

Measure M2 Delivery Plan

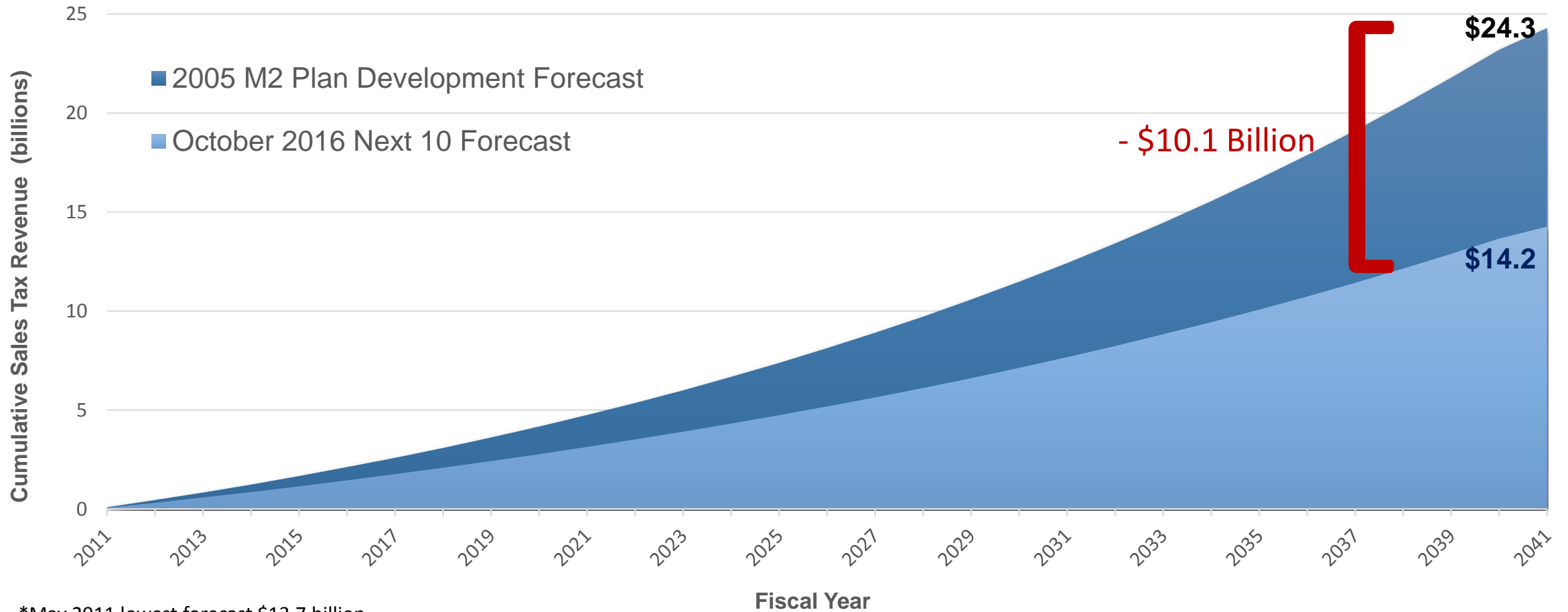


Post-2008 Great Recession

- Measure M2 (M2) revenue forecast reduction required review of the M2 Plan
- M2020 Plan approved September 2012 ensure delivery through:
 - ✓ Accelerating projects
 - ✓ Issuance of revenue bonds capturing low debt cost benefits
 - ✓ Capitalizing on low bid environment
 - ✓ Commitment of external funding to fill the funding gap
 - ✓ Included 14 objectives covering all modes
- Draft Next 10 Plan developed similarly
 - ✓ Includes ten deliverables intended to complete the M2020 objectives already started and add more while ensuring OCTA's commitment to the voters



