



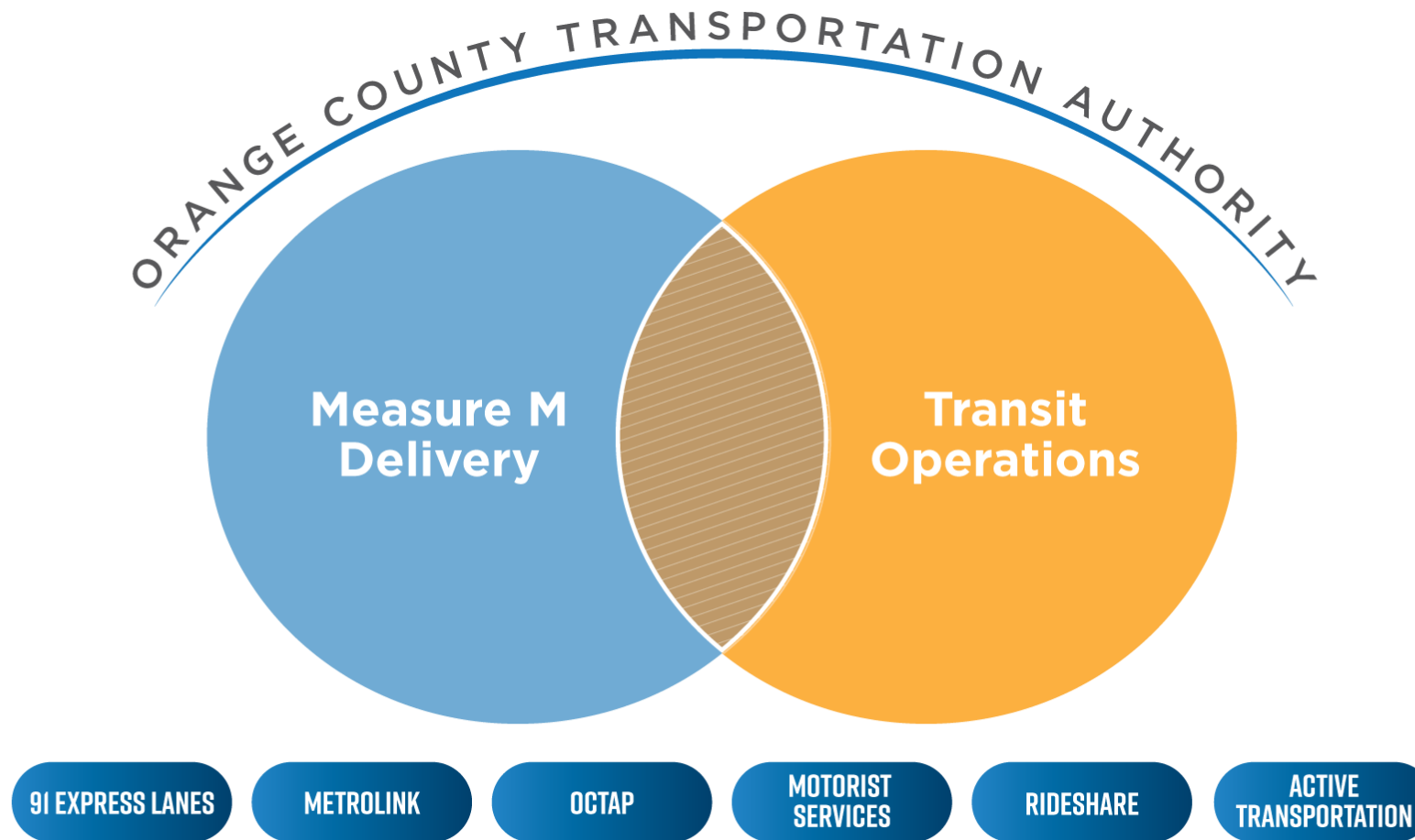
Delivering Transportation Solutions in a Changing Market

Planning Efforts Underway

- Long-Range Transportation Plan
 - Updated every four years to address changing transportation landscape
 - Ensure eligibility for state and federal funds
- Comprehensive Business Plan
 - 20-year fiscally constrained financial plan
- Fiscal Year 2017-18 Budget
 - Annual funding for all OCTA programs, projects, and services

