

## **AGENDA**

- 1. Welcome**
- 2. Pledge of Allegiance**
- 3. Approval of Minutes/Attendance Report for December 13, 2022**
- 4. Action Items**
  - A. M2 Quarterly Revenue and Expenditure Report (December)  
Sean Murdock, *Director, Finance and Administration*
- 5. Presentation Items**
  - A. Project V Update  
Kia Mortazavi, *Executive Director, Planning*
  - B. Measure M2 Quarterly Progress Report (Q1 FY22-23)  
Kia Mortazavi, *Executive Director, Planning*
  - C. I-405 Improvement Project Update  
Chris Boucly, *Section Manager, Public Outreach*  
Jeff Mills, *Program Manager, Capital Programs*
  - D. Escalation Rate Adjustments Recommendations for Prior Regional Capacity Program and Regional Traffic Signal Synchronization Program Allocations  
Kia Mortazavi, *Executive Director, Planning*
- 6. OCTA Staff Updates (5 Minutes)**
  - A. Water Quality Program Update  
Kia Mortazavi, *Executive Director, Planning*
  - B. Staff Liaison  
Alice Rogan, *Marketing and Public Outreach Director*
- 7. Annual Eligibility Review Subcommittee Report**
- 8. Audit Subcommittee Report**
- 9. Environmental Oversight Committee Report**
- 10. Committee Member Reports**
- 11. Public Comments\***
- 12. Adjournment**

*The next meeting will be held on April 12, 2023 at 5pm*

Agenda Descriptions: The Agenda descriptions are intended to give notice to members of the public of a general summary of items of business to be transacted or discussed.

Public Comments: At this time, members of the public may address the Taxpayer 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 three (3) minutes per person, 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 at (714) 560 5611, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

*Information  
Items*

**INFORMATION ITEMS**

<i>Staff Report Title</i>	<i>Board Meeting Date</i>
1. Environmental Mitigation Program Endowment Fund Investment Report for September 30, 2022	December 12, 2022
2. Measure M2 Environmental Mitigation Program Update	December 12, 2022
3. OC Streetcar Project Quarterly Update	January 23, 2023

**Measure M Taxpayer Oversight Committee**  
**Orange County Transportation Authority**  
**550 S. Main Street, Orange CA, Room 07**  
**December 13, 2022 @ 5:00 p.m.**

**MEETING MINUTES**

**Committee Members Present:**

Frank Davies, Orange County Auditor-Controller, Chair  
Andrew Ramirez, First District Representative  
Harry Sloan, Second District Representative  
Kirk Watilo, Third District Representative  
Joseph McCarthy, Third District Representative  
Rasik N. Patel, Fourth District Representative

**Committee Members Absent:**

Ajay Khetani, Fourth District Representative  
Mark Kizzar, Second District Representative  
Mark W. Eisenberg, Fifth District Representative  
Naresh D. Patel, First District Representative  
Shannon O'Toole, Fifth District Representative

**Orange County Transportation Authority Staff Present:**

Alice Rogan, Director, Marketing & Public Outreach  
Allison Imler, Community Relations Specialist  
Andrew Oftelie, Chief Financial Officer  
Charvalen Alacar, Section Manager, Planning  
Chris Boucly, Section Manager, Capital Projects Outreach  
Christina Byrne, Public Outreach Department Manager  
Cynthia Morales, Transportation Funding Analyst, Planning  
Francesca Ching, Measure M Program Manager  
Kia Mortazavi, Executive Director of Planning  
Sean Murdock, Director of Finance and Administration

## 1. Welcome

Chair Frank Davies called the Orange County Transportation Authority (OCTA) Taxpayer Oversight Committee (TOC) meeting to order.

## 2. Approval of Minutes/Attendance Report for August 9, 2022

A motion was made by Kirk Watilo, seconded by Joseph McCarthy and passed by those present to approve the Minutes/Attendance Report.

## 3. Action Items

### A. M2 Quarterly Revenue & Expenditure Report (September 2022)

Sean Murdock, Director, Finance and Administration provided an overview of the sales tax revenues and expenditures for the first quarter ending in September 2022.

#### Committee Member Comments:

A committee member asked how the two quarters with 11% growth tracked with the projections Muni Services gave. Sean replied the current budget has 3.5% growth so the tracking is far higher than the actual budget.

A motion was made by Andrew Ramirez, seconded by Harry Sloan to receive and file.

## 4. Presentation Items

### A. Measure M2 2022 Update: Next 10 Delivery Plan

Francesca Ching, Measure M Program Manager, provided an overview of the purpose of the plan, accomplishments to date, financial outlook, deliverables, potential risks and next steps.

#### Committee Member Comments:

A committee member asked if Metrolink will continue to be sustainable. Andrew Oftelie, Chief Financial Officer, responded that pre-pandemic, 50% of Metrolink revenue was from ridership and now ridership is 40% of what it was pre-pandemic. Ridership has not recovered, and fare box recovery is now 20%. The 30% difference comes from OCTA and other agencies' funds.

Andy continued by saying if ridership recovers, the problem is solved but there is no indication of that happening. Another option may be receiving additional funding sources from the state or federal government if they desire to keep service the same as it is today.

**B. OC Streetcar Update**

Christina Byrne, Public Outreach Department Manager, provided an update on the OC Streetcar Project.

Committee Member Comments:

A committee member asked what the expected completion date is now that the project is 75% complete. Christina Byrne responded revenue service is in 2024.

A committee member asked if there is information on the OCTA website regarding a timetable or information on how to ride the OC Streetcar. Alice Rogan, Director of Marketing and Public Outreach, responded that timetable information will be on the OCTA website closer to revenue service.

**5. OCTA Staff Update**

**A. I-5 South County Improvements Project**

Chris Boucly, Section Manger for Capital Projects Outreach, provided an update on three I-5 projects in South Orange County.

Committee Member Comments:

A committee member asked if Caltrans is the decision-making authority for the I-5 (Pico to Countyline) High-Occupancy Vehicle (HOV) project. The committee member also asked - is it a conflict that Caltrans does not plan to fund freeway expansions. Chris responded the project's purpose is to address congestion and finish the HOV lane as opposed to a general-purpose lane. Kia Mortazavi commented that this is not a conventional general-purpose lane addition and Caltrans should look at it differently. The project is a managed carpool lane incentivizing individuals to have fewer cars on the freeway.

A committee member inquired about the first project not being a Measure M project, and how it would be approved to be a part of Measure M. Kia Mortazavi responded that the project parameters would need to be thoroughly understood through the environmental process and once that happens, it could be considered by the Board for inclusion, with 2/3 approval to pass.

A follow-up question was asked if the money being used now to analyze the potential of the project was OCTA budgeted funds or Measure M funds. Kia Mortazavi responded we are not using any Measure M funds.

**B. Staff Liaison**

Alice Rogan said the recruitment process for new members in the 2<sup>nd</sup> and 3<sup>rd</sup> districts will be starting in February. She added that this was Chair Davies' last meeting and new chair Andrew Hamilton will be taking over in February.

**6. Annual Eligibility Review Subcommittee Report**

No report.

**7. Audit Subcommittee Report**

Frank Davies, Orange County Auditor-Controller stated there was a meeting scheduled but it was cancelled due to lack of quorum. Next meeting is in February.

**8. Environmental Oversight Committee Report**

No report.

**9. Committee Member Reports**

There were no committee member reports.

**10. Public Comments**

There were no public comments.

**11. Adjournment**

Chair Frank Davies adjourned the meeting.

The next meeting will be held on February 14, 2023 at 5pm.

## Taxpayer Oversight Committee

Fiscal Year 2022-2023

### Attendance Record

X = Present		E = Excused Absence			* = Absence Pending Approval			U = Unexcused Absence			-- = Resigned	
Meeting Date	July	9 Aug.	Sept.	11 Oct.	Nov.	13 Dec	Jan.	14 Feb.	March	11 Apr.	May	13 Jun.
Naresh D. Patel		X		X		*						
Andrew Ramirez		X		E		X						
Harry Sloan		X		X		X						
Mark Kizzar		X		X		*						
Joseph McCarthy		E		X		X						
Kirk Watilo		X		X		X						
Rasik N. Patel		X		E		X						
Ajay Khetani		X		X		*						
Shannon O'Toole		X		X		*						
Mark W. Eisenberg		X		X		*						
Frank Davies		X		X		X						

### Absences Pending Approval

Meeting Date	Name	Reason
December 13, 2022	Naresh D. Patel	Sick
December 13, 2022	Mark Kizzar	Sick
December 13, 2022	Ajay Khetani	Medical
December 13, 2022	Shannon O'Toole	Out of town
December 13, 2022	Mark W. Eisenberg	Out of town

*Action  
Items*

**Measure M2**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**as of December 31, 2022**  
**(Unaudited)**

<i>(\$ in thousands)</i>	Quarter Ended Dec 31, 2022	Year to Date Dec 31, 2022	Period from Inception to Dec 31, 2022
	(A)	(A)	(B)
<b>Revenues:</b>			
Sales taxes	\$ 110,530	\$ 223,428	\$ 3,725,360
Other agencies' share of Measure M2 costs:			
Project related	8,966	16,212	806,774
Non-project related	-	-	454
Interest:			
Operating:			
Project related	127	384	3,883
Non-project related	3,082	4,420	74,490
Bond proceeds	-	-	87,218
Debt service	112	166	1,252
Commercial paper	-	-	393
Capital grants	-	-	-
Right-of-way leases	25	89	1,573
Proceeds on sale of assets held for resale	-	-	13,428
Donated assets held for resale			
Project related	-	-	2,071
Non-project related	-	-	-
Miscellaneous:			
Project related	-	-	331
Non-project related	-	-	129
Total revenues	<u>122,842</u>	<u>244,699</u>	<u>4,717,356</u>
<b>Expenditures:</b>			
Supplies and services:			
Sales tax administration fees	839	1,679	37,059
Professional services:			
Project related	10,028	14,598	502,418
Non-project related	630	631	36,682
Administration costs:			
Project related	2,811	5,621	110,866
Non-project related:			
Salaries and Benefits	1,068	2,137	37,998
Other	1,663	3,325	63,925
Other:			
Project related	31	46	5,887
Non-project related	8	30	5,319
Payments to local agencies:			
Project related	15,814	32,345	1,265,794
Capital outlay:			
Project related	76,030	58,988	2,036,238
Non-project related	-	-	31
Debt service:			
Principal payments on long-term debt	-	-	75,550
Interest on long-term debt and commercial paper	-	17,474	302,101
Total expenditures	<u>108,922</u>	<u>136,874</u>	<u>4,479,868</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,920</u>	<u>107,825</u>	<u>237,488</u>
<b>Other financing sources (uses):</b>			
Transfers out:			
Project related	(12,852)	(20,903)	(466,819)
Transfers in:			
Project related	3,031	3,552	340,220
Non-project related	-	-	-
Bond proceeds	-	-	804,625
Payment to refunded bond escrow agent	-	-	(45,062)
Total other financing sources (uses)	<u>(9,821)</u>	<u>(17,351)</u>	<u>632,964</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	<u>\$ 4,099</u>	<u>\$ 90,474</u>	<u>\$ 870,452</u>

**Measure M2**  
**Schedule of Calculations of Net Revenues and Net Bond Revenues (Debt Service)**  
**as of December 31, 2022**  
**(Unaudited)**

<i>(\$ in thousands)</i>	Quarter Ended Dec 31, 2022 (actual)	Year to Date Dec 31, 2022 (actual) (C.1)	Period from Inception through Dec 31, 2022 (actual) (D.1)	Period from January 1, 2023 through March 31, 2041 (forecast) (E.1)	Total (F.1)
<b>Revenues:</b>					
Sales taxes	\$ 110,530	\$ 223,428	\$ 3,725,360	\$ 11,317,966	\$ 15,043,326
Operating interest	3,082	4,420	74,490	440,229	514,719
Subtotal	<u>113,612</u>	<u>227,848</u>	<u>3,799,850</u>	<u>11,758,195</u>	<u>15,558,045</u>
Other agencies share of M2 costs	-	-	454	-	454
Miscellaneous	-	-	129	-	129
Total revenues	<u>113,612</u>	<u>227,848</u>	<u>3,800,433</u>	<u>11,758,195</u>	<u>15,558,628</u>
<b>Administrative expenditures:</b>					
Sales tax administration fees	839	1,679	37,059	99,710	136,769
Professional services	630	631	32,907	101,059	133,966
<b>Administration costs:</b>					
Salaries and Benefits	1,068	2,137	37,998	115,414	153,412
Other	1,663	3,325	63,925	194,944	258,869
Other	8	30	2,299	7,170	9,469
Capital outlay	-	-	31	-	31
Environmental cleanup	109	226	48,185	226,323	274,508
Total expenditures	<u>4,317</u>	<u>8,028</u>	<u>222,404</u>	<u>744,620</u>	<u>967,024</u>
Net revenues	<u>\$ 109,295</u>	<u>\$ 219,820</u>	<u>\$ 3,578,029</u>	<u>\$ 11,013,575</u>	<u>\$ 14,591,604</u>
<hr/>					
<b>Bond revenues:</b>					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 804,625	\$ -	\$ 804,625
Interest revenue from bond proceeds	-	-	87,218	69,241	156,459
Interest revenue from debt service funds	112	166	1,252	2,861	4,113
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>112</u>	<u>166</u>	<u>893,488</u>	<u>72,102</u>	<u>965,590</u>
<b>Financing expenditures and uses:</b>					
Professional services	-	-	3,775	-	3,775
Payment to refunded bond escrow	-	-	45,062	-	45,062
Bond debt principal	-	-	75,550	600,203	675,753
Bond debt and other interest expense	-	17,474	302,101	383,577	685,678
Other	-	-	3,020	-	3,020
Total financing expenditures and uses	<u>-</u>	<u>17,474</u>	<u>429,508</u>	<u>983,780</u>	<u>1,413,288</u>
Net bond revenues (debt service)	<u>\$ 112</u>	<u>\$ (17,308)</u>	<u>\$ 463,980</u>	<u>\$ (911,678)</u>	<u>\$ (447,698)</u>

**Measure M2**  
**Schedule of Revenues and Expenditures Summary**  
**as of December 31, 2022**  
**(Unaudited)**

Project	Description	Net Revenues		Expenditures	Reimbursements	Net
		through Dec 31, 2022	Total Net Revenues	through Dec 31, 2022	through Dec 31, 2022	
	(G)	(H)	(I)	(J)	(K)	(L)
<i>(\$ in thousands)</i>						
<b>Freeways (43% of Net Revenues)</b>						
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 141,028	\$ 575,130	\$ 10,910	\$ 8,786	\$ 2,124
B	I-5 Santa Ana/SR-55 to El Toro	90,078	367,349	22,855	11,947	10,908
C	I-5 San Diego/South of El Toro	188,138	767,248	317,503	52,240	265,263
D	I-5 Santa Ana/San Diego Interchange Upgrades	77,416	315,710	2,808	527	2,281
E	SR-22 Garden Grove Freeway Access Improvements	36,007	146,842	5	-	5
F	SR-55 Costa Mesa Freeway Improvements	109,822	447,867	67,389	25,645	41,744
G	SR-57 Orange Freeway Improvements	77,626	316,566	52,753	12,762	39,991
H	SR-91 Improvements from I-5 to SR-57	42,008	171,315	34,960	824	34,136
I	SR-91 Improvements from SR-57 to SR-55	124,975	509,663	48,672	45,996	2,676
J	SR-91 Improvements from SR-55 to County Line	105,681	430,980	18,294	16,775	1,519
K	I-405 Improvements between I-605 to SR-55	321,906	1,312,763	1,336,733	292,710	1,044,023
L	I-405 Improvements between SR-55 to I-5	95,929	391,211	9,207	6,954	2,253
M	I-605 Freeway Access Improvements	6,001	24,474	5,224	16	5,208
N	All Freeway Service Patrol	45,009	183,552	6,287	-	6,287
	Freeway Mitigation	76,928	313,719	59,588	4,729	54,859
Subtotal Projects		1,538,552	6,274,389	1,993,188	479,911	1,513,277
Net (Bond Revenue)/Debt Service		-	-	151,031	-	151,031
<b>Total Freeways</b>		<b>\$ 1,538,552</b>	<b>\$ 6,274,389</b>	<b>\$ 2,144,219</b>	<b>\$ 479,911</b>	<b>\$ 1,664,308</b>
						49.1%
<b>Street and Roads Projects (32% of Net Revenues)</b>						
O	Regional Capacity Program	\$ 357,808	\$ 1,459,178	\$ 803,394	\$ 507,884	\$ 295,510
P	Regional Traffic Signal Synchronization Program	143,117	583,646	100,038	16,426	83,612
Q	Local Fair Share Program	644,045	2,626,489	616,263	77	616,186
Subtotal Projects		1,144,970	4,669,313	1,519,695	524,387	995,308
Net (Bond Revenue)/Debt Service		-	-	44,253	-	44,253
<b>Total Street and Roads Projects</b>		<b>\$ 1,144,970</b>	<b>\$ 4,669,313</b>	<b>\$ 1,563,948</b>	<b>\$ 524,387</b>	<b>\$ 1,039,561</b>
						30.6%

**Measure M2**  
**Schedule of Revenues and Expenditures Summary**  
**as of December 31, 2022**  
**(Unaudited)**

Project	Description	Net Revenues through Dec 31, 2022	Total Net Revenues	Expenditures through Dec 31, 2022	Reimbursements through Dec 31, 2022	Net M2 Cost
(G)		(H)	(I)	(J)	(K)	(L)
<i>(\$ in thousands)</i>						
<b>Transit Projects (25% of Net Revenues)</b>						
R	High Frequency Metrolink Service	\$ 344,267	\$ 1,455,296	\$ 431,344	\$ 98,914	\$ 332,430
S	Transit Extensions to Metrolink	315,857	1,288,101	166,496	2,133	164,363
T	Metrolink Gateways	36,643	74,581	98,220	60,956	37,264
U	Expand Mobility Choices for Seniors and Persons with Disabilities	118,302	505,966	112,931	88	112,843
V	Community Based Transit/Circulators	71,542	291,755	16,791	1,538	15,253
W	Safe Transit Stops	7,896	32,203	1,172	26	1,146
	Subtotal Projects	894,507	3,647,902	826,954	163,655	663,299
	Net (Bond Revenue)/Debt Service	-	-	24,749	-	24,749
	<b>Total Transit Projects</b>	<b>\$ 894,507</b>	<b>\$ 3,647,902</b>	<b>\$ 851,703</b>	<b>\$ 163,655</b>	<b>\$ 688,048</b>
	<b>%</b>					<b>20.3%</b>
<b>Measure M2 Program</b>		<b>\$ 3,578,029</b>	<b>\$ 14,591,604</b>	<b>\$ 4,559,870</b>	<b>\$ 1,167,953</b>	<b>\$ 3,391,917</b>

Project	Description	Revenues through Dec 31, 2022	Total Revenues	Expenditures through Dec 31, 2022	Reimbursements through Dec 31, 2022	Net M2 Cost
(G)		(H.1)	(I.1)	(J)	(K)	(L)
<i>(\$ in thousands)</i>						
<b>Environmental Cleanup (2% of Revenues)</b>						
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 75,997	\$ 311,161	\$ 48,185	\$ 311	\$ 47,874
	Net (Bond Revenue)/Debt Service	-	-	-	-	-
	<b>Total Environmental Cleanup</b>	<b>\$ 75,997</b>	<b>\$ 311,161</b>	<b>\$ 48,185</b>	<b>\$ 311</b>	<b>\$ 47,874</b>
	<b>%</b>					<b>1.3%</b>

<b>Taxpayer Safeguards and Audits</b>						
	Collect Sales Taxes (1.5% of Sales Taxes)	\$ 55,880	\$ 225,650	\$ 37,059	\$ -	\$ 37,059
	<b>%</b>					<b>1.0%</b>
	Oversight and Annual Audits (1% of Revenues)	\$ 37,999	\$ 155,580	\$ 37,998	\$ -	\$ 37,998
	<b>%</b>					<b>1.0%</b>

# *Presentation Items*



**January 12, 2023**

**To:** Transit Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Measure M2 Community-Based Transit Circulators Program  
Project V Ridership Report

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is located in the upper right quadrant of the page.

**Overview**

Measure M2 includes a program to fund community-based transit circulators known as Project V. The goal of the program is to provide local transit services in areas not well-served by regional transit services. Funding is awarded to local jurisdictions through a competitive call for projects. Local jurisdictions then implement the awarded services and commit to meeting minimum performance standards including ridership metrics. The ridership information for these awarded services is presented to the Board of Directors twice annually. The ridership report from April 2022 through September 2022 is presented herein.

**Recommendation**

Receive and file as an information item.

**Background**

The Measure M2 (M2) Community-Based Transit Circulators program, known as Project V, is a competitive grant program that provides funding to develop and implement local transit services. Currently, funded services include community-based circulators, shuttles, trolleys, and demand-responsive services intended to complement regional transit, while better meeting specific local needs.

Project V services are required to adhere to established minimum performance standards. These standards were modified by the Orange County Transportation Authority (OCTA) Board of Directors (Board) in January 2021 to allow for additional flexibility to continue low-performing services, should a jurisdiction desire to do so contingent on supplemental local subsidies.

Project V-funded services are to remain within a maximum cost per boarding standard, which is equal to twice the M2 Project V per boarding subsidy. Services not meeting this standard are required to disclose the cost per boarding information to their governing boards and seek direction to continue, restructure, or cancel the service. This approach provides local jurisdictions with the flexibility to deliver Project V services in a post-coronavirus (COVID-19) environment, while shifting evaluation metrics to be more financially focused, context sensitive, and locally driven. For fiscal year (FY) 2021-22, the maximum cost per boarding was established at \$20.47 (two times the FY 2021-22 M2 subsidy per boarding of \$10.24), and for FY 2022-23, the maximum cost per boarding was established at \$20.85 (two times the FY 2022-23 M2 subsidy per boarding of \$10.43).

This ridership report covers the period from April 2022 to September 2022 and provides information on boardings per revenue vehicle hour, cost per boarding, customer satisfaction, and on-time performance.

### ***Discussion***

During this reporting period, Project V services in operation included a combination of seasonal, special event, commuter, fixed route, and demand-response projects, which meet a variety of community needs. In comparison to last year, April 2022 through September 2022, the active services demonstrated an overall increase in ridership, with several services closely approaching pre-pandemic levels. During this period, one new Project V grant-funded service, the Laguna Niguel Summer Trolley, was started by the City of Laguna Niguel.

Current active Project V services (15 in total) are identified below. Detailed grant and service operating information is provided in Attachment A. During this reporting period, all services successfully met the required program performance standards including the Board-approved maximum cost per boarding requirement.

The La Habra Special Event Shuttle Service did not operate during this reporting period. Therefore, no information is provided in this update or attachment for that service.

Community shuttles that were in service and met the average cost per boarding requirement, include the following:

- Anaheim Canyon Metrolink Connector Service,
- County of Orange Ranch Ride Service,
- Dana Point Trolley (2014 grant),
- Dana Point Summer Trolley Expansion (2016 grant),

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- Dana Point Trolley Continuity and Expansion and Weekend Service (2018 grant),
  - Laguna Beach Summer Breeze (2018 grant),
  - Laguna Beach Off-Season Weekend Trolley Service (2020 grant),
  - Laguna Niguel Summer Trolley (2019 grant),
  - Mission Viejo Community Circulator,
  - Newport Beach Balboa Peninsula Trolley (2016 grant),
  - Newport Beach Balboa Peninsula Trolley Expansion (2018 grant),
  - San Clemente Summer Weekend Trolley and Seasonal Service (2016 grant),
  - San Clemente Summer Weekday Trolley and Seasonal Service Expansion (2018 grant),
  - San Clemente's SC Rides Service (2016 grant), and
  - San Juan Capistrano Special Event and Weekend Summer Trolley Service.

Concluded or cancelled projects during this reporting period (three in total) include the following:

- Huntington Beach Special Events (2014 grant),
- Irvine iShuttle Route E – Irvine Metrolink Station Service – East, and
- Irvine iShuttle Route F – Tustin Metrolink Station/Irvine Business Complex West.

The City of Huntington Beach Special Events (2014 grant) project grant expired and is now considered concluded. OCTA confirmed with City of Huntington Beach staff that an extension was not desired and the project had been concluded.

On June 14, 2022, the City of Irvine (City) requested that OCTA cancel the iShuttle Route E and Route F services. Late last year, OCTA notified the City that iShuttle Route F was not meeting the maximum cost per boarding standard. The City agreed to support iShuttle Route F through the end of the FY with hopes that ridership would increase. Unfortunately, ridership levels did not improve during the remainder of the FY. The Route E service was suspended during the COVID-19 pandemic and was never reinstated. Route E ridership was below the performance standard pre-pandemic and also lower than ridership on Route F. Given the performance of Route F and the prior low ridership on Route E, the City took action to cancel both routes.

To ensure compliance and meet the intent of the Project V guidelines, in January 2021, local jurisdictions were asked to report on-time performance and customer satisfaction on an annual basis, as indicated in their cooperative agreements. While some local jurisdictions are still developing the tools to meet

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this requirement<sup>1</sup>, based upon the reporting provided in Attachment A, it appears that steady progress is being made toward complete implementation. For those local jurisdictions that were able to report during this period, all successfully met their on-time performance and customer satisfaction thresholds.

***Summary***

A ridership and status report on Project V services is provided for information purposes. Staff will continue working with local jurisdictions as they resume services and implement recently approved Project V programmatic changes including on-time performance and customer satisfaction reporting. A status update on these efforts will continue to be provided to the Board semi-annually, with the next scheduled update occurring in July 2023.

***Attachment***

A. Project V Services – Ridership Report

**Prepared by:**



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(714) 560-5363

**Approved by:**



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

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<sup>1</sup> Only San Clemente trolley services remain to establish a target threshold for customer satisfaction.

**Project V Services - Ridership Report**

**Reporting Period: Q4 of FY 2021-22 and Q1 of FY 2022-23**

Agency	Service Description	M2 Project V Total Award	Service Type	Service Start Month/Year	Average Boardings Per Revenue Vehicle Hour (B/RVH) <sup>1</sup> SAR	Average Cost per Boarding (O&M/B) <sup>2</sup> SAR	Met Customer Satisfaction Threshold (Y/N/NA)	Met OTP Threshold (Y/N/NA)
Anaheim	Anaheim Canyon Circulator	\$ 1,141,864	Commuter Service	July 2020	5.8	\$15.79	Y	Y
County of Orange	Local Circulator and Special Event Service (OC Ranch Ride)	\$ 2,041,547	Local Circulator and Special Event	June 2017	39.5	\$8.37	Y	Y
Dana Point	Dana Point Trolley	\$ 2,456,511	Seasonal Service	June 2015	13.0	\$10.16	Y	Y
Dana Point	Dana Point Trolley Expansion	\$ 905,968	Seasonal Service	June 2017	12.9	\$10.17	Y	Y
Dana Point	Dana Point Trolley Continuity	\$ 1,745,065	Seasonal Service	September 2019	12.0	\$10.45	Y	Y
Laguna Beach	Off-Season Weekend Trolley Service	\$ 3,850,000	Special Event	September 2021	18.5	\$4.44	NA	Y
Laguna Beach	Summer Breeze Bus Service	\$ 634,357	Seasonal Service	June 2018	21.4	\$3.59	Y	Y
Laguna Niguel	Laguna Niguel Summer Trolley Southern Section	\$ 886,082	Seasonal and Special Event	May 2022	9.3	\$12.50	Y	Y
Mission Viejo	Local Community Circulator	\$ 3,332,879	Local Circulator	October 2016	11.7	\$6.99	Y	Y
Newport Beach	Balboa Peninsula Seasonal Trolley	\$ 685,454	Seasonal Service	June 2017	11.5	\$12.61	Y	Y
Newport Beach	Balboa Peninsula Seasonal Trolley Expansion	\$ 278,400	Seasonal Service	August 2018	11.5	\$12.61	Y	Y
San Clemente	Summer Weekend Trolley and Seasonal Service	\$ 1,181,393	Seasonal and Special Event	May 2017	44.7	\$1.46	TBD	Y
San Clemente	Summer Weekday Trolley and Seasonal Service Expansion	\$ 1,537,200	Seasonal and Special Event	July 2018	23.1	\$3.04	TBD	Y
San Juan Capistrano	Special Event and Weekend Summer Trolley Service	\$ 958,642	Seasonal and Special Event	July 2018	21.0	\$8.51	Y	Y
San Clemente	SC Rides	\$ 914,400	Ride Hailing	October 2016	7.8	\$7.84	Y	NA

1. Rounded to the next whole number

2. FY 2021-22 maximum cost per boarding - \$20.47; FY 2022-23 maximum cost per boarding - \$20.85

NA - data point not applicable for current performance period (ex - CS surveys required annually)

Minimum performance standards for cost per boarding (O&M/B)

• \$20.47 maximum cost per boarding set at twice maximum allowable per boarding subsidy of \$10.24 in FY 2021-22 (escalated at 1.85% annually thereafter)

• \$20.85 maximum cost per boarding set at twice maximum allowable per boarding subsidy of \$10.43 in FY 2022-23 (escalated at 1.85% annually thereafter)

**Acronyms**

B/RVH - Boardings/revenue vehicle hour

CS - Customer satisfaction

FY - Fiscal year

M2 - Measure M2

NA - Not applicable

O&M/B - Operations and maintenance/boardings

OTP - On-time performance

Q1 - Quarter 1 (April - June 2022)

Q4 - Quarter 4 (July - September 2022)

SAR - Semi-annual review

Y/N - Yes/No

TBD - To Be Determined



**December 5, 2022**

**To:** Executive Committee

**From:** Darrell E. Johnson, Chief Executive Officer 

**Subject:** Measure M2 Quarterly Progress Report for the Period of July 2022 through September 2022

**Overview**

Staff has prepared the Measure M2 Quarterly Progress Report for the first quarter of fiscal year 2022-23 as information for the Orange County Transportation Authority Board of Directors. This report highlights progress on Measure M2 projects and programs and is available to the public via the Orange County Transportation Authority website.

**Recommendation**

Receive and file as an information item.

**Background**

On November 7, 2006, Orange County voters, by nearly 70 percent, approved the Renewed Measure M Transportation Investment Plan (Plan) for the Measure M2 (M2) one half-cent sales tax for transportation improvements. The Plan provides a 30-year program of investments across a broad range of transportation and environmental initiatives and a governing ordinance that defines the requirements for implementing the Plan. Ordinance No. 3 (M2 Ordinance) designates the Orange County Transportation Authority (OCTA) as responsible for administering the Plan and ensuring that OCTA's contract with the voters is followed.

