



Measure M2 Taxpayer Oversight Committee Teleconference Notice

Committee Members:

Frank Davies: Orange County Auditor-Controller
Douglas P. Gillen
Pauline E. Merry
Harry Sloan
Mark Kizzar
Joseph McCarthy
Tuan Nguyen
Larry A. Lang
Michael Pascual
Jeffrey Kaplan
Douglas Anderson

Teleconference Sites:

Orange County Transportation Authority - Headquarters
550 S. Main Street
Conference Room 07
Orange, CA

Guidance for Public Access to this Taxpayer Oversight Committee (TOC) Meeting:

Governor Gavin Newsom enacted Executive Orders N-25-20 and N-29-20 authorizing a local legislative body to hold public meetings via teleconferencing and make public meetings accessible telephonically or electronically to all members of the public to promote social distancing due to the state and local State of Emergency resulting from the threat of Novel Coronavirus (COVID-19).

In accordance with Executive Order N-29-20, and in order to ensure the safety of the Orange County Transportation Authority (OCTA) TOC Members and staff and for the purposes of limiting the risk of COVID-19, in-person public participation at public meetings of the OCTA will not be allowed during the time period covered by the above-referenced Executive Orders.

Instead, members of the public can view a livestream of the April 13, 2021 5p.m. Taxpayer Oversight Committee meeting by clicking this [link](#).

Public comments may be submitted for the upcoming April 13, 2021 Taxpayer Oversight Committee meeting by emailing them to publiccomments@octa.net. **If you wish to comment on a specific agenda item, please identify the committee name and item number in your email.** All public comments that are timely received will be part of the public record and distributed to the TOC. Public comments will be made available to the public upon request. In order to ensure that staff has the ability to provide comments to the TOC Members in a timely manner, please submit your public comments 30 minutes prior to the start time of the Committee meeting date.

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.

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.

AGENDA

- 1. Welcome**
- 2. Pledge of Allegiance**
- 3. Approval of Minutes/Attendance Report for February 9, 2021**
- 4. Action Items**
 - A. Measure M2 Annual Eligibility Review Subcommittee Recommendations for Fiscal Year 2019-20 Expenditure Reports
Steve Sloan, Annual Eligibility Review Subcommittee
- 5. Presentation Items**
 - A. OC Streetcar Update
Jim Beil, Executive Director, Capital Programs
 - B. Next 10 Delivery Plan Update
Kia Mortazavi, Executive Director, Planning
 - C. I-5 (SR-73 to El Toro Road - Project C) Update
Niall Barrett, Program Manager, Planning
Fernando Chavarria, Community Relations Specialist, Public Outreach
 - D. Measure M2 Quarterly Progress Report (October – December 2020)
Francesca Ching, Measure M Program Manager
- 6. OCTA Staff Updates (5 Minutes)**
 - A. Proposed Maintenance of Effort (MOE) Amendment to OCLTA Ordinance #3 -
Kia Mortazavi, Executive Director, Planning
 - B. Sales Tax Revenue – Sean Murdock, Director, Finance and Administration
 - C. I-405 Improvement Project (Project K) – Christina Byrne, Department Manager, Public Outreach
 - D. Ordinance Compliance Matrix – Francesca Ching, Measure M Program Manager
 - E. Measure M2 Performance Assessment – Francesca Ching, Measure M Program Manager
 - F. Upcoming Annual Hearing Overview – Alice Rogan, Marketing and Public Outreach Director
 - G. 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. Adjournment**

The next meeting will be held on June 8, 2021 at 6pm via teleconference

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INFORMATION ITEMS

<i>Staff Report Title</i>	<i>Board Meeting Date</i>
1. Measure M2 Community-Based Transit Circulators Program Project V Ridership Report and Proposed Program Revisions	January 25, 2021
2. Measure M2 Environmental Cleanup Program - Project X Tier 1 Grant Program Call for Projects	February 8, 2021
3. Revisions to the Measure M2 Eligibility Guidelines	April 12, 2021

Measure M Taxpayer Oversight Committee
Teleconference Site
Orange County Transportation Authority
550 S. Main Street, Orange CA, Room 07
February 9, 2021 @ 5:00 p.m.

MEETING MINUTES

Committee Members Present:

Frank Davies, Orange County Auditor-Controller, Chair
Dr. Pauline Merry, First District Representative
Mark Kizzar, Second District Representative
Harry Sloan, Second District Representative
Tuan Nguyen, Third District Representative
Joseph McCarthy, Third District Representative
Larry Lang, Fourth District Representative
Michael Pascual, Fourth District Representative
Douglas Anderson, Fifth District Representative
Jeffery Kaplan, Fifth District Representative, Co-Chairman

Committee Members Absent:

Douglas P. Gillen, First District Representative

Orange County Transportation Authority Staff Present:

Joseph Alcock, M2 Local Programs Section Manager
Chris Boucly, Public Outreach Section Manager
Francesca Ching, Measure M Program Manager
Jared Hill, Community Relations Specialist
Jeff Mills, Capital Programs Manager
Sean Murdock, Finance and Administration Director
Andrew Oftelie, Chief Financial Officer
Tresa Oliveri, Community Relations Officer
Alice Rogan, Director, Marketing & Public Outreach

1. Welcome

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

Alice Rogan, staff liaison, went over protocols and took roll call.

2. Pledge of Allegiance

Chair Frank Davies led the Pledge of Allegiance to the Flag.

3. Approval of Minutes/Attendance Report for October 13, 2020

Chair Frank Davies asked if there are any corrections to the Minutes/Attendance Report for October 13, 2020.

A motion was made by Harry Sloan, seconded by Joseph McCarthy and carried unanimously to approve the October 13, 2020 TOC Minutes and the Attendance Report.

4. Action Items

A. Measure M2 Quarterly Revenue and Expenditure Report (December 2020)

Sean Murdock presented the Measure M2 Quarterly Revenue and Expenditure Report. He said the report shows a collection of \$81 million for the quarter. Sean said this figure is an estimate since OCTA receives these funds two months in arrears. These funds will be received by OCTA at the end of February. The first quarter's collection was down about 6.4% from last year. Collections through January look to be down 1.4 % from last year. Sean cautioned that sales tax advances have not proven to be indicative of actual receipts. During the second quarter, the M2 program received \$19 million in grant revenue primarily associated with expenditures for the I-405 Improvement Project. In terms of expenditures, approximately \$147 Million was spent on the I-405 Improvement Project, I-5 South Improvement Project and the OC Streetcar Project.

A motion was made by Dr. Pauline Merry, seconded by Douglas Anderson and carried unanimously to affirm that the Taxpayer Oversight Committee has received and reviewed the Measure M2 Quarterly Revenue and Expenditure Report (December 2020).

5. Presentation Items

A. M2 Coronavirus Update

Andrew Oftelie provided an update on the Coronavirus effects on Measure M2. Financially he said pre-pandemic estimates indicated M2 would collect \$13.4 billion over its 30-year lifetime. In October, the estimates went down to \$11.6 billion which is about a 13% drop due to the Covid lockdown. In December, the OCTA Board received an update to the Next 10 Plan. Regarding the freeway program, OCTA is figuring out how to deliver the projects as promised with a smaller budget. It looks like it is achievable to deliver projects as promised because of built in contingencies. In the Spring there will be a final Next 10 Plan Update presented to the Board. Andrew talked about organizational impacts including major impacts on the transit program. He said administrative employees are working from home when it comes to the M2 organizational impacts. OCTA has had to get creative with public meetings through the use of virtual meetings. Andrew talked about changes to the administration of M2 when it comes to working with city partners. He said all cities in the county receive funds through Measure M and OCTA has worked with these agencies as it relates to the pandemic. Cities received relief/flexibility when it came to Maintenance of Efforts

(MOEs), the semi-annual review process, the senior mobility program, and the Project V Program.

Committee Member Comments:

Dr. Pauline Merry asked where OCTA gets loans. Andrew Oftelie said OCTA issues municipal bonds. OCTA works with large investment banks and then they match-up OCTA with investors. He said every six months OCTA pays back the investors to pay down the bonds.

Larry Lang asked if OCTA violates any covenants or conditions from prior financing when looking to get more loans. Andrew Oftelie said the main covenant is that OCTA maintain a coverage ratio of 1.3 times coverage and OCTAs current ratio is well above that even if additional debt is incurred.

Larry Lang asked about the Covid Bill in Congress and whether any of those funds would replace the lost sales tax revenue funds. Andrew Oftelie said the previous stimulus bill passed in October provided relief for the transit program. There is talk that the latest bill may include some money for the freeway program. OCTA is not anticipating or assuming any relief or stimulus funds.

Larry Lang asked about the possibility of an increase to cashflows in the future when things are back up and running. Andrew Oftelie said, if in the short-term OCTA starts collecting more than anticipated or receives stimulus money, the amount of the bonds issued would go down or not happen at all. Andrew said OCTA will borrow as little as possible since the ordinance states that the “pay-as-you-go” method is the preferred financing mechanism.

Harry Sloan asked about the MOE issue. He asked if the OCTA Board identified an end to the relief. Andrew Oftelie said the OCTA Board only approved the relief for Fiscal Year 2020 and Fiscal Year 2021. In 2022 the requirements will revert to the original MOE requirements unless the Board takes another action.

B. M2 Market Conditions Key Indicators Analysis and Forecast

Francesca Ching presented the M2 Market Conditions Key Indicators Analysis and Forecast. At OCTA Board direction, OCTA contracts with two local economists through the Orange County Business Council to monitor and analyze key early warning indicators affecting the construction market. This is used in tandem with the annual M2 sales tax revenue forecast update to assist with prudent project delivery decisions in the Next 10 Delivery Plan. The results of the fall analysis were presented to the OCTA Board in November 2020. Francesca talked about the four major components of the Cost Pressure Index Model: economic trends, material costs, labor costs, economic conditions. Based on the latest information through the second quarter, the economist projected low construction cost inflation in 2021 and 2022, with recovery in 2023 which returns

to average inflation rates of two to six percent. <The full presentation can be found on OCTA.net>

C. I-405 (Project K) Funding and Schedule Update

Jeff Mills provided background on the I-405 Improvement Project. He then provided an update noting that the project is more than 50% complete, and OCTA received Board Authorization to explore a reset of the interest rate on the Transportation Infrastructure Finance and Innovation Act TIFIA Loan. Jeff said that three bridges are complete and more than half of the retaining walls/soundwalls needed for the Project are currently under construction or complete. He shared a look ahead at bridge openings and closings over the course of 2021. McFadden, Bushard and Slater bridges are completely open. Jeff said there are some risks remaining in the second half of the year including archaeological discoveries, Covid, utility relocations and the design/build of the toll lane systems. Chris Boucly presented a community outreach update for 2020. He said OCTA has used virtual meetings, digital communications, and flyers. Chris said 2021 will be busy with virtual neighborhood meetings, major work notifications and bridge completion milestones. He said OCTA continues to work with major stakeholders. <The full presentation can be found on OCTA.net>

D. Measure M2 Quarterly Progress Report (July-September 2020)

Francesca Ching presented the Measure M2 Quarterly Progress Report for the first quarter of fiscal year 2020-21. Francesca shared highlights of the Freeway Program, Streets and Roads Program, Transit Program, and Environmental Program. The Measure M2 Project Management Office (PMO) continues to monitor COVID-19 impacts, market conditions, and sales tax revenue forecasts. The quarterly report is a resource for information on all aspects of the M2 program, shares successes and challenges of M2 implementation, and fulfills the Ordinance No. 3 requirements. <The full presentation can be found on OCTA.net>

6. OCTA Staff Updates

A. Measure M2 Community-Based Transit Circulators Program Project V Ridership Report and Proposed Program Revisions (Project V) – Joseph Alcock said Covid has had a tremendous impact on Project V. Only three of these circulators are still running – Anaheim Canyon circulator, the Lake Forest Community Van circulator and the San Clemente Rideshare service. He said most agencies say they will not be reinitiating these services until social distancing limits are lifted and expressed concerns about meeting the minimum ridership requirements. Local agencies also had concerns about increased costs – primarily enhanced cleaning and sanitizing requirements – which will likely be required well after the pandemic subsides. Despite these concerns local agencies feel Project V is a good value to their community. Revisions to the program were approved two weeks ago by the OCTA Board. These include modifying the boardings-per-revenue-vehicle-hour, new disclosure requirements, and secured funding caps. Staff is working on updating agreements in anticipation of services starting again.

- B. I-405 Improvement Project TIFIA Loan Reset – Sean Murdock said Measure M2 funds the construction of the general-purpose lanes while the TIFIA loan funds the express lanes portion of the I-405 Project. The TIFIA loan was secured in 2017 for \$629 million at an interest rate of 2.91%. Staff thought they would never see a rate that low, but times have changed. OCTA is looking for opportunities to get a lower rate. Sean said if OCTA were to get this loan today it would be about 1.96%. This would reduce the loan by \$110 million over the life of the loan. Sean said staff is reviewing loan documents and could potentially close a new TIFIA loan at the end of March.
- C. Measure M2 Environmental Mitigation Program Update – Dan Phu noted many of the program highlights were included under item 5D – Measure M2 Quarterly Progress Report (July-September 2020). He said this program is 5% of the revenue going to the Freeway Program within Measure M2. Dan provided background on the program. Dan said the recent wildfires affected three OCTA habitat restoration projects. Staff is working with the state and federal wildlife agencies to develop a plan for the damaged sustained on these restoration projects. Dan also shared the progress of the endowment funds. He said OCTA is a little ahead on the annual deposits schedule making OCTA a little over halfway complete on funding the endowment.
- D. OC Streetcar Update – Tresa Oliveri provided background on the project. She showed pictures of the Westminster Bridge, Santa Ana River Bridge and the Maintenance and Storage Facility. Tresa said track installation is underway. She said the first four vehicles are nearing the end of construction with eight more in various stages of construction. OCTA continues to do outreach in multiple languages and work with stakeholders. <The full presentation can be found on OCTA.net>

Committee Member Comments:

Committee member said the video staff provided on the OC Streetcar was done very nicely.

- E. Staff Liaison– Alice Rogan said OCTA anticipates that all public and community meetings will continue virtually. OCTA is working on a plan for a safe return to the workplace. Alice said recruitment is starting for members representing the first, second, fourth and fifth Supervisorial Districts. The application is live on OCTA.net and due on May 2, 2021.

7. Annual Eligibility Review (AER) Subcommittee Report

Harry Sloan said there is no new report. The committee will next meet on March 18, 2021 and will be reviewing the expense reports submitted by OC agencies. Joseph Alcock said once the AER subcommittee reviews the reports they will be forwarded to the full TOC in April.

8. Annual Audit Subcommittee Report

Chair Frank Davies said the subcommittee met prior to this meeting and received a presentation from the external auditor on the results of the audit reports ending Fiscal Year 2020 which includes the OCLTA financial statements, the M2 status report agreed upon procedures, the Gann AUP and the OCTA Management Letter. Based on the review of the reports the subcommittee believes OCTA is acting in accordance with the renewed Measure M Transportation Ordinance and Investment Plan. The subcommittee also received a presentation the Measure M2 Quarterly Revenue and Expenditure Report (December 2020). At the next meeting, the subcommittee will review the results of the selected city and county audits relating to local fair share, senior mobility and senior non-emergency medical transportation funding, along with review of the compliance matrix for 2020.

9. Environmental Oversight Committee (EOC) Report

Dr. Pauline Merry said the EOC met last week and received updates on the recent impact of wildlife fires and the Fire Management Plans (FMP). She said several restoration projects were affected by the Silverado and Bond Fires. OCTA is coordinating with the restoration project sponsors to fully assess the damage and will seek federal funding opportunities related to restoration recovery. FMPs are underway and are expected to be complete this year for all seven preserves. The 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.

10. Committee Member Reports

There were no committee comments.

11. Adjournment

Chair Frank Davies thanked staff for arranging the meeting and adjourned the meeting.

The next meeting will be held via teleconference on April 13, 2021 at 5pm.

Taxpayer Oversight Committee

Fiscal Year 2020-2021

Attendance Record

X = Present

E = Excused Absence

* = Absence Pending Approval

U = Unexcused Absence

-- = Resigned

Meeting Date	July	11-Aug.	Sept.	13-Oct.	Nov.	8-Dec.	Jan.	9-Feb.	March	13-Apr.	May	8-Jun.
Douglas P. Gillen		X		X		M		*				
						E						
Pauline Merry		X		X		E		X				
						T						
Joseph McCarthy		X		X		I		X				
						N						
Mark Kizzar		X		X		G		X				
Harry Sloan		X		X		C		X				
						A						
Tuan Nguyen		X		X		N		X				
						C						
Larry A. Lang		X		X		E		X				
						L						
Michael Pascual		X		X		L		X				
						E						
Jeffrey Kaplan		X		X		D		X				
Douglas Anderson		X		X				X				
Frank Davies		X		X				X				

Absences Pending Approval

Meeting Date

Feb. 9, 2021

Name

Douglas P. Gillen

Reason

Scheduling error.