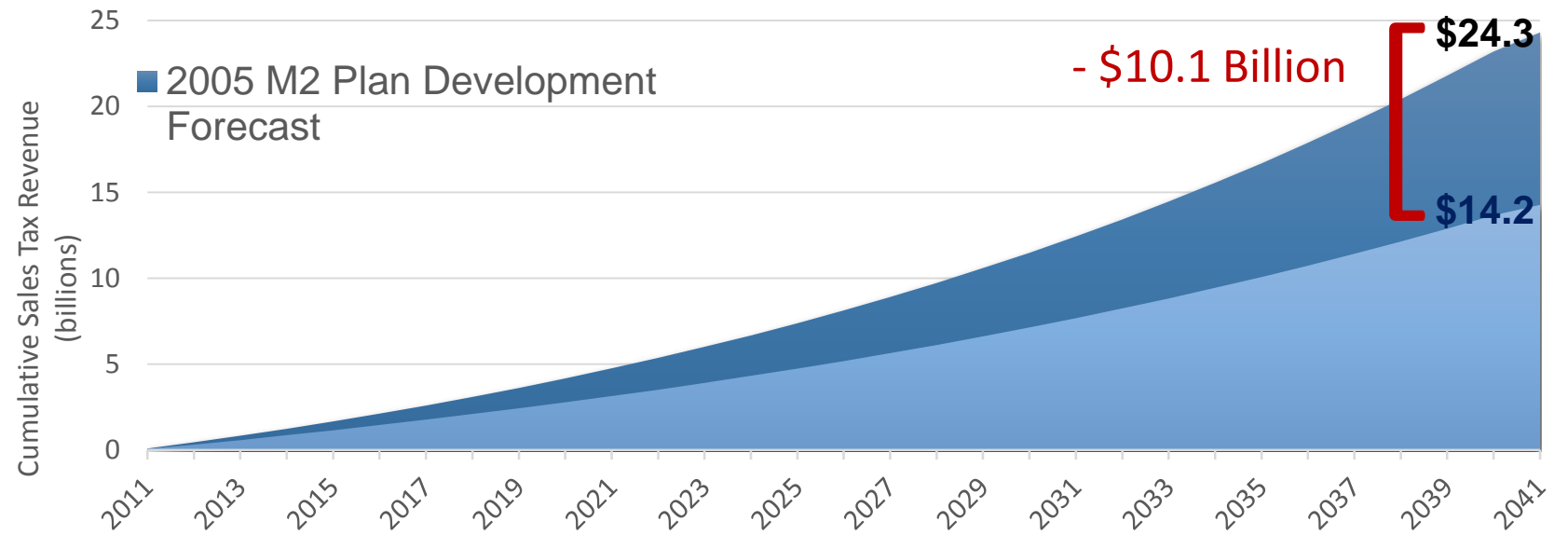


OCTA Core Functions



Background – Measure M

- Declining sales tax revenues recognized / reported early
- Next 10 Delivery Plan adopted
 - Aggressive delivery plan
 - Leverages external revenues
 - Brought in local revenues