OCTA is committed to fulfilling the promises made in M2. This means not only completing the projects described in the Plan but also adhering to numerous specific requirements and high standards of quality identified in the M2 Ordinance. The M2 Ordinance requires that quarterly status reports regarding the major projects detailed in the Plan be brought to the Board of Directors (Board). The Board is also provided with individual project and program-level staff reports on the status of various initiatives included in the Plan.

***Discussion***

This quarterly report reflects current activities and progress across all M2 programs for the period of July 1, 2022, through September 30, 2022 (Attachment A). The report includes project budget and schedule information as provided and reported in the Capital Action Plan. Information on the Local Fair Share and Senior Mobility Program (SMP) payments made to cities during the quarter is also included. Additionally, Attachment A includes a summary of the Program Management Office (PMO) activities, of which two areas are highlighted below.

**Market Conditions Forecast and Risk Analysis**

At the Board's direction, OCTA contracts with two local economists to monitor and analyze critical early warning indicators affecting the construction market. The information is analyzed biannually and incorporated in a cost pressure index model to identify potential cost risk factors on M2 project delivery. The results of the fall analysis were presented to the Board on October 10, 2022, and identified a potential that OCTA may experience a high inflationary cost environment in 2023 and 2024. Major contributing factors include low unemployment rates coupled with high inflation rates, which could result in rising labor and material prices. Despite the Federal Reserve raising interest rates to curb inflation, the national and regional labor market remains strong. Additionally, some material costs saw large increases, specifically Portland Cement Concrete pavement, aggregate base, and steel bar. Staff will continue to monitor market conditions and provide updates to the Board as appropriate.

**Next 10 Delivery Plan (Next 10 Plan)**

The Next 10 Plan aims to strategically deliver certain M2 freeway, roadway, transit, and environmental projects over a ten-year timeframe. To do so, staff annually reviews and updates the cash flow for the complete M2 Plan to ensure that all projects and programs can be delivered through 2041 consistent with commitments to voters. Revenues and expenses were merged into a high-level cash flow model, which incorporated the 2022 sales tax revenue forecast of \$15 billion (presented to the Board on September 27, 2022), updated project costs and schedules, and the fall update of the market conditions forecast and risk analysis (as noted in the section above). The 2022 update of the Next 10 Plan covering fiscal year (FY) 2022-23 through FY 2031-32 was presented to the Board on November 14, 2022; it confirmed that strategic financial decisions to date result in an expedited delivery plan that fulfills OCTA's commitment to the voters of Orange County.

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## Progress Update

The following provides an overview of M2 accomplishments to date by mode, and highlights of activities that occurred during the first quarter of FY 2022-23.

### Freeway Program

The M2 Freeway program consists of 30 project segments to be delivered by 2041. To date, 13 project segments are complete, five are in construction, and eight are in final design. Completing these projects would bring the total number of completed projects to 26 by FY 2029-30, equating to approximately 87 percent of the M2 Freeway program. The remaining four project segments are in various stages of project development. A few freeway highlights during the quarter are noted below.

- State Route 55 (SR-55) between Interstate 405 (I-405) and Interstate (I-5) – SR-55 is a vital north-south freeway that links central Orange County and beyond to the coastal region. A groundbreaking event was held on July 28, 2022, marking the start of construction. This project will make several improvements in both directions of the freeway in the cities of Irvine, Santa Ana, and Tustin and is anticipated to be completed in 2027. (Project F)
- State Route 57 (SR-57) northbound from Lambert Road to Tonner Canyon Road – The California Department of Transportation completed a project study report (PSR) in 2001; however, due to the changing conditions on SR-57 since then, it was decided a new PSR/project development support (PDS) document should be prepared. On March 15, 2022, OCTA issued a request for proposals for consultant services to prepare a new PSR/PDS. Proposals were received on April 1, 2022, and the Board approved the consultant selection on July 11, 2022. Allowing time for cost negotiations and contract execution, the consultant is anticipated to begin the study in late 2022. (Project G)
- I-405 between State Route 73 (SR-73) and Interstate 605 (I-605) – A project update was presented to the Regional Planning and Highways Committee on August 1, 2022, and the Board on August 8, 2022, providing progress on construction, risk monitoring, and outreach efforts. During the quarter, the Westminster Boulevard bridge and Heil Street pedestrian overcrossing were completed and opened to traffic, bringing the total to 11 of the 18 bridge replacements fully completed. The project is approximately 85 percent complete. (Project K)

### Streets and Roads

Since 2011, more than \$1.07 billion, which includes nearly \$53.9 million in leveraged external funds, has been allocated to local jurisdictions for transportation improvements through the streets and roads competitive and formula funding programs. To date, 455 project phases have been allocated through M2 competitive streets and roads funding programs, of which 317 phases, equating to approximately 70 percent, have been completed.

M2 has also provided \$152.6 million, a portion of the \$666.5 million total program costs to grade separate seven streets and rail crossings, leveraging the majority of the funds (\$513.9 million) from local, state, and federal sources.

On August 8, 2022, the Board approved revisions to the Comprehensive Transportation Funding Program (CTFP) guidelines, and the release of the 2023 Regional Capacity Program (RCP) and Regional Traffic Signal Synchronization Program (RTSSP) call for projects (call) for up to \$45 million. Applications were due on October 20, 2022; programming recommendations are anticipated in spring 2023. (Project O and Project P)

### Transit

The M2 transit mode includes several programs designed to provide additional transportation options. M2 is the primary funding source for Southern California Regional Rail Authority (Metrolink) commuter rail service in Orange County and includes funding for rail station improvements and transit connections to extend the reach of the services. Due to the coronavirus (COVID-19) pandemic, Metrolink implemented temporary service reductions. In April 2022, Metrolink partially restored some service in response to customer feedback and demand for more train trips. The three lines serving Orange County currently operate 45 weekday trains, 17 percent less service compared to the 54 weekday trains prior to COVID-19-related service reductions. During the quarter, ridership recovery continued to trend positively yet below projections. Total boardings on the three lines are approximately 61 percent lower compared to the same quarter of FY 2018-19. Additional Metrolink challenges are discussed in the Challenges section of this report.

Since 2011, M2 has provided competitive multi-year transit funding commitments for bus and station van extension services connecting to Metrolink (\$483,133 to date), local community-based transit circulators and planning studies (\$40 million to date), and transit stop improvements (\$2.9 million to date).

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In parallel, M2 also provides a set amount of funding to support three programs intended to expand mobility choices for seniors and persons with disabilities (\$107.9 million<sup>1</sup> to date). A few transit highlights from the quarter are noted below.

- OC Streetcar – A quarterly update was presented to the Transit Committee on July 14, 2022, and to the Board on July 25, 2022, providing information on the status of construction activities, vehicle manufacturing, and public outreach. During the quarter, construction activities continued with the completion of the Fairview Street and Fifth Street at-grade crossings, installation of embedded track on Santa Ana Boulevard between Santiago Street and Minter Street, and the completion of several key intersections in Downtown Santa Ana. In addition, the Board approved a consultant selection on July 25, 2022, to plan and implement a safety awareness and public education program to provide safety information and promote public awareness during the pre-revenue testing phase of the OC Streetcar project. (Project S)
- Community-Based Transit Circulators – A ridership report was provided to the Transit Committee on July 14, 2022, and to the Board on July 25, 2022. The program is successfully emerging from the pandemic as ridership and service levels have increased in comparison to the same time period from the previous year. During the quarter, ridership and engagement from the public in utilizing seasonal transit options continued to trend positively. As a result, services such as the Dana Point Summer Trolley restored operations to pre-pandemic service levels and the Laguna Beach Summer Breeze augmented its schedule to provide additional weekend service offerings. (Project V)

### Environmental Programs

The M2 program includes two innovative programs, the Environmental Cleanup Program (ECP) and the Environmental Mitigation Program (EMP). The ECP improves water quality by addressing transportation-related pollutants, while the EMP offsets the biological impacts of M2 freeway projects.

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<sup>1</sup> Only includes disbursed funds. On October 12, 2020, the Board approved a temporary exception to the SMP guidelines, allowing OCTA to hold allocations in reserve for agencies with suspended services due to the COVID-19 pandemic. The funds will be held until the State lifts the State of Emergency or until transportation services resume, whichever occurs first.

Since 2011, the ECP has allocated approximately \$54.1 million to local jurisdictions for 188 projects for trash removal devices (Tier 1) and 18 projects for large-scale water quality best management practices projects (Tier 2). It is estimated that nearly 45.3 million gallons of trash have been captured since the inception of the program, which is the equivalent of filling nearly 105 football fields with one foot deep of trash.

Additionally, the Board has authorized \$55 million for the EMP to acquire conservation lands and fund habitat restoration projects. OCTA has acquired more than 1,300 acres (Preserves) and funded 12 projects to restore habitat on 350 acres of open space across Orange County to fulfill the necessary M2 Freeway program mitigation needs.

The wildlife and habitat on the acquired lands are protected in perpetuity, and long-term management of the properties will be funded by an established endowment. In July 2022, OCTA made its seventh annual deposit of approximately \$2.9 million. As of September 30, 2022, the balance of the endowment was \$21,276,964, which is below the FY 2022-23 target amount of \$24,015,673. Current projections indicate that OCTA remains on track to meet the endowment target of \$46.2 million in FY 2027-28; however, the performance of the fund may affect the timeframe for full funding of the endowment.

#### Other

The CTFP is the mechanism which OCTA uses to administer funding for roadway, signal synchronization, transit, and water quality projects. Semi-annually, staff conducts a comprehensive review of CTFP projects using the Board-approved guidelines to determine the continued viability and delivery of projects, confirm availability of local match funds, ensure timely closeout of all projects, and address local jurisdiction concerns or any other project-related issues. During the quarter, staff conducted the September 2022 CTFP semi-annual review. Through this process, staff met with representatives from select local jurisdictions and reviewed all active project phases as well as timely use of funds provisions for Local Fair Share and Senior Mobility Program; it was determined that no time sensitive adjustments are needed for this review cycle. This was presented to the Technical Advisory Committee (TAC) on November 9, 2022, with no concerns voiced from the local jurisdictions. These adjustments will be incorporated as part of the next semi-annual review in March 2023.

## Challenges

As with all major programs, challenges arise and need to be monitored and addressed. A few key challenges are highlighted below.

- As shared with the Board in September 2022, Metrolink ridership has struggled to recover from COVID-19, continuing the impacts of farebox revenues and cost recovery. To exacerbate this shortfall, operating costs have increased. Consequently, Metrolink has postponed the full service restoration that was previously scheduled for implementation in October 2022 in order to manage costs while also working on campaigns to attract more riders. However, many variables affect ridership recovery, such as prevalence of flexible remote work policies. Without changes in service levels, ridership growth, and operations and rehabilitation costs, or availability of external funds, the current service cannot be sustained beyond FY 2035-36. OCTA will continue to actively engage with Metrolink and the other member agencies to monitor ridership levels and the corresponding financial impacts to M2.
- Another impact to Metrolink in Orange County is the on-going railroad track stabilization effort in the City of San Clemente. In September 2021, a failing slope severely degraded the railroad track structure. Emergency repair efforts were taken between late 2021 and early 2022. However, recent higher tidal events coupled with movement of an ancient slide have continued to impact the stability of the track, leading to a suspension of passenger rail service in this area. On October 3, 2022, the Board adopted a resolution to authorize OCTA to take all necessary actions to address the emergency need for railroad track stabilization. These repairs are funded with six million dollars of commuter rail fund and six million dollars in state emergency funds for this phase of the work. Long-term solutions need to be developed to ensure the ability to provide service in this portion of the County, the cost for which is undetermined at present. Future updates to the Next 10 Plan will need to consider the financial implications of the long-term track improvement needs.
- The OC Streetcar project has faced many challenges, such as unforeseen utility conflicts and conditions, contaminated materials, construction quality control and compliance, added oversight and approvals, and several change requests. Staff is conducting a new project risk assessment consistent with achieving 70 percent construction completion and will return to the Board to present the results of the risk analysis, including any adjustments to the project cost and schedule, in early 2023.

- COVID-19 has affected many elements of M2, such as traffic patterns, transit ridership, and administrative processes. To provide flexibility and help local jurisdictions manage the impacts of the pandemic, the Board has approved multiple adjustments including M2 Ordinance amendments and guideline exceptions. Most recently, on August 8, 2022, the Board approved temporary policy changes to address extraordinary inflation for prior RCP and RTSSP allocations. Local jurisdictions requested that OCTA consider ways to help advance recently allocated projects that have not started due to COVID-19 or other factors. The increases in cost of materials and labor as well as supply chain issues continue to create a high inflationary cost environment. Along with local jurisdiction support via feedback through the Technical Steering Committee and TAC, the Board approved the recommendations to allow for a flexible reapplication process and escalation rate adjustments that are more consistent with the current market for 2018, 2019, 2020, and 2021 RCP and RTSSP call allocations.

Staff will continue to monitor all COVID-19 impacts and program challenges closely to ensure M2 remains deliverable as promised to voters.

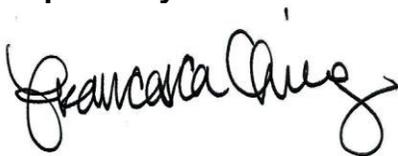
### ***Summary***

A quarterly report covering activities from July 2022 through September 2022, is provided to update progress in implementing the Plan. The above information and the attached details indicate significant progress on the overall M2 program despite facing challenges. To be cost-effective and to facilitate accessibility and transparency of information available to stakeholders and the public, the M2 Quarterly Progress Report is made available through the OCTA website. Hard copies are available by mail upon request.

***Attachment***

- A. Measure M2 Quarterly Progress Report, First Quarter of Fiscal Year 2022 - 23, July 1, 2022 through September 30, 2022

**Prepared by:**



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**Approved by:**



Kia Mortazavi  
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# OCGO

Local Tax Dollars at Work

## MEASURE M2 QUARTERLY PROGRESS REPORT

First Quarter of Fiscal Year 2022 – 23  
July 1, 2022 through September 30, 2022

### First Quarter Highlights:

- Freeway Projects
- Streets and Roads
- Environmental Cleanup & Water Quality
- Freeway Mitigation Program
- Finance Matters
- Program Management Office
- Summary





## MEASURE M2 PROGRESS REPORT

### **SUMMARY**

On November 7, 2006, Orange County voters, by a margin of nearly 70 percent, approved the Renewed Measure M Transportation Investment Plan (Plan) for the Measure M2 (M2) one-half cent sales tax for transportation improvements. Voters originally endorsed Measure M in 1990 with a sunset in 2011. The renewal of Measure M continues the investment of local tax dollars in Orange County's transportation infrastructure for another 30 years to 2041.

As required by Ordinance No. 3 (M2 Ordinance), a quarterly report covering activities from July 1, 2022, through September 30, 2022, is provided to update progress in implementing the Plan. On September 25, 2017, the Board of Directors (Board) approved externally rebranding M2 as OC Go to promote Orange County Transportation Authority's (OCTA) Measure M awareness and to avoid confusion with Measure M in Los Angeles County.

To be cost-effective and to facilitate accessibility and transparency of information to stakeholders and the public, M2 progress reports are available on the OCTA website. Hard copies are mailed upon request.



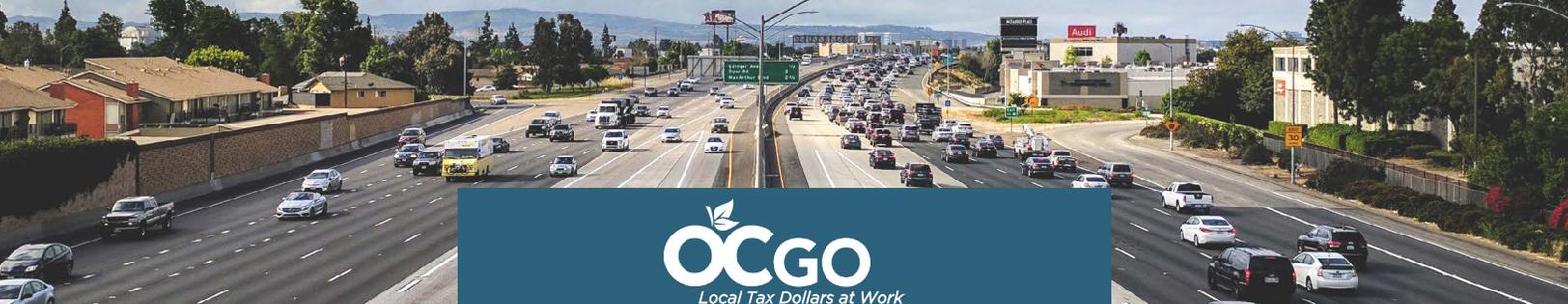
The cover photo is from the groundbreaking event for the State Route 55, Interstate 405 to Interstate 5 project that was held on July 28, 2022. This project will make improvements in both directions of the corridor in the cities of Irvine, Santa Ana, and Tustin; it is anticipated to be completed in early 2027.



**MEASURE M2 PROGRESS REPORT**

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 Local Tax Dollars at Work  
**MEASURE M2 PROJECT SCHEDULES**

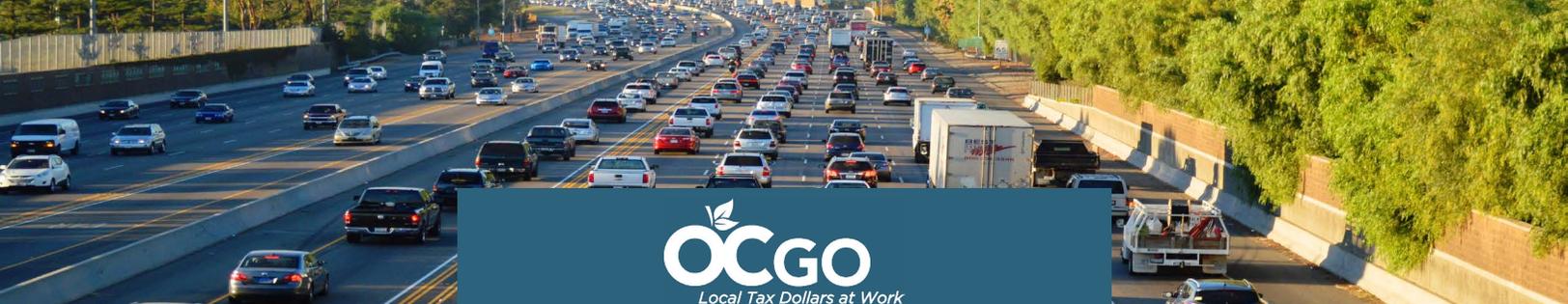
					
Conceptual	Environmental	Design, Advertise, & Award	Design-Build	Construction	Complete

		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
<b>A</b>	I-5, SR-55 to SR-57																
<b>B</b>	I-5, I-405 to Yale Avenue																
<b>B</b>	I-5, Yale Avenue to SR-55																
<b>C,D</b>	I-5, Avenida Pico to Avenida Vista Hermosa/ Avenida Pico Interchange																
<b>C</b>	I-5, Avenida Vista Hermosa to Pacific Coast Highway																
<b>C</b>	I-5, Pacific Coast Highway to San Juan Creek Road																
<b>C,D</b>	I-5, SR-73 to Oso Parkway/ Avery Parkway Interchange																
<b>C,D</b>	I-5, Oso Parkway to Alicia Parkway/ La Paz Road Interchange																
<b>C</b>	I-5, Alicia Parkway to El Toro Road																
<b>D</b>	I-5, El Toro Road Interchange (Further Schedule TBD)																
<b>D</b>	I-5, Ortega Highway Interchange	<i>Completed in 2016</i>															
<b>E</b>	SR-22, Access Improvements	<i>Completed in 2008</i>															
<b>F</b>	SR-55, I-405 to I-5																
<b>F</b>	SR-55, I-5 to SR-91																
<b>G</b>	SR-57 NB, Orangewood Avenue to Katella Avenue																
<b>G</b>	SR-57 NB, Katella Avenue to Lincoln Avenue	<i>Completed in 2015</i>															
<b>G</b>	SR-57 NB, Orangethorpe Avenue to Yorba Linda Boulevard	<i>Completed in 2014</i>															
<b>G</b>	SR-57 NB, Yorba Linda Boulevard to Lambert Road	<i>Completed in 2014</i>															
<b>G</b>	SR-57 NB, Lambert Road to Tonner Canyon Road (Further Schedule TBD)																
<b>H</b>	SR-91 WB, I-5 to SR-57	<i>Completed in 2016</i>															
<b>I</b>	SR-91 WB, SR-55 to Tustin Avenue Interchange	<i>Completed in 2016</i>															
<b>I</b>	SR-91, SR-55 to Lakeview Avenue																
<b>I</b>	SR-91, La Palma Avenue to SR-55																
<b>I</b>	SR-91, Acacia Street to La Palma Avenue																

Project schedules are based on phase start dates. Shown schedules are subject to change.

<sup>1</sup> Projects managed by local agencies

For full project schedules, see <http://octa.net/About-OC-Go/Projects-and-Programs/#/schedule>



## MEASURE M2 PROJECT SCHEDULES

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>J</b> SR-91, SR-55 to SR-241	Completed in 2013													
<b>J</b> SR-91 EB, SR-241 to SR-71	Completed in 2011													
<b>J</b> SR-91, SR-241 to I-15 (TBD)														
<b>K</b> I-405, SR-73 to I-605	[Hatched bar from 2017 to 2024]													
<b>L</b> I-405, I-5 to SR-55 (Further Schedule TBD)	[Green bar from 2017 to 2019]													
<b>M</b> I-605, Katella Avenue Interchange	[Green bar from 2017 to 2019], [Blue bar from 2021 to 2024], [Orange bar from 2024 to 2025]													
<b>O</b> Kraemer Boulevard Grade Separation (Placentia)	Completed in 2014													
<b>O</b> Lakeview Avenue Grade Separation (Anaheim/Placentia)	[Orange bar from 2017 to 2018]													
<b>O</b> Orangethorpe Avenue Grade Separation (Anaheim/Placentia)	Completed in 2016													
<b>O</b> Placentia Avenue Grade Separation (Placentia)	Completed in 2014													
<b>O</b> Raymond Avenue Grade Separation (Fullerton) <sup>1</sup>	[Orange bar from 2017 to 2018]													
<b>O</b> State College Boulevard Grade Separation (Fullerton) <sup>1</sup>	[Orange bar from 2017 to 2018]													
<b>O</b> Tustin Avenue/Rose Drive Grade Separation (Anaheim/Placentia)	Completed in 2016													
<b>R</b> Sand Canyon Grade Separation (Irvine)	Completed in 2016													
<b>R</b> Rail-Highway Grade Crossing Safety Enhancement	Completed in 2011													
<b>R</b> San Clemente Beach Trail Safety Enhancements	Completed in 2014													
<b>R</b> Anaheim Canyon Metrolink Station Improvements	[Green bar from 2017 to 2018], [Blue bar from 2018 to 2022], [Orange bar from 2022 to 2024]													
<b>R</b> Fullerton Transportation Center Improvements	[Orange bar from 2017 to 2019]													
<b>R</b> Laguna Niguel/Mission Viejo Metrolink Station Americans with Disabilities Act (ADA) Ramps	[Orange bar from 2017 to 2018]													
<b>R</b> Orange Transportation Center Metrolink Parking Structure	[Blue bar from 2017 to 2018], [Orange bar from 2018 to 2019]													
<b>R</b> Placentia Metrolink Station Improvements and Parking Structure (Further Schedule TBD)	[Blue bar from 2017 to 2018]													
<b>R</b> San Clemente Pier Station Lighting	[Orange bar from 2017 to 2018]													
<b>R</b> Laguna Niguel to San Juan Capistrano Metrolink Station Passing Siding Project	[Blue bar from 2017 to 2020], [Orange bar from 2020 to 2022]													
<b>R</b> Tustin Metrolink Station Parking Structure	Completed in 2011													
<b>R,T</b> Anaheim Regional Transportation Intermodal Center (ARTIC) <sup>1</sup>	Completed in 2014													
<b>S</b> OC Streetcar	[Blue bar from 2017 to 2018], [Orange bar from 2018 to 2024]													

Project schedules are based on phase start dates. Shown schedules are subject to change.

<sup>1</sup> Projects managed by local agencies

For full project schedules, see <http://octa.net/About-OC-Go/Projects-and-Programs/#!/schedule>



## MEASURE M2 PROGRESS REPORT

### M2 DELIVERY RISK UPDATE ▼

This section discusses the risks and challenges related to Measure M2 and the updated Next 10 Delivery Plan (Next 10 Plan) that the M2 Program Management Office (PMO) is monitoring with associated explanations and proposed actions.

Delivery Risk	Explanation	Proposed Action	
<b>Financial</b>			
1	Sales tax revenues were impacted by the Great Recession and the coronavirus (COVID-19) pandemic. The 2022 M2 revenue forecast is \$15 billion, which is a \$1.8 billion (13.6 percent) year-over-year increase from the 2021 forecast.	While the 2022 M2 revenue forecast is higher, 19 years of M2 delivery remain and fluctuations in economic conditions may affect future revenue projections.	Staff will continue to monitor sales tax revenue receipts to ensure that M2 is delivered as promised to voters.
2	Reduced external funding opportunities for the M2 freeway program.	State and federal priorities continue to shift and favor projects that reduce automobile travel, which could affect access to currently programmed as well as future external funding opportunities for the M2 freeway projects.	Current external funding commitments are assumed in the M2 cash flow for the 2021 Next 10 Plan, but prospects of future revenues for highway projects are low.
3	Potential for an environment of increasing cost as M2 capital projects.	The fall 2022 update of the Next 10 Plan Market Conditions Forecast and Risk Analysis reflects a high inflationary environment in 2023 and 2024. This is driven by inflation, increases in construction wages, and building materials.	To further protect against potential cost increases in the M2 freeway program, 11 percent program level expense line items have been incorporated in the 2021 M2 cash flow for an economic uncertainty allowance. The Next 10 Plan Market Conditions Forecast and Risk Analysis report is updated biannually and provides a three-year look ahead. OCTA will continue to monitor bid results and market conditions affecting project costs.
4	Inability to scale the M2 Freeway Program to available revenue and still deliver the M2 commitments.	The M2 Freeway Program includes set project scopes leaving limited flexibility in what is delivered.	OCTA will work closely with the California Department of Transportation (Caltrans) to apply value engineering strategies on projects to manage costs.



## MEASURE M2 PROGRESS REPORT

Delivery Risk			
5	Explanation	Proposed Action	
5	Schedule and scope changes on capital projects that impact delivery and project costs.	Changes as a result of updated highway standards, new regulatory requirements, or issues identified in the field may impact scope, schedule, and costs substantially.	OCTA will work closely with project partners and project contractors to limit changes in scope and schedules.
6	Increase Southern California Regional Rail Authority (Metrolink) train service as an alternative to driving within the limits of available revenue.	COVID-19 has altered travel behavior, which affects ridership and revenue. Operational cost of Metrolink service continues to grow as the system ages, track-sharing arrangements with BNSF Railway Company (BNSF) are revised, and new air quality requirements are implemented.	External funding (one-time federal funds through the Coronavirus Aid, Relief and Economic Security Act, Coronavirus Response and Relief Supplemental Appropriations Act, and Infrastructure Investment and Jobs Act) has helped alleviate some near-term financial concerns. OCTA will continue to work closely with Metrolink and member agencies to ensure cost increases are minimized, while continuing to seek external revenue.
Resource			
7	Substantial work underway in the region has resulted in significant demand for professional and skilled labor which may impact delivery given the volume of the M2 capital program.	The fall 2022 update of the Next 10 Plan Market Conditions Forecast and Risk Analysis reflects a steep decrease in unemployment rates. If shortages continue, project delivery costs could rise but if additional labor resources are available, it may temper costs and reduce delivery risk.	OCTA will monitor resources for professional and skilled labor needed for project delivery. Expert and timely coordination between OCTA and project partners is imperative to manage this risk.
8	New operational responsibilities with the OC Streetcar.	With the implementation of the OC Streetcar service, OCTA will be increasing its overall role in operations.	To ensure the success of the OC Streetcar, OCTA hired a streetcar operations manager with proven start-up experience to oversee start-up and daily operations. A contractor with extensive experience in operations of rail systems was selected to handle the startup and revenue operation phases.



## MEASURE M2 PROGRESS REPORT

Delivery Risk	Explanation	Proposed Action
<b>Climate</b>		
<p>9 Climate-related hazards could affect M2 investments.</p>	<p>OCTA has experienced hazards affecting M2 investments. Recent events include the 2022 Coastal Fire which impacted the M2 Environmental Mitigation Program (EMP) Pacific Horizon Preserve and the tidal events, ocean currents and waves, and storm surges which continue to affect railroad track stabilization in San Clemente.</p>	<p>OCTA has developed Fire Management Plans (FMP) for the seven properties purchased as part of the M2 Freeway EMP. The Board is working on measures to address the emergency need for railroad track stabilization.</p>
<b>Regulatory</b>		
<p>10 Changing federal and state directives could affect M2 freeway project approvals.</p>	<p>Current state planning and project approval policies place great emphasis on reducing travel by automobile and encourage project alternatives that promote short trips where possible, travel by transit, bicycling or walking, and use of zero-emission vehicles. These requirements will affect the project environmental review process.</p>	<p>The majority of M2 freeway projects, where this risk would manifest itself, have obtained the necessary approvals. If the approvals require a review or revision, these new requirements could impact delivery.</p>

## NEXT 10 DELIVERY PLAN

**Contact:** Francesca Ching, PMO Manager • (714) 560-5625

On November 14, 2016, the Board approved the Next 10 Plan, providing guidance to staff on the delivery of M2 projects and programs. Annually, staff reviews the Board-adopted commitments in the Next 10 Plan to ensure it remains deliverable with updated revenues and project costs. The most recent update of the Next 10 Plan was adopted on December 13, 2021, which covers fiscal year (FY) 2020-21 through FY 2029-30. On September 26, 2022, the 2022 M2 sales tax revenue forecast of \$15 billion was presented to the Board, which represents a \$1.8 billion year-over-year increase. The updated forecast along with refined project schedule, estimates, and assumptions will be incorporated in the 2022 update of the Next 10 Plan, which is anticipated to be presented to the Board in fall 2022.



## MEASURE M2 PROGRESS REPORT

### Next 10 Plan Deliverables

Significant progress continues with projects completing construction, projects in and advancing towards construction, as well as regular funding allocations to local jurisdictions through local programs.