*Action
Items*



April 13, 2021

To: Taxpayer Oversight Committee

From: Orange County Transportation Authority Staff

Subject: Measure M2 Annual Eligibility Review Subcommittee
Recommendations for Fiscal Year 2019-20 Expenditure Reports

Overview

The Measure M2 Ordinance requires that all local jurisdictions annually satisfy eligibility requirements in order to receive Measure M2 net revenues. The Annual Eligibility Review Subcommittee has convened and completed its review process for fiscal year 2019-20 M2 Expenditure Reports.

Recommendation

Affirm that the Taxpayer Oversight Committee has received and completed the review of fiscal year 2019-20 M2 Expenditure Reports from all 35 Orange County local jurisdictions.

Background

According to the Measure M2 (M2) Ordinance, the Taxpayer Oversight Committee (TOC) is responsible for receiving and reviewing several components of each local jurisdiction's M2 eligibility submittals. These include the Congestion Management Program, Mitigation Fee Programs, Expenditure Reports, Local Signal Synchronization Plans, and Pavement Management Plans. The eligibility component that was most recently submitted were fiscal year (FY) 2019-20 M2 Expenditure Reports.

Consistent with M2 Eligibility Guidelines, local jurisdictions are required to submit M2 annual expenditure reports within six months of the close of the FY. For all local jurisdictions, the reports were due and were submitted on or before December 31, 2020. Local jurisdictions are required to report on the usage of M2 funds, developer/traffic impact fees, and funds expended to satisfy M2 Maintenance of Effort requirements. Consistent with the Ordinance, the TOC established the Annual Eligibility Review (AER) Subcommittee to receive and review TOC eligibility components, including annual M2 Expenditure Reports, on behalf of the TOC.

Discussion

At the March 25, 2021 AER subcommittee meeting, which was conducted virtually, Orange County Transportation Authority (OCTA) staff provided a detailed overview of its technical review of all 35 Orange County local jurisdiction's M2 Expenditure Reports (Attachment A). Also, for the meeting, AER subcommittee members were provided with a copy of the complete report for each local jurisdiction. The AER subcommittee was then given the opportunity to ask clarifying questions, and after discussion of AER subcommittee member questions, the Subcommittee affirmed that it received and reviewed the FY 2019-20 Expenditure Reports for all 35 Orange County local jurisdictions.

Next Steps

Once the TOC affirms its receipt and review of these eligibility materials, staff reports the completion of the FY 2019-20 M2 Expenditure Reports eligibility component to the OCTA Regional Planning and Highways Committee and Board of Directors for consideration of a finding that all 35 Orange County local jurisdictions are eligible to continue to receive net M2 revenues.

Summary

The AER Subcommittee is reporting to the TOC that it has received and reviewed the FY 2019-20 M2 Expenditure Reports in order to advance the current component of the eligibility process to the Board of Directors.

Attachment

- A. Measure M2 Eligibility Review Summary of FY 2019-20 Expenditure Reports

**Measure M2 Eligibility Review Summary
of FY 2019-20 Expenditure Reports**

Local Jurisdiction	Expenditure Report Received by Deadline	Resolution Received by Deadline	MOE Benchmark Met ¹	Received and Reviewed
Aliso Viejo	Yes	Yes	Yes	Yes
Anaheim	Yes	Yes	Yes	Yes
Brea	Yes	Yes	Yes	Yes
Buena Park	Yes	Yes	Yes	Yes
Costa Mesa	Yes	Yes	Yes	Yes
County of Orange ²	Yes	Yes	N/A	Yes
Cypress	Yes	Yes	Yes	Yes
Dana Point	Yes	Yes	Yes	Yes
Fountain Valley	Yes	Yes	Yes	Yes
Fullerton	Yes	Yes	Yes	Yes
Garden Grove	Yes	Yes	Yes	Yes
Huntington Beach	Yes	Yes	Yes	Yes
Irvine	Yes	Yes	Yes	Yes
La Habra	Yes	Yes	Yes	Yes
La Palma	Yes	Yes	Yes	Yes
Laguna Beach	Yes	Yes	Yes	Yes
Laguna Hills	Yes	Yes	Yes	Yes
Laguna Niguel	Yes	Yes	Yes	Yes
Laguna Woods	Yes	Yes	Yes	Yes
Lake Forest	Yes	Yes	Yes	Yes
Los Alamitos	Yes	Yes	Yes	Yes
Mission Viejo	Yes	Yes	Yes	Yes
Newport Beach	Yes	Yes	Yes	Yes
Orange	Yes	Yes	Yes	Yes
Placentia	Yes	Yes	Yes	Yes
Rancho Santa Margarita	Yes	Yes	Yes	Yes
San Clemente	Yes	Yes	Yes	Yes
San Juan Capistrano	Yes	Yes	Yes	Yes
Santa Ana	Yes	Yes	Yes	Yes
Seal Beach	Yes	Yes	Yes	Yes
Stanton	Yes	Yes	Yes	Yes
Tustin	Yes	Yes	Yes	Yes
Villa Park	Yes	Yes	Yes	Yes
Westminster	Yes	Yes	Yes	Yes
Yorba Linda	Yes	Yes	Yes	Yes

FY - Fiscal Year

MOE - Maintenance of Effort

N/A - Not Applicable

¹ Due to the financial impacts of the COVID-19 pandemic, the MOE requirement was modified by the Orange County Transportation Authority's Board of Directors, for FY 2019-20, to accept actual MOE expenditures reported as meeting the MOE requirement, even if the total expenditure amount was below the MOE benchmark requirement for FY 2019-20.

² The original MOE was established in 1991 with the first Measure M (M1) Program using a five-year average of the level of funding local jurisdictions spent on streets and roads between 1985 and 1990. However, Orange County Public Works and their predecessor agencies received sufficient gas tax subventions and other transportation specific funding from State, Federal and other local sources which were required to be used for transportation. As such, they did not and do not use discretionary funds for transportation purposes. The County uses a number of fund sources for transportation including gas tax subvention or Highway User Tax Account (HUTA), federal grants, assessment districts, developer impact fees, and other transportation specific funding sources.

***Presentation
Items***



April 8, 2021

To: Transit Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: OC Streetcar Project Quarterly Update

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

Overview

The Orange County Transportation Authority is implementing the OC Streetcar project, and updates are provided to the Board of Directors on a quarterly basis. This report provides an update on OC Streetcar project activities from January 2021 through March 2021.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA), in cooperation with the cities of Santa Ana and Garden Grove, is implementing a modern streetcar running between the Santa Ana Regional Transportation Center in the City of Santa Ana (City) and the intersection of Harbor Boulevard and Westminster Avenue in the City of Garden Grove. The OC Streetcar project (Project) will improve transit connectivity and accessibility, increase transit options, relieve congestion, and provide benefits to the community and traveling public. The Project is being implemented as part of Measure M2 Project S – Transit Extensions to Metrolink, approved by Orange County voters in November 2006.

Construction of the 4.15-mile Project line involves complex and specialized work, including the installation of embedded track in existing streets, an overhead contact system (OCS) to supply power to the vehicles, stops with canopies, bridges, and a maintenance and storage facility (MSF).

The Project includes ten streetcar stops in each direction (four shared center platforms and six side platforms in each direction, for a total of 16 platforms). Each stop includes a canopy, benches, leaning rails, trash cans, lighting,

variable message signs, video cameras, a public address system, and ticket vending machines, which will be procured separately. Platforms will be 14 inches high to enable level boarding to streetcar vehicles. Furthermore, the installation of new traffic signals and transit signal priority at intersections along the route is also included.

The MSF can accommodate up to 15 modern streetcar vehicles, as well as all necessary administration, operations, vehicle maintenance, parts storage, and maintenance-of-way needs for the Project. Secured exterior vehicle storage, including a wye track for turning vehicles end-for-end, a free-standing vehicle wash, employee parking, and fire department/delivery access will also be included.

On March 26, 2018, the Board of Directors (Board) awarded a contract to Siemens Mobility, Inc., (Siemens) for the manufacture and delivery of eight modern streetcar vehicles, spare parts, and special tools. On September 24, 2018, the Board awarded the Project construction contract to Walsh Construction Company II, LLC (Walsh). On November 30, 2018, the Federal Transit Administration (FTA) executed the Full Funding Grant Agreement (FFGA), securing \$149,000,000, in federal New Starts discretionary funding for the Project. In February 2019, the FFGA was funded through the FTA Transit Award Management System, which was the final step necessary to begin the drawdown of federal funding. Through March 15, 2021, \$57,378,721, has been drawn down on the FFGA.

Discussion

The following is the status of ongoing project activities related to construction, vehicle manufacturing, and public outreach.

Construction

In the Pacific Electric Right-of-Way (PEROW), Walsh continues to install OCS pole foundations, duct banks, and three soundwalls. A short retaining wall on the south side of the Harbor Station parking lot was completed, and the sidewalks and medians on Westminster Avenue have been restored. Minor concrete placements on the Westminster and Santa Ana River bridge decks continue, including upcoming placement of plinths, which are raised curbs that the rail is affixed to. Double-sided station platforms at Fairview Street and Raitt Street are under construction, and conduits are being installed at the Harbor Station. Electrical conduits are being placed to serve traction power substations near Westminster Avenue and at the northwest corner of the MSF.

Construction of the MSF is critical to the Project schedule, as it is needed to accept delivery and conduct final acceptance testing for the eight vehicles

being manufactured by Siemens. OCTA continues to coordinate with FTA and the Most Likely Descendant on the reinterment of the Native American cultural remains, which were encountered during excavations at the MSF site in fall 2020. Construction work continues on the site utilities, foundation slab, wheel-truing pit, service and inspection pits, perimeter block wall, and the storm drainage infiltration basin was installed. MSF construction delays have been experienced while waiting for design of cathodic and stray current protection, as well as the associated procurement of the materials. Staff will be seeking Board approval of a construction change order (CCO) to compensate Walsh for changes to the MSF plans associated with building permit design compliance requirements in the second quarter of 2021.

Construction of westbound embedded track on Santa Ana Boulevard between Bristol Street and Raitt Street and between Parton Street and French Street is ongoing. As noted in the communication to the Board on February 23, 2021, several challenges encountered in both sections have impeded track installation progress resulting in portions of the streets being inaccessible for longer periods than originally scheduled. A surveying error at the Bristol Street intersection and a detail related to the streetcar traffic signal detector system near Raitt Street have been resolved and track installation is proceeding. Work to install eastbound embedded track on Santa Ana Boulevard between Raitt Street and Bristol Street is estimated to begin in April 2021. Excavation for embedded track on Santa Ana Boulevard between Mortimer Street and Parton Street exposed about 20 undocumented shallow utilities and one storm drain in conflict with the communications and traction power duct bank, which is installed under the track slab. Some delays were encountered as a new localized track slab and duct bank design detail were developed to enable work to proceed. These new design details will also be utilized on future unknown conflicts.

Walsh has been authorized to undertake advanced “mini-trench” excavation explorations, the width of the duct bank, in future track bed segments to identify unknown utilities which may be present. This will help in minimizing delays and disruptions if additional unknown utilities are encountered. Staff will be seeking Board approval of a supplemental CCO to compensate Walsh for additional utility conflicts in the second quarter of 2021. Other activities in the city streets include continued installation of OCS and traffic signal pole foundations, and the reconstruction of impacted sidewalks and curb ramps.

During the reporting quarter, the construction management team worked on preparation of additional CCOs, including design modifications to the traction power substations, traffic signal interconnects, additional removal and disposal of contaminated soil in the PEROW, and over-excavation of unsuitable soil on Santa Ana Boulevard. Staff anticipates seeking Board approval of these CCOs in the second quarter of 2021.

Vehicle and Operations

Siemens continues production of eight S700 streetcar vehicles in the City of Sacramento. OCTA has an on-site resident inspector at the Siemens facility to oversee the vehicle manufacturing process and ensure compliance with the technical specifications. The first six vehicles are currently undergoing static and dynamic testing. Static testing is when the vehicle is stationary inside the facility to verify functionality of components in a controlled environment. Static testing starts earlier in the testing sequence and is also referred to as verification testing. Dynamic testing is performed on the test track and the vehicle is in motion. Dynamic testing allows the vehicle manufacturer to observe the functional behavior of the vehicle, monitor system functionality and performance in vehicle operation, and verify response time. This testing process usually takes approximately two months to verify component and system functionality. The remaining two cars, Cars 7 and 8, are in equipping and final assembly and are anticipated to begin static and dynamic testing in the next quarter.

During the reporting period, a First Article Inspection (FAI) was conducted for the energy absorbing bumper. The energy absorbing bumper is the first of its kind in production by Siemens for the S700 vehicle and is specific to the rail vehicles at OCTA and the City of Phoenix, Arizona. The bumper's unique design incorporates enhanced safety features and can be more easily repaired in the event of an incident, resulting in reduced downtime and ensuring vehicle availability. During the FAI, staff witnessed multiple performance tests and discussed design modifications required before the bumper design was finalized. Two other vehicle components that remain in final design review are the emergency battery drive and the flange lube system, which are both estimated to be closed out next quarter. Additionally, staff coordinated with Siemens in closing out items from the vehicle door FAI that occurred last quarter. FAIs are a contract requirement and a critical component of the manufacturing process to ensure that each component of the vehicle is built according to specifications and quality control measures are met.

Ongoing coordination with Siemens on the design features and FAIs of multiple vehicle components, as well as extended testing efforts for the vehicle door, energy absorbing bumper and emergency battery drive, has impacted the anticipated dates for delivery of the S700 vehicles. As a result, Siemens submitted a revised master program schedule to reflect current progress of production and to propose vehicle completion late in the second quarter. This revised schedule is currently in review by OCTA. Staff is in negotiations with Siemens regarding options for vehicle storage to align with the availability of the Project infrastructure that is needed to accept and test the vehicles. Staff will return to the Board later this year with any contract amendments required for Siemens as a result of these discussions.

On January 19, 2021, a Request for Proposals (RFP) was released for a rail tow vehicle (RTV), which will be used during the testing and commissioning of the system, and in revenue service as an emergency tow vehicle. As of the due date of February 17, 2021, no bids were received for the RFP. Staff followed up with multiple prospective vendors and learned that the nature of the track alignment, specifically the ability of an RTV to navigate 20-meter curves, was a significant challenge in meeting the technical specification. Subsequently, staff has modified the technical specification to allow for an alternative option that eliminates the requirement for tow vehicle to be in high-rail mode (riding on rails) while traversing the 20-meter curves. The RFP has been released with the revised technical specification, and bids are due on April 14, 2021. Staff is also enhancing outreach efforts to the industry given the nature of this specialized vehicle and anticipates returning to the Board in June 2021 for approval of an RTV contract award.

During the quarter, staff coordinated with the operations and maintenance contractor, Herzog Transit Services (Herzog), on timing for the execution of the contract and the potential for a limited notice to proceed with Herzog while the Project completion date is being evaluated, as was discussed with the Board in March 2021.

Public Outreach

Coronavirus protocols continued throughout this reporting period, where in-person events were cancelled, and outreach staff continued to rely on electronic and phone notifications for most of its efforts. In addition, bilingual notices were delivered to residents and businesses along portions of Santa Ana Boulevard with active track excavation to highlight specific activities, such as excavations, rail placement, and concrete placement occurring in front of homes and businesses.

OCTA is aware of the issues experienced by the residents on Santa Ana Boulevard between Bristol Street and Raitt Street. Bilingual outreach staff conducted door-to-door canvassing to residents providing an opportunity to acknowledge the inconveniences, explain the cause of the delays, and answer questions about the Project and upcoming work. Residents were gracious and many expressed appreciation for the opportunity to discuss concerns. A bilingual fact sheet explaining the track installation process and a bilingual construction brochure with the Project timeline and descriptions of project phases were provided.

The upcoming segment for work on Fourth Street presents unique challenges due to the concentration of businesses with visitors on Fourth Street between Ross Street and Mortimer Street. A field walk with Walsh, construction management representatives, and City staff was conducted to identify and

highlight specific needs for Walsh, businesses, and visitors given the access and parking needs of the area. Although the exact schedule for the start of this work has not been confirmed, this preparatory effort will allow for informing the businesses and residents about access and phasing of activities.