Next 10 Delivery Plan

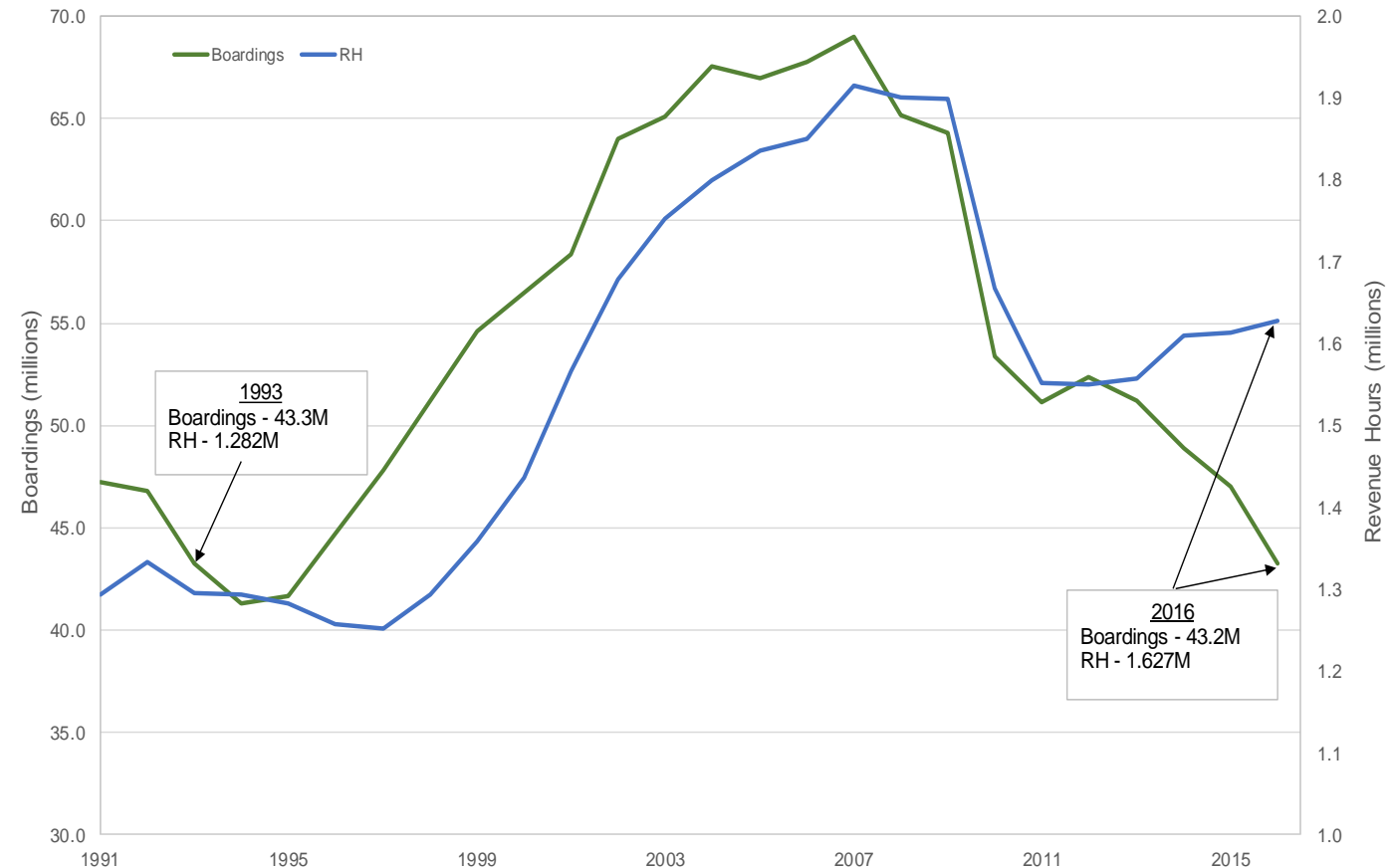
Measure M Capital Program Peaking

- Use federal grants and loans and 91 Express Lanes net excess toll revenue to help fund program
- Deliver \$5.4 billion in freeway projects
 - \$1.9 billion I-405 Improvement Project, largest in agency history
- Allocate \$1 billion 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
- Provide \$40 million in water quality grants



Background – Bus Transit

- Changing bus market demand
 - Declining bus ridership
 - Reduced productivity
- Reduced bus revenues
 - Sales tax declines
 - Changing forecast methodology
 - Fare revenue down
- Maintaining service
 - No fare increases since 2013
 - No service hours cut since 2010



Trends

- Past correlations no longer predictive of future conditions
- Growth in competing modes impacting ridership
- Costs of housing also a key factor
- Ridership decreases now a national and regional issue

2009 to 2015

- ↑ Population: Up 4.7 percent
- ↑ Driver Licenses: Up 9.9 percent
- ↑ Car Registrations: Up 16.9 percent

2015

- ↑ \$25.50/hour to afford a one-bedroom apartment
- ↑ \$87,000/year to qualify for a median-priced home

Source: 2016 Orange County Community Indicators Report

OC Bus 360° - Reinventing Bus Service

- Reallocated 160,000 revenue vehicle hours
- Implemented faster bus routes
- Discounted day pass
- Implemented mobile ticketing / real-time bus arrival app
- Awarded 17 Measure M transit grants to local agencies
- Secured over \$20 million in grants for buses, mobile ticketing, and fare discount
- Expanded marketing