#### 1. Deliver 14 freeway improvement projects through construction (Projects A-M).

The M2 Freeway Program is currently made up of 30 projects/project segments. This deliverable includes 14 projects to be delivered through construction by FY 2029-30. The completion of these projects would bring the total number of completed projects to 26, which equates to approximately 87 percent of the M2 Freeway Program. Of the 14 projects to be delivered, one project has been completed, five are in construction, and eight are in design. For more details, see [pages i-ii](#) (Project Schedules) and the project updates contained in their respective sections.

#### 2. Prepare remaining freeway improvement projects for delivery (Projects A-M).

The four remaining projects (of the 30 total) are environmentally cleared or on track to be environmentally cleared by FY 2029-30, making them shelf-ready for further advancement. The remaining projects include Project D (I-5, El Toro Road Interchange), Project G (SR-57 northbound from Lambert Road to Tonner Canyon Road), Project J (SR-91 between SR-241 and I-15), and Project L (I-405 between I-5 and SR-55). These projects will continue to be reevaluated annually as part of the Next 10 Plan review. For more details, see [pages i-ii](#) (Project Schedules) and the project updates contained in their respective sections.

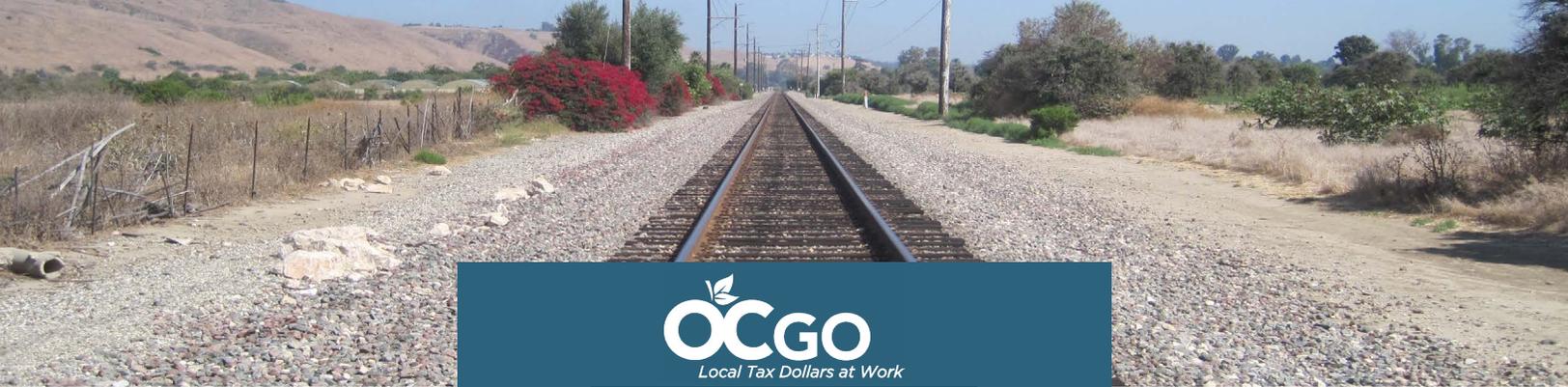
#### 3. Provide annual competitive funding opportunities for local jurisdictions to address bottlenecks and gaps in the street system, synchronize signals (Project O and P), and continue flexible funding to local jurisdictions to preserve the quality of streets or for use on other transportation needs, as appropriate (Project Q).

As of June 2022, OCTA has awarded approximately \$482 million in competitive funding through the RCP (Project O) and Regional Traffic Signal Synchronization Program (RTSSP) (Project P) through annual calls. Additionally, nearly \$598.4 million in Local Fair Share (LFS) (Project Q) funds have been distributed to local jurisdictions.

On August 8, 2022, the Board authorized the 13th call providing up to \$45 million for Project O and Project P in available M2 funds to support local streets and roads improvement projects throughout Orange County. Applications are due on October 20, 2022. Based upon project selection criteria as specified in the Comprehensive Transportation Funding Programs (CTFP) guidelines, projects will be prioritized for Board consideration in spring 2022. For more details, see the project updates on [page 20](#).

#### Upcoming activities:

- Project O and P - Programming recommendations for the 13th call



## MEASURE M2 PROGRESS REPORT

### **4. Maintain Metrolink service and complete rail station improvements (Project R).**

Due to the COVID-19 pandemic, Metrolink implemented temporary service reductions. In April 2022, Metrolink partially restored some service in response to customer feedback and demand for more train trips. The three lines serving Orange County currently operate 45 weekday trains, a 17 percent reduction from the 54 weekday trains operated prior to COVID-19. As ridership continues to recover, Metrolink and OCTA will continue to reassess the service needs in Orange County. For more details, see project updates on [page 26](#).

Within this program, funding is provided for rail corridor and station improvements to accommodate increased passenger train service including station upgrades, parking expansions, and safety enhancements, such as the Anaheim Canyon Metrolink Station Improvement Project, which began construction in May 2021 and is anticipated to be complete in early 2023. For more details, see project updates on [page 27](#).

In September 2021, tidal surges along with a failing slope severely degraded the Metrolink railroad track structure in the City of San Clemente. However, recent higher tidal events have continued to impact the stability of the track, leading to a suspension of rail service. OCTA is collaborating with Metrolink to perform emergency repairs. More enduring treatments are in the early stage of planning to ensure the stability of the tracks in this area. Future updates to the Next 10 Plan will need to consider the financial implications of the long-term track improvement needs. For more details, see the project updates on [page 28](#).

### **5. Complete construction, secure vehicles, begin operating the OC Streetcar, and work with local jurisdictions to consider recommendations from planning studies to guide the development of future high-quality transit connections (Project S).**

#### OC Streetcar

The 4.15-mile OC Streetcar will serve the Santa Ana Regional Transportation Center (SARTC) through Downtown Santa Ana and the Civic Center to Harbor Boulevard in the City of Garden Grove. Activities this quarter included the completion of the Fairview Street and Fifth Street at-grade crossings, installation of embedded track on Santa Ana Boulevard between Santiago Street and Minter Street, and the completion of several key intersections in Downtown Santa Ana. For more details, see the project updates on [page 29](#).

### **6. Support expanded mobility choices for seniors and persons with disabilities (Project U).**

Project U is comprised of three programs: the Senior Mobility Program (SMP), the Senior Non-Emergency Medical Transportation (SNEMT) Program, and the Fare Stabilization Program. Since inception, more than \$107.9 million<sup>1</sup> has been provided to these three programs. The SMP provides funding to participating cities to design and implement transit service that best fits the needs of seniors (60 and above) in their communities. The SNEMT Program provides funding to the County of Orange Office on Aging for senior transportation to and from medical appointments, dentists, therapies, exercise programs, testing, and other



## MEASURE M2 PROGRESS REPORT

health-related trips at a low cost to the rider than would otherwise be available. For more details, see the program updates on [page 31](#).

<sup>1</sup> Only includes disbursed funds. On October 12, 2020, the Board approved a temporary exception to the SMP guidelines, which allows for OCTA to hold allocations in reserve for agencies with suspended services due to the COVID-19 pandemic. The funds will be held until the State lifts the State of Emergency or transportation services resume, whichever occurs first.

### **7. Work with local agencies to maintain successful community circulator projects and potentially provide grant opportunities for expanded or new local transit services (Project V).**

Since inception, OCTA has approved 35 projects and ten planning studies totaling approximately \$52 million through four calls. OCTA receives ridership reports from local agencies on a regular basis to monitor the success of awarded services against performance measures adopted by the Board.

Staff continues to work with local agencies through letters of interest requests, workshops, Comprehensive Transportation Funding Program (CTFP) guidelines revisions, calls, and cooperative agreement amendments to fine-tune this program and facilitate successful project implementation. For more details, see the program updates on [page 32](#).

### **8. Continue to improve the top 100 busiest transit stops to enhance the customer experience (Project W).**

Through three calls, the Board has approved \$3.1 million to improve 122 city-initiated improvement projects at the busiest OCTA transit stops. The program is designed to ease transfers between bus lines and provide improvements such as the installation of bus benches or seating, shelters, improved lighting, and other passenger-related amenities. For more details, see the program updates on [page 33](#).

### **9. Ensure the ongoing preservation of purchased open space, which provides comprehensive mitigation of the environmental impacts of freeway improvements and higher-value environmental benefits in exchange for streamlined project approvals (Projects A-M).**

The M2 freeway Environmental Mitigation Program (EMP) includes seven conservation properties (Preserves) totaling more than 1,300 acres and 12 restoration projects covering nearly 350 acres. In 2017, OCTA received biological resource permits after completing a state and federal Natural Community Conservation Plan/Habitat Conservation Plan (Conservation Plan) for the EMP, allowing streamlined project approvals for the M2 freeway improvement projects. The Conservation Plan also includes a streamlined process for coordination of streambed alteration agreements. In 2018, OCTA secured programmatic permits and assurances for federal and state clean water permitting requirements. Receipt of these permits represents the culmination of years of collaboration and support by the Board, environmental community, and regulatory agencies.



## MEASURE M2 PROGRESS REPORT

To protect the Preserves in perpetuity, a non-wasting endowment was established. OCTA makes annual deposits of approximately \$2.9 million. The seventh deposit was made in July 2022. As of September 30, 2022, the balance of the endowment was \$21,276,964. While the performance of the endowment fund will affect the timeframe for full funding, current projections indicate that OCTA is still on track to meet the target of \$46.2 million in FY 2027-28. For more details, see the program updates on [page 35](#).

**10. Work with the Environmental Cleanup Allocation Committee (ECAC) to develop the next tiers of water quality programs to prevent the flow of trash, pollutants, and debris into waterways from transportation facilities. In addition, focus on improving water quality on a regional scale that encourages partnerships among the local agencies as part of the Environmental Cleanup Program (ECP) (Project X).**

In May 2010, the Board approved a two-tier approach to funding Project X. Tier 1 consists of funding equipment purchases and upgrades to existing catch basins and related best management practices, such as screens and other low-flow diversion devices. Tier 2 consists of funding regional, potentially multi-jurisdictional, and capital-intensive projects. Since 2011, the Board has approved over \$30 million in funding for 199 Tier 1 projects through 11 calls and \$27.9 million for 22 Tier 2 projects through two calls.

The 12th Tier 1 call was released on March 14, 2022, providing up to \$3 million in available M2 funds to support projects that protect beaches and waterways throughout Orange County. Applications for the call were received on June 16, 2022. Based upon the project selection criteria specified in the CTFP guidelines, programming recommendations are anticipated to be presented to the Board for consideration in November 2022. Staff will continue to analyze revenues for future calls and are currently assessing the timing of a future Tier 2 call. For more details, see the program updates on [page 34](#).

### Upcoming activities:

- Project X – Programming recommendations for the 12th Tier 1 call



# FREEWAYS

## PROJECT A

### INTERSTATE 5 (I-5) PROJECTS

**Segment:** I-5, SR-55 to SR-57

**Status:** Project Complete

**Contact:** Rose Casey, Capital Projects • (714) 560-5729



**Summary:** This project added a second high-occupancy vehicle (HOV) lane (approximately three miles) in both directions along I-5 between SR-55 and SR-57 in the City of Santa Ana. The final Environmental Document (ED) and Project Report (PR) were approved on April 27, 2015. Construction began on December 27, 2019, and the improvements opened to traffic on August 24, 2020. The project was officially completed three months ahead of schedule on January 6, 2021, and plant establishment was completed on May 24, 2021.

## PROJECT B

**I-5, I-405 to SR-55 is one project broken into two segments. The final ED and PR were approved on January 7, 2020.**

**Segment:** I-5, I-405 to Yale Avenue

**Status:** Design Phase Underway – 35 Percent Complete

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

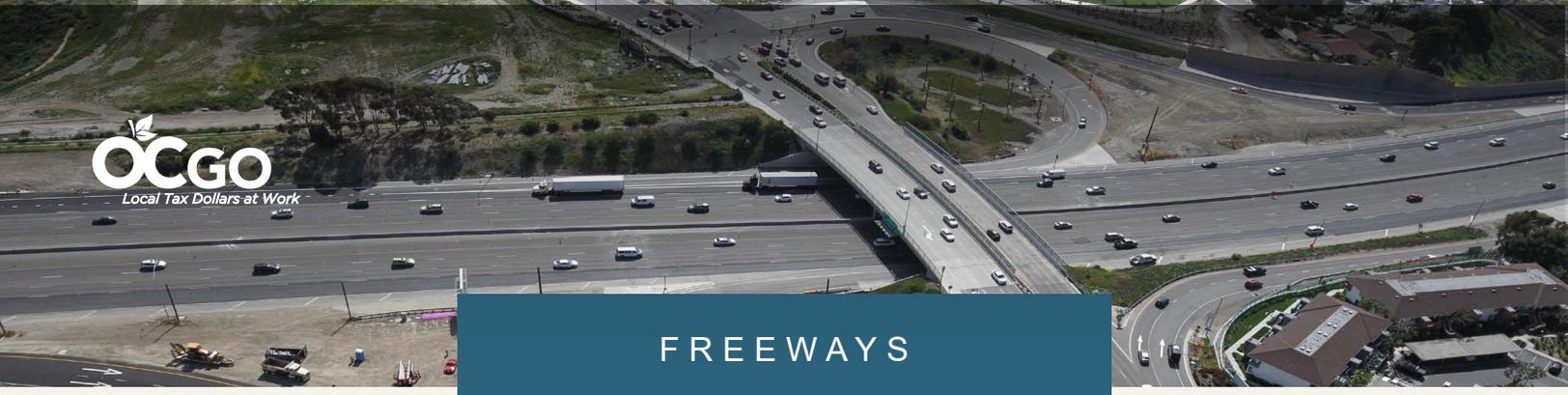
**Summary:** This project will add an additional general purpose lane (approximately 4.5 miles) in both directions of I-5 between I-405 and Yale Avenue, improve interchanges, and replace and add new auxiliary lanes in the City of Irvine. The design of this project was initiated on October 22, 2021. This quarter, the design consultant submitted the 35 percent design package to Caltrans for review, obtained Caltrans encroachment permits for surveying and geotechnical activities, and submitted type selection and foundation reports to Caltrans for review of proposed bridge widenings and ground anchor walls. In addition, draft utility plans and a utility management matrix were developed to identify existing utilities and potential utility relocations. Coordination regarding the locations of soundwalls, overhead signage, and landscaping is ongoing. A cooperative agreement with Metrolink for design review services was executed on September 20, 2022.

**Segment:** I-5, Yale Avenue to SR-55

**Status:** Design Phase Underway – 60 Percent Complete

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project will add an additional general purpose lane (approximately 4.5 miles) in both directions of I-5 between Yale Avenue and SR-55, improve interchanges, replace, and add new auxiliary lanes in the cities of Irvine and Tustin. The design of this project was initiated on May 6, 2021. This quarter, the design consultant continued work on the 65 percent design package. Coordination relating to the



## FREWAYS

locations of soundwalls, overhead signage, landscaping, staging, and drainage is ongoing. In addition, the design consultant continued coordination with Orange County Flood Control District (OCFCD) and performed geotechnical boring. Due to potential schedule delays during the ROW phase, this project is marked as a cost/schedule risk in the Capital Action Plan (CAP).

### PROJECT C AND PART OF PROJECT D

**I-5, Avenida Pico to San Juan Creek Road is one project broken into three segments. The final ED and PR were approved on October 26, 2011. All three segments were completed, and the improvements opened to traffic on March 13, 2019.**

**Segment:** I-5, Avenida Pico to Avenida Vista Hermosa/Avenida Pico Interchange

**Status:** PROJECT COMPLETE

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project added a carpool lane (approximately 0.7 miles) in both directions of I-5 between Avenida Pico and Avenida Vista Hermosa in the City of San Clemente, included major improvements through reconstruction of the Avenida Pico Interchange (part of Project D), and added bicycle lanes in both directions on Avenida Pico. Construction began on December 22, 2014, and was officially completed on August 23, 2018. Plant establishment was completed in May 2019.



**Segment:** I-5, Avenida Vista Hermosa to Pacific Coast Highway

**Status:** PROJECT COMPLETE

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project added a carpool lane (approximately 2.5 miles) in both directions of I-5 between Avenida Vista Hermosa and Pacific Coast Highway (PCH) in the City of San Clemente and reconstructed on- and off-ramps at Avenida Vista Hermosa and Camino de Estrella. Construction began on July 3, 2014, and was officially completed on July 31, 2017. Plant establishment was completed in May 2018.



**Segment:** I-5, Pacific Coast Highway to San Juan Creek Road

**Status:** PROJECT COMPLETE

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project added a carpool lane (approximately 2.5 miles) in both directions of I-5 between PCH and San Juan Creek Road in the cities of Dana Point, San Clemente, and San Juan Capistrano and reconstructed the on- and off-ramps at PCH/Camino Las Ramblas. Construction began on December 20, 2013, and was officially completed on July 3, 2018. Plant establishment was completed in March 2019.





## FREEWAYS

**I-5, SR-73 to El Toro Road is one project broken into three segments. The final ED and PR for all three segments were approved on May 6, 2014.**

**Segment: I-5, SR-73 to Oso Parkway/Avery Parkway Interchange**

**Status:** Construction Underway – 66 Percent Complete

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project will add a general purpose lane (approximately 2.2 miles) in both directions of I-5 between Avery Parkway and Oso Parkway and reconstruct the Avery Parkway Interchange (part of Project D) in the cities of Laguna Hills, Laguna Niguel, and Mission Viejo. The construction contract was awarded on December 19, 2019, and construction began on January 15, 2020. This quarter, the contractor continued construction of the middle segment of the Avery Parkway undercrossing bridge and poured concrete for the bridge approach slabs. The contractor continued to construct drainage systems, retaining walls in both directions, and guardrail systems throughout the project. In addition, Caltrans and OCTA continued coordinating utility work with San Diego Gas and Electric.

**Segment: I-5, Oso Parkway to Alicia Parkway/La Paz Road Interchange**

**Status:** Construction Underway – 74 Percent Complete

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project will add a general purpose lane (approximately 2.6 miles) in both directions along I-5 between Oso Parkway and Alicia Parkway and reconstruct the La Paz Road Interchange (part of Project D) in the cities of Laguna Hills and Mission Viejo. The construction contract was awarded on March 5, 2019, and construction began on April 4, 2019. This quarter, the contractor installed reinforced concrete piles for the middle segment of the La Paz Road undercrossing bridge, continued construction of several retaining and soundwalls in both directions of the I-5, and installed approach slabs for the bridge over Oso Creek in both directions. Staff continued coordination of the service contract with Metrolink.

**Segment: I-5, Alicia Parkway to El Toro Road**

**Status:** Construction Underway – 46 Percent Complete

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project will add a general purpose lane in the southbound direction (approximately 1.7 miles) and extend the second HOV lane (approximately one mile) in both directions along I-5 between Alicia Parkway to El Toro Road in the cities of Laguna Hills, Laguna Woods, Lake Forest, and Mission Viejo. The construction contract was awarded on September 23, 2020, and construction began on October 13, 2020. This quarter, the contractor installed girders and poured the deck for the Los Alisos overcrossing bridge, continued work on several retaining walls, completed the soundwall near the El Toro Road off-ramp, and installed abutments for the new on-ramps over El Toro Road. Staff also continued coordination with Southern California Edison (SCE) for the relocation of existing facilities and with Caltrans on ROW and utility relocations.

## FREWAYS

### PROJECT D

This project will update and improve key I-5 interchanges at Avenida Pico, Ortega Highway, Avery Parkway, La Paz, and El Toro Road. Three interchange improvements at La Paz, Avery Parkway, and Avenida Pico are included and discussed as part of the respective segments in Project C.

**Segment:** I-5, Ortega Highway Interchange

**Status:** PROJECT COMPLETE

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project widened and reconstructed the SR-74 Ortega Highway bridge over I-5 and improved local traffic flow along SR-74 and Del Obispo Street in the City of San Juan Capistrano. The final ED and PR were approved on June 1, 2009. Construction began on September 18, 2012, and all lanes on the new bridge opened to traffic on September 4, 2015. The project was officially completed on January 15, 2016.



**Segment:** I-5, El Toro Road Interchange

**Status:** Environmental Phase in Review

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** Caltrans is the lead for the environmental phase of this project. The project area includes the cities of Laguna Hills, Laguna Woods, and Lake Forest, which are direct stakeholders of the project improvements. The study began in April 2017 and the draft Initial Study/Environmental Assessment was completed in March 2019. The three stakeholder cities were not in consensus on a preferred alternative, and costs identified for the remaining alternatives were significantly higher than the assumed cost in the Next 10 Plan, which created additional challenges. The environmental phase was anticipated to be completed in late 2019; however, without the cities' consensus, OCTA does not support the finalization of the document. OCTA requested Caltrans put completion of the ED on hold until a consultant, retained by OCTA, provides a further assessment of the alternatives to help facilitate reaching an agreement. The three cities reached a consensus to add two new alternatives from the assessment in addition to the two alternatives previously developed as part of the draft ED into the environmental process. On August 8, 2022, the Board approved an amendment to the cooperative agreement with Caltrans to reinstate the environmental phase incorporating feedback from the cities on the proposed alternatives. Due to the dependency on acquiring consensus from all three cities, this project is marked as a cost/schedule risk in the CAP.



# FREEWAYS

## PROJECT E

### STATE ROUTE 22 (SR-22) PROJECTS

**Segment:** SR-22 Access Improvements  
**Status:** PROJECT COMPLETE  
**Contact:** Rose Casey, Capital Projects • (714) 560-5729



**Summary:** Completed in 2008, this project made improvements at three key SR-22 interchanges (Brookhurst Street, Euclid Street, and Harbor Boulevard) in the City of Garden Grove to reduce freeway and street congestion. This M2 project was completed early as a “bonus project” provided by the original Measure M (M1).

## PROJECT F

### STATE ROUTE 55 (SR-55) PROJECTS

**Segment:** SR-55, I-405 to I-5  
**Status:** Construction Underway – 1.5 Percent Complete  
**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project will add a general purpose lane (approximately four miles) and a second HOV lane (approximately four miles) in both directions between I-405 and I-5 in the cities of Irvine, Santa Ana, and Tustin. Auxiliary lanes will be added and extended in some segments within the project limits. The final ED and PR were approved on August 31, 2017. The construction contract was awarded on May 27, 2022, and construction began on August 10, 2022. This quarter, the contractor began clear and grub activities, installed temporary barriers and lighting, and submitted the baseline schedule to Caltrans for review. In addition, staff continued coordination with SCE and Caltrans on utility relocations and with the City of Santa Ana on water line relocations. Due to complex ROW activities, this project is marked as a cost/schedule risk in the CAP.

**Segment:** SR-55, I-5 to SR-91  
**Status:** Design Phase Underway – One Percent Complete  
**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project studied the addition of a general purpose lane (approximately 2.0 miles) in both directions between I-5 and SR-22 and operational improvements between SR-22 and SR-91 in the cities of Anaheim, Orange, Santa Ana, and Tustin. The project limits span approximately 7.5 miles. The final ED and PR were approved on March 30, 2020. The Board approved the release of the RFP for the preparation of plans, specifications, and estimates (PS&E) on September 13, 2021, and awarded the contract on February 14, 2022. Final design services began in August 2022.



# FREEWAYS

## PROJECT G

### STATE ROUTE 57 (SR-57) PROJECTS

**Segment:** SR-57 Northbound, Orangewood Avenue to Katella Avenue

**Status:** Design Phase Underway – 15 Percent Complete

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project studied the addition of a new northbound general purpose lane (approximately one mile) on SR-57 from Orangewood Avenue to Katella Avenue in the cities of Anaheim and Orange. The new northbound general purpose lane will join the completed Project G segments between Katella Avenue and Lambert Road, which opened to traffic in 2014. The final ED and PR were approved on March 29, 2019. The design of this project was initiated on March 28, 2022. This quarter, the design team obtained encroachment permits from Caltrans for surveying and geotechnical activities and continued work on the 35 percent design package. In addition, staff continued coordination with Caltrans and the cities of Anaheim and Orange, and initiated coordination with OCFCD and Metrolink.

**Segment:** SR-57 Northbound, Katella Avenue to Lincoln Avenue

**Status:** PROJECT COMPLETE

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project increased capacity by adding a new general purpose lane (approximately 2.8 miles) and improved on- and off-ramps and soundwall improvements on northbound SR-57 between Katella Avenue and Lincoln Avenue in the City of Anaheim. Bridges at Katella Avenue and Douglas Road were also widened in the northbound direction. The final ED was approved on September 30, 2009, and the final PR was approved on November 25, 2009. Construction began on November 17, 2011, and the improvements opened to traffic on November 19, 2014. The project was officially completed on April 21, 2015.



**Segment:** SR-57 Northbound, Orangethorpe Avenue to Yorba Linda Boulevard

**Status:** PROJECT COMPLETE

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project increased capacity by adding a northbound general purpose lane (approximately 2.4 miles) between Orangethorpe Avenue in the City of Placentia to Yorba Linda Boulevard in the City of Fullerton and improved operations with the reconstruction of northbound on- and off-ramps, widening of seven bridges, and the addition of soundwalls. The final ED and PR were approved on November 30, 2007. Construction began on October 26, 2010, and the improvements opened to traffic on April 28, 2014. The project was officially completed on November 6, 2014.





## FREEWAYS

**Segment:** SR-57 Northbound, Yorba Linda Boulevard to Lambert Road

**Status:** PROJECT COMPLETE

**Contact:** Rose Casey, Capital Projects • (714) 560-5729



**Summary:** This project improved capacity, operations, and traffic flow on SR-57 with the addition of a new northbound general purpose lane (approximately 2.5 miles) between Yorba Linda Boulevard in the City of Fullerton and Lambert Road in the City of Brea. Additional project benefits included on- and off-ramp improvements, the widening and seismic retrofit (as required) of six bridges in the northbound direction, and the addition of soundwalls. Existing lanes and shoulders were also widened to standard widths, enhancing safety for motorists. The final ED and PR were approved on November 30, 2007. Construction began on November 2, 2010, and the improvements opened to traffic on September 23, 2013. The project was officially completed on May 2, 2014.

**Segment:** SR-57 Northbound, Lambert Road to Tonner Canyon Road

**Status:** Consultant selected to prepare the Project Study Report-Project Development Support (PSR-PDS) document

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** Caltrans previously completed a PSR-PDS document in 2001 to add a northbound truck-climbing lane (approximately 2.5 miles) from Lambert Road to Tonner Canyon Road in the City of Brea. This project requires coordination with Los Angeles County Metropolitan Transportation Authority (LA Metro) on planned improvements or related work across the Orange County/Los Angeles County Line. The mainline project includes interchange and ramp improvements at Lambert Road. Through the SB 1 (Chapter 5, Statutes of 2017) Trade Corridor Enhancement Program, funds were allocated to initiate the construction phase for interchange improvements at Lambert Road, which will complement and serve as a first phase to the freeway improvement project. Construction began in mid-2019 and is anticipated to be completed in summer 2022. Phase two, which is the mainline improvement, was initially approved for State Transportation Investment Program (STIP) funding in March 2018 to initiate the environmental phase. However, due to the 2019 STIP reduction, funding was shifted to cover projects already underway. On March 16, 2022, OCTA issued a request for proposals for consultant services to prepare a new PSR-PDS document due to the changing conditions on SR-57. Proposals were received on April 1, 2022, and the Board approved the consultant selection on July 11, 2022. The consultant is anticipated to begin preparations of the PSR-PDS document in late 2022. To ensure coordination with other projects planned for construction and to avoid unreasonable impacts to the public, this project is currently scheduled to be constructed beyond the Next 10 Plan timeframe.



# FREEWAYS

## PROJECT H

### STATE ROUTE 91 (SR-91) PROJECTS

**Segment:** SR-91 Westbound, I-5 to SR-57  
**Status:** PROJECT COMPLETE  
**Contact:** Rose Casey, Capital Projects • (714) 560-5729



**Summary:** This project increased capacity by adding a general purpose lane (approximately 4.5 miles) in the westbound direction between the cities of Anaheim and Fullerton and provided operational improvements at on- and off-ramps between Brookhurst Street and State College Boulevard. The final ED was approved on May 20, 2010, and the final PR was approved on June 16, 2010. Construction began on February 6, 2013, and the improvements opened to traffic on March 7, 2016. The project was officially completed on June 23, 2016.

## PROJECT I

**Segment:** SR-91, SR-55 to Tustin Avenue Interchange  
**Status:** PROJECT COMPLETE  
**Contact:** Rose Casey, Capital Projects • (714) 560-5729



**Summary:** This project improved traffic flow at the SR-55/SR-91 interchange by adding a westbound auxiliary lane (approximately two miles) beginning at northbound SR-55 to the westbound SR-91 connector through the Tustin Avenue interchange in the City of Anaheim. The project reduced weaving congestion in the area and included reconstruction of the westbound side of the Santa Ana River Bridge to accommodate the additional lane. The final ED was approved on May 11, 2011, and the final PR was approved on May 19, 2011. Construction began on November 1, 2013, and the improvements opened to traffic on May 14, 2016. The project was officially completed on July 15, 2016.

**SR-91, between SR-57 and SR-55 is one project broken into three segments. To augment the decrease in projected M2 revenues, on September 12, 2016, the Board approved to use 91 Express Lanes excess revenue to fund this project. The final ED and PR were approved on June 22, 2020.**

**Segment:** SR-91, SR-55 to Lakeview Avenue  
**Status:** Design Phase Underway - 90 Percent Complete  
**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project will provide westbound operational improvements (approximately 1.4 miles), which includes the realignment of the existing westbound SR-91 on- and off-ramps, the addition of a new on-ramp from the Lakeview Avenue overcrossing bridge to connect directly to southbound SR-55, and construction of a barrier to separate westbound SR-91 from SR-55. With the proposed improvements, the existing Lakeview Avenue overcrossing bridge is anticipated to be replaced with a new bridge. The

## FREEWAYS

design of this project was initiated on March 30, 2020. This quarter, the design team continued to address comments on the 95 percent design submittal and prepare the 100 percent design package. In addition, OCTA continued the ROW acquisition process.

**Segment:** SR-91, La Palma Avenue to SR-55

**Status:** Design Phase Underway - 53 Percent Complete

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project will provide an additional eastbound general purpose lane (approximately 2.7 miles), replace the eastbound shoulder, and restore auxiliary lanes as needed throughout the project limits. With the proposed improvements, the existing Kraemer Boulevard and Tustin Avenue overcrossing bridges are anticipated to be replaced with new bridges and the Santa Ana River bridge will be widened. The design of this project was initiated on June 17, 2020. This quarter, the design team continued to address comments on the 65 percent design submittal and define ROW needs.

