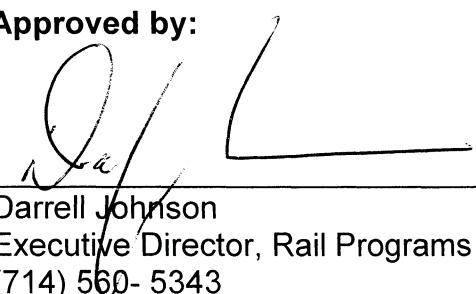
- A. Status of Go Local Step Two Bus/Shuttle Cooperative Agreements
- B. Summary of Go Local Bus/Shuttle Proposals – Lead Agencies: Cities of Buena Park and Tustin
- C. Cooperative Agreement No. C-9-0427 Between Orange County Transportation Authority and City of Buena Park for Go Local Bus/Shuttle Service Planning
- D. Cooperative Agreement No. C-9-0426 Between Orange County Transportation Authority and City of Tustin for Go Local Bus/Shuttle Service Planning

Prepared by:

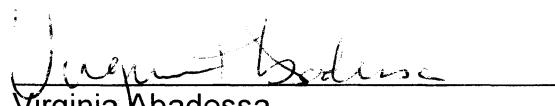


Kelly Long
Senior Transportation Analyst
(714) 560-5725

Approved by:



Darrell Johnson
Executive Director, Rail Programs
(714) 560- 5343



Virginia Abadessa
Director, Contracts Administration and
Materials Management
(714) 560-5623

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**Look under
Board Meeting of September 14, 2009**



BOARD COMMITTEE TRANSMITTAL

September 14, 2009

To: Members of the Board of Directors
WKL
From: Wendy Knowles, Clerk of the Board
Subject: Metrolink Ridership and Revenue Quarterly Report

Transit Committee Meeting of August 27, 2009

Present: Directors Brown, Dalton, Dixon, Green, Nguyen, and Winterbottom
Absent: Director Pulido

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Receive and file as an information item.



August 27, 2009

[Handwritten signature of Will Kempton]

To: Transit Committee
From: Will Kempton, Chief Executive Officer
Subject: Metrolink Ridership and Revenue Quarterly Report

Overview

The Southern California Regional Rail Authority is a five-member joint powers authority that operates the 400-mile commuter rail system known as Metrolink. A report on Metrolink ridership and revenue for service in Orange County, covering the fourth quarter of fiscal year 2008-09, is provided for Board of Directors' review.

Recommendation

Receive and file as an information item.

Background

Metrolink's five-agency membership includes the Los Angeles County Metropolitan Transportation Authority, the Orange County Transportation Authority (OCTA), the Riverside County Transportation Commission (RCTC), the San Bernardino Associated Governments (SANBAG), and the Ventura County Transportation Commission. Metrolink operates 149 daily trains on seven lines, serving 55 stations, and carries more than 41,000 riders per day.

There are three lines that provide service to Orange County. The Orange County (OC) Line service began in 1994, followed by the Inland Empire – Orange County (IEOC) Line in 1995, and the 91 Line in 2002. The three lines serving Orange County provide a total of 44 trains each weekday serving 11 Orange County stations. The OC and IEOC lines have also provided weekend service year-round for the past four years. The OC Line provides eight trains on Saturday and Sunday and is funded by OCTA. The IEOC Line weekend service operates six trains on Saturday and four trains on Sunday, and is jointly funded by OCTA, RCTC, and SANBAG.

The Rail 2 Rail Program, which began in 2003, allows Metrolink monthly pass holders the option of riding Amtrak Pacific Surfliner trains at no additional charge, provided the pass holder travels within the designated stations identified on the monthly pass. In Orange County, a valid Metrolink ticket or pass also permits free transfers to local OCTA bus routes, including StationLink.

Discussion

This report provides an update on weekday and weekend ridership, revenue, and on-time performance for the fourth quarter (April, May, June) of fiscal year (FY) 2008-09.

Ridership and Revenue

Total Ridership and Revenue

Total FY 2008-09 fourth quarter ridership for the three Metrolink lines serving Orange County, including Rail 2 Rail passengers, has decreased by 7.4 percent compared to the same quarter last year and has increased by 2.7 percent from the third quarter of the current year, FY 2008-09. Fourth quarter passenger fare revenues of \$5.94 million are 11 percent lower than the same quarter last year. Detailed ridership and revenue data by route is included in Attachment A.

The FY ended with ridership up 2.8 percent and revenue up by 3.6 percent, largely due to a strong surge of riders in the first quarter. This is the second year in a row where more than 4 million passengers rode Metrolink in Orange County.

Weekday Ridership

Combined average weekday ridership on the OC, IEOC, and 91 lines during this period was 15,057, including Rail 2 Rail. This represents a fourth quarter decrease of 8.2 percent compared to the fourth quarter of FY 2007-08. The OC Line average ridership is down 5.5 percent, the IEOC Line is down 19.4 percent, and the 91 Line is down 3.5 percent compared to the same period last year. The Rail 2 Rail Program has become more successful over the past few years, reporting an 8.7 percent increase versus last year, mainly due to increased awareness of the service offered to Metrolink monthly pass holders via Amtrak.

Average weekday ridership for the fourth quarter is detailed in the table below.