As part of continually evaluating and enhancing outreach efforts, staff is refreshing the biweekly eblast to include bilingual descriptions of construction highlights. A new link to an interactive map on the Project website with bilingual descriptions of work activities is in development and will be debuted next quarter.

OCTA's Eat Shop Play program has expanded to 47 participants, exceeding the goal of 40 businesses. Targeted social media campaigns and biweekly newsletters continue to feature businesses and include information about local community events.

Both business associations continued to identify projects and programs to expand marketing efforts to develop and implement events to bring visitors safely into Downtown Santa Ana. In addition, modest investments have been made in additional signage and banners to create interest and excitement for visitors. Technical assistance is also being provided to business owners interested in virtual networking and having an increased web presence to accommodate ecommerce opportunities.

Cost and Schedule

In March 2021, the Board approved the use of \$15.68 million in additional funding to supplement the Project contingency. The Project cost and schedule to complete is under review by OCTA and FTA, considering the challenges encountered and outstanding project risks. Staff will return to the Board on or before November 2021 to present the results of FTA's risk analysis, as well as recommendations for the cost and schedule adjustments needed to complete the Project. The Project cost history documented from key decision points is provided in Attachment A.

The schedule to complete construction and achieve the revenue service date (RSD) has been extended due to realization of known and unplanned risks, including contaminated materials, removal of undocumented underground tank and well and other buried man-made objects, cultural discovery at the MSF, the high number of undocumented utility conflicts, unsuitable subgrade soils, contractor non-compliance and rework, and resolution of design plan and specification deficiencies and omissions. OCTA staff and Walsh are not in agreement on the impact, and in some cases responsibility, of the myriad of risks and issues encountered on the planned critical path schedule. The current updated OCTA staff forecast is for a July 2023 RSD.

The risk assessment currently being performed by FTA is reassessing the overall project cost and schedule. FTA will likely be recommending additional cost contingency to cover additional risk for construction claims, and additional schedule risks to assure the RSD is achieved within the term of the FFGA.

Next Steps

Construction activities in the next quarter will focus on completing the floor slabs in the MSF building, installation of embedded track in the street and ballasted track in the PEROW, installing OCS poles, delivering the traction power substations, and constructing station stop platforms. Next steps for vehicles include finalizing design for remaining vehicle components, as well as continued production, assembly, and ongoing static and dynamic testing. Upcoming outreach activities include ongoing coordination with the construction team and the City regarding traffic control measures that are needed for the in-street embedded track installation, particularly along Fourth Street where businesses are more prevalent.

Summary

An OC Streetcar project update covering January 2021 through March 2021 is provided for the Orange County Transportation Authority Board of Directors' review.

Attachment

- A. OC Streetcar Project Cost History

Prepared by:



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Approved by:



James G. Beil, P.E.
Executive Director, Capital Programs
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OC Streetcar Project Cost History

The following table summarizes the cost history of the OC Streetcar project (Project). The cost is shown at four milestones in the Federal Transit Administration (FTA) New Starts project development process: Entry into Project Development, Entry into Engineering, Submission of the Full Funding Grant Agreement (FFGA) Application, and at FFGA execution following the construction bid opening.

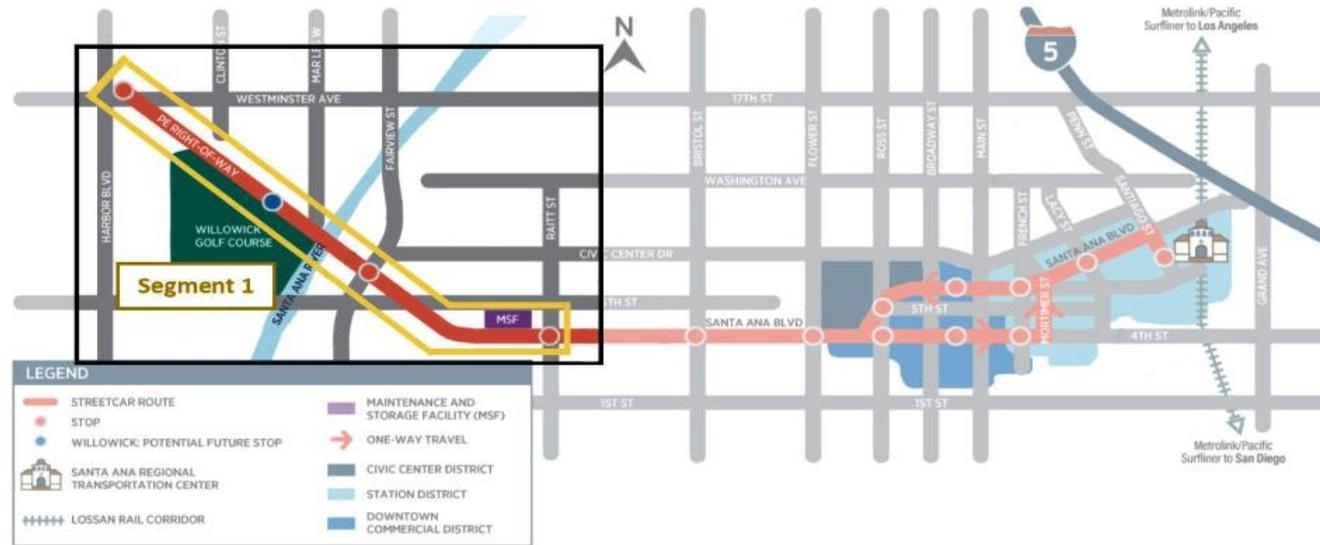
On March 22, 2021, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved \$15.6 million in additional funding to supplement the Project contingency. The interim project cost, including the supplemental contingency and the current updated revenue service date (RSD) forecast, has also been provided in the table. An updated cost and schedule to complete the Project will be presented to the Board on or before November 2021, pending completion of FTA's risk analysis.

	Entry into Project Development May 2015	Entry into Engineering (30% Design) January 2017	Request for FFGA (Post FTA Risk Assessment/ 60% Design) May 2017	FFGA Execution (Post Construction Award) July 2018	<i>Interim Project Cost with Supplemental Contingency</i>
Total Cost* (in millions)	\$250.0	\$298.0	\$299.3	\$407.8	\$423.4
OCTA RSD	December 2019	December 2020	December 2020	October 2021 March 2022 (FFGA RSD)	<i>July 2023</i>

* Not included in the table is \$8.6 million in previously-programmed funding that is being used for activities that are not eligible for federal participation and cannot to be included in the FFGA Project cost, including early environmental phase work and certain right-of-way acquisition costs.

OC Streetcar Project Quarterly Update

Construction—Segment 1



- Pacific Electric Right-of-Way (PEROW)
 - Installation of overhead contact system (OCS) pole foundations and communication duct banks.
 - Construction of Fairview station platform.
 - A short retaining wall on the south side of the Harbor Station parking lot was completed.

Westminster Bridge



- Median is being reconstructed.
- Minor concrete placement on the bridge deck continue, including installation of plinths, which are raised curbs that the rail will be affixed to.

Santa Ana River Bridge



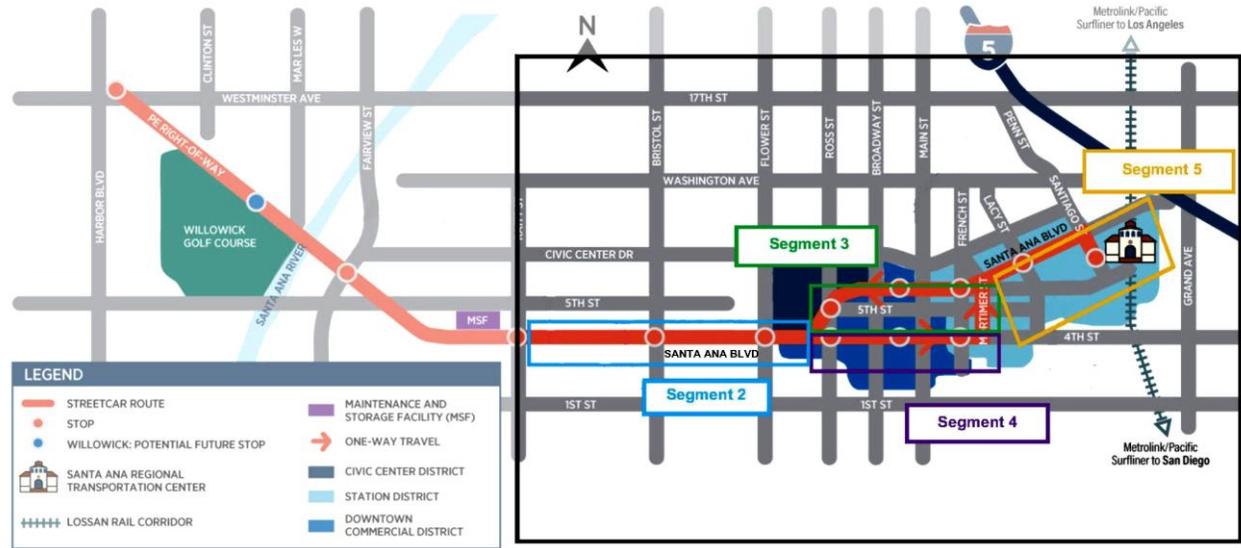
- Minor concrete placement on the bridge deck continue, including installation of plinths.

Maintenance and Storage Facility (MSF)



- Work on utilities, installation of storm water infiltration basin.
- Construction started on perimeter block wall.
- Continued work on west half of the MSF building floor slabs, the car wash foundation and slab, and new electrical substation.

Construction—Segments 2 Through 5



- Installation of OCS, traffic signal, and streetlight foundations and poles.
- Encountered and remediated railroad ties from the former Pacific Electric Railway, contaminated soil, and unsuitable subgrade soil on Santa Ana Boulevard between Raitt Street and Bristol Street.
- Westbound embedded track installation across Bristol Street proceeding west towards Raitt Street in 300-foot segments.
- Westbound embedded track excavation on Santa Ana Boulevard between Parton Street and Mortimer Street. Northbound embedded track excavation on Mortimer Street.

Track Installation

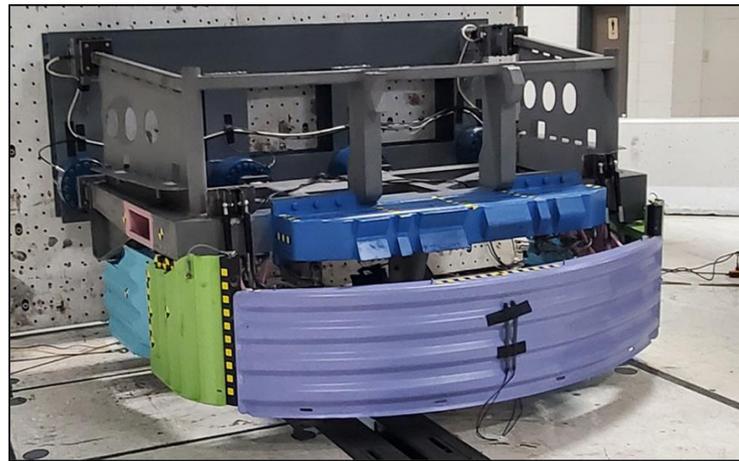


Upcoming Construction Milestones

- In-street embedded track
- PEROW ballasted track
- Direct fixation plinths for track on bridges
- OCS and traffic signal pole foundations
- MSF slabs and walls
- Station stop platforms
- Delivery and placement of traction power substations

Vehicles

- The first six of the eight S-700 streetcar vehicles are undergoing static and dynamic testing to verify component and system functionality.
- Cars 7 and 8 are in equipping and final assembly.
- First article inspection conducted for the energy absorbing bumper, which has a unique design that incorporates enhanced safety features and ease of repair.
- Siemens submitted a revised master program schedule. Negotiations are ongoing with Siemens regarding options for vehicle storage to align with the availability of the project infrastructure needed to accept and test the vehicles.



Vehicles



Outreach

- Segment 2: Door-to-Door Canvassing
- Segment 4: Field Assessment
- Eat Shop Play



*Face covering required

EAT SHOP PLAY

D TSA Farmers' Market

Every Tuesday night from 3 - 7 PM
3rd St and Bush St, Santa Ana, CA 92701
www.nativeharvestevents.com

OCSTREETCAR
octa.net/eatshopplay



BUSINESS Spotlight

EAT SHOP PLAY

Looking to grab a bite of Mexican food to celebrate National Tortilla Chip Day on 02/24? Check out the local businesses featured below!



Taquerias Guadalajara

Restaurante Las Cazuelas

El Rincon Mexicano

El Mercado Modern Cuisine

OC Streetcar Track Construction

OCSTREETCAR

How will the OC Streetcar track be constructed?
Crews will install the streetcar rail and infrastructure in a series of steps:



01 Excavating and removing asphalt from the street

02 Pulling pre-prepared rail into position

03 Installing base foundation materials

04 Installing electrical systems

05 Laying down the base materials

06 Pouring the track base around the rail

The OC Streetcar features two types of rail:

1. Rail laid on top of ballast (crushed stone) and anchored by rail ties. The OC Streetcar will use this type of rail in the Pacific Electric Right-of-Way between Harbor Boulevard and Westminster Avenue and Raitt Street.
2. Rail embedded in the street. This type of rail will be featured on most of the project route.

What to expect during track construction:

- 24-hour lane closures, parking closures and pedestrian detours
- Construction crews working near your home or business
- Use of heavy machinery to remove asphalt and prepare trench for track bed

This work may be loud. Schedule is subject to change due to inclement weather or unforeseen operational factors.

Thank you for your patience as we build a new transportation option that will benefit residents, commuters and business owners.

OCstreetcar.com | OCstreetcar@octa.net | 1(844) 760-OCSC or 1(844) 746-6272 | Facebook.com/OCstreetcar | @OCstreetcar

LIVING CAREFREE AND CAR-FREE
VIVIENDO DESPREOCUPADO Y LIBRE DE COCHES

The OC Streetcar will benefit residents, commuters and visitors. It will. El tránsito de OC beneficiará residentes, pasajeros y visitantes. ¡Lo hará!

RESIDENTS / RESIDENTES
Provide easy and reliable connectivity between neighborhoods, businesses and major destinations. Proporcionar una conectividad fácil y confiable entre los vecindarios, negocios y destinos principales.

LOCAL BUSINESSES / NEGOCIO LOCAL
Boost business investment and opportunities and create jobs. Impulsar la inversión y las oportunidades comerciales y crear empleos.

COMMUTERS / PASAJEROS
Give commuters in Southern California a last-mile connection from the Santa Ana Regional Transportation Center to Downtown Santa Ana and Garden Grove. Ofrecer a los viajeros en el sur de California una conexión de último milla desde el Centro de Transporte Regional de Santa Ana hasta el centro de Santa Ana y Garden Grove.

ORANGE COUNTY / CONDADO DE ORANGE
Allow transit riders and visitors to rely on public transportation for their entire journey throughout Orange County and beyond. Hacer posible que los usuarios del transporte público y los visitantes puedan confiar en el transporte público durante todo su viaje en todo el Condado de Orange y más allá.

CONSTRUCTION SAFETY TIPS
CONSEJOS DE SEGURIDAD PARA LAS ZONAS DE CONSTRUCCIÓN

Be alert around construction.
Manténgase alerta en las zonas de construcción.

Allow for extra travel time.
Planee sus viajes con tiempo adicional.

Follow traffic signals and message boards.
Siga los señales de tráfico y los tableros de mensajes.

Always use designated crosswalks.
Siempre utilice cruces peatonales designados.

Limit distractions such as cellphones and headphones.
Limite las distracciones, como el uso de teléfonos celulares y audífonos.

Coming in 2022
Próximamente en 2022

OCSTREETCAR
MOVING FORWARD | AVANZANDO



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EN BẮC THIỆM THÔNG TIN VÀ HỌC HỎI ĐỪNG OC STREETCAR (ĐẠI DIỆN OCTA), XUA LING GIỚI CHIA CHANG BÙI THEO SỐ 1-844-746-6272 HOẶC GỬI EMAIL CHO CHÚNG TÔI TẠI OCSTREETCAR@OCTA.NET



COMMITTEE TRANSMITTAL

April 12, 2021

To: Members of the Board of Directors
From: Andrea West, Interim Clerk of the Board *Andrea West*
Subject: Measure M2 2020 Update: Next 10 Delivery Plan

Executive Committee Meeting of April 5, 2021

Present: Directors Do, Murphy, Bartlett, Hennessey, Jones, and Shaw
Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendations

- A. Adopt the 2020 Measure M2 Next 10 Delivery Plan.
- B. Direct staff to continue to monitor revenue and project cost shifts that could affect the delivery plan and return to the Board of Directors with changes if necessary.