**Segment:** SR-91, Acacia Street to La Palma Avenue

**Status:** Design Phase Underway - 64 Percent Complete

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project will provide westbound operational improvements (approximately 1.7 miles) by adding a fourth general purpose lane along westbound SR-91 from the northbound SR-57 to the westbound SR-91 connector, extending the southbound SR-57 to westbound SR-91 connector auxiliary lane through the State College Boulevard interchange, tying into the existing westbound SR-91 auxiliary lane west of State College Boulevard, and reconfiguring the westbound SR-91 to SR-57 connector to provide dedicated exits to SR-57. With the proposed improvements, the existing La Palma Avenue overcrossing bridge will be replaced with a new bridge. The design of this project was initiated on November 30, 2020. This quarter, the design team received and addressed comments on the 65 percent roadway design submittal and submitted the 65 percent structures design package to Caltrans for review.

### PROJECT J

**Segment:** SR-91, SR-55 to SR-241

**Status:** PROJECT COMPLETE

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project added a general purpose lane (approximately six miles) in both directions of SR-91 between SR-55 and SR-241 in the cities of Anaheim and Yorba Linda. In addition to adding 12 lane miles to SR-91, the project also delivered a second eastbound exit lane at Lakeview Avenue, Imperial Highway, and Yorba Linda Boulevard/Weir Canyon Road off-ramps. Beyond these capital improvements, crews completed work on safety barriers, lane striping, and soundwalls. The final ED and PR were approved on April 24, 2009. Construction began on May 27, 2011, and opened to traffic in December 2012. The project was officially completed on March 5, 2013.





## FREWAYS

**Segment:** SR-91 Eastbound, SR-241 to SR-71

**Status:** PROJECT COMPLETE

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project improved mobility and operations by adding an eastbound lane (approximately six miles) through a key stretch of SR-91 between Orange County's SR-241 and Riverside County's SR-71, widened existing eastbound lanes and shoulders, and reduced traffic weaving as a result of traffic exiting at SR-71 and Green River Road. The final ED and PR were approved on December 28, 2007. Construction began on September 16, 2009, and the improvements opened to traffic on December 2, 2010. The project was officially completed on January 31, 2011. Because this project was shovel-ready, OCTA was able to obtain American Recovery and Reinvestment Act funding for this M2 project, saving M2 revenues for future projects.



**Segment:** SR-91, SR-241 to I-15

**Status:** Riverside County Transportation Center's (RCTC) Design-Build – Initial Phase Complete on March 20, 2017; Alternatives Analysis Completed

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project plans to add a general purpose lane on SR-91 between SR-241 and I-15. Since the SR-91 corridor is one of the busiest in the region, implementation of this project requires coordinating and constructing the improvements in multiple segments and to capitalize on available funding. Freeway improvements that cross county lines require close coordination to maintain seamless travel. While the portion of this project between SR-241 and the Orange County/Riverside County Line is part of OCTA's M2 Project J, the matching segment between the county line and SR-71 is part of RCTC's Measure A. The sixth lane addition requires joint implementation to ensure smooth delivery of the project. With significant SR-91 freeway improvements taking place as a result of both counties' sales tax measures, the construction timing of the additional general purpose lane between SR-241 and SR-71 was anticipated to take place post-2035. However, RCTC requested OCTA's support to accelerate a portion of the ultimate project in the westbound direction (in Orange County) to address a bottleneck issue affecting the City of Corona. With OCTA's support, RCTC developed the 91 Westbound Corridor Operation Project, which began construction in late 2020 and was completed in January 2022.

In addition, OCTA and RCTC conducted a feasibility study to determine how best to implement the sixth general purpose lane while minimizing environmental and construction impacts in the eastbound direction between SR-241 and SR-71. In May 2020, the consultant team initiated efforts for the geometric and design alternatives analysis. The final alternatives analysis report was completed in April 2022. RCTC will lead the effort to proceed with the environmental phase of the project, to be referred to as the 91 Eastbound Corridor Operation Project. These efforts are anticipated to begin by late 2023.



FREWAYS

PROJECT K

## INTERSTATE 405 (I-405) PROJECTS

**Segment:** I-405, SR-73 to I-605

**Status:** Design-Build Underway - 85 Percent Complete

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** OCTA and Caltrans are working together to widen I-405 by adding a general purpose lane (approximately 14 miles) between Euclid Street and I-605 in both directions and a second HOV lane in both directions that will combine with the existing HOV lane to provide dual express lanes in each direction of I-405 from SR-73 to I-605, otherwise known as the 405 Express Lanes.<sup>2</sup> The project limits span approximately 16 miles. Additional improvements include reconstruction of local interchanges and making improvements to freeway entrances and exits along the corridor from SR-73 to I-605 through the cities of Costa Mesa, Fountain Valley, Garden Grove, Huntington Beach, Los Alamitos, Seal Beach, and Westminster. The final ED and PR were approved on June 15, 2015. Construction activities began on January 31, 2017.

During the quarter, work continued on ROW acquisition, utility coordination, public outreach, installation of drainage systems, retaining walls, paving, and bridge construction. Design is substantially complete with the review of various design refinements and construction submittals ongoing. OCTA's toll lanes system integrator is under contract and working with OCTA and the design-builder. Construction on one-stage bridges (closed during construction) continued at Newland Street, Ward Street, and Warner Avenue. Two-stage bridges (partially closed but allows throughway traffic during construction) at Bolsa Avenue, Brookhurst Street, and Goldenwest Street are also underway. The Westminster Boulevard bridge opened to traffic on August 22, 2022, and the Heil Street pedestrian overcrossing was opened on August 31, 2022. In total, 18 bridges will be replaced, of which 11 have been completed and opened to date. The remaining seven are in various stages of construction. In addition to one- and two-stage bridges, construction to widen the existing freeway bridges on the Beach Boulevard/Bolsa Avenue railroad crossing, old Navy railroad crossing, and at the Harbor Boulevard and Santa Ana River bridges is ongoing. Construction of the new SR-73/I-405 connector bridge is also underway. Public outreach, through virtual neighborhood meetings, continues to be held to discuss construction activities. Substantial completion of the project is anticipated in late 2023.

<sup>2</sup> The general purpose lane portion of the project is an M2 project and will be funded by a combination of local, state, and federal funds. The express lanes portion of the project is financed and paid for by those who choose to pay a toll and use the 405 Express Lanes.



## FREEWAYS

### PROJECT L

**Segment:** I-405, I-5 to SR-55

**Status:** Environmental Phase Complete

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project studied potential improvements along approximately 8.5 miles of I-405 between I-5 and SR-55 in the City of Irvine. The project development team reviewed the alternatives and public comments received during public circulation, and as a result of the effort, recommended adding one general purpose lane in both directions. The final ED and PR were approved on August 31, 2018. To ensure coordination with other projects planned for construction and to avoid unreasonable impacts to the public, this project is currently scheduled to be constructed beyond the Next 10 Plan timeframe.

### PROJECT M

## INTERSTATE 605 (I-605) PROJECTS

**Segment:** I-605, Katella Avenue Interchange Improvements

**Status:** Design Phase Underway - 80 Percent Complete

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project will make enhancements at the on- and off-ramps and operational improvements on Katella Avenue at the I-605 Interchange in the City of Los Alamitos. In addition, pedestrian and bicycle improvements will incorporate complete streets components, including enhanced safety for all modes of travel. The final ED and PR were approved on October 3, 2018. The design of this project was initiated on December 28, 2020. This quarter, the design team addressed comments on the 95 percent roadway and 65 percent structures design submittals. The design team also continued to address comments on the supplemental design standard decision document, continued coordination with the counties of Orange and Los Angeles on encroachment permit requirements for work near regional drainage facilities, updated the utility management matrix, revised environmental technical documentation, worked on the 95 percent structures design package, and worked on a pre-construction record of survey and ROW deliverables.



PROJECT N

## FREEWAY SERVICE PATROL

**Status:** Service Ongoing

**Contact:** Patrick Sampson, Motorist Services • (714) 560-5435

**Summary:** Freeway Service Patrol (FSP) provides assistance to motorists whose vehicles have become disabled along Orange County freeways and removes congestion-causing debris from traffic lanes to reduce freeway congestion and collisions. In June 2012, M2 began supporting FSP with local funds to maintain existing service levels and expand services through 2041. During the quarter, FSP provided 16,702 services.<sup>3</sup> Since June 2012, FSP has provided a total of 695,770 services<sup>3</sup> on the Orange County freeway system.

<sup>3</sup> Service calculations are based on all services provided as FSP is funded by M2 and external sources.



## STREETS AND ROADS

### PROJECT O

## REGIONAL CAPACITY PROGRAM

**Status:** 13th Call Open

**Contact:** Charvalen Alacar, Planning • (714) 560-5401

**Summary:** This program, in combination with required local matching funds, provides funding for improvements on Orange County's Master Plan of Arterial Highways. Since 2011, through 12 calls, the Board has awarded 173 projects (211 project phases) totaling nearly \$350 million, including \$24 million in external funding. To date, 140 project phases have been completed, 51 are in various stages of implementation, and 20 have been cancelled by the awarded local jurisdictions. On August 8, 2022, the Board approved the release of the 13th call. Applications are due on October 20, 2022, and programming recommendations are anticipated to be presented to the Board in spring 2023.

### OC Bridges Railroad Program

This program built seven grade separations (either under or overpasses) where high-volume streets are impacted by freight trains along the BNSF railroad in north Orange County. On September 13, 2021, the Board approved program closeout and budget adjustment to approximately \$666.55 million for all the OC Bridges grade separation projects, of which \$152.6 million was committed M2 and \$513.9 million in leveraged external funding. Funding reimbursement and closeout for all seven grade separation projects have been completed.

**Segment:** Kraemer Boulevard Grade Separation

**Status:** PROJECT COMPLETE

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project grade separated the local street from railroad tracks by building an underpass for vehicular traffic under the railroad crossing in the cities of Anaheim and Placentia. Construction began on November 9, 2012, and the improvements opened to traffic on June 28, 2014. Construction acceptance was obtained by the cities of Anaheim and Placentia in December 2014. OCTA turned over maintenance responsibilities to the cities and completed the one-year warranty in December 2015 with no issues or claims identified. Funding reimbursement and closeout have been completed.



**Segment:** Lakeview Avenue Grade Separation

**Status:** PROJECT COMPLETE

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project grade separated the local street from railroad tracks by building a bridge for vehicular traffic over the railroad crossing and reconfiguring the intersection of Lakeview Avenue and Orangethorpe Avenue in the cities of Anaheim and Placentia. Construction began on March 3, 2014, and the improvements opened to traffic on June 6, 2017. Construction acceptance was obtained from the cities of Anaheim and Placentia in June 2018. OCTA turned over maintenance responsibilities to the cities and





## STREETS AND ROADS

extended the one-year warranty to July 2019 for some minor repair items. The Board approved a final claim resolution in July 2019. Funding reimbursement and closeout have been completed.

**Segment:** Orangethorpe Avenue Grade Separation

**Status:** PROJECT COMPLETE

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project grade separated the local street from railroad tracks by building a bridge for vehicular traffic over the railroad crossing in the cities of Anaheim and Placentia. Construction began on April 25, 2013, and the improvements opened to traffic on June 23, 2016. Construction acceptance was obtained from the cities of Anaheim and Placentia in October 2016. OCTA turned over maintenance responsibilities to the cities and extended the one-year warranty to June 2019 for some minor repair items. No additional issues or repairs were identified. Funding reimbursement and closeout have been completed.



**Segment:** Placentia Avenue Grade Separation

**Status:** PROJECT COMPLETE

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project grade separated the local street from railroad tracks by building an underpass for vehicular traffic under the railroad crossing in the City of Placentia. Construction began on October 5, 2011, and the improvements opened to traffic on March 12, 2014. Construction acceptance was obtained from the cities Anaheim and Placentia in December 2014. OCTA turned over maintenance responsibilities to the cities and completed the one-year warranty in December 2015 with no issues or repairs identified. Funding reimbursement and closeout have been completed.



**Segment:** Raymond Avenue Grade Separation

**Status:** PROJECT COMPLETE

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project grade separated the local street from railroad tracks by building an underpass for vehicular traffic under the railroad crossing in the City of Fullerton. The City of Fullerton managed construction while OCTA provided construction oversight, public outreach, railroad coordination, and ROW support. Construction began on March 27, 2014, and the improvements opened to traffic on October 2, 2017. Construction acceptance was obtained from the City of Fullerton in May 2018. OCTA turned over maintenance responsibilities to the City of Fullerton and completed the one-year warranty on constructed items. Funding reimbursement and closeout have been completed.



## STREETS AND ROADS

**Segment:** State College Boulevard Grade Separation

**Status:** PROJECT COMPLETE

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project grade separated the local street from railroad tracks by building an underpass for vehicular traffic under the railroad crossing in the City of Fullerton. The City of Fullerton managed construction while OCTA provided construction oversight, public outreach, railroad coordination, and ROW support. Construction began on March 27, 2014, and the improvements opened to traffic on November 1, 2017. Construction acceptance was obtained from the City of Fullerton in March 2018. OCTA turned over maintenance responsibilities to the City of Fullerton and completed the one-year warranty on constructed items. Funding reimbursement and closeout have been completed.



**Segment:** Tustin Avenue/Rose Drive Grade Separation

**Status:** PROJECT COMPLETE

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project grade separated the local street from railroad tracks by building a bridge over the railroad crossing for vehicular traffic in the cities of Anaheim and Placentia. Construction began on April 22, 2013, and the improvements opened to traffic on December 7, 2015. Construction acceptance was obtained from the cities of Anaheim and Placentia in October 2016. OCTA turned over maintenance responsibilities to the cities and extended the one-year warranty to November 2018 for some minor repair items. No additional issues or repairs were identified. Funding reimbursement and closeout have been completed.



PROJECT P

## REGIONAL TRAFFIC SIGNAL SYNCHRONIZATION PROGRAM

**Status:** 13th Call Open

**Contact:** Anup Kulkarni, Planning • (714) 560-5867

**Summary:** This program provides funding and assistance to implement multi-agency signal synchronization. The target of the program is to regularly coordinate a network of over 2,000 signalized intersections along 750 miles of roadway within Orange County. OCTA also leverages external funding to further enhance the efficiency of the street grid and reduce travel delays.

To date, OCTA and local agencies have synchronized more than 3,445 intersections over more than 886 miles of streets (98 completed projects). Through 12 calls, 109 projects<sup>4</sup> totaling more than \$132 million have been awarded. Overall, OCTA has funded 128 projects<sup>4</sup> totaling more than \$157 million, including \$30.5 million in leveraged external funding. On August 8, 2022, the Board released the 13th call. Applications are due on October 20, 2022, and programming recommendations are anticipated to be presented to the Board in spring 2023.





STREETS AND ROADS

PROJECT Q

## LOCAL FAIR SHARE

**Status:** Ongoing

**Contact:** Sean Murdock, Finance • (714) 560-5685

**Summary:** To help cities and the County of Orange keep up with the rising cost of repairing the aging street system, this program provides flexible funding intended to augment, not replace, existing transportation expenditures by the cities and the County. Annually, all local jurisdictions are reviewed to determine eligibility to receive M2 funds. All local jurisdictions have been found eligible to receive LFS funds. On a bimonthly basis, 18 percent of net revenues are allocated by formula. Since 2011, nearly \$598.4 million in LFS payments have been provided to local jurisdictions.

For more details, see funding allocation by local agency on [pages 51-52](#).



**PROJECT R**

**HIGH FREQUENCY METROLINK SERVICE**

Project R will increase rail services within the County and provide additional Metrolink service north of the City of Fullerton to the Los Angeles County Line. The program provides for track improvements, the addition of trains and parking capacity, upgraded stations, and safety enhancements to allow cities to establish quiet zones along the tracks. This program also includes funding for grade crossing improvements at high-volume arterial streets, which cross Metrolink tracks.

**Project:** Metrolink Grade Crossing Improvements

**Status:** PROJECT COMPLETE

**Contact:** Megan Taylor, Operations • (714) 560-5601

**Summary:** Enhancements at 50 of the designated 52 Orange County at-grade rail-highway crossings were completed in support of the Metrolink Service Expansion Program (MSEP) in October 2012. As a result of one private crossing, which did not allow OCTA to make enhancements, and one street closure, which eliminated the need for enhancements, the final count of enhanced rail-highway crossings was 50. Completion of the safety improvements provided each corridor city with the opportunity to establish a “quiet zone” at their respective crossings. Quiet zones are intended to prohibit the sounding of train horns through designated crossings, except in the case of emergencies, construction work, or safety concerns identified by the train engineer. The cities of Anaheim, Dana Point, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin have established quiet zones within their communities.



**Project:** Metrolink Service Expansion Program

**Status:** PROJECT COMPLETE

**Contact:** Megan Taylor, Operations • (714) 560-5601

**Summary:** Following the completion of the MSEP improvements in 2012, OCTA deployed a total of ten new Metrolink intracounty trains operating between the cities of Fullerton and Laguna Niguel/Mission Viejo, primarily during the midday and evening hours.



In October 2019, several intracounty trains were extended to Los Angeles County to increase ridership through a redeployment of the trains without significantly impacting operating costs. Due to the COVID-19 pandemic, Metrolink implemented temporary service reductions. In April 2022, Metrolink partially restored some service in response to customer feedback and demand for more train trips. The three lines serving Orange County currently operate 45 weekday trains, 17 percent less service compared to the 54 weekday trains prior to COVID-19 related service reductions. During the quarter, ridership recovery continued to trend positively yet below expectations. Total boardings on the three lines are approximately 61 percent lower compared to the same quarter of FY 2018-19. Metrolink ridership has struggled to meet projections, thereby reducing farebox recovery. To exacerbate this shortfall, operating costs have increased. Consequently, Metrolink has postponed the full service restoration that was previously scheduled for implementation in October 2022 in order to manage costs while also working on campaigns to attract more riders. However, many variables affect ridership recovery, such as prevalence of flexible remote work policies. Without



## TRANSIT

changes in service levels, ridership growth, and operations and rehabilitation costs or availability of external funds, the current service cannot be sustained beyond FY 2035-36. OCTA will continue to actively engage with Metrolink and the other member agencies to monitor ridership levels and the corresponding financial impacts to M2.

### Rail Corridor and Station Improvements

Additionally, under MSEP, funding is provided for rail line and station improvements to accommodate increased service. Rail station parking lot expansions, better access to platforms, among other improvements have been made or are underway. For schedule information on station improvement projects, please see the CAP pages on [pages 53-57](#).

**Project:** Anaheim Canyon Metrolink Station Improvements

**Status:** Construction Underway - 80 Percent Complete

**Contact:** Jim Beil, Capital Programs • (714) 560-5646

**Summary:** This OCTA-led project will add a second main track and passenger platform, extend the existing passenger platform, add improvements to at-grade crossings for pedestrian circulation, and install new station amenities including benches, shade structures, and ticket vending machines. The construction contract was awarded on March 22, 2021, and construction began on May 10, 2021. This quarter, construction continued with the completion of the retaining wall and concrete work for the new platform. In addition, both at-grade crossing panels have been installed. The project is anticipated to be completed in early 2023.

**Project:** Fullerton Transportation Center Improvements

**Status:** PROJECT COMPLETE

**Contact:** Jim Beil, Capital Programs • (714) 560-5646

**Summary:** Completed early on, this project constructed a new five-level parking structure to provide additional transit parking at the Fullerton Transportation Center for both intercity rail service and commuter rail passengers. Construction on this city-led project began on October 18, 2010, and the improvements were completed on June 19, 2012. After completion, an elevator upgrade project was initiated with leftover savings. The elevator project modified the existing pedestrian bridge to add two new traction elevators, one on each side. The City of Fullerton was the lead on this project, which was completed on May 1, 2019.



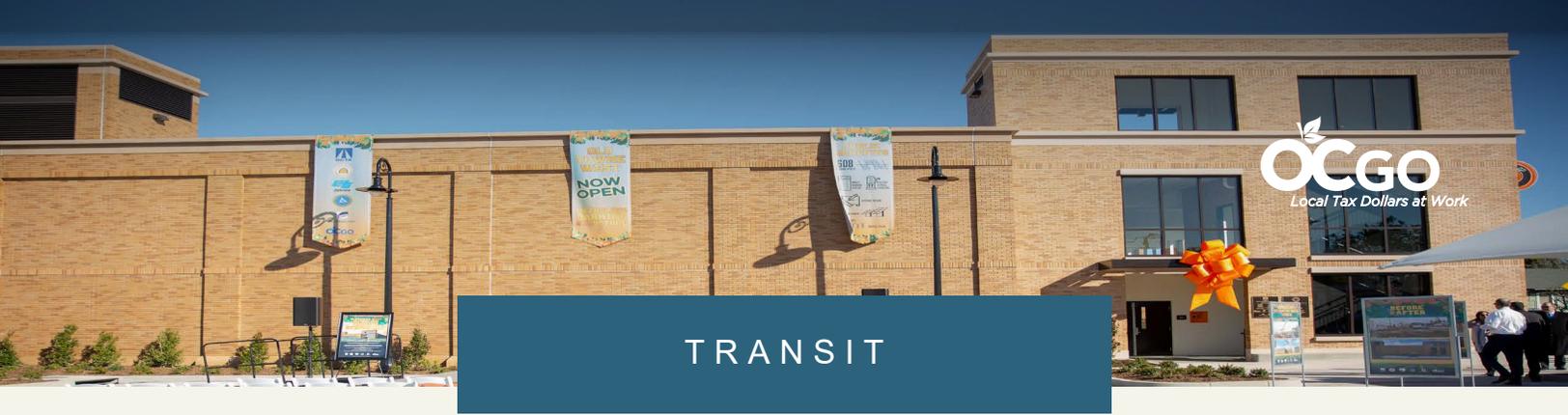
**Project:** Laguna Niguel/Mission Viejo Metrolink Station Americans with Disabilities Act (ADA) Ramps

**Status:** PROJECT COMPLETE

**Contact:** Jim Beil, Capital Programs • (714) 560-5646

**Summary:** This project added new ADA-compliant access ramps on either side of the pedestrian undercrossing and a unisex ADA-compliant restroom, vending machine room, and three passenger canopies. Construction began on February 23, 2016, and the improvements were completed on September 20, 2017.





# TRANSIT

**Project:** Orange Transportation Center Metrolink Parking Structure

**Status:** PROJECT COMPLETE

**Contact:** Jim Beil, Capital Programs • (714) 560-5646

**Summary:** This project includes a 608-space, five-level, shared-use parking structure that is located on Lemon Street between Chapman Avenue and Maple Street in the City of Orange. Per a cooperative agreement between OCTA and the City of Orange, the City of Orange led the design phase, and OCTA led the construction phase of the project. Construction began on July 17, 2017, and the improvements were completed on February 15, 2019.



**Project:** New Placentia Metrolink Station and Parking Structure

**Status:** Design Complete; Ready for Advertisement subject to BNSF construction and maintenance (C&M) agreement

**Contact:** Jim Beil, Capital Programs • (714) 560-5646

**Summary:** This project will construct a new Metrolink station to include platforms, parking, a new bus stop, and passenger amenities in the City of Placentia. Plans for the proposed Placentia Metrolink Station Project were near completion when the City of Placentia requested to modify them to include a parking structure to be built where surface parking had been designed. On June 27, 2016, the Board approved a cooperative agreement with the City of Placentia that revised the project's scope and budget, and with the changes, the City of Placentia will contribute towards the cost. The project will also include a third track which should assist with the on-time performance of train operations and provide operational flexibility for both freight and passenger trains. OCTA is the lead agency for the design and construction and BNSF will be the lead on rail construction. The final design was completed on July 22, 2017. The project will be ready to advertise once a C&M agreement with BNSF is in place. Due to dependency on the C&M agreement, this project is marked as a cost/schedule risk in the CAP.

**Project:** San Clemente Pier Station Lighting

**Status:** PROJECT COMPLETE

**Contact:** Jim Beil, Capital Programs • (714) 560-5646

**Summary:** This OCTA-led project added lighting to the existing platform and new decorative handrails at the San Clemente Pier Station in the City of San Clemente. The improvements were completed on March 17, 2017, and project closeout was completed in the same month.



## Additional Rail Corridor Improvements

In September 2021, a failing slope severely degraded the railroad track structure in the City of San Clemente. Emergency repair efforts were taken between late 2021 and early 2022. However, recent higher tidal events have continued to impact the stability of the track, leading to a suspension of rail service. The Board is anticipated to adopt a resolution in October 2022 to authorize OCTA to take all necessary actions to address the emergency need for railroad track stabilization. These repairs are funded from the commuter rail fund and some state emergency funds for this phase of the work. More enduring treatments are in the early stage of planning to ensure the stability of the tracks in this area. Future updates to the Next 10 Plan will need to consider the financial implications of the additional long-term track improvement needs.



## TRANSIT

### Completed:

- Installation of the Control Point project at Fourth Street in the City of Santa Ana, which provided greater efficiency and reliability for passenger rail service
- Implementation of Positive Train Control system, which improves rail safety by monitoring and controlling train movement
- Implementation of video surveillance systems at the Fullerton, Irvine, Laguna Niguel, Mission Viejo, Orange, Santa Ana, and Tustin stations
- Railroad ROW Slope Stabilization project at eight locations within the rail corridor to prevent future erosion and slope instability
- Replacement of detectable tiles and painted guidelines at six stations to meet the Federal Transit Administration (FTA) State of Good Repair requirement, enhance safety, and provide clear warnings to passengers
- Replacement of stairs at the Fullerton Transportation Center

### Underway:

- Design of additional slope stabilization and drainage improvements in Mission Viejo and Laguna Niguel
- ROW acquisition to replace the San Juan Creek railroad bridge in the City of San Juan Capistrano, which will not preclude a future bike trail on the south end along the creek

**Project:** Sand Canyon Grade Separation

**Status:** PROJECT COMPLETE

**Contact:** Rose Casey, Capital Projects • (714) 560-5729

**Summary:** This project separated the local street from railroad tracks in the City of Irvine by constructing an underpass for vehicular traffic. Construction began on May 3, 2011, and the improvements opened to traffic on July 14, 2014. The project was completed, and construction acceptance was obtained from the City of Irvine on January 15, 2016. The project completed the one-year warranty period, and no repairs were identified. The project closed out in January 2017.



**Project:** Tustin Metrolink Station Parking Structure

**Status:** PROJECT COMPLETE

**Contact:** Jim Beil, Capital Programs • (714) 560-5646

**Summary:** This early completion project provided additional parking at the Tustin Metrolink Station to meet requirements associated with MSEP by constructing a new four-story parking structure with approximately 735 spaces and on-site surface parking. Construction on the parking structure began on October 27, 2010, and opened to the public on September 22, 2011.





# TRANSIT

**Project:** Laguna Niguel to San Juan Capistrano Passing Siding Project

**Status:** PROJECT COMPLETE

**Contact:** Jim Beil, Capital Programs • (714) 560-5646

**Summary:** This project added a new passing siding railroad track (approximately 1.8 miles) adjacent to the existing mainline track, which enhanced the operational efficiency of passenger services within the LOSSAN rail corridor. Construction began on March 12, 2019, and the improvements were completed on November 17, 2020.



## PROJECT S

### TRANSIT EXTENSIONS TO METROLINK

To broaden the reach of Metrolink to other Orange County cities, communities, and activity centers, Project S includes a competitive program that allows cities to apply for funding to connect passengers to their final destination via transit extensions. There are currently two categories for this program: a fixed-guideway program (streetcar) and a rubber tire transit program.

**Project:** OC Streetcar

**Status:** Full Funding Grant Agreement Executed November 30, 2018; Construction Work Ongoing, Vehicle Production Ongoing, Limited Notice to Proceed (NTP) Executed with Operations and Maintenance (O&M) Contractor

**Contact:** Ross Lew, Rail • (714) 560-5775  
Cleve Cleveland, Rail • (714) 560-5535

**Summary:** The OC Streetcar will serve the SARTC through Downtown Santa Ana, and the Civic Center to Harbor Boulevard in the City of Garden Grove. At the request of the two cities, OCTA is serving as the lead agency for the project. Construction on the project began on November 19, 2018.

### Construction

This quarter, the Santa Ana River and Westminster bridges reached substantial completion with the placement of concrete plinths and rails. In addition, the Fairview Street and Fifth Street at-grade crossings have been completed. Eighty percent of the overhead catenary system poles that will power the streetcar have been installed. Embedded tracks have been installed on Santa Ana Boulevard between Santiago Street and Minter Street. Overall, approximately 75 percent of the embedded track has been installed throughout the alignment. Key work completed in the Downtown Santa Ana area includes the completion of several key intersections at Fourth Street/Main Street, Santa Ana Boulevard/Main Street, Fourth Street/Sycamore Street, and Ross Street/Fourth Street. Fourth Street is currently open in both directions to vehicular traffic from Sycamore Street to French Street. Work on the Maintenance and Storage Facility (MSF) continued with the construction and installation of walls, conduit and piping, roof curbs and skylights, girder painting, and shop tracks. The final grading for the MSF yard is ongoing.



Ongoing construction activities include the preparation of various street intersections for the installation of new traffic signal poles, preparation of three sites for installation of SCE switchgears and traction power substations, reconstruction of the Fourth Street/Broadway and Santa Ana Boulevard/Broadway intersections, excavation and grading for the SARTC station, and building platform stations at French Street, Sycamore Street, Flower Street, Bristol Street, Raitt Street, and Harbor Boulevard.

### **Vehicle**

The vehicle manufacturer continued production of the eight S700 streetcar vehicles. The first seven cars are in the final stages of manufacturing with installation of the last remaining vehicle components. The eighth car is in final assembly and preparations are underway to commence static and dynamic testing at the end of the year.

The first article inspection (FAI) for the first vehicle was conducted in May 2022 and resulted in open items which warranted reinspection. Most of the open items were signed off during the reinspection in mid-September. Next quarter, the vehicle manufacturer is anticipated to close out the remaining items for the first vehicle and prepare the FAI for Car 3 for inspection.

Ongoing coordination with the vehicle manufacturer on the design features and FAIs of multiple vehicle components has impacted the anticipated dates for delivery of the S700 vehicles. OCTA staff is in negotiations for an updated master program schedule, including options for vehicle storage at the manufacturer's facility to align with the availability of the project infrastructure needed to accept and test the vehicles.

