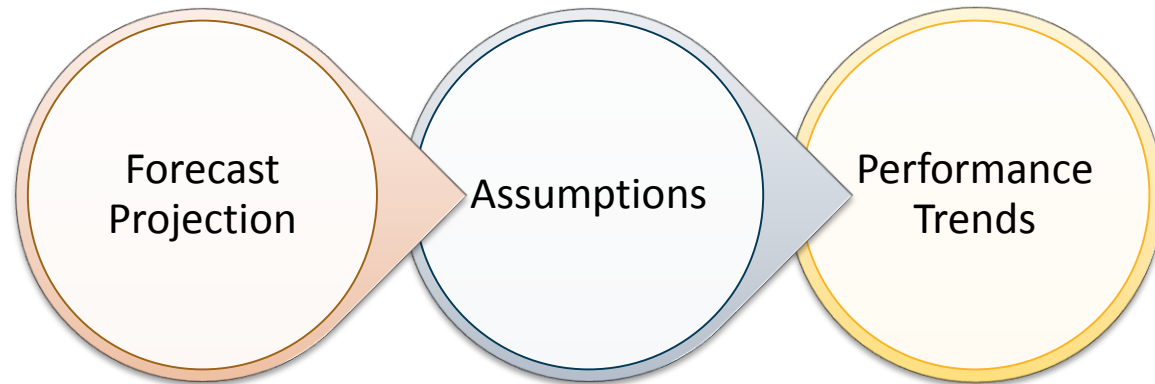


Orange County Transportation Authority

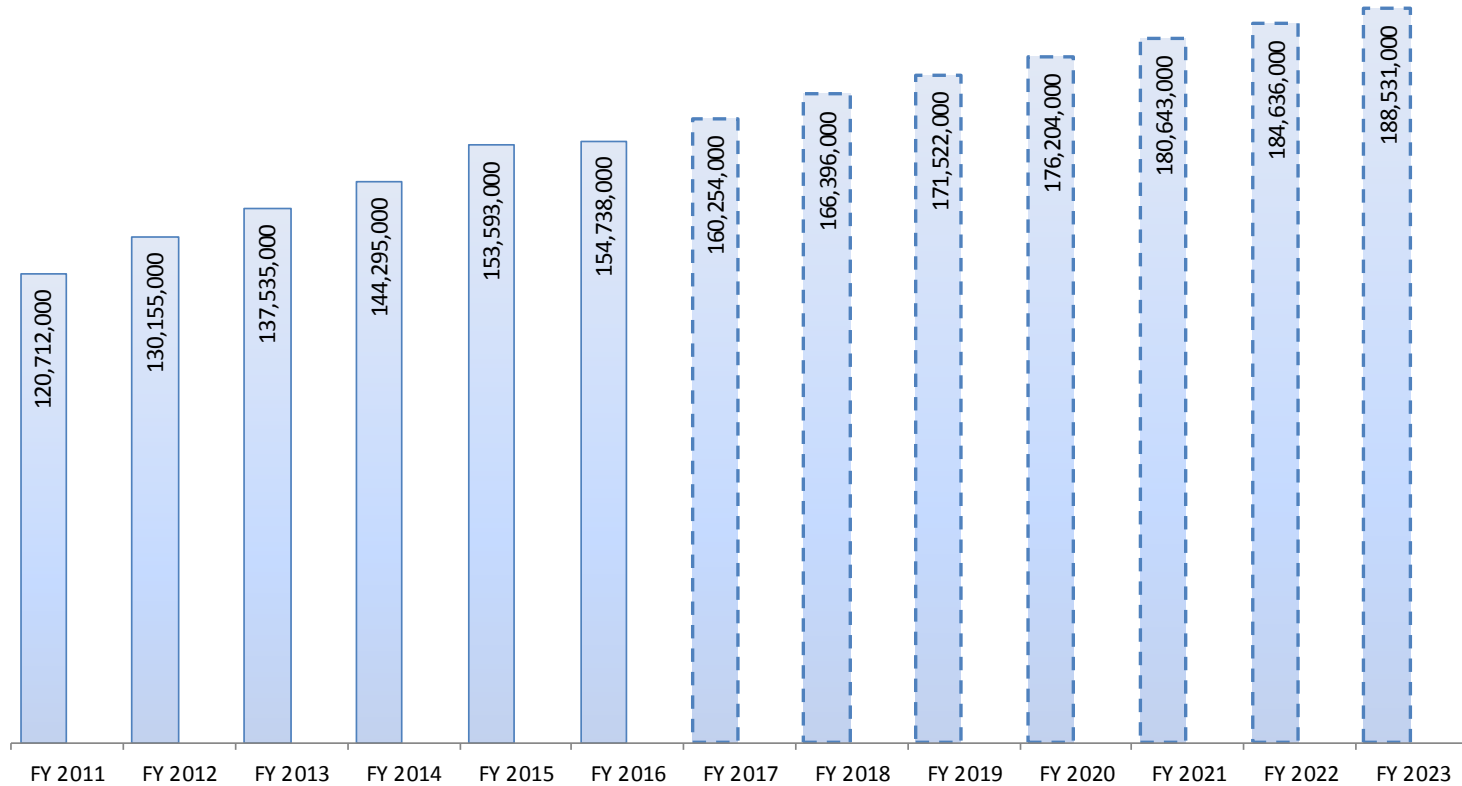
TDA & Measure M2 Forecast Overview

May 2017



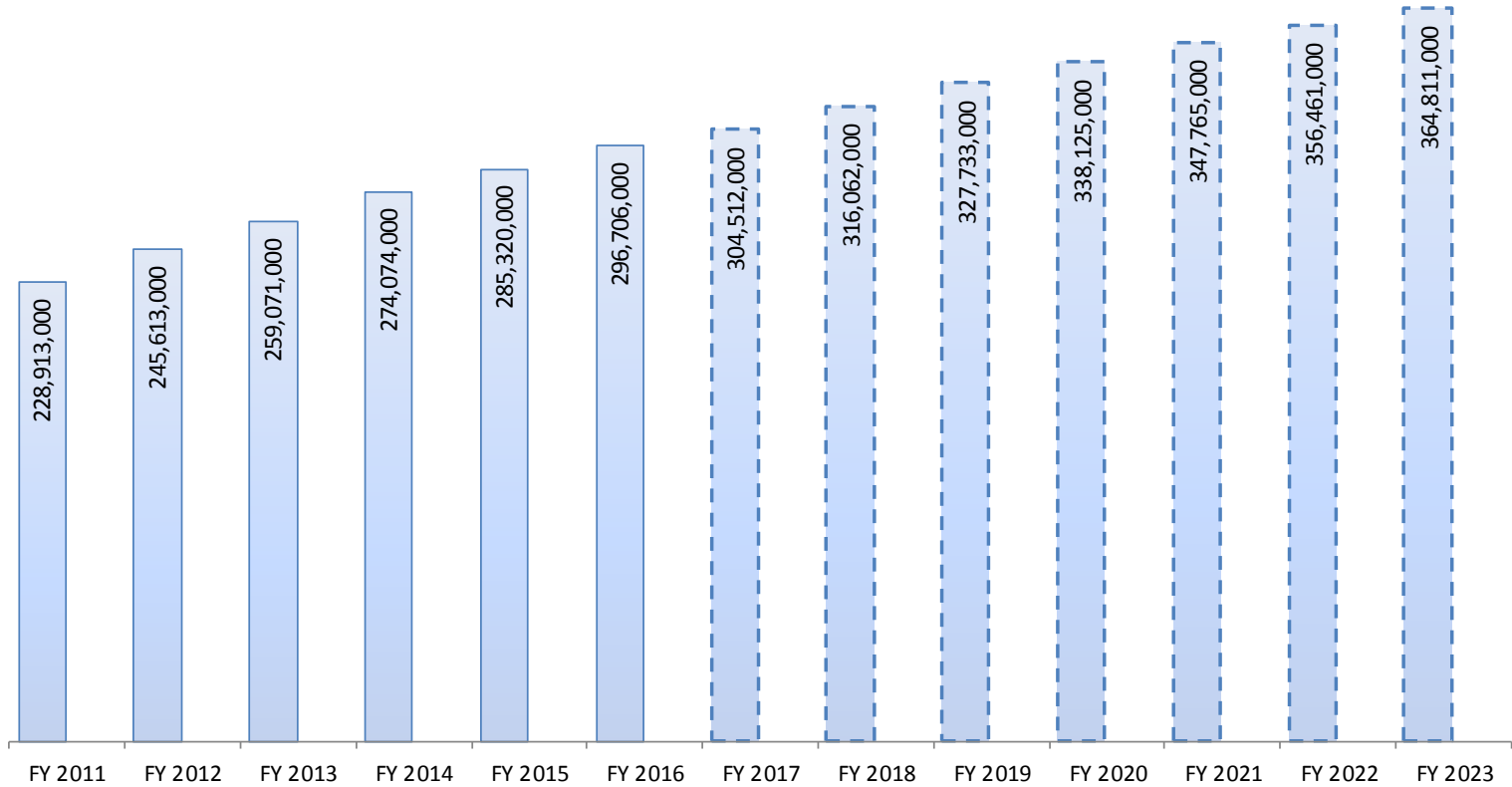
TDA (LTF) Forecast Projection

| Voter Approved | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Projection | 154,738,000 | 160,254,000 | 166,396,000 | 171,522,000 | 176,204,000 | 180,643,000 | 184,636,000 | 188,531,000 |
| Percent Change | 0.7% | 3.6% | 3.8% | 3.1% | 2.7% | 2.5% | 2.2% | 2.1% |



Measure M2 Forecast Projection

| Voter Approved | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Projection | 296,706,000 | 304,512,000 | 316,062,000 | 327,733,000 | 338,125,000 | 347,765,000 | 356,461,000 | 364,811,000 |
| Percent Change | 4.0% | 2.6% | 3.8% | 3.7% | 3.2% | 2.9% | 2.5% | 2.3% |

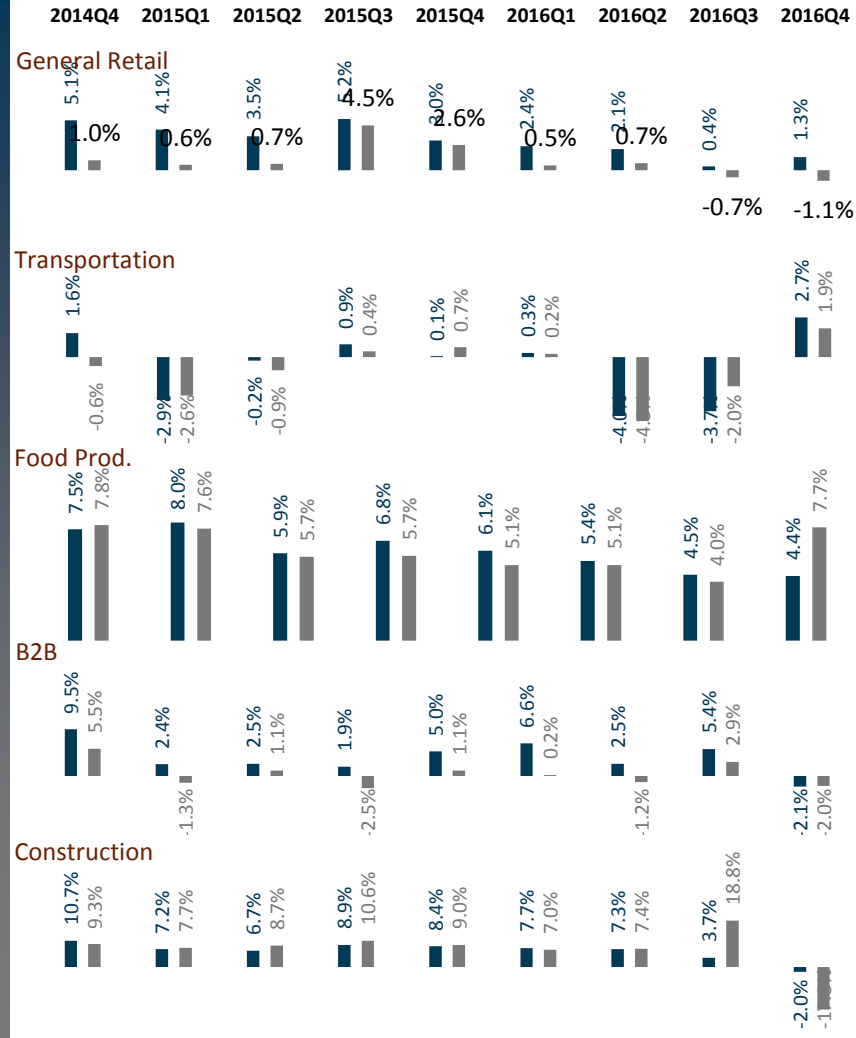
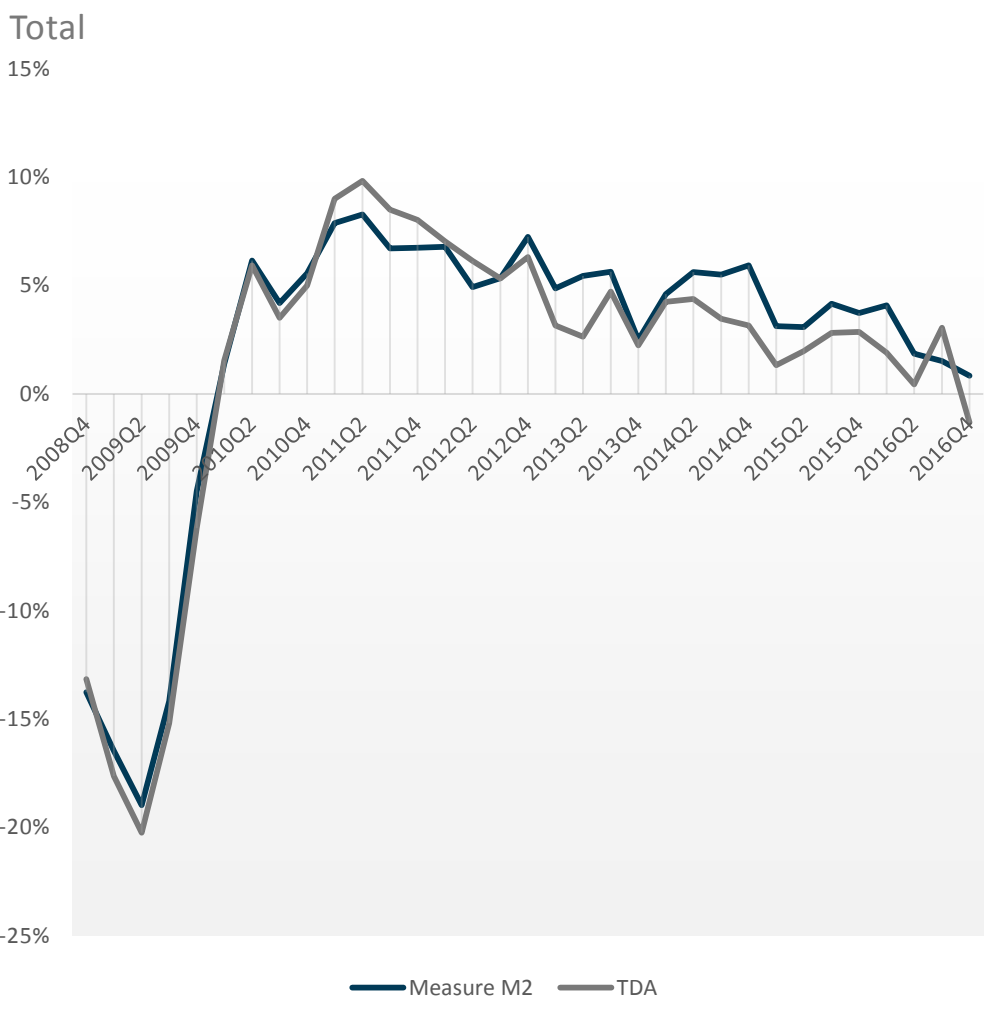