Committee Discussion

At the April 5, 2021 Executive Committee meeting, the Committee provided suggestions for project clarifications related to the freeway program and more inclusive goals related to the transit program. Staff will incorporate the changes and present to the Board on April 12, 2021.



April 5, 2021

To: Executive Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Measure M2 2020 Update: Next 10 Delivery Plan

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is positioned to the right of the "From:" line in the header.

Overview

The Measure M2 Next 10 Delivery Plan aims to strategically deliver Measure M2 freeway, roadway, transit, and environmental projects through fiscal year 2030. A comprehensive review was recently conducted to account for updates to the Measure M2 sales tax revenue forecast, external funding assumptions, and project cost estimates. In December 2020, the Board of Directors was presented with options to manage the impacts of the changes. Based on feedback, staff has updated the Measure M2 Next 10 Delivery Plan. The goals are to ensure fulfillment of the Measure M2 commitments, maintain fiscal sustainability, and strive to deliver transportation benefits early. The results of this effort are presented to the Board of Directors for review and approval.

Recommendations

- A. Adopt the 2020 Measure M2 Next 10 Delivery Plan.
- B. Direct staff to continue to monitor revenue and project cost shifts that could affect the delivery plan and return to the Board of Directors with changes if necessary.

Background

On November 7, 2006, Orange County voters, by nearly 70 percent, approved the Renewed Measure M Transportation Investment Plan (TIP) for the Measure M2 (M2) one-half cent sales tax to be collected for 30 years. The M2 TIP defines the scope of the programs and projects that are to be delivered, which includes four primary elements: freeways, streets and roads, transit, and environmental programs. The M2 TIP summary page is included as Attachment A.

The Orange County Transportation Authority (OCTA) is committed to fulfilling the promises made to voters in the M2 TIP. This effort began with expedited delivery plans of M2 projects and programs. To date, the Board of Directors (Board) has adopted three delivery plans: Early Action Plan in 2007, M2020 Plan in 2012 (intended to go through 2020 but replaced in 2016 to address changes in M2 revenues), and the Next 10 Delivery Plan (Next 10 Plan) in 2016, which was last updated in 2019.

OCTA receives annual updates to the M2 sales tax revenue forecasts. On October 26, 2020, the 2020 M2 sales tax revenue forecast of \$11.6 billion was presented to the Board, which is a \$1.8 billion decrease from what was assumed in the 2019 Next 10 Plan. The lower forecast is attributed to the economic impacts of the coronavirus (COVID-19) pandemic and represents the lowest forecast since M2 inception.

A report on construction market conditions key indicators analysis and forecast was presented to the Board on November 9, 2020. This provided insight on potential construction cost drivers that could affect the Next 10 Plan. The report indicated that OCTA might experience a moderate cost environment in 2021 and 2022, with the potential for a tighter construction market in 2023.

On December 14, 2020, staff presented delivery options for Board consideration and discussion to address the substantial decrease in M2 sales tax revenue. The options assessed were predicated on OCTA's ability to deliver the entire M2 TIP through 2041. The critical consideration in evaluating the options was to ensure that near-term project commitments do not jeopardize OCTA's ability to deliver M2 as promised to voters. The Board directed staff to refine the option that balanced OCTA's ability to maintain progress on near-term projects, ready additional projects for delivery, and optimize the level of debt financing that would be required to support this approach. In addition, the Board also approved the adjustment of the Next 10 Plan timeframe from fiscal year (FY) 2016-17 through FY 2025-26 to FY 2020-21 through FY 2029-30. Lastly, with the uncertainties of COVID-19, the Board requested that staff await the release of the sales tax revenue information through December 2020 before presenting the updated Next 10 Plan.

On March 8, 2021, staff provided an update to the Board on sales tax revenue receipts through December 2020. The data showed that sales tax collections are consistent with the projections presented to the Board in October 2020, and that the total forecasted M2 sales tax revenues remain at \$11.6 billion.

Discussion

The Next 10 Plan, as well as prior delivery plans, were developed based on three fundamental principles: fulfill the commitment to voters, ensure fiscal sustainability, and implement projects and programs effectively and expeditiously. First, the annual review of the Next 10 Plan tests and validates whether the complete M2 Program can be delivered consistent with the commitments promised to voters. Second, financial analysis of the latest revenue forecast and project cost information ensures that the rate of expenditures is financially sustainable and that M2 can withstand economic fluctuations over the life of M2 through 2041. Third, the Next 10 Plan aims to implement projects and programs effectively and expeditiously so the public can realize the benefits of M2 as early as possible.

Per Board direction, the 2020 update of the Next 10 Plan, included as Attachment B, maintains progress on near-term projects and readies additional projects for delivery while optimizing the level of debt financing. The 2019 Next 10 Plan served as the baseline to define prior commitments. The 2020 Next 10 Plan also incorporates the Board-approved \$11.6 billion M2 revenue forecast, along with revised external revenue assumptions and refined project estimates. Given the new timeframe and financials, the Next 10 Plan deliverables were also reviewed and updated; they are included in Attachment C.

The 2019 Next 10 Plan included a significant allowance for economic uncertainties to ensure OCTA can sustain financial fluctuations. Through this strategic financial planning, the 2020 Next 10 Plan confirms that the M2 TIP remains deliverable. The update also continues to maintain prudent annual ending balances and an economic uncertainties allowance. An M2 cash flow summary chart showing a positive ending balance through 2041 is included as Attachment D.

Looking to the future, sales tax revenues will continue to fluctuate due to unpredictable changes in the economy, but changes in revenues do not alter the M2 project and program scopes. Some of the strategies that OCTA will continue to employ to uphold voter-commitments include using innovative project delivery methods, managing the scope and cost of remaining freeway projects in conjunction with the California Department of Transportation, taking advantage of competitive construction market conditions, and pursuing external grant to supplement M2 funds.

The following sections provide a brief overview of what is included in the 2020 Next 10 Plan.

M2 Freeway Program

While the majority of M2 programs can be scaled as sales tax collections fluctuate, the M2 Freeway Program cannot, due to defined project scopes. The M2 Freeway Program consists of 13 projects listed in the M2 TIP, which have been subdivided into 30 project segments for delivery purposes. As of December 2020, 12 project segments have been completed, five are in construction, and seven are initiating design/readying for construction. The remaining six project segments are currently in project development.

The 2020 Next 10 Plan incorporates the Board's direction in December 2020 to keep the freeway projects that were advanced in 2019 on track and proposes to deliver 14 project segments through construction by FY 2029-30. In particular, the 2019 Next 10 Plan included the delivery of Project F: State Route 55 (SR-55) between Interstate 5 (I-5) and State Route 91 by 2028. Initially, the 2020 M2 sales tax revenue forecast made delivery of this project, as planned in 2019, a challenge. Five factors allow for the 2020 Next 10 Plan to overcome some financial hurdles to be able to continue project delivery progress.

1. OCTA secured \$140 million of state funding for Project F: SR-55 from Interstate 405 to I-5. The infusion of these funds in the near-term provides greater financial flexibility.
2. Revised bond interest rate assumptions provide OCTA with improved financial capacity.
3. Project cash flows were refined and resulted in a more even distribution of costs.
4. The 2019 Next 10 Plan included an allowance for economic uncertainties in the long term. The increased bond issuance assumed in the 2020 Next 10 Plan is made possible by accessing a portion of the economic uncertainties in future years when anticipated project costs are lower.
5. The 2020 Next 10 Plan maintains one bond issuance in 2023; however, the amount has increased by approximately \$275 million from the 2019 Next 10 Plan.

The 2020 Next 10 Plan will result in 26 of 30 freeway segments to be complete by 2030 when considering projects completed in the first decade of the plan. This outcome fulfills the goal of delivering project benefits early, despite multiple extraordinary financial events that have affected M2 revenues. The 2020 Next 10 Plan update ensures that the four remaining M2 Freeway Program projects will be delivered by 2041. These projects will continue to be reevaluated for an earlier delivery as the Next 10 Plan is reviewed annually.

Included in the M2 Freeway Program is the Environmental Mitigation Program. With the seven mitigation properties already purchased and 12 restoration projects completed, or underway, recurring costs are for management and support, as well as an annual deposit of approximately \$2.9 million to fund a non-wasting endowment. The 2020 Next 10 Plan confirms that OCTA will be able to continue endowment deposits of \$2.9 million annually; the performance of the endowment fund may affect the time frame for full funding. Current projections indicate that OCTA remains on track to meet the endowment target of \$46.2 million in FY 2027-28.

Streets and Roads Program

The M2 streets and roads elements are programmatic and can scale to available revenues. The M2 Streets and Roads Program includes three programs: Regional Capacity Program (RCP {Project O}), Regional Traffic Signal Synchronization Program (RTSSP {Project P}), and the Local Fair Share Program (Project Q). The RCP makes funding available on an annual basis as a resource to local agencies to address local roadway bottlenecks and close gaps in the roadway network. The RTSSP provides ongoing funding support to ensure a network of 2,000 intersections across the County remain coordinated to minimize stop-and-go traffic. Lastly, the 2020 Next 10 Plan will continue to provide funding to local jurisdictions to improve and maintain streets. The assumptions for the funding of the three programs remain on a “pay-as-you-go” basis. This will ensure annual call for projects (call) for Project O and Project P, as well as a reliable, flexible funding source for local jurisdictions for transportation improvements through 2041.

Transit Program

The M2 Transit Program includes funding for Metrolink operations, station and infrastructure improvements (Project R), implementation of the OC Streetcar (Project S), expanded mobility for seniors and persons with disabilities (Project U), funding for community-based transit circulators (Project V), and enhanced passenger amenities for Orange County’s busiest transit stops (Project W).

Metrolink service continues to be greatly impacted by COVID-19. The FY 2020-21 budget for the Metrolink operating subsidy is based on 45 weekday trips, which is a reduction of nine weekday trips due to the impact of COVID-19 to ridership. In November 2020, Metrolink implemented further service reduction to 41 weekday trips. While the \$64.6 million of Coronavirus Aid, Relief and Economic Security Act funds (approved by the Board in July 2020) have helped

offset fare revenue shortfalls in the near term, Metrolink service relies on an operating subsidy, which OCTA funds through M2. Federal funding is also used to offset some of the capital costs of the service. Depending on Metrolink ridership, recovery projections, and future service level assumptions, maintaining pre-COVID-19 service or expansion of service may no longer be feasible. With the reduced revenue forecast, the 2020 Next 10 Plan assumes the operating subsidy to maintain current service levels. OCTA will continue to actively engage with Metrolink and other member agencies and monitor ridership levels and the corresponding financial impacts to M2.

Project S funds the capital and long-term operating cost of the OC Streetcar. The reduced revenues do not impact the delivery of the OC Streetcar. Yet, the amount of funding available to extend the reach of Metrolink service will decrease from nearly \$800 million in the 2019 Next 10 Plan to approximately \$628 million available for capital and operations of any future extensions to Metrolink.

Project U is made up of three programs: Senior Mobility Program, Senior Non-Emergency Medical Transportation Program, and Fare Stabilization Program. While all three programs adjust to available revenue, the Fare Stabilization Program requires a minimum level of funding. This presented a challenge as that minimum level of funding did not contemplate significant decreases in sales tax revenues. As such, OCTA proactively addressed this dual requirement with an early amendment to the M2 Ordinance to provide additional funding.

Both Project V and Project W are funded on a pay-as-you-go basis. Although the majority of Project V services remain suspended due to COVID-19, OCTA continues to communicate with cities to help preserve grant funds and assess future service resumption. Through Project W, OCTA will continue to invest in amenities at the County's busiest transit stops.

Environmental Cleanup Program

The Environmental Cleanup Program (ECP) also adjusts to available revenues and is funded on a pay-as-you-go basis. ECP projects prevent the flow of trash and debris into waterways. The 2020 Next 10 Plan continues to commit to annual Tier 1 calls. The next Tier 2 call is anticipated in 2022, with future calls determined based on local jurisdiction interest and cash flow analysis.

Key Risks and Actions to Protect M2 Delivery

While the M2 Program continues to demonstrate financial stability, OCTA remains cognizant and continues to monitor delivery risks. A table of risks is included on pages six through eight in Attachment B, with two key risks highlighted below.

- **Funding** – The COVID-19 pandemic added a new layer of uncertainty for sales tax revenues. While an allowance for economic uncertainties provides some financial security, additional revenue fluctuations will need to be carefully monitored. In addition, state and federal priorities continue to shift, which affect future external funding opportunities for the M2 Freeway Program. Current external funding commitments are assumed in the M2 cash flow for the 2020 Next 10 Plan, but the prospects of future revenues for highway projects are low.
- **Regulatory Risks** – 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. The majority of M2 freeway projects, where this risk could manifest itself, have obtained the necessary approvals, but if the approvals require a review or revision, these new requirements could impact delivery.

Updated revenue assumptions and commitments result in a delivery plan that ensures the M2 promises to voters are upheld. This balanced plan not only allows OCTA to maintain current commitments but will also allow OCTA to weather reasonable changes to cost or revenues in the future.

Summary

Staff has reviewed and updated the Next 10 Plan with the \$11.6 billion forecast, revised external funding, and refined project costs. Despite the lower forecast, prudent financial decisions to date result in a delivery plan that fulfills OCTA's commitment to the voters of Orange County. The 2020 updated Next 10 Plan is presented for Board review and approval.

Attachments

- A. Measure M Investment Summary
- B. 2020 Update, Next 10 Delivery Plan, 2021-2030, Draft
- C. 2020 Updated Next 10 Delivery Plan – Ten Balanced Deliverables
- D. 2020 Updated Next 10 Delivery Plan, M2 Program Cash Balance

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Measure M Investment Summary

LOCATION		PROJECTS	COSTS 2005 estimates in millions	
Freeway Projects (in millions)			\$4,871.1	
I-5	Santa Ana Freeway Interchange Improvements	A	\$470.0	
I-5	Santa Ana/San Diego Freeway Improvements	B C D	1,185.2	
SR-22	Garden Grove Freeway Access Improvements	E	120.0	
SR-55	Costa Mesa Freeway Improvements	F	366.0	
SR-57	Orange Freeway Improvements	G	258.7	
SR-91	Riverside Freeway Improvements	H I J	908.7*	
I-405	San Diego Freeway Improvements	K L	1,392.5*	
I-605	Freeway Access Improvements	M	20.0	
All	Freeway Service Patrol	N	150.0	
Streets & Roads Projects (in millions)			\$3,625.0	
	Regional Capacity Program	O	\$1,132.8	
	Regional Traffic Signal Synchronization Program	P	453.1	
	Local Fair Share Program	Q	2,039.1	
Transit Projects (in millions)			\$2,832.0	
	High Frequency Metrolink Service	R	\$1,129.8*	
	Transit Extensions to Metrolink	S	1,000.0	
	Metrolink Gateways	T	57.9*	
	Expand Mobility Choices for Seniors and Persons with Disabilities	U	392.8*	
	Community Based Transit/Circulators	V	226.5	
	Safe Transit Stops	W	25.0	
Environmental Cleanup (in millions)			\$237.2	
	Clean Up Highway and Street Runoff that Pollutes Beaches	X	\$237.2	
Taxpayer Safeguards and Audits (in millions)			\$296.6	
	Collect Sales Taxes (State charges required by law)		\$178.0	
	Oversight and Annual Audits		118.6	
Total (2005 dollars in millions)			\$11,861.9	

*Asterisk notes project estimates that have been amended since 2006.