### **Operations**

The O&M general manager has been coordinating with OCTA on several processes, which will be performed by the O&M consultant during system integration testing, pre-revenue operations, and when revenue service begins. Over 60 documents have been submitted by the O&M consultant, which range from standard operating procedures, training documents, and submittals for state and federal oversight. Based on the project schedule and anticipated revenue service date, a second limited NTP was issued in April 2022. During the quarter, the O&M consultant prepared the initial draft of the Public Transportation Agency Safety Plan to develop safety plans that include the processes and procedures to implement safety management systems. The full NTP will be issued to the O&M contractor in early 2023 pending negotiations related to any required cost and schedule adjustments.

### **Cost and Schedule**

In December 2021, the Board approved a revised project schedule and budget of \$509.54 million. Staff will be conducting a project risk assessment consistent with achieving 70 percent construction complete with the FTA and California Public Utilities Commission in attendance. The results of the risk analysis, including any adjustments to the project cost and schedule, is anticipated to be presented to the Board in early 2023. Staff continues coordinating with the construction contractor and vehicle manufacturer to achieve the March 2024 revenue service date.



## TRANSIT

**Project:** Bus and Station Van Extension Projects

**Status:** Last Service Completed on June 30, 2020; No Future Calls Anticipated

**Contact:** Charvalen Alacar, Planning • (714) 560-5401

**Summary:** Bus and station van extension projects help enhance the frequency of service in the Metrolink corridor by linking communities within the central core of Orange County to commuter rail. To date, the Board has approved one round of funding for bus and van extension projects, totaling over \$732,000. On July 23, 2012, the Board approved funding for one project in the City of Anaheim and three projects in the City of Lake Forest. The City of Lake Forest has cancelled all three projects. The Anaheim Canyon Metrolink Station Bus Connection project provided service between the Anaheim Canyon Metrolink station and the Anaheim Resort area; this project was completed on June 30, 2020, under Project S. The service continues under a Project V grant and is subject to meeting minimum performance requirements as part of the Project V program.

PROJECT T

## METROLINK GATEWAYS

**Project:** Anaheim Regional Transportation Intermodal Center

**Status:** PROJECT COMPLETE

**Contact:** George Olivo, Capital Programs • (714) 560-5872

**Summary:** This project constructed the ARTIC located at 2626 East Katella Avenue in the City of Anaheim. ARTIC is a major multimodal transportation hub serving commuters and residents in the City of Anaheim. In addition to OCTA buses and Metrolink trains, ARTIC provides transit connections to Pacific Surfliner Amtrak, Anaheim Resort Transit, shuttle and charter bus service, taxis, bicycles, other private transportation services available, and accommodates future high-speed rail trains. The City of Anaheim, which led the construction effort, began construction on September 24, 2012, and opened the facility to rail and bus service on December 6, 2014. This facility replaced the former Anaheim Metrolink Station that was located on the opposite side of the freeway in the Los Angeles Angels of Anaheim Stadium parking lot.





PROJECT U

## EXPAND MOBILITY CHOICES FOR SENIORS AND PERSONS WITH DISABILITIES

Project U expands mobility choices for seniors and persons with disabilities, and includes the SMP, the SNETM Program, and the Fare Stabilization Program. Since inception, more than \$107.9 million<sup>5,6</sup> in Project U funding has been provided under M2.

<sup>5</sup> Payments are made every other month (January, March, May, July, September, and November). July payments are based on June accruals, and therefore counted as June payments. The amount totaled for one fiscal year quarter either covers one or two payments, depending on the months that fall within that quarter.

**Project:** Senior Mobility Program

**Status:** Ongoing

**Contact:** Jack Garate, Transit • (714) 560-5387

**Summary:** The SMP provides one percent of net M2 revenues to eligible local jurisdictions to provide transit services that best meet the needs of seniors living in their community. According to the SMP Funding and Policy Guidelines, M2 revenue is allocated to local jurisdictions proportionally, relative to the total county's senior population, by the residents aged 60 and above multiplied by available revenues. The remaining unallocated funds are distributed to the M2 Project U Fare Stabilization Program.

Since inception, approximately \$31 million<sup>6</sup> has been provided to support more than 2.6 million boardings for seniors traveling to medical appointments, nutrition programs, shopping destinations, and senior and community center activities. Due to the COVID-19 pandemic, several local jurisdictions have modified or suspended service. This quarter, more than \$734,000<sup>5,6</sup> was paid out to 31 of the 32 participating cities that are currently active. One city has temporarily suspended services due to the COVID-19 pandemic.

<sup>6</sup> Only includes disbursed funds. On October 12, 2020, the Board approved a temporary exception to the SMP guidelines, which allows for OCTA to hold allocations in reserve for agencies with suspended services due to the COVID-19 pandemic. The funds will be held until the State lifts the State of Emergency or transportation services resume, whichever occurs first.

**Project:** Senior Non-Emergency Medical Transportation Program

**Status:** Ongoing

**Contact:** Jack Garate, Transit • (714) 560-5387

**Summary:** This program provides one percent of net M2 revenues to supplement existing countywide SNETM services. Since inception, nearly \$33.4 million has been allocated to support nearly 1.4 million SNETM boardings<sup>7</sup>. This quarter, more than \$780,000<sup>5</sup> in SNETM funding was paid to the County of Orange.

<sup>7</sup> The SNETM program is operated by the County of Orange Office on Aging. Total boardings are calculated based on all services funded by M2 and the County of Orange.



## TRANSIT

**Project:** Fare Stabilization Program

**Status:** Ongoing

**Contact:** Sean Murdock, Finance • (714) 560-5685

**Summary:** From 2011 to 2015, one percent of net M2 revenues was dedicated to stabilizing fares and providing fare discounts for bus services and specialized ACCESS services for seniors and persons with disabilities. Effective January 28, 2016, an amendment to the M2 Ordinance adjusted this amount to 1.47 percent of net M2 revenues to be dedicated to the Fare Stabilization Program.

More than \$1.1 million<sup>5</sup> in revenue was allocated this quarter to support the Fare Stabilization Program. The amount of funding utilized each quarter varies based on ridership. During the quarter, based on nearly 2.5 million program-related boardings recorded on fixed-route and ACCESS services, approximately \$685,000 was utilized. The senior and disabled boardings recorded are based on pass sales and ACCESS boardings figures. Since inception, more than \$43.5 million has been allocated to support more than 135 million program-related boardings.

PROJECT V

## COMMUNITY-BASED TRANSIT/CIRCULATORS

**Status:** Service Updates

**Contact:** Charvalen Alacar, Planning • (714) 560-5401

**Summary:** This program provides funding for local jurisdictions to develop local bus transit services, such as community-based circulators and shuttles, that complement regional bus and rail services to meet needs in areas not adequately served by regional transit. To date, through a competitive process, OCTA has issued four calls (June 2013, June 2016, June 2018, and April 2020), which have awarded 35 projects and ten planning studies totaling approximately \$52 million. Out of the 35 projects, 16 are currently active, 13 have been cancelled (primarily due to low ridership), three have not yet initiated service due to delays caused by COVID-19, and three have been completed.

With the commencement of the 2022 summer season, all ten seasonal summer services are operational and available to the public at regular service levels. This includes the newest Project V service, the Laguna Niguel Summer Trolley, which recently debuted at the end of May 2022. During the quarter, ridership and engagement from the public in utilizing seasonal transit options continued to trend positively. As a result, services such as the Dana Point Summer Trolley restored operations to pre-pandemic service levels and the Laguna Beach Summer Breeze augmented its schedule to provide additional weekend service offerings.

On January 25, 2021, the Board approved changes to the Project V program guidelines to better support these key community services in a post-COVID-19 environment. Key revisions included modifying minimum performance standards and allowing for escalation in the subsidy per boarding and annual fiscal year funding caps. Staff continued to work with local jurisdictions to update existing cooperative agreements to incorporate these programmatic changes.

## TRANSIT

OCTA receives ridership reports from local agencies on a regular basis to monitor the success of these services against performance measures adopted by the Board. Currently, most of these services are generally meeting the January 2021 modified performance metrics. The most recent Project V ridership report was presented to the Transit Committee on July 14, 2022, and to the Board on July 25, 2022. Lessons learned from the success of implemented services are incorporated into recommendations for future funding guidelines and programming recommendations. The next Project V ridership report is anticipated to be presented to the Board in January 2023. Staff is analyzing revenues for future calls and is currently assessing the timing of the next Project V call.

### PROJECT W

## SAFE TRANSIT STOPS

**Status:** City-Initiated Improvements Underway or Completed

**Contact:** Charvalen Alacar, Planning • (714) 560-5401

**Summary:** This program provides funding for passenger amenities at the busiest transit stops across Orange County. Stop improvements are designed to ease transfers between bus lines and provide passenger amenities such as the installation of bus benches or seating, shelters, and lighting.

To date, through a competitive process, OCTA has issued three calls (July 2014, October 2018, and April 2020), which have awarded just over \$3.1 million to support improvements at 122 locations. During the quarter, construction on seven transit stops were completed, which allowed approximately 53,000 passengers to experience new amenities such as added benches, lighting, solar powered roofs, and sidewalk improvements. Of the 122 projects, 56 have been completed, 56 are in various stages of implementation, and ten have been cancelled. Staff is reviewing M2 revenues and assessing the appropriate timing for the next call.

## ENVIRONMENTAL

### PROJECT X

## CLEAN UP HIGHWAY AND STREET RUNOFF THAT POLLUTES BEACHES

**Project:** Environmental Cleanup Program

**Status:** 12th Tier 1 Call Applications Under Review

**Contact:** Dan Phu, Planning • (714) 560-5907

**Summary:** This program implements street and highway-related water quality improvement programs and projects that assist agencies countywide with federal Clean Water Act standards for urban runoff. It is intended to augment, not replace, existing transportation-related water quality expenditures and to emphasize high-impact capital improvements over local operations and maintenance costs. The ECAC is charged with making recommendations to the Board on the allocation of funds. These funds are allocated on a countywide, competitive basis to assist agencies in meeting the Clean Water Act standards for controlling transportation related pollution.

The ECP is composed of a two-tiered funding process focusing on early priorities (Tier 1), and a second program designed to prepare for more comprehensive capital investments (Tier 2). All Orange County cities plus the County of Orange have received funding under this program. To date, there have been 11 rounds of funding under the Tier 1 grants program.

A total of 199 projects, amounting to more than \$30 million, have been awarded by the Board since 2011. Of the 199 projects, construction on 172 projects has been completed, 16 are in various stages of implementation, and 11 have been cancelled by the awarded agency. On March 14, 2022, the Board approved the release of the 12th Tier 1 call for approximately \$3 million. Applications were received on June 16, 2022, and programming recommendations are anticipated to be presented to the Board in November 2022. Staff estimates that over 45.3 million gallons of trash have been captured as a result of the installation of Tier 1 devices since the inception of the Tier 1 Program in 2011. This is equivalent to filling nearly 105 football fields with one foot deep of trash. Over time, the volume of trash captured is expected to increase.

In addition, there have been two rounds of funding under the Tier 2 grants program. A total of 22 projects in the amount of \$27.89 million have been awarded by the Board since 2013. Of the 22 projects, construction on 18 projects have been completed and four projects have been cancelled by the awarded agency. It is estimated that Tier 2-funded projects, once fully functional, will have an annual groundwater recharge potential of approximately 157 million gallons of water from infiltration or through pumped and treated recharge facilities. The appropriate timing of the next Tier 2 call is being assessed and will be determined by funding availability as well as the number of viable projects from eligible agencies.



## ENVIRONMENTAL

### FREEWAY MITIGATION

**Segment:** Environmental Mitigation Program

**Status:** Biological Permits Issued and Conservation Plan in Place

**Contact:** Dan Phu, Planning • (714) 560-5907

**Summary:** Working in collaboration with the United States Fish and Wildlife Service and the California Department of Fish and Wildlife (Wildlife Agencies), this program allocates funds to acquire land and fund habitat restoration projects to offset the environmental impacts of M2 freeway projects. In June 2017, OCTA received biological resource permits after completing a state and federal Conservation Plan. This Conservation Plan commits to protecting the natural habitat and wildlife on OCTA's Preserves, funding multiple habitat restoration projects, and minimizing impacts to resources during construction of M2 freeway projects - allowing streamlined project approvals for the M2 freeway projects with little additional coordination from the Wildlife Agencies. This program represents the culmination of years of collaboration and support by the Board, environmental community, and Wildlife Agencies. The OCTA Conservation Plan is unique, as it is only the second state/federal conservation plan approved in Orange County.

The Conservation Plan also includes a streamlined process for coordination for streambed alteration agreements for portions of freeway projects that cross through streams and riverbeds. In 2017, the United States Army Corps of Engineers (Corps) issued a programmatic permit to OCTA and Caltrans (as owner/operator of the state highway system). The State Board provided a letter to OCTA in 2018, which further secured assurances related to advanced mitigation and freeway project permit issuance. These efforts are the result of years of collaboration between OCTA, the Corps, and the State Board, and constitute another groundbreaking milestone for the M2 EMP.

To date, the Board has approved the acquisition of seven properties (Preserves) totaling 1,300 acres and 12 restoration projects totaling 350 acres. The restoration project plans have been approved by the Wildlife Agencies and are currently at various stages of implementation. To date, four restoration projects have been completed and have been approved by the Wildlife Agencies. The Board authorized \$42 million (inclusive of setting aside funds for long-term land management) for property acquisitions, \$10.5 million to fund habitat restoration activities, and \$2.5 million for conservation plan development and program support, for a total of approximately \$55 million.

As part of the Conservation Plan requirement, an endowment has been established to pay for the long-term management of the Preserves. The most recent Board-adopted 2021 Next 10 Plan confirms that OCTA will be able to continue endowment deposits of \$2.9 million annually. The seventh endowment deposit was made in July 2022. Quarterly investment reports are provided to the Board, with the most recent one in December 2022. As of September 30, 2022, the endowment balance was \$21,276,964, which is below the FY 2022-23 target of \$24,015,673. Current projections indicate that OCTA still remains on track to meet the endowment target of \$46.2 million in FY 2027-28; however, the performance of the endowment fund may affect the timeframe. The next report is anticipated to be presented to the Board in February 2022.

Staff will continue to oversee and provide endowment updates to the Finance and Administration (F&A) Committee and the Environmental Oversight Committee (EOC) on a regular basis. Resource management plans (RMP) for the Preserves were finalized in 2018. These RMPs guide the management of the



## ENVIRONMENTAL

Preserves as outlined within the Conservation Plan. The RMPs will be reviewed and updated as necessary, approximately every five years. Staff will continue to oversee and manage the Preserves until a long-term manager(s) is established.

As required by the Conservation Plan, OCTA is developing fire management plans (FMP) for the Preserves. Each Preserve will have its own separate FMP. These FMPs will provide guidelines for decision-making at all stages, including fire prevention, pre-fire vegetation management, suppression activities, and post-fire responses that are compatible with conservation and stewardship responsibilities. All seven of the FMPs have been drafted and are currently being reviewed by the Wildlife Agencies. It is anticipated that the FMPs will be complete by the end of 2022. Once complete, they will be shared with the EOC and posted on OCTA's website.

Conservation Plan reports are completed annually. These reports include the tracking of impacts associated with covered freeway improvement projects, other management and monitoring activities on Preserves, status and activities, the progress of the restoration projects, plan administration, and public outreach activities. Annual reports are reviewed and must be approved by the Wildlife Agencies. In summary, the annual reports to date document that OCTA's activities through 2021 were in compliance and on target with the Conservation Plan commitments. Some of the notable activities in 2021 include: ongoing construction of two freeway projects, completion of one restoration project, continued management of the Preserves, and the ongoing effort to complete the FMPs. The Wildlife Agencies recently approved this report which is now available on the OCTA website at [www.octa.net/Environmental](http://www.octa.net/Environmental). The 2021 annual report is anticipated to be shared with the Board in December 2022. OCTA will continue with its efforts to complete the required objectives on time.

To date, multiple freeway projects have utilized the Conservation Plan and/or the Clean Water Act's streamlined permitting process. Some of the projects that benefit from these mechanisms include: Project C (I-5 from SR-73 to El Toro Road), Project I (SR-91 from SR-55 to Lakeview Avenue), Project K (I-405 from SR-73 to I-605), and Project M (I-605, Katella Avenue Interchange). If these mechanisms were not in place, it is anticipated that these projects would incur an additional \$700,000 to \$2.5 million (in 2018 dollars) in mitigation-related costs and unknown schedule risks. Furthermore, a strong partnership has been forged through collaboration with the environmental community.

Docent-led hikes and equestrian ride tours are offered throughout the year at various OCTA Preserves. During the quarter, OCTA hosted two highly participated docent-led hikes and two equestrian rides at various Preserves. The 2022 schedule is available on the M2 website at [www.PreservingOurLegacy.org](http://www.PreservingOurLegacy.org). The 2023 schedule is being developed and will be available soon on the M2 website.

As part of the safeguards in place for the M2 Program, a 12-member EOC makes recommendations on the allocation of environmental freeway mitigation funds and monitors the implementation of the Conservation Plan between OCTA and state and federal Wildlife Agencies. The EOC has led efforts with policy recommendations to the Board and has operated in an open and transparent manner which has garnered the trust of stakeholders, ranging from the environmental community to the recreational community to Orange County citizens. See the map of Preserves and funded restoration properties on the following page.





# PROGRAM MANAGEMENT

## PROGRAM MANAGEMENT OFFICE

**Contact:** Francesca Ching, PMO Manager • (714) 560-5625

The M2 PMO provides inter-divisional coordination for all Measure M-related projects and programs. To ensure agency-wide compliance, the PMO holds a bimonthly committee meeting comprised of executive directors and key staff from each of the divisions, who meet to review significant issues and activities within the M2 programs. This quarter, the focus of the PMO has been on several major items, including the following:

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### Market Conditions Forecast and Risk Analysis

On September 11, 2017, the Board was presented with a Next 10 Plan Market Conditions Forecast and Risk Analysis Report conducted by Dr. Wallace Walrod and Dr. Marlon Boarnet. The consultant's analysis identified strong potential for OCTA to experience an increasing cost environment during the Next 10 Plan delivery years. This, coupled with a reduction in revenue, could present the potential for significant challenges in the delivery of M2 and the Next 10 Plan.

The Board directed staff to continue to work with the consultant team to monitor and track key early warning indicators and provide the Board with updates in a timeline consistent with updates on the M2 sales tax revenue forecast. The consultant team continues to analyze trends in material costs, labor costs, and general economic conditions to determine a range of potential cost impacts providing insight on OCTA's capital program twice a year.

During the quarter, the consultant team completed the 2022 fall update of the forecasting model. The report suggests that OCTA will continue to experience a high inflation cost environment (ranging from six percent to 11 percent) in 2023 and 2024. The forecast for 2025 drops to a range of one percent to two percent due to the anticipated tempering of economic conditions. Major drivers for the increasing cost environment in the near-term include low unemployment rates coupled with high inflation rates, which could result in rising labor and the cost of materials. Despite the Federal Reserve raising interest rates to curb inflation, the national and regional labor market remains strong. In the most recent data, some material prices saw large increase, specifically, Portland Cement Concrete pavement, aggregate base, and steel bar. Staff will continue to monitor market conditions and effects on the Next 10 Plan and provide updates to the Board as appropriate.

### Next 10 Delivery Plan

On November 14, 2016, the Board adopted the Next 10 Plan, which provides guidance on the delivery of M2 projects and programs between FY 2016-17 and FY 2025-26. With four years of the Next 10 Plan completed to date, on December 14, 2020, the Board approved to shift the timeframe from four years to FY 2020-21 through FY 2029-30. The PMO monitors progress on the ten deliverables identified in the Next 10 Plan and provides status updates.



## PROGRAM MANAGEMENT

Annually, OCTA reviews the Next 10 Plan and M2 program assumptions based on changes to the revenue forecast and updated project cost and schedules. The 2021 Next 10 Plan incorporates the updated forecast of \$13.2 billion and was presented to the Board on December 13, 2021. Prudent financial decisions to date result in a delivery plan that continues to fulfill OCTA’s commitment to the voters in Orange County. The 2022 review is currently underway and is anticipated to be presented to the Board in late 2022.

### M2 Performance Assessment

The M2 Ordinance includes a requirement for a performance assessment to be conducted at least once every three years to evaluate OCTA’s efficiency and effectiveness in the delivery of M2 as committed to the voters. Four performance assessments have been completed covering FY 2006-07 through FY 2008-09, FY 2009-10 through FY 2011-12, FY 2012-13 through FY 2014-15, and FY 2015-16 through FY 2017-18. Findings and recommendations are implemented as appropriate. The fifth assessment began in July 2021 and covers the period between July 1, 2018, and June 30, 2021. The consultant team presented the final report to the Executive Committee on April 4, 2022, and the Board on April 25, 2022. The consultant’s report reflected a positive assessment of OCTA’s efficiency and effectiveness in the delivery of M2 projects and programs. While there were no significant findings, four recommendations for enhancements were made: planning for the long-term management of the Preserves, two regarding cybersecurity practices, and suggestions to better assess OC Go awareness. Actions to address these recommendations are underway and are anticipated to be completed by the end of FY 2022-23.

### M2 Ordinance Tracking Matrix

The M2 Ordinance includes numerous requirements that staff must follow to keep the commitment to Orange County voters through the passage of M2. The PMO annually updates the M2 Ordinance Tracking Matrix to verify that OCTA complies with all requirements detailed in the M2 Ordinance. The 2021 tracking matrix was finalized and shared with the Taxpayer Oversight Committee (TOC) on April 12, 2022. This document is for PMO tracking purposes but is also helpful to TOC members during their annual compliance finding. The tracking matrix update for 2022 is anticipated to begin next quarter.

### PMO M2 Tracking Tools

The PMO has developed several tracking tools to assist in reporting consistency and increased transparency of the M2 program. See the following for a brief explanation of PMO M2 tracking tools and their current status:

#### Local Jurisdiction Fact Sheets

Fact sheets have been created for the County of Orange and each of Orange County’s 34 cities. The city fact sheets provide data on transportation and transit projects (funded through M2, state, and federal grants) in a format that emphasizes key points concisely on a single printed page. The city fact sheets are utilized when speaking with the jurisdictions to provide a summary overview of how OCTA has provided the local agency with funding (M2 and other) and transportation improvements. This quarter, the update of the city fact sheets through September 2022 was completed. The update incorporated the 2021 ECP Tier 1 projects approved by the Board on August 9, 2021, the biannual project updates from the semi-annual reviews, the 2022 RCP and RTSSP projects approved by the Board on May 9, 2022, and programming updates.



## PROGRAM MANAGEMENT

### Engineer's Estimate versus Bids Tracking

The estimate versus bid tracking process allows the PMO to monitor the bidding environment for capital projects in the M2 Program. Capital projects that were planned for and began construction early in the M2 Program have shown cost savings due to a favorable bidding environment during the recession. For these earlier M2 projects, savings can be primarily traced back to construction costs.

Highway project constructions bids in the region are reflecting a variable market with a high number of bidders, but recent market conditions analyses have indicated that OCTA will experience an increasing cost environment related to increased demand for construction services, lack of labor resources, and increased construction material costs. It should be noted that the engineer's estimate is based on several factors – such as bidding history and historical and current market rates (materials, labor, equipment, etc.) – and adjusted accordingly for the project's conditions. Because the estimate uses prior information, there may be a lag between an uptick or a downtick in the market. Staff will continue to track the construction market and update the spreadsheet as appropriate.

### **M2 Administrative Safeguards**

M2 includes a one percent cap on administrative expenses for salaries and benefits of OCTA administrative staff on an annual basis. In a legal opinion on M2, it was determined that in years where administrative salaries and benefits are above one percent, only one percent can be allocated with the difference borrowed from other non-M2 fund sources. Conversely, in years where administrative salaries and benefits are below one percent, OCTA can still allocate the full one percent for administrative salaries and benefits but may use the unused portion to repay the amount borrowed from prior years in which administrative salaries and benefits were above one percent.

Based on the original M2 revenue projections, OCTA expected to receive \$24.3 billion in M2 funds, with one percent of total revenues available to fund administrative salaries and benefits over the life of the program. As M2 revenue projections declined (currently \$15 billion or 38 percent lower) because of economic conditions, the funds available to support administrative salaries and benefits have also declined from the original expectations. While revenue has declined, the administrative effort needed to deliver M2 remains the same. Additionally, the initiation of the Early Action Plan (EAP) in 2007 required administrative functions four years prior to revenue collection. While the EAP resulted in project savings and significant acceleration of the program, administrative functions were required during this time with associated administrative costs.

As a result of the aforementioned factors, OCTA has incurred higher than one percent administrative costs. OCTA currently has Board approval to use funds from the Orange County Unified Transportation Trust (OCUTT) fund to cover costs above the one percent, with the understanding that those funds will be repaid with interest in future years that OCTA administrative costs fall below the one percent cap. As of June 30, 2012, OCTA has borrowed approximately \$5.2 million from OCUTT. Over the last few years, OCTA has experienced underruns in the one percent administration cap and has made payments to OCUTT to reduce the outstanding balance. As of September 30, 2021, the principal and accrued interest balances have been paid off.

Staff meets quarterly to review all labor costs to ensure costs attributed to the one percent cap are accurately reported and that there are no misplaced project-related costs.



## PROGRAM MANAGEMENT

### Taxpayer Oversight Committee

The M2 Ordinance requires a TOC to oversee compliance with the M2 Ordinance. With the exception of the elected Auditor Controller of Orange County, who is identified as the chair in the M2 Ordinance, all other members cannot be elected or appointed officials. Members are recruited and screened for expertise and experience independently by the Grand Jurors Association of Orange County and are selected from the qualified pool by lottery. The TOC is scheduled to meet every other month. The responsibilities of the 11-member M2 TOC are to:

- Approve, by a vote of no less than two-thirds of all committee members, any amendments to the Plan proposed by OCTA which changes funding categories, programs, or projects identified on page 31 of the Plan
- Receive and review the following documents submitted by each eligible jurisdiction:
  - Congestion Management Program
  - Mitigation Fee Program
  - Expenditure Report
  - Local Traffic Signal Synchronization Plan
  - Pavement Management Plan
- Review yearly audits and hold an annual public hearing to determine whether OCTA is proceeding in accordance with the Plan
- The Chair shall annually certify whether M2 funds have been spent in compliance with the Plan
- Receive and review the triennial performance assessments of the Orange County Local Transportation Authority to assess the performance of OCTA in carrying out the purposes of the Ordinance

At the August 9, 2022 meeting, the TOC received presentations on the OC Streetcar Project, CTFP semi-annual review, OCTA's Investment Policy, SR-55 Improvement Project, and an update on the I-405 Improvement Project.

Two subcommittees assist the TOC with their safeguard responsibilities: the Annual Eligibility Review (AER) Subcommittee and the Audit Subcommittee. The AER Subcommittee meets a few times per year, as needed, to receive and review the following documents submitted by local jurisdictions to be deemed eligible to receive M2 funding: Congestion Management Program, Mitigation Fee Program, Local Signal Synchronization Plan, Pavement Management Plan, and an Expenditure Report. The AER Subcommittee met on September 27, 2022, to select the new AER Subcommittee chair, received an overview on M2 Eligibility, and affirmed receipt and review of the Pavement Management Plan. The Audit Subcommittee meets as needed and is responsible for reviewing the quarterly M2 Revenue and Expenditure Reports and the Annual M2 Audit, as well as any other items related to M2 audits.



## PROGRAM MANAGEMENT

### M2 FINANCING AND SCHEDULE OF FUNDING

**Contact:** Sam Kaur, Revenue and Grants • (714) 560-5889

#### **Revenue Forecast and Collection**

OCTA contracts with three universities (Chapman University; University of California, Fullerton; and California State University, Los Angeles) to provide a long-range forecast of taxable sales to forecast M2 revenues for purposes of planning projects and program expenditures.

In the past, OCTA averaged the three university taxable sales projections to develop a long-range forecast of M2 taxable sales. On March 28, 2016, the Board approved a new sales tax forecast methodology as part of the FY 2016-17 budget development process. This methodology includes a more conservative approach by utilizing the MuniServices, LLC forecast for the first five years and the three-university average for the remaining years.

MuniServices, LLC and Chapman University presented their sales tax forecast to the Finance and Administration (F&A) Committee in May and June 2022, respectively. During the quarter, the F&A Committee received sale tax forecast presentations from California State University, Fullerton on July 13, 2022, followed by University of California, Los Angeles on July 27, 2022.

Revenue forecast information is updated quarterly based on the actual revenues received for the previous quarter. As required by law, OCTA pays the California Department of Tax and Fee Administration a fee to collect the sales tax. The M2 Ordinance estimated this fee to be 1.5 percent of the revenues collected over the life of the program.

#### **Current Forecast**

Original projections in 2005 during the development of M2 estimated total nominal M2 sales tax collections at \$24.3 billion. OCTA received final sales tax receipts for FY 2021-22 in August 2022 and presented the 2022 M2 sales tax forecast update to the Board on September 26, 2022. The current revised total nominal sales tax collections over the life of M2 is estimated to be approximately \$15 billion, which represents a year-over-year increase of \$1.8 billion in forecasted sales tax when compared to last year's forecast.

The increase provides a positive outlook on the M2 Program. While the economy continues to improve, there are other variables that must be continuously monitored including COVID-19 variants, gas prices, inflation, interest rates, supply chains, and the impacts from the Ukraine war. Staff will continue to monitor the short- and long-term impacts of these variables on M2 sales tax revenues.

Based on sales tax forecast information provided by MuniServices, LLC, the budgeted growth rate is 3.9 percent for FY 2022-23. The next updated forecast is anticipated to be presented to the Board in fall 2023.