Assumptions

| TDA | M2 |
|---|---|
| <ul style="list-style-type: none"> General Retail expected to have lower growth overall as online retail grows | <ul style="list-style-type: none"> While brick and mortar stores see higher competition from internet, direct allocation of district tax offsets |
| <ul style="list-style-type: none"> Food Products (markets & restaurants) continue to have robust growth | <ul style="list-style-type: none"> Food Products for district tax will also see same robust growth |
| <ul style="list-style-type: none"> Transportation: fuel prices return higher sales tax revenue while new auto sales taper off from 5% to 2.5% overall | <ul style="list-style-type: none"> Transportation: same results in fuel prices leading to higher sales tax revenue. Auto sales should have slightly higher growth as OCTA captures revenue from all residents. |
| <ul style="list-style-type: none"> Construction: New construction to slow into 2019-2020 with tapering growth. Retail construction expected to maintain 3% growth as consumers benefit from strong employment growth. | <ul style="list-style-type: none"> Construction: While new construction slows in the region, construction specific to Orange county jobsites should see slightly higher growth. |
| <ul style="list-style-type: none"> Business to Business: trend toward cloud as well as software applications replacing hardware, IT infrastructure spending is expected to decline – in particular from a taxable sales perspective. | <ul style="list-style-type: none"> Business to Business: same trend will impact M2 revenues in a similar manner |

Historical and Recent Trends in Total and by Category

Change from Prior Year Same Quarter



■ Measure M2 ■ TDA

Questions