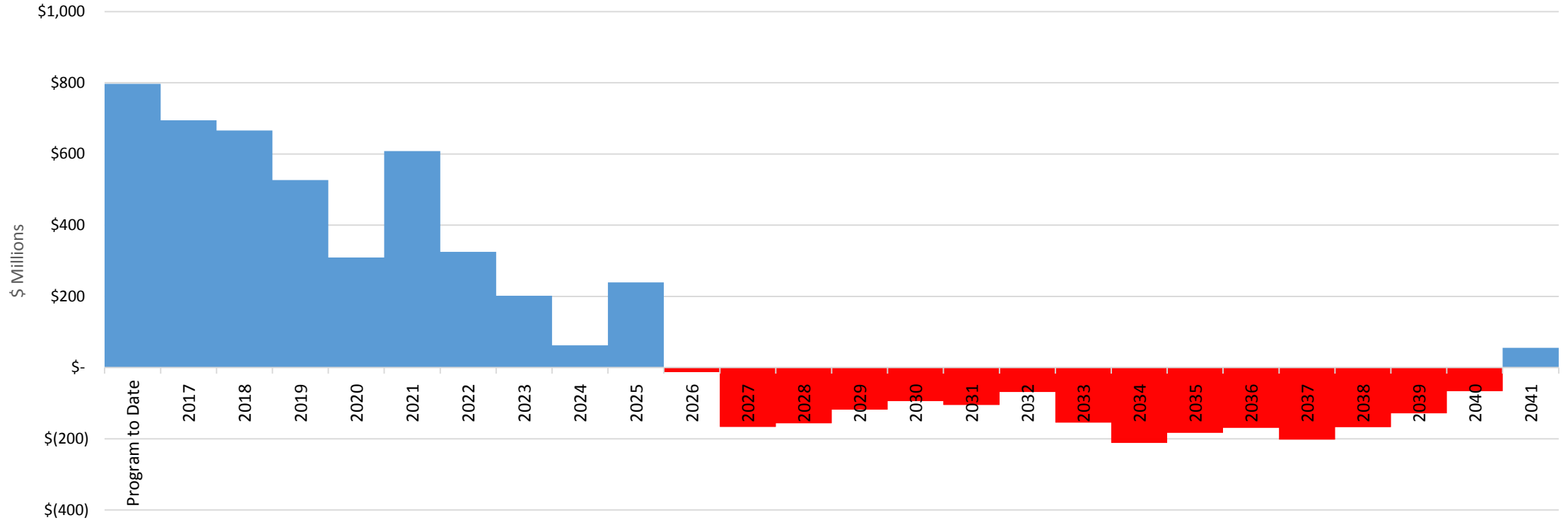
Impact on Sales Tax Revenue



*May 2011 lowest forecast \$13.7 billion

M2 Program Cash Balance






M2 Sales Tax Revenue Forecast of \$14.2 Billion



Planned Shelf-Ready Projects at Risk

Project	Cost
B I-5 Widening (SR-55 to I-405)	\$720.9 million
D I-5 / El Toro Road Interchange Improvements	\$113.0 million
F SR-55 Improvements (I-5 to SR-91)	\$232.4 million
G SR-57 NB Widening (Orangewood Avenue to Katella Avenue)	\$47.7 million
G SR-57 NB Widening (Lambert Road to County Line)	\$167.6 million
I SR-91 Widening (SR-57 to SR-55)	\$456.2 million
J SR-91 Widening (SR-241 to I-15)	\$292.5 million
L I-405 Widening (SR-55 to I-5)	\$323.6 million
M I-605 / Katella Avenue Interchange Improvements	\$29.6 million
Total Shelf Ready Projects Cost	\$2.4 billion