# FINANCING

## Schedule of Revenues, Expenditures and Changes in Fund Balance as of September 30, 2022 (Unaudited) Schedule 1

(\$ in thousands)	Quarter Ended Sept 30, 2022	Year to Date Sept 30, 2022 (A)	Period from Inception to Sept 30, 2022 (B)
<b>Revenues:</b>			
Sales taxes	\$ 112,898	\$ 112,898	\$ 3,614,831
Other agencies' share of Measure M2 costs:			
Project related	7,246	7,246	797,808
Non-project related	-	-	453
Interest:			
Operating:			
Project related	257	257	3,757
Non-project related	1,338	1,338	71,406
Bond proceeds	-	-	87,219
Debt service	54	54	1,141
Commercial paper	-	-	395
Capital grants	-	-	-
Right-of-way leases	65	65	1,548
Proceeds on sale of assets held for resale	-	-	13,428
Donated assets held for resale			
Project related	-	-	2,071
Non-project related	-	-	-
Miscellaneous:			
Project related	-	-	331
Non-project related	-	-	130
<b>Total revenues</b>	<b>121,858</b>	<b>121,858</b>	<b>4,594,518</b>
<b>Expenditures:</b>			
Supplies and services:			
Sales tax administration fees	839	839	36,220
Professional services:			
Project related	4,569	4,569	492,390
Non-project related	3	3	36,052
Administration costs:			
Project related	2,811	2,811	108,056
Non-project related:			
Salaries and Benefits	1,068	1,068	36,862
Other	1,663	1,663	62,263
Other:			
Project related	15	15	5,856
Non-project related	22	22	5,310
Payments to local agencies:			
Project related	16,530	16,530	1,249,979
Non-project related	-	-	-
Capital outlay:			
Project related	(17,042)	(17,042)	1,960,208
Non-project related	-	-	32
Debt service:			
Principal payments on long-term debt	-	-	75,550
Interest on long-term debt and commercial paper	17,474	17,474	302,101
<b>Total expenditures</b>	<b>27,952</b>	<b>27,952</b>	<b>4,370,879</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>93,906</b>	<b>93,906</b>	<b>223,639</b>
<b>Other financing sources (uses):</b>			
Transfers out:			
Project related	(8,050)	(8,050)	(453,967)
Non-project related	-	-	-
Transfers in:			
Project related	521	521	337,189
Non-project related	-	-	-
Bond proceeds	-	-	804,625
Payment to refunded bond escrow agent	-	-	(45,062)
<b>Total other financing sources (uses)</b>	<b>(7,529)</b>	<b>(7,529)</b>	<b>642,785</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses)</b>	<b>\$ 86,377</b>	<b>\$ 86,377</b>	<b>\$ 866,424</b>

# FINANCING

## Schedule of Revenues, Expenditures and Changes in Fund Balance as of September 30, 2022 (Unaudited) Schedule 2

(\$ in thousands)	Quarter Ended Sept 30, 2022 (actual)	Year to Date Sept 30, 2022 (actual)	Period from Inception through Sept 30, 2022 (actual)	Period from October 1, 2022 through March 31, 2041 (forecast)	Total
	(C.1)	(C.1)	(D.1)	(E.1)	(F.1)
<b>Revenues:</b>					
Sales taxes	\$ 112,898	\$ 112,898	\$ 3,614,831	\$ 11,431,307	\$ 15,046,138
Operating interest	1,338	1,338	71,406	445,693	517,099
Subtotal	<u>114,236</u>	<u>114,236</u>	<u>3,686,237</u>	<u>11,877,000</u>	<u>15,563,237</u>
Other agencies share of M2 costs	-	-	453	-	453
Miscellaneous	-	-	130	-	130
Total revenues	<u>114,236</u>	<u>114,236</u>	<u>3,686,820</u>	<u>11,877,000</u>	<u>15,563,820</u>
<b>Administrative expenditures:</b>					
Sales tax administration fees	839	839	36,220	100,708	136,928
Professional services	3	3	32,277	105,355	137,632
Administration costs:					
Salaries and Benefits	1,068	1,068	36,862	117,279	154,141
Other	1,663	1,663	62,263	197,816	260,079
Other	22	22	2,290	7,403	9,693
Capital outlay	-	-	32	-	32
Environmental cleanup	117	117	48,076	228,590	276,666
Total expenditures	<u>3,712</u>	<u>3,712</u>	<u>218,020</u>	<u>757,151</u>	<u>975,171</u>
Net revenues	<u>\$ 110,524</u>	<u>\$ 110,524</u>	<u>\$ 3,468,800</u>	<u>\$ 11,119,849</u>	<u>\$ 14,588,649</u>
		(C.2)	(D.2)	(E.2)	(F.2)
<b>Bond revenues:</b>					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 804,625	\$ -	\$ 804,625
Interest revenue from bond proceeds	-	-	87,219	66,278	153,497
Interest revenue from debt service funds	54	54	1,141	3,250	4,391
Interest revenue from commercial paper	-	-	395	-	395
Total bond revenues	<u>54</u>	<u>54</u>	<u>893,380</u>	<u>69,528</u>	<u>962,908</u>
<b>Financing expenditures and uses:</b>					
Professional services	-	-	3,775	-	3,775
Payment to refunded bond escrow	-	-	45,062	-	45,062
Bond debt principal	-	-	75,550	804,486	880,036
Bond debt and other interest expense	17,474	17,474	302,101	458,584	760,685
Other	-	-	3,020	-	3,020
Total financing expenditures and uses	<u>17,474</u>	<u>17,474</u>	<u>429,508</u>	<u>1,263,070</u>	<u>1,692,578</u>
Net bond revenues (debt service)	<u>\$ (17,420)</u>	<u>\$ (17,420)</u>	<u>\$ 463,872</u>	<u>\$ (1,193,542)</u>	<u>\$ (729,670)</u>

# FINANCING

## Schedule of Revenues, Expenditures and Changes in Fund Balance as of September 30, 2022 (Unaudited) Schedule 3

Project	Description	Net Revenues through Sept 30, 2022	Total Net Revenues
(G)		(H)	(I)
(\$ in thousands)			
<b>Freeways (43% of Net Revenues)</b>			
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 136,723	\$ 575,013
B	I-5 Santa Ana/SR-55 to El Toro	87,328	367,275
C	I-5 San Diego/South of El Toro	182,395	767,092
D	I-5 Santa Ana/San Diego Interchange Upgrades	75,052	315,646
E	SR-22 Garden Grove Freeway Access Improvements	34,908	146,812
F	SR-55 Costa Mesa Freeway Improvements	106,470	447,776
G	SR-57 Orange Freeway Improvements	75,256	316,502
H	SR-91 Improvements from I-5 to SR-57	40,726	171,281
I	SR-91 Improvements from SR-57 to SR-55	121,160	509,560
J	SR-91 Improvements from SR-55 to County Line	102,455	430,893
K	I-405 Improvements between I-605 to SR-55	312,078	1,312,498
L	I-405 Improvements between SR-55 to I-5	93,001	391,131
M	I-605 Freeway Access Improvements	5,818	24,469
N	All Freeway Service Patrol	43,635	183,515
	Freeway Mitigation	74,579	313,656
	Subtotal Projects	1,491,584	6,273,119
	Net (Bond Revenue)/Debt Service	-	-
	<b>Total Freeways</b>	<b>\$ 1,491,584</b>	<b>\$ 6,273,119</b>
	%		
<b>Street and Roads Projects (32% of Net Revenues)</b>			
O	Regional Capacity Program	\$ 346,884	\$ 1,458,883
P	Regional Traffic Signal Synchronization Program	138,748	583,528
Q	Local Fair Share Program	624,384	2,625,957
	Subtotal Projects	1,110,016	4,668,368
	Net (Bond Revenue)/Debt Service	-	-
	<b>Total Street and Roads Projects</b>	<b>\$ 1,110,016</b>	<b>\$ 4,668,368</b>
	%		

# FINANCING

## Schedule of Revenues, Expenditures and Changes in Fund Balance as of September 30, 2022 (Unaudited) Schedule 3

Expenditures through Sept 30, 2022 (J)	Reimbursements through Sept 30, 2022 (K)	Net M2 Cost (L)
10,907	\$ 8,786	\$ 2,121
20,079	11,947	8,132
299,427	52,240	247,187
2,778	527	2,251
5	-	5
65,120	25,645	39,475
52,142	12,434	39,708
34,959	824	34,135
46,205	43,016	3,189
18,250	16,723	1,527
1,278,326	284,516	993,810
9,205	6,954	2,251
4,829	16	4,813
6,253	-	6,253
59,157	4,592	54,565
<u>1,907,642</u>	<u>468,220</u>	<u>1,439,422</u>
151,106	-	151,106
<u>2,058,748</u>	<u>\$ 468,220</u>	<u>\$ 1,590,528</u>
		48.4%
802,474	\$ 507,884	\$ 294,590
98,143	15,975	82,168
603,161	77	603,084
<u>1,503,778</u>	<u>523,936</u>	<u>979,842</u>
44,274	-	44,274
<u>1,548,052</u>	<u>\$ 523,936</u>	<u>\$ 1,024,116</u>
		31.2%

# FINANCING

## Schedule of Revenues, Expenditures and Changes in Fund Balance as of September 30, 2022 (Unaudited) Schedule 3

Project	Description	Net Revenues through Sept 30, 2022	Total Net Revenues
(G)		(H)	(I)
<b>Transit Projects (25% of Net Revenues)</b>			
R	High Frequency Metrolink Service	\$ 333,373	\$ 1,455,001
S	Transit Extensions to Metrolink	306,215	1,287,840
T	Metrolink Gateways	36,085	74,566
U	Expand Mobility Choices for Seniors and Persons with Disabilities	114,514	505,863
V	Community Based Transit/Circulators	69,358	291,696
W	Safe Transit Stops	7,655	32,196
	Subtotal Projects	867,200	3,647,162
	Net (Bond Revenue)/Debt Service	-	-
	<b>Total Transit Projects</b>	<b>\$ 867,200</b>	<b>\$ 3,647,162</b>
	%		
	<b>Measure M2 Program</b>	<b>\$ 3,468,800</b>	<b>\$ 14,588,649</b>
<b>Environmental Cleanup (2% of Revenues)</b>			
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 73,725	\$ 311,265
	Net (Bond Revenue)/Debt Service	-	-
	<b>Total Environmental Cleanup</b>	<b>\$ 73,725</b>	<b>\$ 311,265</b>
	%		
<b>Taxpayer Safeguards and Audits</b>			
	Collect Sales Taxes (1.5% of Sales Taxes)	\$ 54,222	\$ 225,692
	%		
	Oversight and Annual Audits (1% of Revenues)	\$ 36,862	\$ 155,632
	%		

# FINANCING

## Schedule of Revenues, Expenditures and Changes in Fund Balance as of September 30, 2022 (Unaudited) Schedule 3

Expenditures through Sept 30, 2022 (J)	Reimbursements through Sept 30, 2022 (K)	Net M2 Cost (L)
430,918	\$ 98,896	\$ 332,022
154,269	2,133	152,136
98,220	60,956	37,264
110,412	88	110,324
15,969	1,537	14,432
1,172	26	1,146
810,960	163,636	647,324
24,761	-	24,761
835,721	\$ 163,636	\$ 672,085
		20.4%
<u>4,442,521</u>	<u>\$ 1,155,792</u>	<u>\$ 3,286,729</u>
48,076	\$ 311	\$ 47,765
-	-	-
48,076	\$ 311	\$ 47,765
		1.3%
36,220	\$ -	\$ 36,220
		1.0%
36,862	\$ -	\$ 36,862
		1.0%

LOCAL FAIR SHARE

M2 Funds		
ENTITY	1ST QUARTER FY 2022-23	FUNDS TO DATE
ALISO VIEJO	\$169,430	\$7,461,807
ANAHEIM	\$1,453,537	\$62,501,165
BREA	\$243,471	\$10,713,887
BUENA PARK	\$387,444	\$16,655,962
COSTA MESA	\$637,708	\$27,359,810
CYPRESS	\$219,397	\$9,871,832
DANA POINT	\$145,678	\$6,276,663
FOUNTAIN VALLEY	\$267,885	\$11,624,316
FULLERTON	\$573,491	\$24,447,554
GARDEN GROVE	\$640,177	\$27,959,828
HUNTINGTON BEACH	\$843,092	\$36,576,443
IRVINE	\$1,313,746	\$51,679,059
LAGUNA BEACH	\$107,633	\$4,749,370
LAGUNA HILLS	\$143,914	\$6,371,153
LAGUNA NIGUEL	\$283,522	\$12,489,148
LAGUNA WOODS	\$57,265	\$2,386,352
LA HABRA	\$231,213	\$9,944,215
LAKE FOREST	\$355,671	\$14,980,279

## LOCAL FAIR SHARE

M2 Funds		
ENTITY	1ST QUARTER FY 2022-23	FUNDS TO DATE
LA PALMA	\$60,314	\$2,973,541
LOS ALAMITOS	\$55,848	\$2,432,387
MISSION VIEJO	\$386,790	\$17,428,127
NEWPORT BEACH	\$466,367	\$20,632,060
ORANGE	\$715,685	\$31,074,971
PLACENTIA	\$203,766	\$8,675,631
RANCHO SANTA MARGARITA	\$180,527	\$7,948,984
SAN CLEMENTE	\$249,636	\$10,643,960
SAN JUAN CAPISTRANO	\$166,936	\$7,144,965
SANTA ANA	\$1,146,885	\$52,154,374
SEAL BEACH	\$102,718	\$4,637,601
STANTON	\$129,575	\$5,615,864
TUSTIN	\$399,692	\$16,910,012
VILLA PARK	\$22,535	\$979,417
WESTMINSTER	\$359,255	\$16,003,690
YORBA LINDA	\$260,929	\$11,344,062
COUNTY UNINCORPORATED	\$1,063,509	\$37,718,686
<b>TOTAL M2 FUNDS</b>	<b>\$14,045,243</b>	<b>\$598,367,173</b>

# CAPITAL ACTION PLAN

Grey = Milestone achieved

Green = Forecast milestone meets or exceeds plan

Yellow = Forecast milestone is one to three months later than plan

Red = Forecast milestone is over three months later than plan

Non-bolded = Planned/Baseline

**Bold = Forecasted/Actual**

Capital Projects	Cost		Schedule		
	Baseline/Forecast		Plan/Forecast		
	(millions)	Complete Environmental	Complete Design	Award Contract	Complete Construction
<b>Freeway Projects:</b>					
I-5, SR-55 to SR-57	\$38.1	Jun-13	Mar-17	Dec-17	Apr-21
Project A	\$38.9	<b>Apr-15</b>	<b>Jun-17</b>	<b>Nov-18</b>	<b>Jan-21</b>
I-5, I-405 to Yale Avenue	\$230.5	Aug-18	May-24	Feb-26	Sep-29
Project B	\$230.5	<b>Jan-20</b>	May-24	Feb-26	Sep-29
I-5, Yale Avenue to SR-55	\$200.4	Aug-18	TBD	TBD	TBD
Project B <b>Cost/Schedule Risk</b>	\$200.4	<b>Jan-20</b>	Jan-24	Oct-25	May-29
I-5, Avenida Pico to Avenida Vista Hermosa	\$113.0	Dec-11	Oct-13	Dec-14	Aug-18
Project C	\$83.6	<b>Oct-11</b>	<b>Oct-13</b>	<b>Dec-14</b>	<b>Aug-18</b>
I-5, Avenida Vista Hermosa to Pacific Coast Highway	\$75.6	Dec-11	Feb-13	Dec-13	Mar-17
Project C	\$75.3	<b>Oct-11</b>	<b>May-13</b>	<b>Jun-14</b>	<b>Jul-17</b>
I-5, Pacific Coast Highway to San Juan Creek Road	\$70.7	Dec-11	Jan-13	Oct-13	Sep-16
Project C	\$74.3	<b>Oct-11</b>	<b>Jan-13</b>	<b>Dec-13</b>	<b>Jul-18</b>
I-5, SR-73 to Oso Parkway	\$151.9	Jun-14	Jan-18	Dec-18	Apr-25
Project C & D	\$195.8	<b>May-14</b>	<b>Aug-18</b>	<b>Dec-19</b>	Sep-24
I-5, Oso Parkway to Alicia Parkway	\$196.2	Jun-14	Jun-17	Jun-18	Nov-23
Project C & D	\$203.1	<b>May-14</b>	<b>Dec-17</b>	<b>Mar-19</b>	Sep-24
I-5, Alicia Parkway to El Toro Road	\$133.6	Jun-14	Jun-18	May-19	Oct-24
Project C	\$165.9	<b>May-14</b>	<b>May-19</b>	<b>Sep-20</b>	Oct-24
I-5, SR-73 to El Toro Road (Landscape)	TBD	N/A	TBD	TBD	TBD
Project C	\$12.4	N/A	Sep-24	May-25	Dec-26
I-5, El Toro Road Interchange	TBD	Nov-19	TBD	TBD	TBD
Project D <b>Cost/Schedule Risk</b>	TBD	Dec-24	TBD	TBD	TBD

\*Status through September 2022. For detailed project information, please refer to the individual project section within this report.

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Capital Projects	Cost		Schedule		
	Baseline/Forecast		Plan/Forecast		
	(millions)	Complete Environmental	Complete Design	Award Contract	Complete Construction
I-5, Ortega Highway Interchange	\$90.9	Jun-09	Nov-11	Aug-12	Sep-15
Project D	\$79.8	<b>Jun-09</b>	<b>Dec-11</b>	<b>Aug-12</b>	<b>Jan-16</b>
I-5, Ortega Highway Interchange (Landscape)	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	<b>Oct-14</b>	<b>Sep-15</b>	<b>Sep-16</b>
SR-55, I-405 to I-5	\$410.9	Nov-13	Apr-20	May-22	Feb-27
Project F	<b>Cost/Schedule Risk</b> \$505.7	<b>Aug-17</b>	<b>Apr-20</b>	<b>May-22</b>	<b>Feb-27</b>
SR-55, I-5 to SR-91	\$131.3	Jan-20	TBD	TBD	TBD
Project F	\$131.3	<b>Mar-20</b>	Jul-25	Jul-26	Sep-29
SR-57 (NB), Orangewood Avenue to Katella Avenue	\$71.8	Dec-18	TBD	TBD	TBD
Project G	\$71.8	<b>Mar-19</b>	Jul-24	Jul-25	Feb-28
SR-57 (NB), Katella Avenue to Lincoln Avenue	\$78.7	Jul-09	Nov-10	Aug-11	Sep-14
Project G	\$38.0	<b>Nov-09</b>	<b>Dec-10</b>	<b>Oct-11</b>	<b>Apr-15</b>
SR-57 (NB), Katella Avenue to Lincoln Avenue (Landscape)	N/A	N/A	N/A	N/A	N/A
Project G	N/A	N/A	<b>Jul-10</b>	<b>Sep-17</b>	<b>Jun-18</b>
SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard	\$80.2	Dec-07	Dec-09	Oct-10	May-14
Project G	\$52.3	<b>Dec-07</b>	<b>Jul-09</b>	<b>Oct-10</b>	<b>Nov-14</b>
SR-57 (NB), Yorba Linda Boulevard to Lambert Road	\$79.3	Dec-07	Dec-09	Oct-10	Sep-14
Project G	\$54.1	<b>Dec-07</b>	<b>Jul-09</b>	<b>Oct-10</b>	<b>May-14</b>
SR-57 (NB), Orangethorpe Avenue to Lambert Road (Landscape)	N/A	N/A	N/A	N/A	N/A
Project G	N/A	N/A	<b>Aug-17</b>	<b>Feb-18</b>	<b>Apr-19</b>
SR-57 (NB), Lambert Road to Tonner Canyon Road	TBD	TBD	TBD	TBD	TBD
Project G	TBD	May-28	TBD	TBD	TBD

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**Bold = Forecasted/Actual**

Capital Projects	Cost		Schedule		
	Baseline/Forecast		Plan/Forecast		
	(millions)	Complete Environmental	Complete Design	Award Contract	Complete Construction
SR-91 (WB), I-5 to SR-57	\$78.1	Apr-10	Feb-12	Nov-12	Apr-16
Project H	\$59.2	<b>Jun-10</b>	<b>Apr-12</b>	<b>Jan-13</b>	<b>Jun-16</b>
SR-91 (WB), I-5 to SR-57 (Landscape)	N/A	N/A	N/A	N/A	N/A
Project H	N/A	N/A	<b>Aug-16</b>	<b>Mar-17</b>	<b>Nov-17</b>
SR-91, SR-55 to Lakeview Avenue (Segment 1)	\$100.9	Oct-18	Jan-23	Feb-24	Sep-27
Project I	\$100.9	<b>Jun-20</b>	Jan-23	Feb-24	Sep-27
SR-91, La Palma Avenue to SR-55 (Segment 2)	\$208.4	Oct-18	Jul-23	Jul-24	Mar-28
Project I	\$208.4	<b>Jun-20</b>	Dec-23	Feb-25	Oct-28
SR-91, Acacia Street to La Palma Avenue (Segment 3)	\$116.2	Oct-18	Apr-24	Apr-25	Sep-28
Project I	\$116.2	<b>Jun-20</b>	Apr-24	Apr-25	Sep-28
SR-91 (WB), Tustin Avenue Interchange to SR-55	\$49.9	Jul-11	Mar-13	Oct-13	Jul-16
Project I	\$42.5	<b>May-11</b>	<b>Feb-13</b>	<b>Oct-13</b>	<b>Jul-16</b>
SR-91, SR-55 to SR-241	\$128.4	Jul-09	Jan-11	Sep-11	Dec-12
Project J	\$79.7	<b>Apr-09</b>	<b>Aug-10</b>	<b>May-11</b>	<b>Mar-13</b>
SR-91, SR-55 to SR-241 (Landscape)	N/A	N/A	N/A	N/A	N/A
Project J	N/A	N/A	<b>Feb-13</b>	<b>Oct-13</b>	<b>Feb-15</b>
SR-91 (EB), SR-241 to SR-71	\$104.5	Dec-07	Dec-08	Jul-09	Nov-10
Project J	\$57.8	<b>Dec-07</b>	<b>Dec-08</b>	<b>Aug-09</b>	<b>Jan-11</b>
I-405, SR-73 to I-605 (Design-Build)	\$2,080.2	Mar-13	Nov-15	Nov-16	Feb-24
Project K	\$2,080.2	<b>May-15</b>	<b>Nov-15</b>	<b>Nov-16</b>	Feb-24
I-405, I-5 to SR-55	TBD	Jul-18	TBD	TBD	TBD
Project L	TBD	<b>Aug-18</b>	TBD	TBD	TBD

\*Status through September 2022. For detailed project information, please refer to the individual project section within this report.

# CAPITAL ACTION PLAN

Grey = Milestone achieved

Green = Forecast milestone meets or exceeds plan

Yellow = Forecast milestone is one to three months later than plan

Red = Forecast milestone is over three months later than plan

Non-bolded = Planned/Baseline

**Bold = Forecasted/Actual**

Capital Projects	Cost		Schedule		
	Baseline/Forecast		Plan/Forecast		
	(millions)	Complete Environmental	Complete Design	Award Contract	Complete Construction
I-605, Katella Avenue Interchange	\$29.0	Nov-18	Mar-23	Feb-24	Nov-25
Project M	\$29.0	<b>Oct-18</b>	Apr-23	May-24	Feb-26
<b>Grade Separation Projects:</b>					
Raymond Avenue Railroad Grade Separation	\$77.2	Nov-09	Aug-12	May-13	Aug-18
Project O	\$126.2	<b>Nov-09</b>	<b>Dec-12</b>	<b>Feb-14</b>	<b>May-18</b>
State College Boulevard Railroad Grade Separation	\$73.6	Jan-11	Aug-12	May-13	May-18
Project O	\$99.6	<b>Apr-11</b>	<b>Feb-13</b>	<b>Feb-14</b>	<b>Mar-18</b>
Placentia Avenue Railroad Grade Separation	\$78.2	May-01	Mar-10	Jun-11	Nov-14
Project O	\$64.5	<b>May-01</b>	<b>Jun-10</b>	<b>Jul-11</b>	<b>Dec-14</b>
Kraemer Boulevard Railroad Grade Separation	\$70.4	Sep-09	Jul-10	Aug-11	Oct-14
Project O	\$63.8	<b>Sep-09</b>	<b>Jul-10</b>	<b>Sep-11</b>	<b>Dec-14</b>
Orangethorpe Avenue Railroad Grade Separation	\$117.4	Sep-09	Dec-11	May-12	Sep-16
Project O	\$105.9	<b>Sep-09</b>	<b>Oct-11</b>	<b>Jan-13</b>	<b>Oct-16</b>
Tustin Avenue/Rose Drive Railroad Grade Separation	\$103.0	Sep-09	Dec-11	Aug-12	May-16
Project O	\$96.6	<b>Sep-09</b>	<b>Jul-11</b>	<b>Feb-13</b>	<b>Oct-16</b>
Lakeview Avenue Railroad Grade Separation	\$70.2	Sep-09	Oct-11	May-13	Mar-17
Project O	\$110.7	<b>Sep-09</b>	<b>Jan-13</b>	<b>Nov-13</b>	<b>Jun-17</b>
<b>Rail and Station Projects:</b>					
Sand Canyon Avenue Railroad Grade Separation	\$55.6	Sep-03	Jul-10	Feb-11	May-14
Project R	\$61.9	<b>Sep-03</b>	<b>Jul-10</b>	<b>Feb-11</b>	<b>Jan-16</b>

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# CAPITAL ACTION PLAN

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 Non-bolded = Planned/Baseline      **Bold = Forecasted/Actual**

Capital Projects	Cost		Schedule		
	Baseline/Forecast		Plan/Forecast		
	(millions)	Complete Environmental	Complete Design	Award Contract	Complete Construction
Rail-Highway Grade Crossing Safety Enhancement	\$94.4	Oct-08	Sep-08	Aug-09	Dec-11
Project R	\$90.4	<b>Oct-08</b>	<b>Sep-08</b>	<b>Aug-09</b>	<b>Dec-11</b>
San Clemente Beach Trail Safety Enhancements	\$6.0	Jul-11	Apr-12	Oct-12	Jan-14
Project R	\$5.0	<b>Jul-11</b>	<b>Jun-12</b>	<b>May-13</b>	<b>Mar-14</b>
San Juan Capistrano Passing Siding	\$25.3	Jan-13	May-16	Dec-16	Feb-21
	\$33.2	<b>Mar-14</b>	<b>Aug-18</b>	<b>Mar-19</b>	<b>Nov-20</b>
Anaheim Canyon Station	\$27.9	Dec-16	May-19	Nov-19	Jan-23
	\$34.2	<b>Jun-17</b>	<b>Oct-20</b>	<b>Mar-21</b>	<b>Jan-23</b>
Placentia Metrolink Station and Parking Structure	\$34.8	May-07	Jan-11	TBD	TBD
Project R <b>Cost/Schedule Risk</b>	\$40.1	<b>May-07</b>	<b>Feb-11</b>	TBD	TBD
Orange Station Parking Expansion	\$33.2	Dec-12	Apr-13	Nov-16	Feb-19
	\$30.9	<b>May-16</b>	<b>Apr-16</b>	<b>Jun-17</b>	<b>Feb-19</b>
Fullerton Transportation Center - Elevator Upgrades	\$3.5	N/A	Dec-13	Sep-14	Mar-17
	\$4.2	N/A	<b>Dec-13</b>	<b>Apr-15</b>	<b>May-19</b>
Laguna Niguel/Mission Viejo Station ADA Ramps	\$3.5	Jan-14	Aug-14	Jan-15	Apr-17
	\$5.0	<b>Feb-14</b>	<b>Jul-15</b>	<b>Oct-15</b>	<b>Sep-17</b>
Anaheim Regional Transportation Intermodal Center	\$227.4	Feb-11	Feb-12	Jul-12	Nov-14
Project R & T	\$232.2	<b>Feb-12</b>	<b>May-12</b>	<b>Sep-12</b>	<b>Dec-14</b>
OC Streetcar	\$526.1	Mar-12	Sep-17	Aug-18	Mar-24
Project S <b>Cost/Schedule Risk</b>	\$526.1	<b>Mar-15</b>	<b>Nov-17</b>	<b>Sep-18</b>	<b>Mar-24</b>

\*Status through September 2022. For detailed project information, please refer to the individual project section within this report.

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**COMMON ABBREVIATIONS**

Americans with Disabilities Act	ADA
Anaheim Regional Transportation Intermodal Center	ARTIC
Annual Eligibility Review	AER
Board of Directors	Board
BNSF Railway Company	BNSF
California Department of Transportation	Caltrans
Capital Action Plan	CAP
Comprehensive Transportation Funding Program	CTFP
Conservation Properties	Preserves
Construction and Maintenance	C&M
Coronavirus	COVID-19
Cost Estimate Review	CER
Early Action Plan	EAP
Environmental Cleanup Allocation Committee	ECAC
Environmental Cleanup Program	ECP
Environmental Document	ED
Environmental Mitigation Program	EMP
Environmental Oversight Committee	EOC
Federal Highway Administration	FHWA
Federal Transit Administration	FTA
Finance and Administration	F&A
Fire Management Plan	FMP
First Article Inspection	FAI
Fiscal Year	FY
Freeway Service Patrol	FSP
Full Funding Grant Agreement	FFGA
High Occupancy Vehicle	HOV
Interstate 5	I-5
Interstate 15	I-15
Interstate 405	I-405
Interstate 605	I-605
Local Fair Share	LFS
Los Angeles County Metropolitan Transportation Authority	LA Metro
Maintenance and Storage Facility	MSF
Measure M2 or Renewed Measure M	M2
Metrolink Service Expansion Program	MSEP
Notice to Proceed	NTP
Next 10 Delivery Plan	Next 10 Plan



  
**COMMON ABBREVIATIONS**

Natural Community Conservation Plan/Habitat Conservation Plan	Conservation Plan
Operation and Maintenance	O&M
Orange County Flood Control District	OCFCD
Orange County Transportation Authority	OCTA
Orange County Unified Transportation Trust	OCUTT
Ordinance No. 3	M2 Ordinance
Pacific Coast Highway	PCH
Plans, Specifications, and Estimates	PS&E
Program Management Office	PMO
Project Study Report-Project Development Support	PSR-PDS
Project Report	PR
Regional Capacity Program	RCP
Regional Traffic Signal Synchronization Program	RTSSP
Request for Proposals	RFP
Resource Management Plan	RMP
Right-of-Way	ROW
Riverside County Transportation Commission	RCTC
Santa Ana Regional Transportation Center	SARTC
Senate Bill 1	SB 1
Senior Mobility Program	SMP
Senior Non-Emergency Medical Transportation	SNEMT
Southern California Edison	SCE
State Route 22	SR-22
State Route 55	SR-55
State Route 57	SR-57
State Route 71	SR-71
State Route 74	SR-74
State Route 91	SR-91
State Route 133	SR-133
State Route 241	SR-241
State Transportation Improvement Program	STIP
Southern California Regional Rail Authority	Metrolink
Taxpayer Oversight Committee	TOC
Technical Advisory Committee	TAC
Technical Steering Committee	TSC
To Be Determined	TBD
Transportation Investment Plan	Plan
United States Army Corps of Engineers	Corps



November 2021

## FREEWAY IMPROVEMENT PROGRAM (A-N)

### Interstate 5 (I-5) Projects

- A** I-5, SR-55 to SR-57
- B** I-5, I-405 to SR-55
- C** I-5, SR-73 to El Toro Road
- C** I-5, Avenida Pico to San Juan Creek Road
- D** I-5 Highway Interchanges

### State Route 22 (SR-22) Projects

- E** SR-22 Access Improvements

### State Route 55 (SR-55) Projects

- F** SR-55, I-405 to I-5
- F** SR-55, I-5 to SR-91

### State Route 57 (SR-57) Projects

- G** SR-57 NB, Orangewood Avenue to Katella Avenue
- G** SR-57 NB, Katella Avenue to Lincoln Avenue
- G** SR-57 NB, Orangethorpe Avenue to Lambert Road
- G** SR-57 NB, Lambert Road to Tonner Canyon Road

### State Route 91 (SR-91) Projects

- H** SR-91 WB, I-5 to SR-57
- I** SR-91, SR-57 to SR-55
- J** SR-91, SR-55 to Riverside County Line

### Interstate 405 (I-405) Projects

- K** I-405, SR-73 to I-605
- L** I-405, I-5 to SR-55

### Interstate 605 (I-605) Projects

- M** I-605 Katella Avenue Interchange Improvements

**Freeway Mitigation Restoration Projects**  
Part of Projects A-M

**Freeway Mitigation Acquisition Projects**  
Part of Projects A-M

## STREETS & ROADS (O-Q)

- O** Grade Separation Program
- P** Signal Synchronization Project Corridors

## TRANSIT PROJECTS (R-W)

- R** Grade Separation and Station Improvement Projects
- S** Transit Extensions to Metrolink
- T** Metrolink Station Conversion to accept Future High-Speed Rail Systems

## OTHER PROJECTS NOT SHOWN

- Project N:** Freeway Service Patrol
- Project O:** Regional Capacity Program
- Project Q:** Local Fair Share Program
- Project R:** Grade Crossing and Trail Safety Enhancements
- Project V:** Metrolink Service Expansion Program

- Project U:** Senior Mobility Program, Senior Non-Emergency Medical Transportation Program, and Fare Stabilization Program
- Project V:** Community Based Transit/Circulators
- Project W:** Safe Transit Stops
- Project X:** Environmental Cleanup Program



**February 6, 2023**

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is positioned in the upper right area of the page, overlapping the header information.