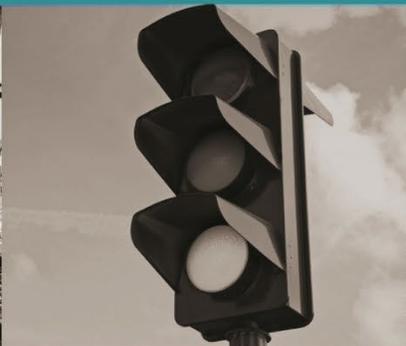
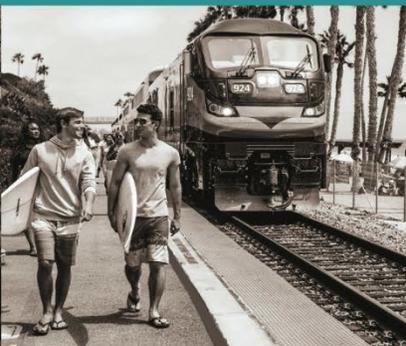
2020
UPDATE

NEXT 10 DELIVERY PLAN



2021-2030

DRAFT



UPDATED APRIL 2021



On April 12, 2021 the Orange County Transportation Authority Board of Directors (Board) will consider adoption of the Draft 2020 Updated Next 10 Delivery Plan (Next 10 Plan). Per Board approval in December 2020, the timeframe of the Next 10 Plan has been shifted from fiscal year (FY) 2016-17 through FY 2025-26 to FY 2020-21 through FY 2029-30. As such, original commitments have been reviewed and adjusted accordingly. The Draft 2020 Next 10 Plan also incorporates refined project information including cost estimates, schedules, and available external funding.

Printed April 2021

**For the latest version of the Next 10 Plan,
including any edits or corrections,
please visit: www.octa.net/Next10**

**For status updates on M2 projects and programs,
including quarterly progress reports,
please visit: www.octa.net/m2**

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2020
UPDATE

NEXT 10 **DELIVERY PLAN**

Introduction

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2020 UPDATE NEXT 10 DELIVERY PLAN



Introduction

On November 7, 2006, Orange County voters, by a margin of 69.7 percent, approved the renewal of the Measure M one-half cent sales tax for transportation improvements. Voters initially endorsed Measure M (M1) in 1990 with a sunset in 2011. With the approval of Renewed Measure M2 (M2), the voters agreed to a continued investment of local tax dollars in Orange County's transportation infrastructure for another 30 years to 2041.

Since M2 (also branded externally as OC Go) approval, the Orange County Transportation Authority (OCTA) Board of Directors (Board) has continued to pursue the expeditious implementation of M2 through the adoption of a series of early delivery plans. These early delivery plans are designed to ensure the delivery of all projects and programs as promised to the voters. The goal is to bring transportation improvements to Orange County residents and commuters earlier, and as appropriate, address changes in sales tax revenue projections through strategic financing and augmenting the M2 Program with external revenue. To date, there have been three early delivery plans: Early Action Plan (EAP) adopted in 2007, M2020 Plan adopted in 2012 (intended to go through 2020), and the Next 10 Delivery Plan (Next 10 Plan) adopted on November 14, 2016. Due to changes in sales tax revenue projections, the M2020 Plan was replaced after four years with the Next 10 Plan that covered FY 2016-17 through FY 2025-26. In December 2020, the Board approved a shift of the Next 10 Plan timeframe to span FY 2020-21 through FY 2029-30. See the M2 Timeline on the following page.

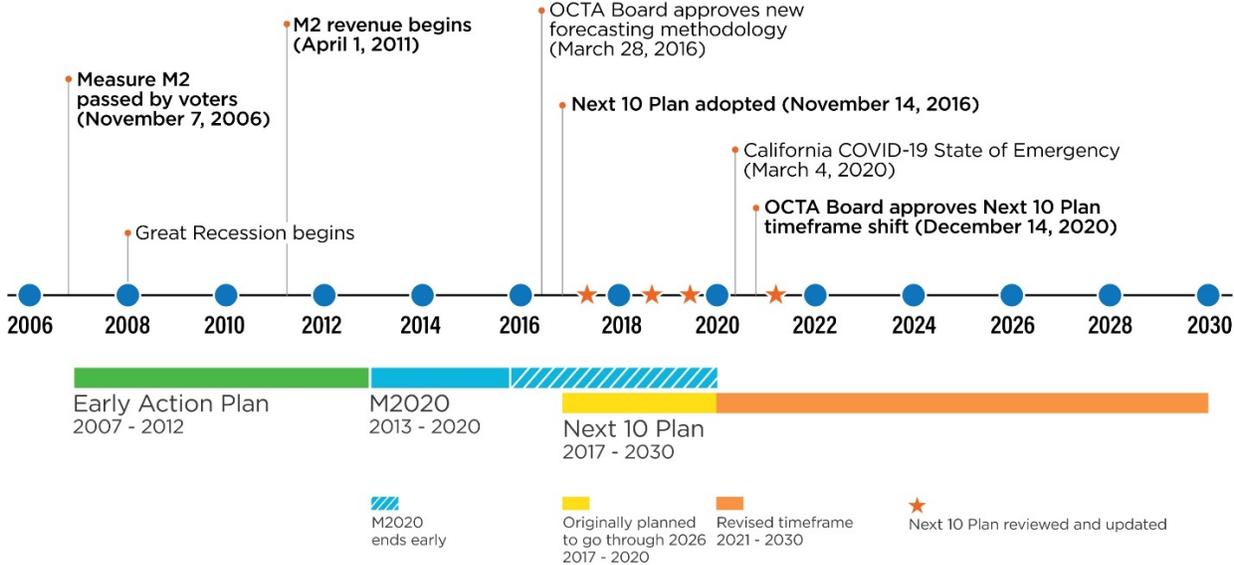
To ensure and reconfirm the ability to deliver the Next 10 Plan, annual reviews and updates have taken place incorporating changes in sales tax revenue forecast assumptions, external revenue, and project cost and schedule refinement.

A summary of the adopted plan and annual updates of the base assumptions follow:

- The 2016 adopted Next 10 Plan set M2 project and program priorities based on a revenue forecast of \$14.2 billion through 2041. The Next 10 Plan revenues were augmented by net excess 91 Express Lanes revenue, in an amount not to exceed the project costs for two eligible projects on State Route 91 (SR-91) - Project I between State Route 57 (SR-57) and State Route 55 (SR-55) and Project J between State Route 241 (SR-241) and the Riverside County line. Net Excess 91 Express Lanes revenue is designated to improvements on the 91 Corridor.

- The 2017 update incorporated a revised \$13.5 billion revenue forecast and required bonding adjustments and inclusion of the full amount of eligible excess 91 Express Lanes revenue. The update also designated Project I as one of the priority projects for advancement and included plans to initiate construction by 2026.
- The 2018 update incorporated a revised \$13.1 billion revenue forecast offset by an early \$300 million increase in captured external revenue. The update also responded to construction market concerns of potential project cost increases in the freeway program by incorporating a program level line item for economic uncertainty to ensure OCTA could weather fluctuations in M2 revenue receipts. The 2018 update anticipated up to four bond issuances during the Next 10 Plan period to accommodate market changes if necessary.
- The 2019 update incorporated a revised \$13.4 billion revenue forecast, which was the first increase in the M2 forecast since 2014. The increase was driven by the growing economy and the implementation of the Wayfair decision in California. The Wayfair related legislation enabled the collection of sales tax for out-of-state transactions. As a result of the decision, increased sales tax receipts were incorporated in the short-term forecast provided by MuniServices, LLC, which increased the overall long-term forecast.

M2 Timeline



2020 Review

The coronavirus (COVID-19) pandemic has introduced new pressures to sales tax revenues and on the M2 program as a whole. With the uncertainties of the economic impacts of COVID-19, staff provided frequent updates to the Board as information became available. On August 24, 2020, a preliminary M2 sales tax revenue forecast of \$11.6 billion was presented to the Board. Following the FY 2019-20 fourth quarter tax receipts, on October 26, 2020, the M2 sales tax revenue forecast was finalized and confirmed to remain at \$11.6 billion. This represents a year-over-year \$1.8 billion decrease and the lowest forecast since M2 inception.

To address the significant reduction in sales tax revenues, staff explored options to manage the impacts. On December 14, 2020, three options were presented to the Board for discussion and consideration. The Board directed staff to refine the option that balanced OCTA's ability to maintain progress on near-term projects, ready additional projects for delivery, and optimize the level of debt financing that would be required to support this approach. Given the fluidity of current events, the Board requested that staff await the release of sales tax revenue information through December 2020 before presenting an updated Next 10 Plan. In addition, the Board approved the adjustment of the Next 10 Plan timeframe from FY 2016-17 through FY 2025-26 to FY 2020-21 through FY 2029-30.

On March 8, 2021, staff provided an update to the Board on sales tax revenue information through December 2020. The data showed that sales tax collections remain consistent with the projections presented to the Board in October 2020 and that the total forecasted M2 sales tax revenues remains at \$11.6 billion.

For this effort, staff reviewed and updated the cash flow for the complete M2 plan of projects and programs. The 2020 update incorporates the lower M2 sales tax revenue forecast, current programmed external revenue, revised bonding assumptions to maintain project delivery schedules, and refined project cost estimates. Due to the Next 10 Plan timeframe adjustment, commitments have been adjusted as appropriate. Through this process, staff confirmed that the M2 Program remains deliverable.

Next 10 Plan Delivery Risks

While the M2 Program continues to demonstrate financial viability, OCTA remains cognizant of the delivery risks of M2 projects and programs. A table of identified risks are included on pages 6 through 8 with two key risks highlighted below.

Funding – The COVID-19 pandemic has added a new layer of uncertainty for sales tax revenues. While an allowance for economic uncertainties provides some financial security, additional revenue fluctuations will need to be carefully monitored. In addition, state and federal priorities continue to shift, which reduce future external funding opportunities for the M2 freeway program. Current external funding commitments are assumed in the M2 cash flow for the 2020 Next 10 Plan, but prospects of future revenues

for highway projects is low. This is because current state policies favor projects that reduce automobile travel. These policies are more suited to the advancement of transit projects where OCTA has more flexibility in defining the scale the scope of the projects. However, new state policies are not well suited for conventional freeway projects.

Regulatory Risks – 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. The majority of M2 freeway projects, where this risk would manifest itself, have obtained the necessary approvals, but if the approvals require a review or revision, these new requirements could impact delivery.

In order to be successful, OCTA needs to be aware and prepared to manage risks in several areas. A summary table of the risks, explanations, and suggested management actions are identified on the following pages and are tracked and reported in the M2 Quarterly Progress Reports presented to the Board, following each fiscal year quarter.

Delivery Risk		Explanation	Planned Action
	On Track		One to Watch
Financial			
1	The 2020 M2 revenue forecast is \$11.6 billion, which is a \$1.8 billion (13 percent) decrease from the 2019 M2 revenue forecast due to the COVID-19 pandemic. If sales tax revenue continues to be lower than projections, this will further challenge delivery	The COVID-19 pandemic has introduced additional risk to the M2 program sales tax revenue. The latest \$11.6 billion revenue forecast represents the lowest forecast since M2 inception.	In December 2020, staff presented three options to address the significant decrease in the M2 revenue forecast for Board discussion and feedback. The Board directed staff to pursue a financially prudent course of action with a proactive stance on project delivery while remaining flexible given the fluidity of current events. The 2020 update of the Next 10 Plan incorporates Board direction and confirms that the M2 program remains deliverable as promised.
2	Inability to scale the Freeway Program to available revenue and still deliver the M2 commitments.	The Freeway Program includes set project scopes leaving limited flexibility in what is delivered.	OCTA will work closely with California Department of Transportation (Caltrans) to apply value engineering strategies on projects to manage costs.

Delivery Risk	Explanation	Planned Action
3	Schedule and scope changes on capital projects that impact delivery and project costs.	Changes as a result of updated highway standards or issues identified in the field regularly impact scope, schedule, and costs.
4	Sustain Metrolink train service as an attractive alternative to driving in Orange County within the limits of available revenue.	OCTA will work closely with Caltrans and project contractors to limit changes in scope and schedule to a minimum.
5	Operational cost of Metrolink service continues to grow as the system ages, track-sharing arrangements with Burlington Northern Santa Fe Railway (BNSF) are revised, and new air quality requirements are implemented. COVID-19 has introduced new risks as ridership and revenue has been greatly impacted in Orange County.	In September 2020, Metrolink adopted a Recovery Plan Framework to ensure the safety of passengers and employees and restore service in a post-COVID-19 environment. Metrolink received \$64.6 million in one-time federal funds through the Coronavirus Aid, Relief and Economic Security Act, which alleviates some concerns in the short-term. OCTA will continue to work closely with Metrolink and member agencies to ensure cost increases are minimized, while continuing to seek external revenue.
6	Potential for an environment of increasing cost as M2 capital projects are readied for construction.	The 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.
6	Reduced external funding opportunities for the M2 freeway program.	The fall 2020 Next 10 Plan Market Conditions Forecast and Risk Analysis reflects a cooling of the prior increasing cost environment in 2021 and 2022, but a return to a normal inflationary increase in 2023. The COVID-19 pandemic impacts may cause this to change during the Next 10 Plan delivery years.
	State and federal priorities continue to shift and favor projects that reduce automobile travel, which limits future external funding opportunities for the M2 freeway projects.	Current external funding commitments are assumed in the M2 cash flow for the 2020 Next 10 Plan, but prospects of future revenues for highway projects is low.

Delivery Risk	Explanation	Planned Action		
Resource				
7	Substantial work underway in the region has resulted in significant demand for professional and skilled labor which can impact delivery given the volume of the M2 capital program.	The economic impacts of COVID-19 and its effects on unemployment may change the availability of key talent. 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 impacts of COVID-19 on the labor market as well as contractor reported COVID-19 cases. Expert and timely coordination between OCTA and Caltrans is imperative to manage this risk. Staff is currently working with Caltrans to ensure resource needs are met.	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. OCTA holds a successful track record in operating various transportation systems including both a fixed- and demand-based bus network.	To ensure 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. Additionally, in September 2020, OCTA initiated a project to review the organizational structure of the Operations Division.	Regulatory		
9	Changing federal and state directives could affect M2 freeway project approvals.	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.	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.	

Guiding Principles

During the development of the EAP, guiding principles were established that set direction for staff on establishing priorities for freeway project acceleration. These guiding principles continue to instruct us today and were used to identify projects to recommend moving from the environmentally cleared/shelf-ready list to early funding through construction.

- Project Readiness
- Congestion Relief and Demand
- External Funding Availability
- Public Opinion and Support
- Project Sequencing and Connectivity
- Project Duration

Updated Next 10 Plan Deliverables

Significant M2 Program accomplishments and progress has been made since 2007. The updated Next 10 Plan is based on ten deliverables intended to provide guidance on program and project delivery during the ten-year period from 2021 through 2030.

Freeways

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

Status:

The M2 Freeway Program is currently made up of 30 projects or project segments (projects). As of December 2020, 12 of the 30 total projects have been completed. Deliverable 1 includes 14 of the 18 remaining projects to be delivered (or underway) within the Next 10 Plan timeframe. See Appendix for a table of the completed projects.

In Construction		Construction Complete	Cost
1. Project A	Interstate 5 (I-5) between SR-55 and SR-57	2021	\$39.7
2. Project C, D	I-5 between State Route 73 (SR-73) and Oso Parkway/Avery Parkway Interchange	2025	\$195.8
3. Project C, D	I-5 between Oso Parkway and Alicia Parkway/La Paz Interchange	2023	\$203.1
4. Project C	I-5 between Alicia Parkway and El Toro Road	2024	\$165.9
Project C, D	I-5, SR-73 to El Toro Road Landscaping	2026	\$12.4
5. Project K	Interstate 405 (I-405) between SR-73 and Interstate 605 (I-605)	2024	\$1,560.2
In Design		Construction Complete	Cost
6. Project F	SR-55 between I-405 and I-5	2026	\$503.2
7. Project I	SR-91 between SR-55 and Lakeview Avenue	2027	\$101.0

In Design		Construction Complete	Cost
8. Project I	SR-91 between La Palma Avenue and SR-55	2028	\$208.5
9. Project I	SR-91 between Acacia Street and La Palma Avenue	2028	\$116.2
10. Project M	I-605 Katella Avenue Interchange	2025	\$29.0
In Environmental		Construction Complete	Cost
11. Project B	I-5 between I-405 and Yale Avenue	2029	\$230.5
12. Project B	I-5 between Yale Avenue and SR-55	2028	\$200.4
13. Project F	SR-55 between I-5 and SR-91	2029	\$131.3
14. Project G	SR-57 Northbound from Orangewood Avenue to Katella Avenue	2026	\$71.8
Deliverable 1 Total			\$3,769.0

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

Status: The four remaining projects (of the 30 total) are environmentally cleared or on track to be cleared by 2030, making them shelf-ready for future advancement. These projects will continue to be reevaluated for earlier delivery as the Next 10 Plan is reviewed annually.