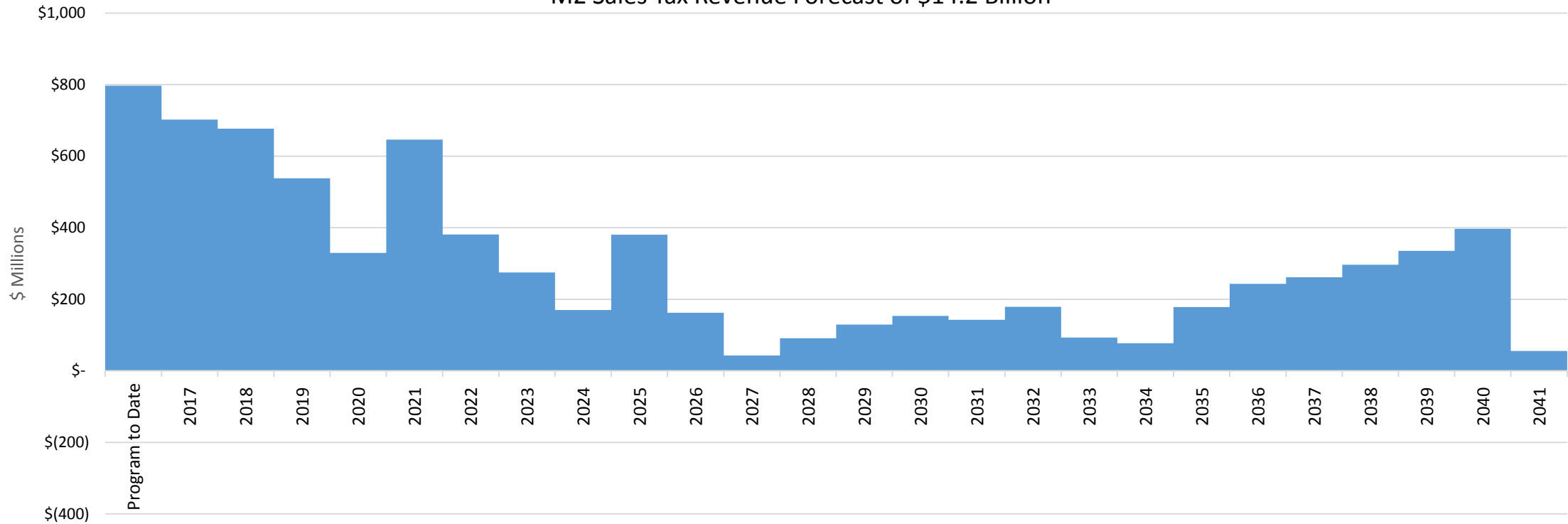
Freeway Funding Gap Options

Options	Pros	Cons	
1. Reduce project scopes, deliver some improvements within funding limitations	While not keeping the complete promise, some relief can be delivered	Impacts promise; requires environmental restart (time/cost), leads to delay and cost escalation	
2. Eliminate project(s), reserving as first priority for future funding	Continue to deliver majority of promise	Impacts promise and poses difficult elimination decision	
3. Extend delivery deadlines, reassess in the future as new revenue streams become available	Postpones decision to act on reductions until more information is available	Delayed decision reduces options to manage the problem and cost escalation a major risk	
4. Utilize local revenue via 91 and/or 405 Express Lanes revenue to fund eligible projects*	Mitigates the impact of reduced revenue and keeps the promise by using locally-controlled funding source	Gives M2 projects in the corridor priority over others	

* Eligibility limited to M2 Project I and Project J for the 91 excess revenue and Project L for 405 net excess revenues

M2 Program Cash Balance With 91 Excess Revenue

Measure M2 Program Cash Balance
M2 Sales Tax Revenue Forecast of \$14.2 Billion



*Based on October 2016 M2 Sales Tax Revenue Forecast of \$14.2 Billion and use of \$463 million of 91 Express Lanes revenues

Next 10 Deliverables Summary

- Deliver \$4.2 billion in freeway projects
- Allocate approximately \$1 billion of funding for streets and roads improvements
- Invest up to \$1.4 billion to enhance access to rail and transit including delivery of the OC Streetcar
- Ensure ongoing preservation of open space Preserves and provide \$40 million in water quality grants



Risks

Risks are grouped into four main areas:

- Financial – continuation of lower-than-projected M2 revenue forecast of \$14.2 billion or a change in external funding assumptions
- Organizational – availability of specialized staff
- Policy – new state directives create additional hurdles for M2 delivery
- Market – competition for resources with neighboring counties

Next Steps

- Distribute the Adopted Next 10 Plan to stakeholders
- Work with our transportation partners to seek cost saving measures on delivery of the Next 10 Plan of projects and programs

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