



**OCTA**

# Measure M2 - Proposed Amendment to Transit Category



# M2 Ordinance No. 3 – Section 11



## TEN-YEAR COMPREHENSIVE PROGRAM REVIEW

*At least every ten years the Authority shall conduct a comprehensive review of all projects and programs implemented under the Plan to evaluate the performance of the overall program and may revise the Plan to improve its performance.*



# Ten-Year Review Considerations



- M1 success based on delivery of voter-approved plan
- M2 Investment Plan based on market research, stakeholder input and approved by ~70% of voters
- M2 is a balanced plan
- Important to keep with “spirit” of what voters intended
- Currently in year five of the 30-year plan

# Ten-Year Review Conclusions



## With Regard to M2 as Approved by the Voters...

- Situational Analysis – no major changes needed
- Financial Analysis – plan is deliverable with an adjustment in the transit category
- Project Delivery Analysis – substantial progress has been made in delivery
- Public Priority Analysis – M2 Plan continues to have strong public support and the commitment to the voters is essential to success
- Recommendations on improving the transit category through an amendment are outlined

# Dealing with the Recession



- Freeway Program
  - Capitalized on Low Debt Cost
  - Benefitted from Competitive Market
  - Leveraged External Funding
  - Cost escalation real concern
- Streets and Roads
  - Formula program adjusts to actual revenue collected
- Transit
  - Two programs within transit mode have a shortfall
  - Overall mode has adequate funding and as a result delivery commitment remains
  - Need to address rebalance in the mode
- Environmental Programs
  - Formula program adjusts to actual revenue collected

# Proposed Amendment to Transit Category



## Proposed Transit Category Programs Amendments

- Project R – High Frequency Metrolink Service
  - Project T – Gateways to High Speed Rail
  - Project U – Fare Stabilization for Seniors and Persons with Disabilities
- With Project T's intent fulfilled, the remaining balance of \$219 million is available to support a shortfall in Project U and a long term need in Project R
  - Reallocate \$69 million from Project T to Project U to address shortfall
  - Reallocate \$150 million from Project T to Project R to address future demand
- \* While Project T has a capital emphasis and Project U has an operational emphasis the amendment allows OCTA to fulfill it's commitment to the voters to deliver all programs and projects



## Proposed Amendments

(in millions)

M2 Projects	M2 Plan Estimate		Proposed Transfer	Proposed Estimate	
	2005 (Page 31)	2015	2015	2015	2005
Project T	\$ 227	\$ 294	\$ (219)	\$ 75 *	\$ 58
Project U	\$ 340	\$ 440	\$ 69	\$ 509	\$ 393
Project R	\$ 1,014	\$ 1,314	\$ 150	\$ 1,464	\$ 1,130
<b>Total</b>	<b>\$ 1,581</b>	<b>\$ 2,048</b>	<b>\$ -</b>	<b>\$ 2,048</b>	<b>\$ 1,581</b>

\*Amount includes \$8 million allowance for economic uncertainties

# Next Steps



Process	Date
OCTA Board Received Ten-Year Review Report	October 12, 2015
Taxpayer Oversight Committee – Heard Ten-Year Review findings	October 13, 2015
OCTA Board considers amendment and sets a public hearing date for December 14, 2015	October 26, 2015
Proposed amendment sent to local agencies for public review prior to public hearing	October 27, 2015
Taxpayer Oversight Committee considers/acts on amendment (requires two-thirds vote)	November 10, 2015
Public hearing on amendment and roll call vote by Board (requires two-thirds vote)	December 14, 2015
Adopted amendment transmitted to local agencies	December 15, 2015
Amendment effective 45 days following adoption	January 31, 2016