**To:** Regional Transportation Planning Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Interstate 405 Improvement Project Update

**Overview**

The Orange County Transportation Authority is currently underway with the implementation of the Interstate 405 Improvement Project. This report provides a project update.

**Recommendation**

Receive and file as an information item.

**Background**

The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation and the cities of Costa Mesa, Fountain Valley, Huntington Beach, Seal Beach, and Westminster, is implementing the Interstate 405 (I-405) Improvement Project between State Route 73 (SR-73) and Interstate 605 (I-605) (Project). The Project will add one general purpose lane in each direction from Euclid Street to I-605, consistent with Measure M2 Project K, and will add an additional lane in each direction that will combine with the existing high-occupancy vehicle lane to provide dual express lanes in each direction of I-405 from SR-73 to I-605, otherwise known as the 405 Express Lanes.

On November 14, 2016, the OCTA Board of Directors (Board) awarded the design-build (DB) contract to OC 405 Partners (OC405), a joint venture. OCTA executed the DB contract with OC405 and issued Notice to Proceed (NTP) No. 1 on January 31, 2017. NTP No. 1 was a limited NTP for mobilization, design, and administrative activities. On July 26, 2017, the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan agreement was executed between OCTA and the United States Department of Transportation (USDOT). On July 27, 2017, OCTA issued NTP No. 2 to OC405. NTP No. 2 was a full NTP for all activities, including construction.

***Discussion***

The Project is over 90 percent complete from a DB perspective. A number of activities are ongoing as construction work continues to advance. The following provides a more detailed status of Project activities.

**Financing and TIFIA Loan**

In July 2017, OCTA executed a TIFIA loan agreement with the USDOT's Build America Bureau (Bureau) for up to approximately \$629 million. In October 2020, OCTA staff received Board approval to pursue a reset of the interest rate on the TIFIA loan. After approximately one year of working with the Bureau, OCTA successfully executed a new TIFIA loan agreement with the Bureau on September 9, 2021, establishing OCTA as the first agency to close a rate reset loan for a TIFIA loan that had been drawn upon. As part of the new TIFIA loan, the interest rate was reset from 2.91 percent to 1.95 percent. The lower interest rate will result in a net present value savings of approximately \$158 million. In December 2022, OCTA received the full disbursement from the Bureau as requested by OCTA.

**Tolling Contracts**

In early 2018, the Board selected Kapsch TrafficCom USA, Inc., (Kapsch) to provide toll lanes system integration services for design, installation, operation, and maintenance of the electronic toll and traffic management (ETTM) system on both the 405 and 91 Express Lanes. Kapsch is currently under contract and is working closely with the design-builder to deliver fully functional express lanes upon opening in late 2023. Kapsch has received approval for the ETTM infrastructure final design to be used for the 405 Express Lanes, including equipment types and configurations. Kapsch continues to coordinate with the design-builder's construction activities related to ETTM site infrastructure and turnover of areas of the Project for Kapsch to install their equipment. The Traffic Operations Center (TOC) will be located at OCTA's Santa Ana Bus Base and will be staffed by Kapsch for 405 Express Lanes operations. The TOC improvements at the Santa Ana Bus Base are complete and ready for Kapsch to occupy and prepare for installation and testing of the 405 Express Lanes.

In late 2021, the Board selected WSP USA Services, Inc., (WSP) to provide back-office system and customer service center operations for the 405 Express Lanes. Over the past several months, WSP has continued the development of project documentation and held multiple workshops with OCTA staff to review the functional requirements of the back-office system. These workshops will continue over the next several months along with the development of system documentation. Additionally, WSP continues to provide input on the design and required equipment for the Customer Service and Operations Center (CSOC).

Also in late 2021, the Board authorized the Chief Executive Officer to negotiate and execute a lease with C.J. Segerstrom & Sons for the 405 Express Lanes CSOC. The lease was executed in February 2022. The CSOC will house both a customer service walk-up center, as well as the call center and other support for the 405 Express Lanes. This location is separate from the TOC location as it needs to be readily accessible to the public for customer and motorist service purposes. Construction on the tenant improvements continues and is expected to be completed in April 2023.

In December 2022, a request for proposals was issued for traffic and revenue services for the 405 Express Lanes. These services include providing opening day toll rate schedules, post-opening day monitoring and support, and a short-term forecast. The opening day toll rate schedules will be provided to the Board approximately 90 days prior to opening the facility.

### Design

The final design is substantially complete at this time. The DB process allows for design refinements, and that process will continue throughout the remainder of construction.

### Right-of-Way (ROW) Acquisition

Construction of the Project impacts 288 properties, including 179 residential properties, 71 commercial/industrial properties, 37 public properties, and one railroad property. There are 287 properties identified as partial acquisitions and one property identified as a full acquisition at the owner's request. The ROW required to construct the Project is comprised of a combination of fee acquisitions, permanent easements, temporary construction easements, permanent and temporary ground lease reductions, and access control rights. This ROW is required for roadway and bridge construction, soundwalls and retaining walls, drainage systems, and for the installation of above ground and underground facilities, including electrical, telecommunication, water, sewer, gas, and storm drain systems.

The ROW acquisition program is on schedule. Since July 2020, OCTA has had possession of the required property rights for all 288 property impacts, which retired a significant risk to OCTA. The overall ROW process continues as OCTA works with certain property owners to finalize remaining agreements on costs related to certain acquisitions. As this is a DB project, minor additional ROW needs may become necessary in the future as construction continues. Of the 288 total properties impacted, 288 offers were presented and the ROW is in OCTA's possession for construction. There were 60 resolutions of necessity (RON) approved by the Board and no additional RONs are anticipated.

### Utility Relocations

There are currently 143 utilities that require relocation to accommodate the Project. OCTA has been coordinating with 24 impacted utility owners to identify and resolve conflicts and relocation issues. To date, OCTA has executed 92 percent of the necessary utility relocation agreements and is in the process of finalizing the remaining utility agreements. There are a handful of remaining potential utility relocation risks, including Southern California Edison (SCE) facilities, as well as a system of overhead and underground facilities in the City of Seal Beach belonging to Frontier Communications, for which staff continues to develop and implement mitigation plans, as utilities are a shared risk between OCTA and OC405. Many critical utility relocations that had previously been considered to pose some risk, such as facilities owned by Frontier Communications, Chevron USA, Crimson Pipeline, Southern California Gas Company, and SCE have been successfully completed. OCTA continues to take an active role in coordinating utility relocations with both OC405 and utility owners, including coordinating construction schedules to ensure that utility construction activities are completed in a timely manner to mitigate any potential risks to the Project schedule.

### Roadway and Wall Construction

OC405 began construction in March 2018. Initial construction activities included restriping portions of the freeway and setting up concrete barriers on the outside of the freeway to protect work areas for activities, such as tree removals and grading. These initial construction activities are complete. Clearing and grubbing, including tree and ground cover removal, and rough grading activities are also substantially complete at this time.

Significant roadway construction activities, including installation of drainage systems, retaining walls and soundwalls, and paving operations began in earnest in 2019, and will continue through the end of the Project. Construction has been initiated on all Orange County Flood Control District facilities, which require improvements associated with the Project, including the Bixby, East Garden Grove Wintersburg, Fountain Valley, Gisler, Greenville Banning, Milan, Montecito, Newland, Ocean View, and Santa Ana River channels. Work on these flood control facilities is at various stages of construction and a majority of the work was completed last year. Additionally, over 95 percent of the retaining walls and soundwalls needed for the Project are currently complete. Paving operations are approximately 90 percent complete with significant paving scheduled for completion in the first half of this year. Lastly, over 95 percent of the ramps being reconstructed as part of the Project are complete.

### Bridge Construction

Bridges that are being replaced as part of the Project are being reconstructed in either one or two stages. Bridges being built in one stage are closed to traffic on both sides of I-405 during demolition and reconstruction of that bridge, and traffic is detoured to other adjacent bridges crossing the freeway. The first one-stage bridge completed was the Slater Avenue bridge, which opened to traffic in fall 2019. Opening the Slater Avenue bridge allowed for demolition and construction activities to commence on Bushard Street and Talbert Avenue. The Bushard Street bridge was completed and opened to traffic in October 2020, and the Talbert Avenue bridge construction was completed and opened to traffic in April 2021. After the opening of the Talbert Avenue bridge, demolition and construction activities were able to commence on Ward Street, which is anticipated to open to traffic this spring. Further north within the Project limits, the McFadden Avenue bridge was opened to traffic in October 2020, and the Edinger Avenue bridge was also opened to traffic in December 2021. Opening of the Edinger Avenue bridge allowed for demolition and construction activities to recently commence on the Newland Street bridge, which was the last full bridge to be demolished as part of the Project. Lastly, the Edwards Street bridge was opened to traffic in September 2021. Opening the Edwards Street bridge allowed for demolition and construction activities to commence on Springdale Street.

Bushard Street, Edinger Avenue, Edwards Street, McFadden Avenue, Newland Street, Slater Avenue, Springdale Street, Talbert Avenue, and Ward Street are all one-stage bridges.

Bridges being built in two stages maintain traffic on a portion of the bridge while the new bridge is being constructed. Significant bridge construction progressed at the two-stage bridges at the Bolsa Avenue, Brookhurst Street, Goldenwest Street, and Warner Avenue bridges. The Magnolia Street bridge was the first two-stage bridge to be fully opened to traffic in May 2021. Opening the Magnolia Street bridge allowed for demolition and construction activities to commence on the Warner Avenue bridge. The Bolsa Chica Road bridge was the second two-stage bridge to be fully opened to traffic in December 2021. The Fairview Road bridge also fully opened to traffic in May 2022, and the Westminster Boulevard bridge fully opened in August 2022. The first halves of the new Bolsa Avenue and Goldenwest Street bridges opened last year, and the full bridges are anticipated to be opened early this year. The last two-stage bridge to start construction was at Brookhurst Street. The first half of the Brookhurst Street bridge was opened to traffic in February 2022 and construction continues on the second half of the new bridge.

Lastly, the Heil pedestrian overcrossing bridge was demolished in late 2020, and the new pedestrian bridge was opened in August 2022.

Following is a tabular summary of the completed and anticipated openings of the Project’s 18 bridges that cross over the freeway and require replacement:

Overcrossing Bridge	Number of Stages	Anticipated Opening Date	
Bolsa Chica Road	Two	Open	
Springdale Street	One		June 2023
Westminster Boulevard	Two	Open	
Edwards Street	One	Open	
Goldenwest Street	Two		March 2023
Bolsa Avenue	Two		April 2023
McFadden Avenue	One	Open	
Edinger Avenue	One	Open	
Newland Street	One		July 2023
Heil Avenue (pedestrian)	One	Open	
Magnolia Street	Two	Open	
Warner Avenue	One		May 2023
Bushard Street	One	Open	
Slater Avenue	One	Open	
Brookhurst Street	Two		May 2023
Talbert Avenue	One	Open	
Ward Street	One		April 2023
Fairview Road	Two	Open	

In addition to the bridge replacements noted above, the widening of four existing freeway bridges and construction of three new on-ramp bridges continued over Beach Boulevard, Bolsa overhead railroad crossing, Harbor Boulevard, Santa Ana River, and an old United States Navy railroad crossing. Lastly, the construction of the new connector between the medians of I-405 and SR-73 that will connect the 405 Express Lanes to SR-73 commenced last year.

Looking ahead, the the first half of 2023 will remain busy related to bridge, wall, paving, and tolling work.

**Project Challenges**

As would be expected on a project of this magnitude, certain challenges have been encountered, including the following:

- Oversight and approvals from many different agencies and third parties
- Cost and availability of construction resources and materials in this active construction market

- Dispute resolution and change management
- Minimizing impacts and disruptions to the public
- Timely performance of third-party utility work
- Project schedule impacts and mitigations

Additionally, in September 2019, there was a discovery of archaeological resources within the Project site. Additional discoveries have impacted construction intermittently since that time. OCTA continues to follow established state procedures for this type of discovery, and is working with the responsible parties to ensure appropriate and respectful procedures are followed. This discovery and subsequent discoveries have impacted construction at a specific location; however, construction at that location has since resumed.

OCTA has worked closely with its partners and OC405 to mitigate schedule delays when identified. Significant schedule mitigations have been implemented during the course of construction. These include expediting construction of several key bridges and extended overnight and daytime freeway lane closures to take advantage of the significantly reduced traffic volumes on the freeway at certain times in the past two years related to the coronavirus (COVID-19) pandemic. The objectives of the schedule mitigations are to minimize schedule delay impacts while balancing the minimization of traffic impacts.

#### Risks Remaining

Many of the Project risks that were realized during the design phase and the first 90 percent of construction have since been retired. However, there are risks for the remaining construction moving forward. The COVID-19 pandemic continues to be a risk as the effects and duration of the pandemic remain unknown. OCTA, its partners, and OC405 remain vigilant in taking the appropriate safety measures to minimize impacts to the workforce and construction progress. Additional archaeological discoveries also continue to be a risk as excavation in certain areas of the Project will continue to take place this year. OCTA has taken a proactive approach with the appropriate stakeholders to minimize impacts if there are future discoveries. The timely relocation of utilities is always a risk and the team will remain very focused on these efforts. Construction labor and materials availability is a risk that has been increasing recently. From a tolling standpoint, the coordination near the end of the Project when Kapsch will be installing and testing the tolling equipment, concurrent with the completion of construction by OC405, is key to remaining on schedule. Coordination efforts to plan for this timeframe at the end of the Project are ongoing and have been effective to date. Lastly, WSP's development of the tolling back-office system is also key to remaining on schedule for opening of the 405 Express Lanes in late 2023.

### Project Cost and Schedule

The overall Project cost is \$2,080,234,000. The Project milestones for substantial completion and opening of the 405 Express Lanes remain on schedule and are planned for late 2023.

### Public Outreach

In 2022, the outreach team conducted five virtual meetings with communities along the Project corridor to share major construction activities, closures and detours, and the 405 Forward business outreach program. The team participated in six community events, including the City of Fountain Valley's Summer Fest, the City of Westminster's Fall Festival, and the City of Santa Ana's National Night Out.

The team continued to implement the Project's Diversity, Equity, and Inclusion Plan, which utilizes a variety of tools to reach our diverse communities within the Project corridor. The plan is reviewed quarterly and includes maintaining Project helplines staffed by Spanish and Vietnamese speaking specialists, sharing social media posts in Spanish and Vietnamese to advertise those helplines, updating Spanish and Vietnamese information on Project collateral and the website, and proactively providing in-language information to local businesses and 17 community-based organizations in underserved areas.

Throughout the year, the outreach team responded to nearly 1,500 comments and questions from the public. These calls, emails, and social media inquiries continued to focus on construction activities, Project schedule, upcoming closures and detours, and maintenance requests. Additionally, the outreach team supported the technical team with right-of-way coordination and facilitated the claims process with the contractor.

Also, as part of the public awareness campaign, the outreach team consistently engaged with key stakeholders prior to major construction activities. Those stakeholders included emergency service providers in each corridor city, South Coast Plaza, OC Fair and Event Center, Westminster Mall, MemorialCare Orange Coast Medical Center, Bella Terra, and local school districts.

The outreach team used print and digital communication methods to showcase key Project milestones and share major activities, and closures and detours during 2022. The team sent more than 500 email alerts to our databases, which contain approximately 13,500 total contacts, and more than 95,500 flyers were developed and canvassed to addresses in the Project corridor. These notifications alerted the community to activities such as paving, striping and utility work, and ramp and bridge construction, as well as wall work.

The outreach team continued to employ tools such as geo-targeted or location-based ads and social media, which continued to be beneficial, cost-effective methods for communicating major Project milestones and activities. In 2022, the outreach team reached nearly 1.2 million Facebook, Twitter, and Instagram users combined and nearly 1.2 million mobile device users with geo-targeted ads. The outreach team analyzed monthly metrics and tailored strategies and content to make the best use of resources, as well as made posts more engaging and more discoverable.

These efforts combined to drive traffic to the Project website, updated daily, which hosts resources such as links to the latest virtual meetings, email alerts, and social media feeds, as well as a sortable list of project closures and detours. The closure list was updated daily, which allowed users and especially first responders, to learn about key activities at every major interchange along the Project corridor.

The team continues to evaluate how best to serve the public in the final year of construction. In addition to highlighting Project milestones such as upcoming bridge openings, the outreach team will also share the status of activities for the remaining bridges under construction and provide updates on the 405 Express Lanes infrastructure construction. The outreach and marketing teams will also continue collaborating on Express Lanes marketing efforts.

**Summary**

Construction continues to advance. Currently, construction, utility relocations, tolling elements, public outreach, and other activities are in process to continue the construction phase of the Project.

**Attachment**

None.

**Prepared by:**

Jeff Mills, P.E.  
Senior Program Manager  
(714) 560-5925

**Approved by:**

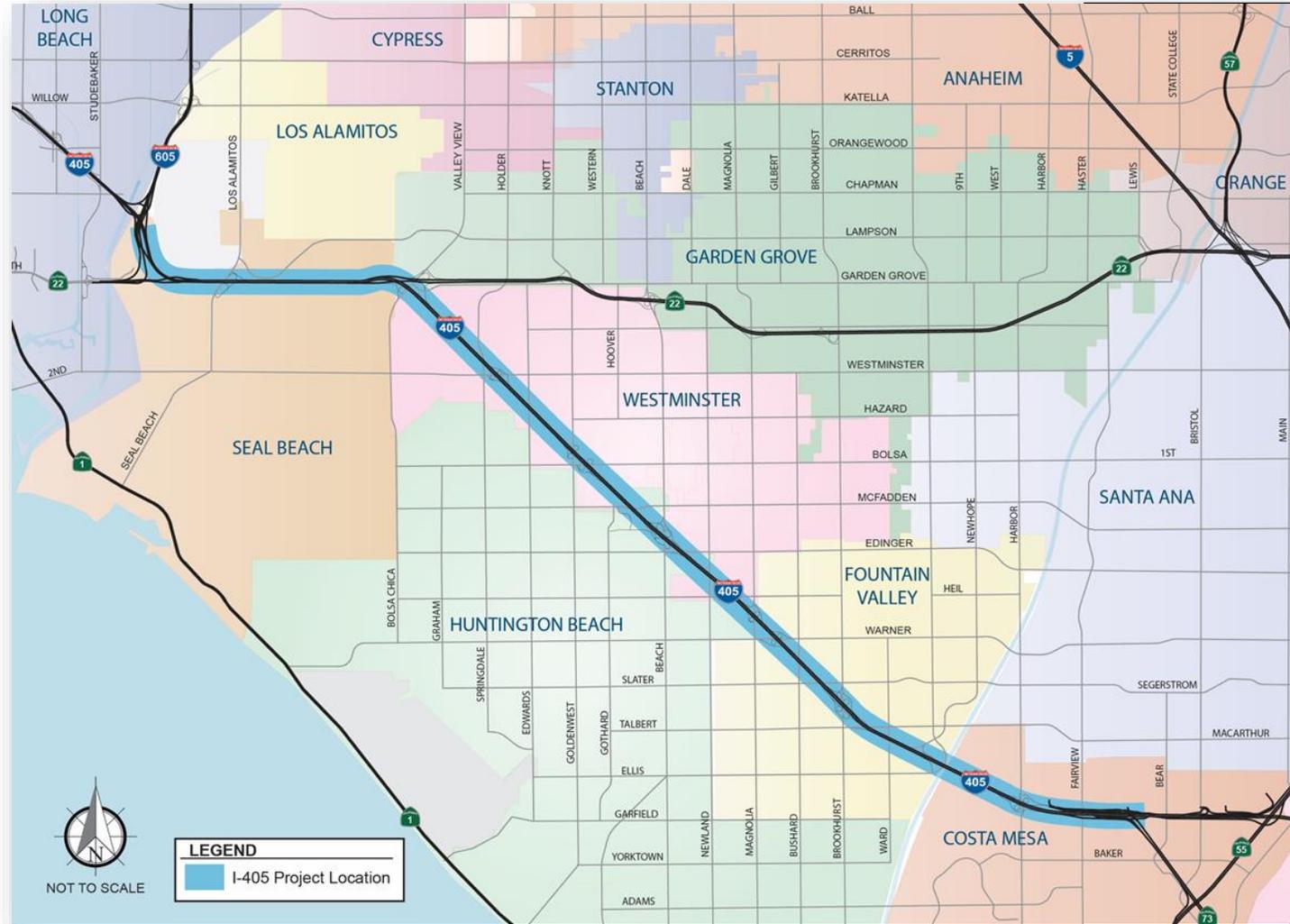
James G. Beil, P.E.  
Executive Director, Capital Programs  
(714) 560-5646



# Interstate 405 Improvement Project Update



# Project Location and Key Features



# Background



Milestone	Completion Date
Environmental clearance	May 2015
Orange County Transportation Authority (OCTA) Board of Directors awards design-build contract to OC 405 Partners (OC405)	November 2016
Notice to Proceed (NTP) No. 1 issued	January 2017
TIFIA* loan executed	July 2017
NTP No. 2 issued	July 2017
Construction began	March 2018
Anticipated substantial completion	Late 2023

\* Transportation Infrastructure Finance and Innovation Act

# Design-Build Project Update



## General

- Over 90 percent complete with Interstate 405 (I-405) Improvement Project
- Substantially complete with both design and right-of-way possession

## Construction

- 11 of 18 bridge replacements complete (all remaining bridges under construction)
- Over 95 percent of walls complete
- Over 95 percent of ramps complete
- Approximately 90 percent of paving complete

# 405 Express Lanes Update



- Toll Lane Systems Integrator
  - Selected Kapsch TrafficCom USA, Inc., (Kapsch) in 2018 to provide services for in-lane systems, electronic message signs, corridor cameras, traffic operations center staffing, etc.
  - Kapsch currently working with OCTA and OC405 to initiate installation and testing
- Back-Office System and Customer Service Center
  - Selected WSP USA Services, Inc., (WSP) in late 2021 to provide back-office system and customer service center operations for the 405 Express Lanes
  - Tenant improvements underway
- Traffic Operations Center
  - Utilizing Santa Ana Bus Base location and build out complete
- Traffic and Revenue Services
  - Request for Proposals issued in December 2022

# Construction Update



**Landscaping**

# Construction Update (Cont.)



**405 Express Lanes Tolling Gantries**

# Construction Update (Cont.)



**Fairview**



**Talbert**



**Slater**



**Bushard**



**Magnolia**



**Edinger**



**McFadden**



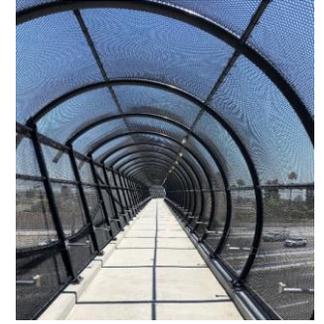
**Edwards**



**Bolsa Chica**



**Westminster**



**Heil (Ped)**

**11 bridge replacements complete and open to traffic**

# Construction Update (Cont.)



**I-405/State Route 73 (SR-73) median connector bridge construction**

# Construction Update (Cont.)



**Ward Street bridge construction**



**Brookhurst Street bridge construction**

# Construction Update (Cont.)



**Warner Avenue bridge construction**



**Newland Street bridge construction**

# Construction Update (Cont.)



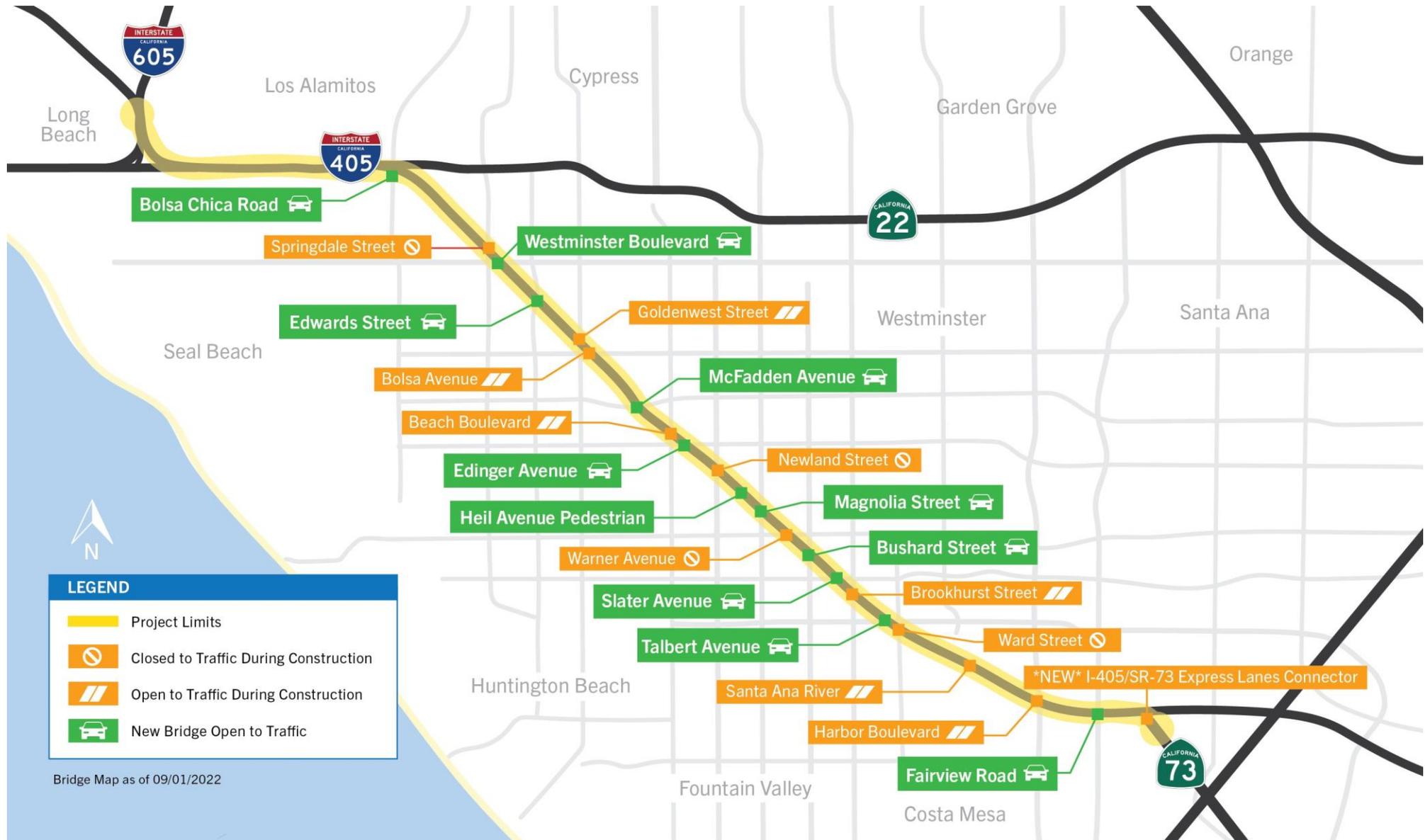
**Bolsa Avenue and Goldenwest Street bridge construction**

# Construction Update (Cont.)



**Springdale Street bridge construction**

# Bridge Construction Map



**LEGEND**

- Project Limits
- ⊘ Closed to Traffic During Construction
- Open to Traffic During Construction
- 🚗 New Bridge Open to Traffic

Bridge Map as of 09/01/2022

# Status of 18 Bridge Replacements



Overcrossing Bridge	Number of Stages	Anticipated Opening Date	
Bolsa Chica Road	Two	Open	
<b>Springdale Street</b>	<b>One</b>		<b>June 2023</b>
Westminster Boulevard	Two	Open	
Edwards Street	One	Open	
<b>Goldenwest Street</b>	<b>Two</b>		<b>March 2023</b>
<b>Bolsa Avenue</b>	<b>Two</b>		<b>April 2023</b>
McFadden Avenue	One	Open	
Edinger Avenue	One	Open	
<b>Newland Street</b>	<b>One</b>		<b>July 2023</b>
Heil Avenue (Pedestrian)	One	Open	
Magnolia Street	Two	Open	
<b>Warner Avenue</b>	<b>One</b>		<b>May 2023</b>
Bushard Street	One	Open	
Slater Avenue	One	Open	
<b>Brookhurst Street</b>	<b>Two</b>		<b>May 2023</b>
Talbert Avenue	One	Open	
<b>Ward Street</b>	<b>One</b>		<b>April 2023</b>
Fairview Road	Two	Open	

# Major Risks Remaining



## Design-build risks:

- Archaeological resources
- Coronavirus (COVID-19)
- Utility relocation delays
- Design-builder labor/material availability and cost escalation/pressure

## Tolling risks:

- Design-builder/toll lanes system integrator coordination and equipment installation
- Tolling vendor delivery of back-office system services

# Outreach Metrics Year in Review



	January to December 2022				
	January to March	April to June	July to September	October to December	Total for 2022
<b>Public Correspondence</b>	349	359	407	365	1,480
<b>Social Media Reach</b>	374,274	354,826	353,628	90,026	1,172,754
<b>Construction Alerts Sent (Open Rate)</b>	140 (42%)	160 (43%)	135 (43%)	95 (42%)	530 (43%)
<b>Interactive Map Users</b>	4,790	7,524	7,178	5,356	24,848
<b>Project Website Page Views</b>	17,702	22,688	23,020	19,897	83,307
<b>Location-Based Advertising Impressions</b>	606,361	403,322	135,283	48,583	1,193,549
<b>Flyers Distributed</b>	53,250	31,470	10,824	0	95,544

# Upcoming Outreach in 2023



- Major Activity Notifications
  - I-405/SR-73 connector
  - Paving and striping
  - Express Lanes activities
- Bridge Openings
  - Goldenwest Street
  - Bolsa Avenue
  - Ward Street
  - Brookhurst Street
  - Warner Avenue
- Diversity, Equity and Inclusion
  - Community-based organizations
  - Community events

### WESTMINSTER COMMUNITY BUSINESS MEETING

**WHAT** OCTA's I-405 Improvement Project Outreach Team is hosting an **online meeting for the Westminster Business Community.**

**WHEN** 10 a.m. to 11 a.m. **THURSDAY, SEPTEMBER 29, 2022**

**HOW** Register at [bit.ly/405webinar-westminsterbusiness](https://bit.ly/405webinar-westminsterbusiness) or scan the QR code. A recording of this meeting will be posted on [octa.net/405improvement](https://octa.net/405improvement). Sign up to receive schedule updates at: [bit.ly/405-signup](https://bit.ly/405-signup)

If you require additional information or accommodation for the virtual meeting (American Sign Language interpretation, documentations in alternate formats, etc.), please contact [405project@octa.net](mailto:405project@octa.net) or call 888.400.8994.  
Si necesita información o adaptaciones adicionales para la reunión virtual (interpretación de lenguaje de señas, documentación en modos alternativos, etc.), contacte a [405project@octa.net](mailto:405project@octa.net) o llame al 888.400.8994.  
Nếu quý vị cần thêm thông tin hoặc sự hỗ trợ cho cuộc họp trực tuyến (Thông dịch viên Ngôn ngữ Ký hiệu Mỹ, tài liệu loại khác, v.v.), xin vui lòng liên lạc [405project@octa.net](mailto:405project@octa.net) hoặc gọi 888.882.6589.