Fourth Quarter	OC Line	IEOC Line	91 Line	Rail 2 Rail	Total
FY 2007-08	7,377	5,100	2,346	1,572	16,395
FY 2008-09	6,972	4,113	2,263	1,709	15,057
Percentage Change	-5.5%	-19.4%	-3.5%	8.7%	-8.2%

Ridership peaked in the first quarter of FY 2008-09 mainly due to the high price of fuel and relatively stable employment rates. According to the Energy Information Administration, average fuel prices dropped 34.3 percent during the 12-month period between July 2008 to June 2009. Additionally, the economy suffered as unemployment rates increased sharply. Both of these factors have affected ridership over the past three quarters.

Ridership declines have been the deepest on the IEOC Line, mainly to deteriorating economic conditions for passengers originating in the Inland Empire. According to the California Employment Development Department, unemployment rates reached 13.9 percent in Riverside County and 13.6 percent in San Bernardino County in June 2009. Statewide unemployment is 11.6 percent and the Orange County rate is 9.2 percent.

Weekend Ridership

Total Metrolink weekend service carried 35,516 Orange County riders during the fourth quarter of FY 2008-09, 13.7 percent below the same quarter last year. Average daily weekend ridership year over year on the OC Line is down 14.3 percent on Saturday and 6.2 percent on Sunday. Average Saturday ridership on the IEOC Line is down 23.8 percent over the same quarter last year, while the IEOC Line Sunday ridership is up 9.6 percent.

Average weekend ridership is shown in the table below.

Fourth Quarter	OC Line (Saturday)	OC Line (Sunday)	IEOC Line (Saturday)	IEOC Line (Sunday)	Total
FY 2007-08	1,010	727	1,002	387	3,126
FY 2008-09	866	682	764	424	2,736
Percentage Change	-14.3%	-6.2%	-23.8%	9.6%	-12.5%

Revenue

Passenger fare revenue covers roughly half of Metrolink operating expenses, with the remainder covered by member agency subsidies. In FY 2007-08, systemwide passenger fare revenues covered 49 percent of total operating

expenses, and are estimated to cover approximately 45 percent of the operating expenses in FY 2008-09.

Ridership and revenue do not necessarily follow the same trends during each reporting period. This is primarily attributed to two factors. Due to the sale of advance tickets and monthly passes, revenue can be recorded in the month proceeding the actual ridership. Additionally, while ridership may decrease, operating costs do not drop proportionately.

Fourth quarter revenue has decreased compared to the same quarter last year for all three lines serving Orange County. Total revenue is down 7.8 percent on the OC Line, 21.9 percent on the IEOC Line, and 4.4 percent on the 91 Line, for a total decrease of 11 percent, for the fourth quarter.

Revenue is displayed in the table below.

Fourth Quarter	OC Line	IEOC Line	91 Line	Total
FY 2007-08	\$ 3,885,345	\$ 1,747,813	\$ 1,043,438	\$ 6,676,596
FY 2008-09	\$ 3,582,155	\$ 1,364,835	\$ 997,066	\$ 5,944,056
Percentage Change	-7.8%	-21.9%	-4.4%	-11.0%

On-Time Performance

On-time performance is a central component of providing quality service. A Metrolink train is considered to be on time if it arrives within five minutes of the scheduled arrival at its end point.

Trains can be delayed for a variety of reasons, including equipment issues, unscheduled delays (or "meets") with other trains, delays from other operators utilizing the same tracks, construction or track maintenance, and incidents. Weekend on-time performance is typically lower than weekday due to two factors. A significant amount of railroad construction is performed during the weekend, which may cause delays. Additionally, because there are fewer trains operating on weekends than during the week; therefore, a few delays can have a greater impact to overall on-time performance percentages.

Weekday on-time performance was impacted in May 2009 by various factors, including crew and signal testing, Federal Railroad Administration inspections, and mechanical problems. Weekend on-time performance was down on the OC and IEOC lines due to mechanical issues and construction. Average on-time performance is shown in the tables below.

Weekday On-Time Performance

Percentage of Weekday Trains Arriving Within Five Minutes of Scheduled Time*			
Month	OC Line	IEOC Line	91 Line
April	94.2%	96.8%	94.5%
May	90.5%	99.1%	96.7%
June	95.0%	95.5%	97.0%
Total Average Orange County On-Time Performance - 95.5%			

* System total is 94.1 percent, including the Antelope Valley, IEOC, OC, Riverside, San Bernardino, Ventura, and 91 lines.

Weekend On-Time Performance

Percentage of Weekend Trains Arriving Within Five Minutes of Scheduled Time*			
Month	OC Line	IEOC Line	91 Line
April	95.3%	92.5%	N/A
May	85.0%	90.0%	N/A
June	95.3%	80.0%	N/A
Total Average Orange County On-Time Performance - 89.7%			

* System total is 94.2 percent, including the Antelope Valley, IEOC, OC, and San Bernardino lines.

Summary

This report provides an update on OCTA commuter rail ridership, revenue, and on-time performance for the fourth quarter of FY 2008-09. Total average weekday ridership in Orange County is down 8.2 percent. Weekday ridership losses on the IEOC Line continue to reflect economic conditions in the Inland Empire. Fourth quarter revenue is down compared to last year on all three lines serving Orange County. Average weekday on-time performance was slightly above the 95 percent goal and weekend on-time performance was below the goal for the fourth quarter of FY 2008-09.

Attachment

A. Metrolink Ridership and Revenue

Prepared by:

Megan Taylor
Transportation Analyst
(714) 560-5601

Approved by:

Darrell Johnson
Executive Director, Rail Programs
(714) 560-5343

ATTACHMENTS AVAILABLE UPON REQUEST

**Or can be located at
<http://www.octa.net/archives.aspx>**

**Look under
Board Meeting of September 14, 2009**