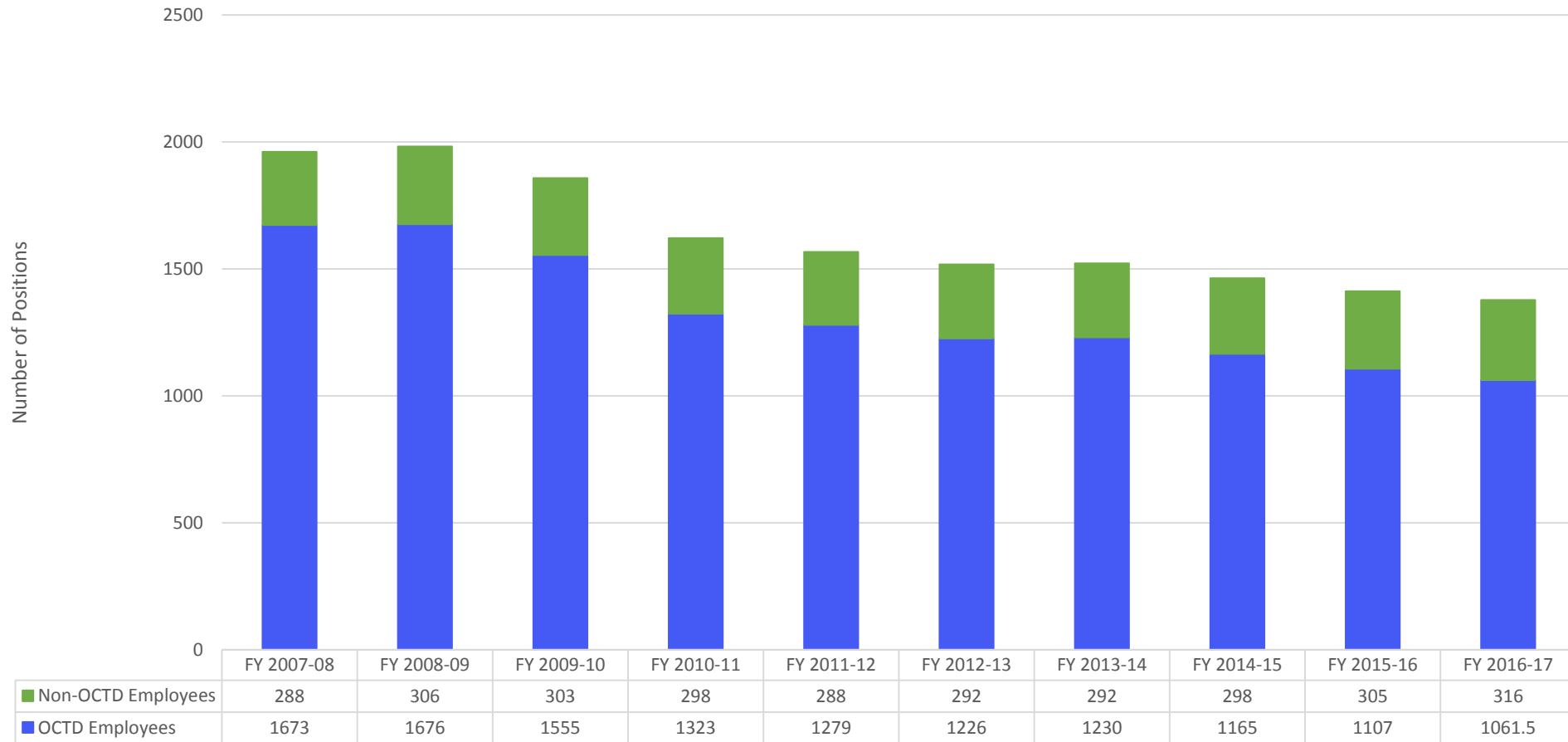


Efficiency Measures / Cost Savings

Description	Annual Savings (In Millions \$)	3-Year Savings (In Millions \$)	5-Year Savings (In Millions \$)
Contracted out bus service	\$14.2	\$56.2	\$73.4
ACCESS contract	8.5	27.3	48.8
Renewable natural gas contract	3.4	10.2	17.0
Fleet reduction*	2.6	7.8	13.0
Maintenance support savings	6.7	20.7	35.6
Employee pensions	5.8	14.3	17.9
Headquarters lease	1.3	3.9	6.5
Total	\$42.5	\$140.4	\$212.2

*\$30.4 million immediate cash savings and lower long-term contribution to capital sinking fund

Staffing Levels



Other OCTA Programs



- Continues meeting objectives
- Portion of net excess revenue dedicated to SR-91 corridor M2 projects
- Ongoing coordination with RCTC and TCA



- 60 daily weekday trains sustained through M2
- Closely monitoring current costs
- Future concerns regarding operations and capital rehab costs



- Drastic revenue decline due to shift in market demand
- OCTA will not continue oversight given current model
- Cities and county working group convened to determine future

Next Steps

- Continue delivery of Next 10 Plan
- Continue OC Bus 360° initiatives
- Assess benefits of different transit service delivery models
- Evaluate paratransit service
- Use guiding principles to make adjustments for bus based on:
 - Performance measures
 - Customer / market demand
- Continue to explore efficiency measures - include in development of FY 2018 budget
- Develop Long-Range Transportation Plan
- Develop 20-year Comprehensive Business Plan