### 405FORWARD PROMOTING LOCAL BUSINESSES

The Orange County Transportation Authority's free 405 Forward program promotes local businesses near the I-405 Improvement Project. To learn more about the free program or if you want to sign up, please visit [octa.net/405forward](https://octa.net/405forward) or scan the QR code.

For more information, please contact the 405 Community Outreach Team. English & Spanish: 888-400-8994 | Tiếng Việt: 888-662-0969  
[405project@octa.net](mailto:405project@octa.net) | [405improvement](https://www.facebook.com/405improvement) | [405improvement](https://www.instagram.com/405improvement) | [405improvement](https://www.youtube.com/channel/UCq405improvement) | [405improvement](https://www.tiktok.com/@405improvement) | [octa.net/405imp](https://www.linkedin.com/company/405improvement) | [octa.net](https://www.octa.net)



### CONSTRUCTION ALERT

For more information about this project, please contact the 405 Community Outreach Team at [405project@octa.net](mailto:405project@octa.net) or 888-400-8994, or visit [octa.net/405improvement](https://octa.net/405improvement).

Si prefieren recibir información en español, por favor llámenos este número 888-400-8994.  
Nếu quý vị muốn nhận được thông tin này bằng tiếng Việt, xin vui lòng liên lạc với cô Lily Gio 888-662-0969.

#### Closures and Detours

[CLICK HERE TO VIEW CONSTRUCTION ACTIVITIES ON THE INTERACTIVE MAP](#)

To view and print a detailed list of closures and detours [CLICK HERE!](#)

#### UPDATE! Northbound (NB) I-405 Closures for the New I-405/SR-73 Express Lanes Connector

**I-405 Improvement Project**  
Cierre temporal de la autopista I-405 en dirección al norte  
Dự án An Cầu Thặng I-405

**Northbound I-405 Full Freeway Closure**  
Cierre total de la autopista I-405 en dirección al norte  
Hàng rào Bắc Xa Lộ 405 Đầy Hoàn Toàn



**February 6, 2023**

**To:** Regional Transportation Planning Committee

**From:** Darrell E. Johnson, Chief Executive Officer

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is written over the "From:" line.

**Subject:** Escalation Rate Adjustment Recommendations for Prior Regional Capacity Program and Regional Traffic Signal Synchronization Program Allocations

### **Overview**

The Orange County Transportation Authority's Regional Capacity Program and Regional Traffic Signal Synchronization Program allocate Measure M2 streets and roads funds for roadway and signal improvement projects through a competitive process. Due to recent extraordinary inflationary pressures, the Board of Directors authorized staff to accept escalation adjustment requests from local jurisdictions for existing project commitments that meet certain criteria. Staff has evaluated these requests, and a list of eligible projects with recommended one-time escalation adjustments is presented for Board of Directors' review and approval.

### **Recommendations**

- A. Approve one-time construction escalation adjustments to four previously approved (2020, 2021) Regional Capacity Program projects in the amount of \$2,751,877, increasing the overall Measure M2 award from \$13,905,846 to \$16,657,723.
- B. Approve one-time construction escalation adjustments to four previously approved (2020, 2021) Regional Traffic Signal Synchronization Program projects in the amount of \$1,599,615, increasing the overall Measure M2 award from \$9,377,300 to \$10,976,915.
- C. Approve a one-time right-of-way escalation adjustment to one previously approved 2018 Regional Capacity Program project in the amount of \$1,410,134, increasing the overall Measure M2 award from \$7,494,000 to \$8,904,134.

- D. Approve a modification to the Temporary Policy to apply escalation to Project O Regional Capacity Program and Project P Regional Traffic Signal Synchronization Program prior allocation related to right-of-way requirements.

***Background***

Measure M2 (M2) includes two competitive streets and roads programs known as the Regional Capacity Program (RCP) and the Regional Traffic Signal Synchronization Program (RTSSP). These programs target projects that improve mobility by considering factors such as degree of congestion relief, cost-effectiveness, and project readiness and allocate M2 funds on a competitive basis through the Comprehensive Transportation Funding Programs (CTFP).

Both programs are included in the CTFP, which serves as the mechanism through which Orange County Transportation Authority (OCTA) staff administers the RCP and RTSSP, as well as other M2 competitive transit and environmental cleanup programs. The CTFP allocates funds for the RCP and RTSSP through an annual call for projects (call) based on a common set of guidelines and scoring criteria. The CTFP guidelines are developed in collaboration with the OCTA Technical Advisory Committee (TAC), which includes representatives from all of Orange County's 35 local jurisdictions, and are ultimately approved by the OCTA Board of Directors (Board).

In adherence to the CTFP guidelines, OCTA staff and the TAC review, evaluate, score, and recommend funding allocations to the Board. Once awarded funding by the Board, a project cannot receive additional allocations of M2 funds due to the competitive nature of these programs and as prescribed in the CTFP guidelines. As such, M2 funding that is allocated through CTFP calls requires that local jurisdictions commit to covering any project cost overruns that may occur after a project is allocated.

At the May 2022 TAC meeting, the committee requested that OCTA consider ways to help local jurisdictions accommodate considerable cost increases for projects entering right-of-way (ROW) and construction phases. The issue involves projects which had been allocated RCP and RTSSP funding in recent years and have not started due to the coronavirus pandemic or other factors. Local jurisdictions indicated that they are experiencing extraordinary cost increases in projects due to increases in the cost of materials and labor due to shortages, supply chain issues, and extraordinary inflation.

As background, the CTFP guidelines provide that at time of Board award, OCTA applies an escalation factor to RCP grants for ROW and construction phases after a project is selected for an allocation. The escalation for years two and three of the call funding cycle is applied based on the Engineering News Record Construction Cost Index (ENR CCI) 20-city average rate that is available when the Board awards the grants. Prior to the pandemic, typical changes to the ENR CCI rates result in escalation factors around two to three percent annually. Following the pandemic, based on the published ENR CCI rate combined with M2 economic forecasts, an aggregate or cumulative escalation of 21 percent is the approximate rate of escalation through fiscal year 2023.

On August 8, 2022, the Board authorized temporary policy changes to address project challenges. The temporary policies, described in Attachment A and Attachment B, provided two options for local jurisdictions:

1. To participate in a flexible reapplication process in the current 2023 CTFP call.
2. Request an escalation adjustment to existing RCP and RTSSP allocations.

Both one-time options are limited to existing RCP and RTSSP allocations previously programmed through the 2018, 2019, 2020, and 2021 calls that satisfy a list of eligibility criteria. OCTA committed to return to the Board for consideration of the escalation to existing allocations based on requests from local jurisdictions.

### ***Discussion***

OCTA received nine escalation adjustment requests comprised of five RCP projects and four RTSSP projects as further detailed in Attachment C. Staff reviewed all request packages to ensure completion, accuracy, and compliance with Board-approved temporary policy requirements. The eligibility criteria reviewed included confirmation that construction phases were not under a contract, verification of council approval to also increase the required local match, and review of the acquisition status of all parcels included in ROW phases. During the review process, staff worked with local jurisdictions to calculate escalation rate adjustments for project allocations and the proportionate local funding commitment.

Based upon these reviews, staff recommends an escalation adjustment to the construction phases of four RCP projects, totaling \$2,751,877 in additional M2 funds. The M2 RCP funding adjustments support arterial capacity benefits for two City of Santa Ana projects and two City of Yorba Linda projects, which are expected to require an additional total local match commitment of \$754,007.

With respect to the four RTSSP requests, staff recommends an escalation adjustment to the primary implementation phases of all four projects, totaling \$1,599,615 in additional M2 funds. The M2 RTSSP funding adjustment supports one project programmed through the 2020 call and led by the City of Huntington Beach and three projects programmed through the 2021 call, with implementation efforts being led by OCTA staff at the request of lead applicant agencies from the cities of Irvine, Lake Forest, and Santa Ana. Among the partnering agencies for each corridor, the M2 escalation adjustment would result in an additional local match commitment of \$685,317 towards construction.

Lastly, an escalation adjustment to the ROW phase of one RCP request submitted by the City of Santa Ana (City) for Warner Avenue arterial improvements, between Oak Street and Standard Avenue, is recommended, totaling \$1,410,134 in increased M2 funding and \$470,045 in additional local match funding. In order to implement this recommendation, the Board is requested to also authorize an update to the temporary policy specifying that requests to adjust allocations for escalation must be submitted before a purchase agreement has been fully executed for property as part of the ROW phase instead of before an initial offer has been made. The City believed that not awarding a construction contract would satisfy the requirement of this segment of Warner Avenue arterial improvements for both the ROW and construction allocations. The ROW phase was included in the policy at the City's request and is the only agency that would qualify for ROW escalation, under the modified policy. Approval of the proposed modification to the escalation policy, as red-lined in Attachment D, is recommended in light of the unique circumstance.

The overall escalation adjustment recommendation of \$5,761,626, as detailed in Attachment E, is within the estimated impact of \$5 million to \$9 million reported to the Board in August 2022. It should be noted that of the nine recommended adjustments requests, three projects recommended for \$2.4 million in escalation adjustments may be alternatively funded through the 2023 call.

#### Next Steps

With Board approval of these recommendations, staff will initiate the execution of amended letter agreements between OCTA and the appropriate local jurisdictions. Once these agreements are executed, local jurisdictions are authorized to proceed and seek M2 reimbursement for their respective eligible project costs.

***Summary***

Escalation adjustment recommendations that will provide an additional \$5.76 million in M2 funding from the RCP and RTSSP programs to nine projects, increasing the overall M2 award from \$30.78 million to \$36.54 million, are presented for Board approval.

***Attachments***

- A. Temporary Policy for Flexible Cancellation of Project Allocations to Reapply and Pre-Award Authority
- B. Temporary Policy to Apply Escalation to Project O Regional Capacity Program and Project P Regional Traffic Signal Synchronization Program Prior Allocation
- C. Escalation Rate Adjustment Request Recommendations
- D. Temporary Policy to Apply Escalation to Project O Regional Capacity Program and Project P Regional Traffic Signal Synchronization Program Prior Allocation – Proposed Revisions
- E. CTFP Temporary Policy for Inflation – Escalated Funding Allocation Recommendations

**Prepared By:**



Charvalen Alacar  
Section Manager, Local Programs  
(714) 560-5401

**Approved By:**



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

## Temporary Policy for Flexible Cancellation of Project Allocations to Reapply and Pre-Award Authority

**Issue:** Considering the extraordinary inflationary impacts currently being experienced, local jurisdictions have requested that the Orange County Transportation Authority (OCTA) consider the flexibility for local jurisdictions to apply for Comprehensive Transportation Funding Programs (CTFP) funds in the upcoming 2023 call for projects (call) for the same project that was approved in a prior grant cycle. This would allow the local jurisdictions to cancel the prior grant if successful in the new grant cycle or retain the prior grant if not successful in the new grant cycle. Further, local jurisdictions requested that OCTA consider pre-award authority.

**Background:** Currently, if a local jurisdiction wishes to cancel a project phase that has been allocated funds through a CTFP call for Project O Regional Capacity Program (RCP) and Project P Regional Traffic Signal Synchronization Program (RTSSP), and reapply for that phase in a future call, then the agency would typically cancel that project before applications are due in October. This would typically take place as part of the preceding September semi-annual review.

**Board-Approved Request:** Under this request, OCTA will accept project applications from local jurisdictions that were previously approved in a prior call. The following conditions would apply:

- As part of the new application, the local jurisdiction must agree to a condition that if the project has an existing allocation and submits a new application for funding that is approved by the Board of Directors (Board), the original allocation will be cancelled in its entirety.
- OCTA would require that the funds made available from the cancelled project phase will roll into the 2023 call.
- The application for 2023 call must be a complete application for the full funding request under the terms of the 2023 call guidelines.
- The scope in the application must be generally the same as the original project. In most cases, any expansion of project limits from the original application is not acceptable.
- A project is only eligible to be considered under a new application if the contract has not been awarded for construction phase for RCP projects, a notice to proceed issued for RTSSP projects, or offer letters issued for right-of-way phase. Work cannot have started for the phase that is submitted for consideration of funding in the 2023 call.
- OCTA will allow pre-award authority for projects approved by the Board (typically May) and before the start of the next fiscal year (July). OCTA will not reimburse costs or count toward match secondary contract or internal staff costs that occur prior to Board approval.

## **Temporary Policy for Flexible Cancellation of Project Allocations to Reapply and Pre-Award Authority**

- The estimated timeline would be:
  - August/September 2022– OCTA issues call, subject to Board approval.
  - October 2022 – Applications due, must include the condition statement, must also request pre-award authority (and advancement to award contract) prior to July 1, 2023.
  - February 2023 – Request to cancel project is submitted as part of the March semi-annual review.
  - March 2023 – Technical Steering Committee and Technical Advisory Committee meetings with allocation recommendations, funding target would be increased to incorporate funds from existing projects that will be cancelled.
  - May 2023 – Planned Board action to approve 2023 call allocations. If pre-award authority and advancement are requested, jurisdiction may award a contract immediately following Board approval.
  - May/June 2023 – Staff sends notification to allocated applicants who reapplied for projects through this process that the original project allocation has been cancelled.
- If agreed to, changes will be recommended for the project application form to include the condition statement to cancel existing allocation and a check box for requesting pre-award authority.

**Temporary Policy to Apply Escalation to Project O Regional Capacity Program and Project P Regional Traffic Signal Synchronization Program Prior Allocation**

**Issue:** Considering the extraordinary inflationary impacts currently being experienced, local jurisdictions have requested that the Orange County Transportation Authority (OCTA) consider adjusting Measure M2 (M2) Project O Regional Capacity Program (RCP) and Project P Regional Traffic Signal Synchronization Program (RTSSP) project allocations for inflation based on the actual Engineering News Record (ENR) Construction Cost Index (CCI) as these projects approach the start of right-of-way (ROW) and construction phase work.

**Background:** Escalation is normally applied using the ENR CCI based on the 20-city average at funding allocation to RCP projects that are allocated funds for ROW and construction phase and are programmed in years two and three, consistent with precept 12 and the project cost escalation as described on page 2-4 of Chapter 2 – Project Programming in the Comprehensive Transportation Funding Programs (CTFP) guidelines. This practice of applying escalation at allocation will not change.

**Board-Approved Request:** OCTA will apply an updated ENR CCI based on the actual 20-city average rate to the original RCP or RTSSP funding allocation from the 2018, 2019, 2020, and 2021 calls for projects (call) for implementation, ROW, and construction, for fiscal years (FY) 2020-21, 2021-22 and an estimate for FY 2022-23 as applicable, subject to the following requirements:

- The request to adjust the allocation for escalation must be made by the local jurisdiction before an initial offer(s) has been made for property for ROW phase or before the local jurisdiction has awarded the construction contract for the RCP or issued a purchase order for RTSSP implementation. This request is expected to be presented to the Board of Directors (Board) in December 2022, in concert with the September 2022 semi-annual review.
- Requests for escalation must be submitted no later than October 14, 2022, with resolutions due no later than November 9, 2022.
- An escalation request can only be made for projects that were allocated RCP and RTSSP funds for implementation, ROW, or construction through the 2018, 2019, 2020, and 2021 CTFP calls.
- The request must include a resolution from the city council or Board of Supervisors that the jurisdiction is:
  - Authorized to request OCTA to apply an escalation adjustment to the original allocation,
  - Has justification due to local jurisdiction-specific reasons,
  - Committing to meeting its original match rate and identifies the additional jurisdictional funding that will be added to the project to ensure the match requirement is met,
  - Notes the original allocation amount and year funds are programmed for ROW and construction, and
  - For ROW, identifies how much of the M2 funding has been committed based on offer letters and how much remains to be escalated.

## **Temporary Policy to Apply Escalation to Project O Regional Capacity Program and Project P Regional Traffic Signal Synchronization Program Prior Allocation**

- OCTA will provide the escalation rate that will be applied for the FY noted above and will be based on the ENR CCI 20-city average as of June for FY 2020-21 and FY 2021-22, and as of September for FY 2021-22 and FY 2022-23.
- OCTA will provide local jurisdictions with a document that identifies the escalation rate that was applied for each call cycle by programming year.
- In order to calculate the escalation rate for project allocations that were already escalated for FY 2020-21, FY 2021-22, and FY 2022-23, OCTA will strip out the escalation for those allocations for those years and then apply the adjusted escalation rate.
- For a ROW phase that is underway, the local jurisdiction must provide how much of the grant funding remains based on parcels for which the local jurisdiction has not already issued an offer letter.
- The match rate will not change, and eligible project costs will be reimbursed consistent with CTFP guidelines and the original match rate. This would require the local jurisdiction to increase local funding at a minimum, proportionate to the updated allocation amount.
- The escalation adjustment will be considered for approval by the Board either as part of the semi-annual review process or concurrent with the September 2022 semi-annual review.
- Once the request for an escalation adjustment has been acknowledged as received by OCTA through an OCTA acknowledgement letter, the local jurisdiction could proceed to contract award or offer letter, or issuance of purchase order, under its own risk that the requested allocation adjustment may not be approved by the Board and the local jurisdiction would be responsible for the cost.
- The initial payment cannot be made to the local jurisdiction until the Board approves the escalation adjustment to the allocation.
- For a ROW phase that has already received an initial payment, the additional funding provided through escalation will be provided in the final payment, if applicable.
- The local jurisdiction can only request an escalation adjustment once per project phase and allocation.
- Escalation adjustments will only be considered if there is sufficient Project O or Project P funding to support the adjustment. It should be noted that the escalation adjustments will reduce the amount of funding that is available for future calls.

## Escalation Rate Adjustment Request Recommendations

### Construction Cost Index Escalation Factors, FY 2018 - 2023

	FY 2018 <sup>1</sup>	FY 2019 <sup>1</sup>	FY 2020 <sup>1</sup>	FY 2021	FY 2022 <sup>2</sup>	FY 2023
ENR CCI	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Sep-22 <sup>3</sup>
20 City Average	3.4%	1.8%	1.5%	5.9%	8.2%	5.7%

### Escalation Adjustments: Project-Phase Summary

Project / Phase	Eligible Call Years				Total Projects	Additional Escalation Funding		
	2018	2019	2020	2021		M2 Request Adjustment	Match <sup>4</sup>	Total
Project O Construction			3	1	4	\$ 2,751,877	\$ 754,007	\$ 3,505,884
Project P Implementation			1	3	4	\$ 1,599,615	\$ 685,317	\$ 2,284,932
Project O Right-of-Way	1				1	\$ 1,410,134	\$ 470,045	\$ 1,880,179
<b>Totals</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>9</b>	<b>\$ 5,761,626</b>	<b>\$ 1,909,369</b>	<b>\$ 7,670,995</b>

<sup>1</sup> Historical information provided for information and comparison purposes.

<sup>2</sup> Projects programmed for in 2022 call received year one 8.4% escalation. Not included in eligible call years.

<sup>3</sup> ENR CCI at September applied for FY 2023 to align with escalation request deadline.

<sup>4</sup> Actual match is determined through the project match rate and not by dollar amount.

#### **Acronyms**

Call - Call for Projects

CCI - Construction Cost Index

ENR - Engineering News Record

FY - Fiscal Year

M2 - Measure M2

**Temporary Policy to Apply Escalation to Project O Regional Capacity Program and Project P Regional Traffic Signal Synchronization Program Prior Allocation – Proposed Revisions**

**Issue:** Considering the unusual inflationary impacts currently being experienced, jurisdictions have requested that the Orange County Transportation Authority (OCTA) consider adjusting Project O Regional Capacity Program (RCP) and Project P Regional Traffic Signal Synchronization Program (RTSSP) project allocations for inflation based on the actual Engineering News Record (ENR) Construction Cost Index (CCI) as these projects approach the start of right-of-way (ROW) and construction phase work.

**Background:** Escalation is normally applied based on the ENR CCI based on the 20 city average at funding allocation to RCP projects that are allocated funds for ROW and construction phase and are programmed in years two and three, consistent with precept 12 and the project cost escalation as described on page 2-4 of Chapter 2 – Project Programming in the Comprehensive Transportation Funding Programs (CTFP) guidelines. This practice of applying escalation at allocation will not change.

**Board-Approved Proposal:** OCTA staff will apply an updated ENR CCI based on the actual 20 city average rate to the original Measure M2 (M2) RCP or RTSSP funding allocation from the 2018, 2019, 2020, and 2021 calls for projects (calls) for implementation, ROW, and construction, for fiscal years (FY) 2021, 2022 and an estimate for FY 2023 as applicable, subject to the following requirements:

- The request to adjust the allocation for escalation must be made by the jurisdiction before ~~an initial offer(s) has been made~~ a purchase agreement has been fully executed for property for ROW phase or before the jurisdiction has awarded the construction contract for the RCP or issued a purchase order for RTSSP implementation. This request is expected to be presented to the Board of Directors (Board) in December 2022, in concert with the September 2022 semi-annual review.
- Requests for escalation must be submitted no later than October 14, 2022, with resolutions due no later than November 9, 2022.
- An escalation request can only be made for projects that were allocated RCP and RTSSP funds for implementation, ROW or construction through the 2018, 2019, 2020, and 2021 CTFP calls.
- The request must include a resolution from the city council or Board of Supervisors that the jurisdiction is:
  - Authorized to request OCTA to apply an escalation adjustment to the original allocation,
  - Has justification due to jurisdiction-specific reasons,
  - Committing to meeting its original match rate and identifies the additional jurisdictional funding that will be added to the project to ensure the match requirement is met,
  - Notes the original allocation amount and year funds are programmed for ROW and construction, and

## Temporary Policy to Apply Escalation to Project O Regional Capacity Program and Project P Regional Traffic Signal Synchronization Program Prior Allocation – Proposed Revisions

- For ROW, identifies how much of the M2 funding has been committed based on offer letters and how much remains to be escalated.
- OCTA will provide the escalation rate that will be applied for the FY noted above and will be based on the ENR CCI 20 city average as of June for FY 2021 and FY 2022, and as of September for FY 2022 and FY 2023.
- OCTA will provide agencies with a document that identifies the escalation rate that was applied for each call cycle by programming year.
- In order to calculate the escalation rate for project allocations that were already escalated for FY 2021, FY 2022, and FY 2023, OCTA will strip out the escalation for those allocations for those years and then apply the adjusted escalation rate.
- For ROW phase that is underway, the jurisdiction must provide how much of the grant funding remains based on parcels for which the jurisdiction has not already ~~issued an offer letter~~ executed a purchase agreement.
- The match rate will not change, and eligible project costs will be reimbursed consistent with CTFP guidelines and the original match rate. This would require the jurisdiction to increase local funding at a minimum, proportionate to the updated allocation amount.
- The escalation adjustment will be considered for approval by the Board either as part of the semi-annual review process or concurrent with the September 2022 semi-annual review.
- Once the request for an escalation adjustment has been acknowledged as received by OCTA through an OCTA acknowledgement letter, the jurisdiction could proceed to contract award or offer letter or issuance of purchase order under its own risk that the requested allocation adjustment may not be approved by the OCTA Board and the jurisdiction would be responsible for the cost.
- The initial payment cannot be made to the jurisdiction until the Board approves the escalation adjustment to the allocation.
- For ROW phase that has already received an initial payment, the additional funding provided through escalation will be provided in the final payment, if applicable.
- The jurisdiction can only request an escalation adjustment once per project phase and allocation.
- Escalation adjustments will only be considered if there is sufficient Project O or Project P funding to support the adjustment. It should be noted that the escalation adjustments will reduce the amount of funding that is available for future calls.

**CTFP Temporary Policy for Inflation - Escalated Funding Allocation Recommendations**

<b>Regional Capacity Program (RCP) Construction Projects</b>										
No.	Project Number	Agency	Project Title	Fund	Phase	M2 Original Allocation	M2 Additional Escalation	M2 Revised with Escalation	% Change with Escalation	
1	20-SNTA-ACE-3968 <sup>1</sup>	Santa Ana	Bristol Street Improvements Phase 3A - Civic Center Drive to Washington Avenue	ACE	CON	\$ 3,273,573	\$ 691,217	\$ 3,964,790	21%	
2	20-SNTA-ACE-3969 <sup>1</sup>	Santa Ana	Bristol Street Improvements Phase 4 - Warner Avenue to St. Andrew Place	ACE	CON	\$ 7,501,206	\$ 1,583,885	\$ 9,085,091	21%	
3	20-YLND-ACE-3970	Yorba Linda	Bastanchury Road Improvements	ACE	CON	\$ 2,651,605	\$ 375,536	\$ 3,027,141	14%	
4	21-YLND-ACE-3998 <sup>1</sup>	Yorba Linda	Lakeview Avenue Widening from Bastanchury Road to Oriente Drive	ACE	CON	\$ 479,462	\$ 101,239	\$ 580,701	21%	
<b>RCP CON Totals</b>						<b>\$ 13,905,846</b>	<b>\$ 2,751,877</b>	<b>\$ 16,657,723</b>	<b>19% Average</b>	

<b>Regional Traffic Signal Synchronization Program (RTSSP) Primary Implementation<sup>2</sup> Projects</b>										
No.	Project Number	Agency	Project Title	Fund	Phase	M2 Original Allocation	M2 Additional Escalation	M2 Revised with Escalation	% Change with Escalation	
1	20-HBCH-TSP-3973	Huntington Beach	Bolsa Chica Street TSSP (Chapman Avenue to Warner Avenue)	RTSSP	IMP	\$ 1,446,240	\$ 249,158	\$ 1,695,398	17%	
2	21-OCTA-TSP-4000	Irvine*	Alton Parkway RTSSP	RTSSP	IMP	\$ 2,819,350	\$ 471,253	\$ 3,290,603	17%	
3	21-OCTA-TSP-4001	Lake Forest*	Portola Parkway/Santa Margarita Parkway TSSP	RTSSP	IMP	\$ 2,138,998	\$ 352,866	\$ 2,491,864	16%	
4	21-OCTA-TSP-4002	Santa Ana*	First Street/Bolsa Avenue Regional Traffic Signal Synchronization	RTSSP	IMP	\$ 2,972,712	\$ 526,338	\$ 3,499,050	18%	
<b>RTSSP Primary Implementation Totals</b>						<b>\$ 9,377,300</b>	<b>\$ 1,599,615</b>	<b>\$ 10,976,915</b>	<b>17% Average</b>	

<b>Regional Capacity Program (RCP) Right-of-Way (ROW) Project</b>										
No.	Project Number	Agency	Project Title	Fund	Phase	M2 Original Allocation	M2 Additional Escalation	M2 Revised with Escalation	% Change with Escalation	
1	18-SNTA-ACE-3909	Santa Ana	Warner Avenue Improvements - (Oak Street to Standard Avenue)	ACE	ROW	\$ 7,494,000	\$ 1,410,134	\$ 8,904,134	19%	
<b>RCP ROW Totals</b>						<b>\$ 7,494,000</b>	<b>\$ 1,410,134</b>	<b>\$ 8,904,134</b>	<b>19%</b>	

<b>GRAND TOTALS</b>						<b>\$ 30,777,146</b>	<b>\$ 5,761,626</b>	<b>\$ 36,538,772</b>	<b>19% Average</b>	
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<sup>\*</sup>Lead applicant for OCTA-led RTSSP project

<sup>1</sup> Reapplication request in the 2023 call for projects also submitted for consideration. However, if reapplication is successful, agency must cancel existing grant in its entirety before programming recommendations are advanced to the OCTA Board for approval. OCTA shall reprogram funds derived from project cancellations, including escalation adjustments if approved by the Board (totaling \$2,376,342 for all three reapplications), in future calls for projects.

<sup>2</sup> Includes escalation for applicable construction items. Funding considered available to the entire phase.

- Acronyms**
- ACE - Arterial Capacity Enhancements
  - Board - Board of Directors
  - CON - Construction
  - CTFP - Comprehensive Transportation Funding Programs
  - IMP - Primary Implementation
  - M2 - Measure M2
  - OCTA - Orange County Transportation Authority
  - TSSP - Traffic Signal Synchronization Program