Remaining Projects		Environmentally Clear Shelf-Ready	Cost
1. Project D	I-5 El Toro Road Interchange	2021	\$120.5 ¹
2. Project G	SR-57 Northbound from Lambert Road to Tonner Canyon Road	2024	\$212.3 ¹
3. Project J	SR-91 between SR-241 and Interstate 15 (I-15)	2030	\$300.0 ¹
4. Project L	I-405 between I-5 and SR-55	2018	\$262.4
Remaining M2 Freeway Projects Total			\$895.2²

These four projects listed below have specific reasons related to the application of the guiding principles that require additional time prior to these projects being recommended for advancement which are described below.

- Project D – I-5 El Toro Road Interchange is in the environmental phase and has faced challenges determining a build alternative that has local support and consensus with the three stakeholder cities (cities of Laguna Hills, Laguna Woods and Lake Forest).

¹ These cost estimates are preliminary and will be updated once the project alternative is selected at the completion of environmental clearance.

² The total will be revised once the three remaining projects (Project D, G, and J) complete environmental clearance and have a selected project alternative.

Using the guiding principles – Readiness and Public Support, this project needs additional time before it moves forward. Built into M2 was a promise that projects would be delivered in cooperation with local agencies. The three stakeholder cities have been asked to work together to come to consensus on a mutually acceptable and viable alternative at which time the project will be ready to be advanced. A consultant was retained in September 2020 by OCTA to provide further assessment of the build alternatives to help facilitate reaching an agreement. Results of the assessment will be presented to the Board and the cities in early 2021.

- Project G – SR-57 Northbound Lambert Road to Tonner Canyon Road is scheduled to begin the environmental phase within the Next 10 Plan timeframe. Through the SB 1 (Chapter 5, Statutes of 2017) Trade Corridor Enhancement Program, an initial phase for interchange improvements at the Lambert Road interchange is currently underway and is anticipated to be completed in early 2022. The mainline project could be a strong candidate for additional trade corridor funding and will require coordination to address connectivity with Los Angeles County. Reviewing the guiding principles – Readiness, External Funding and Project Sequencing and Connectivity, a decision for moving this project into design following environmental clearance will be annually reviewed during the Next 10 Plan update or brought to the Board as a separate item.
- Project J – SR-91 between SR-241 and I-15 is part of a bigger package of improvements underway between OCTA and the Riverside County Transportation Commission (RCTC) with a planned sequencing of project improvements in the 91 Corridor jointly agreed to by both OCTA and RCTC's Board. RCTC, with OCTA's support, is advancing the westbound portion of this project (between SR-241 and Green River Road). Construction on this project began in November 2020 and is anticipated to be completed late 2021. The eastbound lane project has engineering challenges due to project area topography (Santa Ana Canyon) and natural constraints (Santa Ana River) and requires an engineering feasibility assessment. Reviewing the guiding principles – Readiness and Project Sequencing and Connectivity, this project will move forward following the engineering feasibility study which is anticipated to be completed in mid-2021.
- Project L – I-405 between I-5 and SR-55 is a parallel facility to the two Project B segments on I-5 listed above. Only one project can move forward at a time due to construction on both creating excessive inconvenience to the traveling public. Project B was determined to be a higher priority project than Project L at this time, based on the guiding principles Project Sequencing and Connectivity and Project Congestion Relief and Demand. Congestion levels on the I-5 are higher than in the Project L, I-405 improvement area. Additionally, a significant Caltrans safety project is scheduled to take place within the Project L project limits and will require additional coordination.

Streets and Roads

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).

Status: As of December 2020, OCTA has awarded approximately \$426.4 million in competitive funding through the Regional Capacity Program (RCP) (Project O) and Regional Traffic Signal Synchronization Program (RTSSP) (Project P) through annual calls for projects (call). Additionally, \$475.6 million in Local Fair Share (LFS) (Project Q) funds have been distributed to local jurisdictions.

Transit

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

Status: In October 2019, three weekday intracounty round trips operating between Laguna Niguel/Mission Viejo and Fullerton were replaced with two round trips between Laguna Niguel/Mission Viejo (extended from Fullerton) into Los Angeles. Additional service changes were scheduled to be implemented in April 2020, however, due to COVID-19, they have been postponed until full service is reinstated.

In March 2020, all Metrolink services were impacted by the statewide enforcement of stay-at-home orders that resulted from the COVID-19 pandemic. Metrolink implemented temporary service reductions in March and November 2020 due to the decline in ridership. The three lines serving Orange County (Orange County, Inland Empire-Orange County, and the 91/Perris Valley lines) now operate 41 trains from the 54 daily trains operated prior to COVID-19. OCTA will continue to actively engage with Metrolink and other member agencies and monitor ridership levels and the corresponding financial impacts to M2.

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. Two station improvement projects to be completed during the Next 10 Plan timeframe have completed design and are ready to begin construction. The Anaheim Canyon Metrolink Station improvements project was advertised for construction in October 2020 and construction is anticipated to begin in early 2021. The Placentia Metrolink Station project is ready for construction; however, it is contingent on a BNSF construction and maintenance agreement to be in place before the project is advertised.

In Design	Anticipated Construction Complete
1. Anaheim Canyon Metrolink Station	2022
2. Placentia Metrolink Station	2023

Outside of the Next 10 Plan but important to Metrolink operations is an undertaking by Metrolink of a major systemwide rehabilitation program that, in addition to safety, will help improve system reliability and performance for commuters. This multi-year program requires funding over and above ongoing maintenance and operation costs. Analysis to date indicates that Orange County's share is manageable within the M2 funding limits primarily as a result of past and present proactive efforts of OCTA.

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

Status: With strong Federal Transit Administration (FTA) support for the project, a full funding grant agreement (FFGA) was executed in November 2018 providing OCTA with \$149 million in federal funding to support the project. The OC Streetcar construction contract was executed and a notice to proceed was issued on March 4, 2019 as well as the vehicle manufacturing contract. Construction activities are underway, including coordination with third parties on utility relocation, award of the operations and maintenance contract and continued coordination with the FTA. Construction is anticipated to be complete with operations beginning in 2022.

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

Status: 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 2011, these three programs have provided \$84.6 million³. The SMP provides funding for local transportation services to participating cities in Orange County. Participating agencies design and implement transit service that best fits the needs of older adults (age 60 and above) in their communities. The SNEMT Program provides funding to the County of Orange Office on Aging for senior (60 and above) transportation to and from medical appointments, dentists, therapies, exercise programs, testing and other health related trips at a low cost to the rider than would otherwise be available. The Fare Stabilization program provides stable discounted fares for seniors and persons with disabilities by lowering the cost of riding transit.

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).

Status: Since inception, OCTA has approved 35 projects and ten planning studies totaling approximately \$52 million through four calls. The most recent Project V call was

³Only 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 the agency resumes transportation services, whichever occurs first.

programmed by the OCTA Board on April 13, 2020. 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. Currently, two services are active, and all other remaining active services have been suspended (or were not initiated) as a result of the COVID-19 pandemic. Staff continues to work with local jurisdictions through letters of interest requests, workshops, Comprehensive Transportation Funding Program Guidelines revisions, calls, and cooperative agreement amendments to fine-tune this program and facilitate successful project implementation, especially in light of the COVID-19 pandemic.

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

Status: Through three calls, the Board has approved \$3.1 million to improve 114 city-initiated improvement projects at the busiest OCTA transit stops. The program is designed to ease transfers between bus lines and provide passenger amenities such as installation of bus benches or seating, shelters, improved lighting, and other passenger related amenities. To date, 43 improvements funded through the first call have been completed and an additional 71 improvements were funded for implementation through the second and third round of funding.

Environmental

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).

Status: In 2017, OCTA received biological resource permits after completing a state and federal Natural Community Conservation Plan/Habitat Conservation Plan (Conservation Plan) for the Environmental Mitigation Program (EMP), allowing streamlined project approvals for the M2 freeway improvement projects. The Conservation Plan also includes a streamlined process for coordination for streambed alternation agreements. In January 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.

To ensure ongoing preservation of the open space, an endowment was established to pay for the long-term management of the conservation properties (Preserves). OCTA deposits approximately \$2.9 million annually; these deposits are expected to be made over a ten to 12 year period or until the fund totals approximately \$46.2 million. In July 2020, OCTA made the fifth deposit. As of December 31, 2020, the endowment balance is \$17.7 million, which is performing above original projections due to higher investment earnings and lower fees.

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).

Status: In May 2010, the Board approved a two-tier approach to fund 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 \$27 million in funding for 189 Tier 1 projects through ten calls and \$27.9 million for 22 Tier 2 projects through two calls.

Oversight and Safeguards

The 2020 Next 10 Plan is taking place with the full oversight and regular reporting promised to the voters. Regular progress reports on implementing the Next 10 Plan are included in the M2 Quarterly Progress Reports that are prepared for the Board. These reports are included on the OCTA website, as well as other means, to ensure accessibility and transparency of the information. Contact information for the OCTA staff member responsible for each program or project is included.

Additionally, as specified in the M2 Ordinance No. 3 (M2 Ordinance), Section 10, there will be three performance assessments conducted during the Next 10 Plan time period. Performance assessments are to be conducted at least once every three years to evaluate the efficiency, effectiveness, economy, and program results of OCTA in satisfying the provisions and requirements of the M2 Plan and M2 Ordinance. These assessments will take place during 2021, 2024, and 2027. Procurement efforts for the next performance assessment will begin in early 2021 to have a consultant contract executed by July 1, 2021.

Also included in the M2 Ordinance, Section 11, is a ten-year comprehensive review of M2 programs and projects, which will be initiated during the Next 10 Plan time period. Due to the early initiation of project development activities prior to the start-up of revenue collection in 2011, the first review was completed in FY 2014-15. A second review is planned to take place in FY 2024-25 (or sooner if warranted) and will determine the basis for setting the direction of future refinements to the M2 Plan. The ten-year review includes a comprehensive review of all projects and programs implemented under the M2 Plan to evaluate the performance of the overall program and may result in revisions to further improve performance.

Sustainable Communities Strategy

It is important to note that M2 also supports and enhances the ability of OCTA to support the regional Sustainable Communities Strategy in Orange County. M2 projects and programs are part of a larger suite of transportation improvements included in the 30-year M2 Plan.

More than 50 percent of M2 funds are intended to fulfill transit, system optimization, enhanced environmental elements and infrastructure preservation goals. In addition, the funding eligibility criteria encourages local agencies to consider accommodations for transit and non-motorized transportation.

M2 was publicly reviewed through a Program Environmental Impact Report (EIR) prior to voters approving the ballot measure in November 2006. Since 2008, the M2 Program has been included in the Regional Transportation Plans, Sustainable Communities Strategies, and the associated Program EIR prepared by the Southern California Association of Governments.

In addition to funding freeway improvements, the M2 Program dedicates funding for many transit and local street improvement projects. These include improvements such as:

- New transit connections between major Orange County activity areas that reduce the need for short automobile trips;
- Enhanced convenience and reliability for bus services and Metrolink commuter rail to encourage transit as a dependable commute option;
- Local funding for development of multimodal corridors and roadway preservation that improves the quality of mobility for all users; and
- Signal synchronization on 750 miles of roadways throughout Orange County to reduce congestion and tailpipe emissions.

The Freeway EMP has preserved 1,300 acres of wild lands that will be converted to the Preserves to enhance connectivity and wildlife movement between existing conservation areas - such as the Cleveland National Forest, the Chino Hills State Park, and the Irvine Ranch Conservancy lands - and to coastal areas. Furthermore, the program also provides critical habitat for endangered or listed species. Additionally, since M2 inception, the ECP has funded over 200 projects totaling over \$55 million to treat storm water runoff and help keep waterways and beaches clean in Orange County. The aforementioned transit, local streets, and environmental programs collectively contribute to and enhance the quality of life, as well as provide a sustainable future, and an efficient transportation system that benefits the region.

Brief summaries of the specific programs are listed below.

- ✓ Projects A through N – Freeway improvements and Freeway Service Patrol (FSP) to provide emission reductions through congestion relief.
- ✓ Projects O and P – Signal synchronization and street improvements that provide emission reductions through congestion relief and flexibility to accommodate bike and pedestrian project elements as appropriate.
- ✓ Project Q – Local funding for city-selected transportation projects that provide for preservation of the streets and roads system and includes bike, pedestrian, water quality, and transit enhancements as eligible expenditures.

- ✓ Project R – Expanded Metrolink train capacity including improvements to stations and parking to improve transit reliability and convenience and reduce reliance on highways while also supporting potential transit-oriented development.
- ✓ Project S – Transit extensions to improve access between Metrolink stations and residential/employment centers, and provide an alternative to driving.
- ✓ Project T – Station improvements to connect to planned future High-Speed Rail services.
- ✓ Project U – Sustain mobility choices for seniors and persons with disabilities and provides an alternative to driving.
- ✓ Project V – Community-based circulators to complement regional transit services with local communities and provides an alternative to driving.
- ✓ Project W – Transit stop improvements to support transfers between major bus lines, and support the implementation of mobile ticketing to ensure ease of fare purchase and convenience for bus passengers.
- ✓ Project X – Water quality improvement programs/projects to meet federal Clean Water Act standards for urban runoff, and augment required mitigations.
- ✓ Freeway Mitigation Program – Natural resource protection strategy to provide for more comprehensive mitigation of environmental impacts from M2 freeway improvements.

Updated Next 10 Plan Funding Assumptions

Funding assumptions are included in the 2020 Next 10 Plan. The revenue assumptions incorporate the latest 2020 M2 sales tax revenue forecast of \$11.6 billion and prior commitments in programmed local, state and federal external revenues.

Projected revenues and expenses are merged into a high-level cash flow model. To support project delivery schedules in the Freeway Program, bond assumptions are also included. With the decrease in the revenue forecast as well as refined project costs, bond assumptions remain at one planned issuance in 2023, however, the amount anticipated has nearly doubled. Additional bonding capacity is available, as OCTA's debt coverage ratios are well above the allowable amount of 1.3x. The minimum forecasted debt coverage ratio during the Next 10 Plan timeframe is 3.6x. This offers significant financial protection against unforeseen economic changes related to project delivery. The appendix on page 106 includes a more detailed discussion on assumed revenues, costs, and debt service.

For the 2020 Next 10 Plan review and update, forecasted revenues and costs through 2041 were tested. This effort was conducted to ensure the complete M2 Program could be delivered consistent with commitments provided to the voters as part of M2 approval in November 2006. Revenues are expected to fluctuate over time. The M2 expenditure plan includes programmatic items which adjust according to available revenues. However, the freeway portion defines specific project scopes which cannot be easily adjusted to revenue fluctuations.

Funding for the freeway mode assumes \$8.3 billion in total revenue, with costs for the same period totaling \$8.3 billion. To date, OCTA has been very successful in capturing external funding to offset the reduction in sales tax revenue. The long-term M2 freeway plan relies on the total receipt of approximately \$1.6 billion in state and federal revenues (this is inclusive of the \$140 million of SB 1 funds awarded in December 2020). Additionally, the program includes \$692 million in net excess 91 Express Lanes revenue and \$1.07 billion in bond proceeds.

As a result of the lower forecasted sales tax and interest revenue, the freeway program net sales tax revenue through 2041 decreased by approximately \$747 million. In addition, each project in the freeway program was reviewed and cost estimates updated. With the majority of the projects now either nearing completion of the environmental phase or in design, project cost estimates have a higher level of engineering and are therefore better defined. Project cost refinements resulted in a net increase of approximately \$244 million. With sales tax revenue down and freeway project costs up, this resulted in an increase to the previously assumed bonding issuance in 2023 to maintain project delivery schedules. To make this possible, economic uncertainties were reduced by approximately half of what was assumed in the 2019 Next 10 Plan.

The funding assumptions in the streets and roads mode assume \$4.3 billion in total revenue, with costs for the same period totaling \$4.3 billion. The projects within the Streets and Roads Program are scaled to available revenue and are cash flowed on a pay-as-you-go basis. The Streets and Roads Program relies on the total receipt of \$600 million in external revenues (state, federal, and local) primarily for the OC Bridges grade separation projects. More detailed program assumptions for the Streets and Roads Program can be found in the Appendix on page 109.

For the transit mode, \$3.3 billion in total revenue is assumed with costs for the same period totaling \$3.3 billion. The majority of projects within the Transit Program are scaled to available revenue with the exception of Project U's Fare Stabilization Program. The M2 Ordinance specifically requires that the Fare Stabilization Program subsidize fares for seniors and persons with disabilities to the extent of maintaining the reduced fare rate effective on July 24, 2006 through 2041. While this program is not scalable, it remains solvent due to OCTA's proactive amendment to the M2 Ordinance. The remaining transit mode programs are assumed on a pay-as-you-go basis. The funding for the transit mode assumes the total receipt of \$498.6 million in local, state and federal revenues. This number is inclusive of \$148.96 million in Federal New Starts and \$25.52 million in State Cap-and-Trade revenues to partially fund the OC Streetcar project. More detailed program assumptions for the Transit Program can be found in the Appendix on page 110.

The ECP assumes \$228 million in total revenue, with costs for the same period totaling \$227 million. The projects within the ECP are scaled to available revenue and are reflected in the cash flow on a pay-as-you-go basis. More detailed program assumptions for the ECP can be found in the Appendix on page 110.

With careful management of the projects and use of financial resources, the full scope of the M2 Program through 2041 can be delivered as promised.

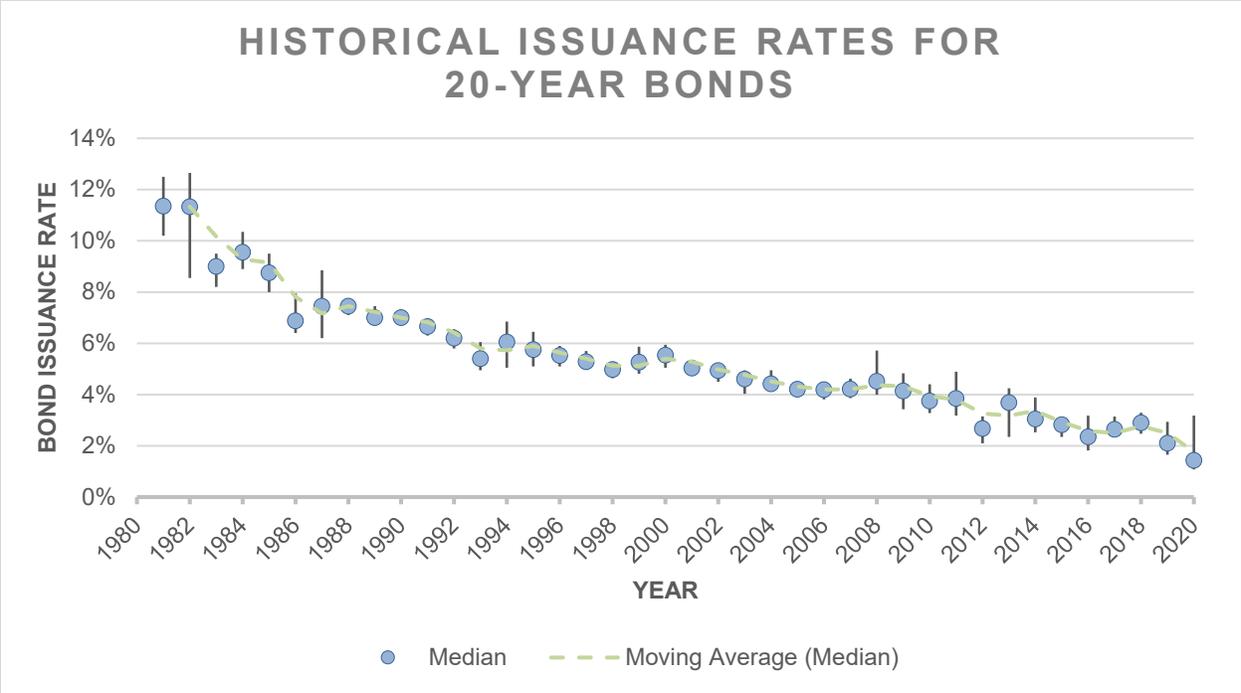
Funding and Financing

The Board's vision in developing the EAP created a great opportunity for the M2 Program. While the economy took a significant downturn due to the 2008 Great Recession, OCTA advanced projects years before revenue became available. Projects were accelerated, making them shelf-ready. This allowed OCTA to capture significant one-time external funding provided through State Proposition 1B and the American Recovery and Reinvestment Act. Using the revised forecasting methodology implemented in March 2016, the 2020 M2 sales tax revenue forecast is \$11.6 billion.

When it comes to the bidding environment, OCTA significantly benefited during the recession by capitalizing on a low-cost environment with early project development and acceleration. When the M2020 Plan was adopted in late 2012, staff reported that freeway construction bids were consistently coming in between ten to 20 percent below engineers' estimates. Since that time, construction bids have slowly risen to meet and in some cases exceed the engineers' estimates. However, the most recent bid for Project C, segment 3, on the I-5 between Alicia Parkway to El Toro Road on June 30, 2020 came in below the engineers estimate, indicating the possibility of a more predictable construction market.

In the 2019 update of the Next 10 Plan, there was one bond issuance anticipated in 2023. This year's update maintains one bond issuance in 2023; however, the amount has increased from approximately \$300 million to \$575 million. This will allow for OCTA to maintain progress on near-term projects and readies additional projects for delivery. The update also continues to maintain prudent annual ending balances and an economic uncertainties allowance, which provides continued financial stability in the event of additional financial fluctuations.

Pay-as-you-go project funding is identified in the M2 Ordinance as the preferred method of financing, while bond financing is an option that is within the purview of the Board. While the current cost of debt remains low and continues to be attractive, only one debt issuance is planned through 2041 to deliver the remaining program of projects promised to the voters. Current 20-year bond rates have declined to 1.17 percent. Although short-term rates have fallen as well, long-term rates remain near all-time lows of 1.08 percent, thus maintaining a relatively "flat" yield curve, allowing OCTA to take advantage of attractive mid- and long-term rates if and when needed. See the graph below showing historical issuance rates of 20-year bonds.



OCTA has a strong track record of successfully delivering projects by utilizing bond financing, as seen in M1, as well as M2, under the EAP and M2020 Plan. The updated Next 10 Plan anticipates bond financing for the Freeway Program as a means to deliver the freeway projects early bringing relief to commuters sooner.

Future Outlook

As noted in the Risks section starting on page 5, major capital work is underway in the southern California region that may impact OCTA's ability to secure resources needed for future project and program delivery. Competition for available resources for capital projects has increased with the major capital work currently underway in Los Angeles, Riverside, and San Bernardino counties. For future projects going forward, engineers, right-of-way (ROW) experts, skilled labor, and materials will be in higher demand.

In September 2017, the Board was presented with a Market Conditions Forecast and Risk Analysis report conducted by economists Dr. Wallace Walrod and Dr. Marlon Boarnet through a contract with the Orange County Business Council (OCBC). The consultant team's analysis identified strong potential for OCTA to experience an increasing-cost environment in the near term. The Board directed staff to continue to work with the consultant team to monitor and track key early warning indicators and provide OCTA information on changes to the risk factors and potential cost impacts. The consultant team analyzed annual trends in material costs, labor costs, and general economic conditions to determine a range of potential cost increases.

In November 2020, the consultant team provided an updated forecast to the Board for 2021 through 2023. The consultant team tracked relevant market data and indicators, performed analytics, and incorporated this analysis to provide OCTA with a range of potential cost fluctuations through the use of an Infrastructure Construction Cost Index (ICCI). The ICCI incorporates a detailed trend analysis of building permits, unemployment rates, localized labor costs, material costs and general economic conditions.

For 2021 and 2022, the consultant team forecasted a low inflation cost environment ranging negative two percent to one percent, followed by a more normal inflation cost environment in 2023. The current range of negative two percent to one percent represents a tempering of market conditions and is primarily attributed to the COVID-19 pandemic. For example, a change from a low unemployment economy to that of a high unemployment economy has lowered the risk for higher labor costs. In addition, building permits in California have slowed down, and building material costs have stabilized.

OCBC Orange County Transportation ICCI Score, 2021-2023		
Year	Index Score	Range of Cost Fluctuation
2021	1	-2% to 1%
2022	1	-2% to 1%
2023	3	2% to 6%

As in prior forecasts and especially with COVID-19, the consultant team indicates that OCTA will also need to be aware and ready to respond to cost pressures that cannot be modeled. Examples of such forces include:

- Tariffs, and associated effects on cost of materials from the nation's changing trade policy;
- Regulatory requirements and changes that create additional hurdles during the bidding process; and
- Future potential economic shutdowns related to COVID-19 spread.

In order to mitigate cost pressures, OCTA's Project Controls Department monitors and adjusts project cost escalation assumptions according to market trends. Project Controls' cost estimating process uses historical information, as well as current trends in the market, and follows a consistent and defined process. Looking back at the last 20 years, OCTA's cost estimates have included a three percent escalation, which, on average during this timeframe, provided the appropriate escalation to deliver projects successfully. Using 3.5 percent for construction escalation, as well as incorporating contingency based on the project type and complexity, is staff's best estimate using industry standards on cost estimating.

Additionally, to further protect against potential cost increases in our freeway capital program and conform to project controls' project estimating process, staff has identified significant bonding capacity that would be available at the Board's discretion if needed. This is intended to safeguard the M2 program and ensure that OCTA does not over commit delivery during this time of uncertainty.

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**2020
UPDATE**

NEXT 10

DELIVERY PLAN

Freeway Program

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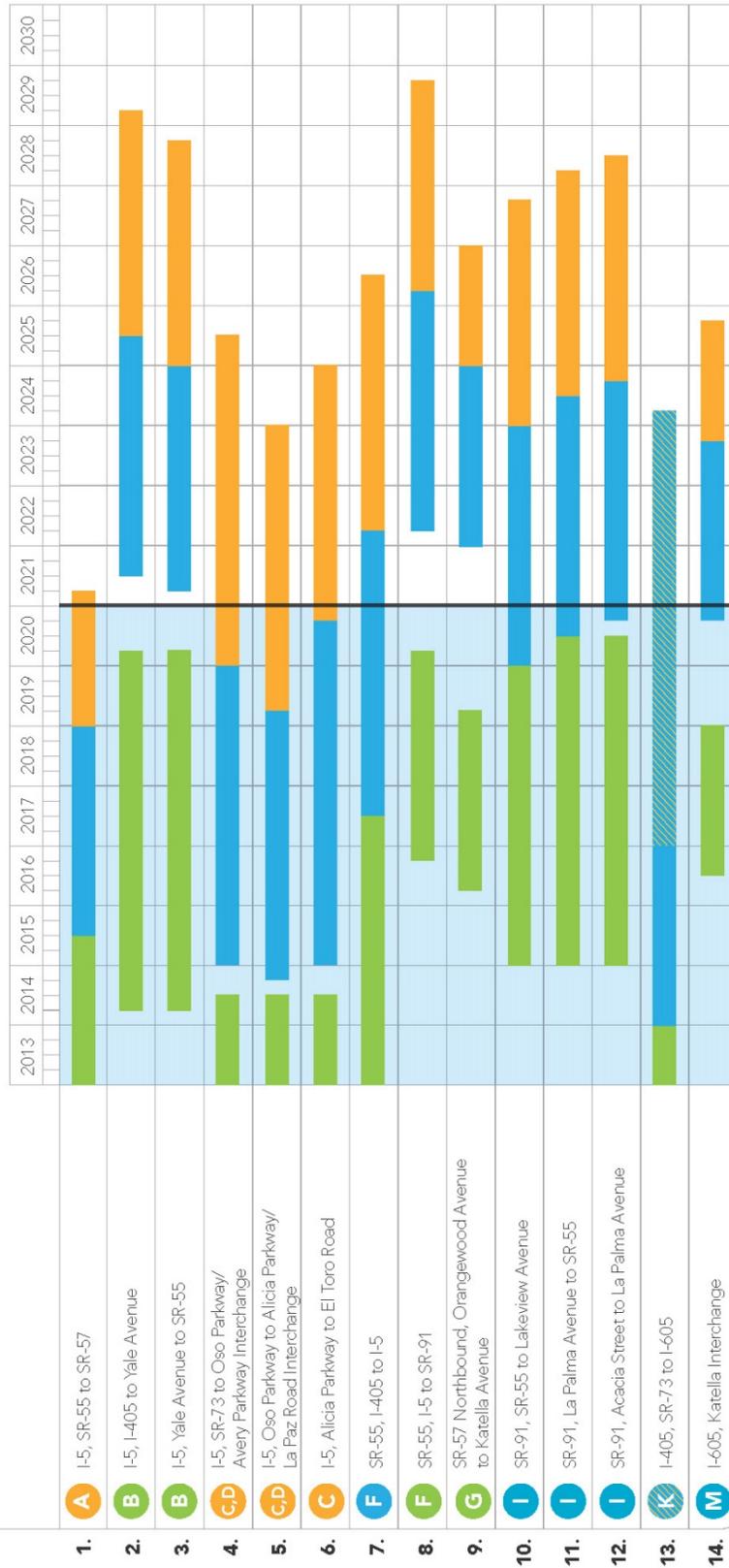
updated 12.31.20

- A I-5 (SR-55 to SR-57)
- B I-5 (I-405 to SR-55)
- C, D I-5 (Avenida Pico to San Juan Creek Road)
- C, D I-5 (SR-73 to El Toro Road)
- D I-5/Ortega Highway Interchange Improvements
- D I-5/El Toro Road Interchange Improvements
- E SR-22 Access Improvements
- F SR-55 (I-405 to I-5)
- F SR-55 (I-5 to SR-91)
- 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 County Line)

- H SR-91 WB (I-5 to SR-57)
- I SR-91 (SR-57 to SR-55)
- I SR-91 WB (Tustin Avenue to SR-55)
- J SR-91 (SR-55 to SR-71)
- J SR-91 (SR-241 to I-15)*
- K I-405 (SR-73 to I-605)
- L I-405 (I-5 to SR-55)
- M I-605/Katella Avenue Interchange Improvements

*Project environmentally reviewed as part of the Riverside County Transportation Commission's Corridor Improvement Project. Additional studies needed prior to construction.

OC Go Freeway Projects Through Construction



Please note that schedules are updated as of December 31, 2020. Shown schedules are subject to change.

2020 UPDATE
NEXT 10
 DELIVERY PLAN

Environmental Conceptual

OC Go Freeway Projects Through Environmental Phase/Shelf Ready

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
1. D I-5, El Toro Interchange																			
2. G SR-57 Northbound, Lambert Road to Tomner Canyon Road																			
*3. J SR-91, SR-241 to I-15																			
4. L I-405, I-5 to SR-55																			

Schedule for I-5, El Toro Interchange is updated as of December 31, 2020. Projected and active project schedules are subject to change. The Next 10 Plan provides direction through 2030. Schedules and revenues will be reviewed annually. The Board will adopt an updated delivery plan to provide direction on further advancement as appropriate.

*Project environmentally reviewed as part of the Riverside County Transportation Commission's Corridor Improvement Project. Additional studies needed prior to construction.

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Freeway Program



Overview:

The Freeway Program accounts for 43 percent of the M2 Program. Over the life of M2, approximately \$4.5 billion is expected to be generated in sales tax revenues for freeway Projects A-N (not including the five percent of net revenues apportioned to the EMP). Improving Orange County freeways is a major investment of the M2 Program.

To ensure delivery of the Freeway Program, the Next 10 Plan includes the following framework:

- Bring congestion relief.
- Deliver projects using the guiding principles.
- Work with Caltrans to seek cost effective measures on freeway projects through changes in scope and design parameters where possible.
- Tightly manage project scopes and schedule to reduce cost escalation risk.

Next 10 Plan Deliverables:

When M2 originally passed, 13 freeway projects were highlighted in the M2 Transportation Investment Plan. Since then, these projects have been segmented into 30 projects or project segments. Of this amount, twelve have been completed as of December 2020. Significant progress of the freeway program is included in the Next 10 Plan deliverable goals through 2030:

1. Deliver construction of 14 freeway projects or project segments: six along I-5, one along I-405, two along SR-55, three along SR-91, one along SR-57, and one at the I-605 Interchange (Projects A, C, C/D, F, G, I, K, and M.). These projects along with the prior 12 will be complete or near complete.
2. Prepare the remaining four project segments for delivery. This includes one on I-405, SR-91, and SR-57; and one interchange project at I-5/EI Toro Road (Projects D, G, J and L).

A. I-5 (SR-55 to SR-57)

Description:

Project A reduced freeway congestion by adding a second high-occupancy vehicle (HOV) lane in both directions on I-5 between SR-55 and SR-57. The project was generally constructed within the existing ROW.

Cost:

\$39.74 million (Year of Expenditure [YOE]).

Status:

All lanes opened to traffic in August 2020. Construction is anticipated to be complete in January 2021.

Present Day:

The current daily traffic volume on this segment of I-5 is about 380,000 vehicles and is severely congested. Traffic volumes are expected to increase nearly seven percent by 2035, bringing it up to 406,000 vehicles per day. The HOV lanes experience more congestion in the peak period than the

adjacent general purpose lanes, underscoring the need to add HOV capacity on this freeway segment.

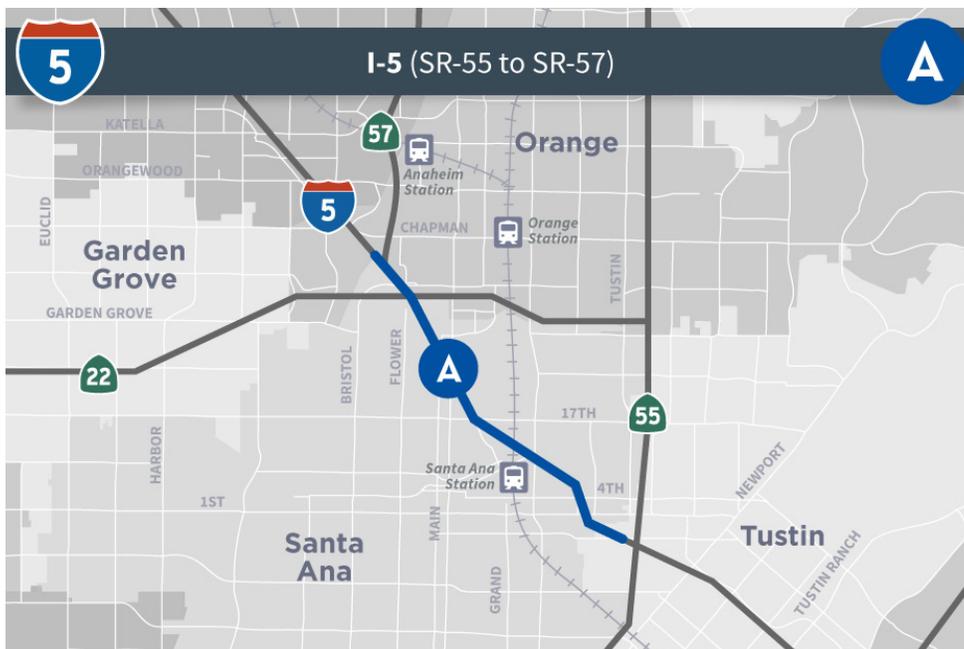
Benefits:

This project increased the capacity of the HOV facility on I-5 in Santa Ana to meet traffic demands and eliminate bottlenecks. Improvements were needed to accommodate HOV traffic from both the SR-55/I-5 and SR-57/I-5 direct HOV connectors.

Originally considered under this project, the extension of the auxiliary lane from southbound I-5 to southbound SR-55 through the McFadden Avenue exit ramp on SR-55 to Edinger Avenue, was instead studied as part of the SR-55 Project F.

External Funding:

The Board has approved \$36.19 million in federal funds to support this project.



A. I-5 (SR-55 to SR-57)

Risks:

No risk to project delivery as the project is substantially complete.

Related Projects:

Projects B and F.

Other Involved Agencies:

California Transportation Commission (CTC), Caltrans, City of Santa Ana, Federal Highways Administration (FHWA), and Southern California Regional Rail Authority.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2021)

B. I-5 (I-405 to SR-55)

Description:

Project B will increase I-5 freeway capacity and reduce congestion by constructing new northbound and southbound general purpose lanes and improving key interchanges in the area between SR-55 and State Route 133 (SR-133) (near the El Toro “Y”). This segment of I-5 is the major route serving activity areas in the cities of Irvine, Santa Ana, and Tustin, and north Orange County. The project will generally be constructed within the existing ROW. The project is divided into two segments as described below.

Segment 1:

This project will add one general purpose lane in each direction between I-405 and Yale Avenue (approximately 4.5 miles), improve interchanges, and add auxiliary lanes where needed to increase freeway capacity and improve traffic operations in the Irvine area.

Segment 2:

This project will add one general purpose lane in each direction between Yale Avenue and SR-55 (approximately 4.5 miles), improve interchanges, and add auxiliary lanes where needed to increase freeway capacity and improve traffic operations in Irvine and Tustin areas.

Cost:

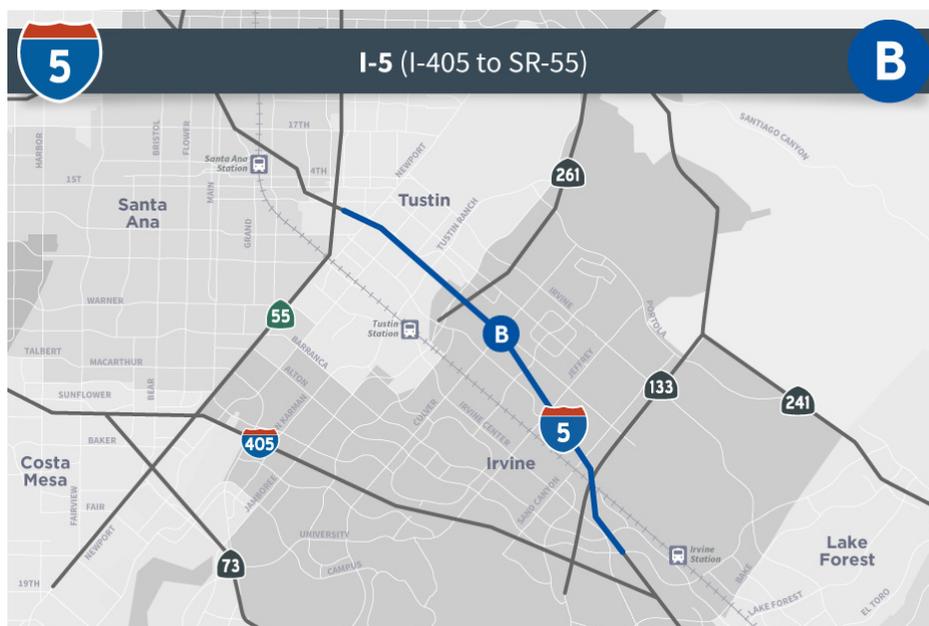
Segment 1: \$230.48 million (YOE).

Segment 2: \$200.44 million (YOE).

Status:

The environmental phase for both segments was completed in January 2020.

Segment 1: The project was advertised for design services on December 14, 2020. Final design for this segment is anticipated to begin in fall 2021.



B. I-5 (I-405 to SR-55)

Segment 2: The project was advertised for design services on June 22, 2020. A design consultant was selected by the Board on November 9, 2020. Final design for this segment is anticipated to begin in spring 2021.

Present Day:

The current traffic volume on this segment of I-5 is about 358,000 vehicles per day and is expected to increase by nearly 16 percent by 2035, bringing it up to 416,000 vehicles per day.

Benefits:

Project improvements would alleviate congestion and reduce delay.

External Funding:

The Board has approved funding that supports this project including:

Segment 1: \$52.36 million in federal funds and \$140.13 million in state funds.

Segment 2: \$15.03 million in federal funds.

Risks:

Overall time, scope, and costs risks are high with this project due to tight ROW and the need for design variations.

Related Projects:

Projects A and F.

Other Involved Agencies:

Caltrans, cities of Irvine and Tustin, and FHWA.

Assumptions:

Cost based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2021)

C. I-5 (SR-73 to El Toro Road includes Avery & La Paz Interchanges)

Description:

Project C will add new lanes to I-5 from El Toro Road in the City of Lake Forest to the vicinity of SR-73 in the cities of Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest and Mission Viejo. Improvements include continuous HOV access completion and major improvements at the Avery Parkway and La Paz Road interchanges, as part of Project D. The project will generally be constructed within the existing ROW. This project is divided into three segments as described below.

Segment 1:

This project from SR-73 to Oso Parkway will add one general purpose lane in each direction between SR-73 and Oso Creek (approximately 2.2 miles), reconstruct Avery Parkway interchange, and add auxiliary lanes where needed to increase freeway capacity and reduce congestion in Laguna Hills, Laguna Niguel, and Mission Viejo areas.

Segment 2:

This project from Oso Parkway to Alicia Parkway will add one general purpose lane in each direction between Oso Creek and Alicia Parkway (approximately 2.6 miles), reconstruct La Paz Road interchange, and add auxiliary lanes where needed to increase freeway capacity and reduce congestion in Laguna Hills and Mission Viejo areas.

Segment 3:

This project from Alicia Parkway to El Toro Road will add one general purpose lane in the southbound direction between Alicia Parkway and El Toro Road (approximately 1.7 miles), continue the additional general purpose lane in the northbound direction through Alicia Parkway, extend the second HOV lane in both directions from El Toro Road to Alicia Parkway, and add auxiliary lanes where needed to increase freeway



C. I-5 (SR-73 to El Toro Road includes Avery & La Paz Interchanges)

capacity and reduce congestion in Laguna Hills and Lake Forest areas.

Cost:

Segment 1: \$195.80 million (YOE).

Segment 2: \$203.07 million (YOE).

Segment 3: \$165.86 million (YOE).

Landscaping for all three segments: \$12.37 million (YOE).

Status:

Segment 1: Construction began in March 2020 and is scheduled to be complete and open to traffic in 2025.

Segment 2: Construction began in May 2019 and is scheduled to be complete and open to traffic in late 2023.

Segment 3: A construction contract was approved by Caltrans on October 13, 2020. Construction is anticipated to begin in January 2021 and is scheduled to be complete and open to traffic in 2024.

Present Day:

The current traffic volume on I-5 near the El Toro “Y” is about 343,000 vehicles per day. This volume will increase in the future by 22 percent by 2035, bringing it up to 420,000 vehicles per day.

Benefits:

This project will help alleviate congestion and reduce traffic delays. The second HOV extension for Segment 3 will enable more efficient operation of general purpose lanes and

increase capacity for future projected traffic volumes. Adding an additional general purpose lane in Segment 1 and 2 will increase capacity of the freeway to accommodate future projected traffic volumes. The I-5/La Paz Road and I-5/Avery Parkway interchange improvement projects called for in M2 Project D will reduce chokepoints and congestion, as well as accommodate future traffic demands on the local roads at each interchange.

External Funding:

The Board has approved funding that supports this project including:

Segment 1: \$34.60 million in federal funds and \$121.81 million in state funds.

Segment 2: \$55.60 million in federal funds.

Segment 3: \$54.63 million in federal funds and \$9.39 million in state funds.

Additionally, \$6.00 million in state funds have been approved for landscape planting across all three segments.

Risks:

Overall time, scope, and costs risks are medium with this project due to potential ROW impacts.

Related Projects:

Project C (Avenida Pico to San Juan Creek Road) and Project D (El Toro Road Interchange).

C. I-5 (SR-73 to El Toro Road includes Avery & La Paz Interchanges)

Other Involved Agencies:

Caltrans, cities of Laguna Hills, Laguna Niguel, and Mission Viejo, CTC, FHWA, and Transportation Corridor Agencies.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2021)

C. I-5 (Avenida Pico to San Juan Creek Road includes Pico Interchange)

Description:

Project C extended the HOV lanes on I-5 from Avenida Pico to San Juan Creek Road in the cities of Dana Point, San Clemente, and San Juan Capistrano. Major interchange improvements were also included at Avenida Pico, as part of Project D. This project was generally constructed within the existing ROW and was divided into three segments as described below.

Segment 1:

This project from Avenida Pico to Avenida Vista Hermosa added new continuous-access HOV lanes in each direction between Avenida Vista Hermosa Overcrossing and Avenida Pico Undercrossing. The Avenida Pico Interchange was reconstructed to optimize traffic movements within the interchange and provided bicycle lanes in both directions of Avenida Pico.

Segment 2:

This project from Avenida Vista Hermosa to Pacific Coast Highway (PCH) added new continuous-access HOV lanes in each direction between Avenida Vista Hermosa Overcrossing and PCH Undercrossing. The project also reconstructed on- and off-ramps at Avenida Vista Hermosa and Camino de Estrella, and re-established existing auxiliary lanes. Avenida Vaquero Undercrossing was widened in both directions to accommodate the new HOV lanes.

Segment 3:

This project from PCH to San Juan Creek Road added new continuous-access HOV lanes in each direction between Camino Estrella Overcrossing and San Juan Creek Road Undercrossing. On- and off-ramps at Camino Las Ramblas/ PCH were reconstructed. Additionally, the I-5/PCH northbound connector and



C. I-5 (Avenida Pico to San Juan Creek Road includes Pico Interchange)

I-5/Camino Las Ramblas Undercrossing were widened in both directions.

Cost:

Segment 1: \$83.56 million.

Segment 2: \$75.24 million.

Segment 3: \$74.25 million.

Status:

All segments of Project C opened to traffic at the same time in early 2018. Segment 1 was completed in August 2018, Segment 2 in July 2017 and Segment 3 in July 2018.

Present Day:

This section of I-5 has high levels of traffic during the weekdays and weekends, as well as holidays, throughout the proposed project limits. The current traffic volume on this segment of I-5 is about 250,000 vehicles per day and is expected to increase by nearly six percent by 2035, bringing it up to 266,000 vehicles per day.

Benefits:

This project eliminated a southbound lane drop at PCH by extending the southbound HOV lane between Camino Capistrano and Avenida Pico, and the northbound HOV lane between Avenida Pico and PCH. Elimination of the lane drop enabled more efficient operation of general purpose lanes and serves projected traffic volumes for the year 2040.

External Funding:

The Board approved funding that supported these projects including:

Segment 1: \$28.47 in federal funds and \$43.74 million in state funds.

Segment 2: \$12.07 million in federal funds and \$46.78 million in state funds.

Segment 3: \$11.33 million in federal funds and \$20.79 million in state funds.

Risks:

No risk to project delivery as the project is complete. Final claims remain pending in Segment 3, however, cost risk is low.

Related Projects:

Project D.

Other Involved Agencies:

Caltrans, cities of Dana Point, San Clemente, and San Juan Capistrano, CTC and FHWA.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report - State Highway Project (February 2021)

D. I-5 (El Toro Road Interchange) Improvements

Description:

Proposed Project D improvements at I-5/El Toro Road Interchange include modifying entrance and exit ramps and modifying or replacing existing bridge structures.

Cost:

\$120.52 million (YOE) is currently included in the cash flow however, once the selected project alternative is determined this will need to be updated.

Status:

The environmental phase for this project began in April 2017. The Next 10 Plan includes funding this project through environmental. An alternatives assessment is being conducted with environmental clearance anticipated in late 2021 pending stakeholder consensus.

Present Day:

This portion of I-5 has high levels of traffic during the weekdays and

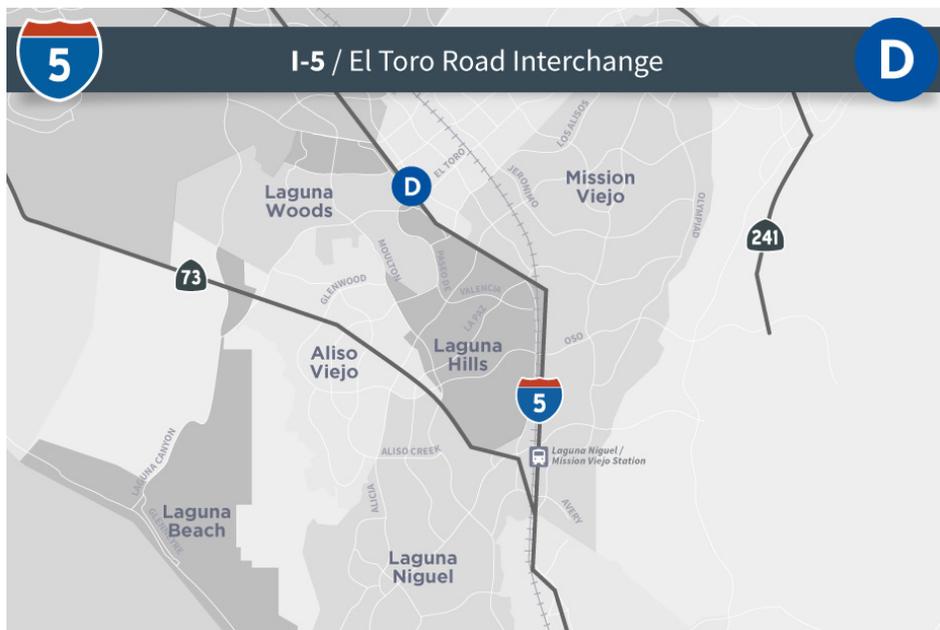
weekends, as well as holidays, throughout the proposed project limits. The current traffic volume on this segment of I-5 is about 355,000 vehicles per day and is expected to increase nearly nine percent by 2035, bringing it up to 388,000 vehicles per day.

Benefits:

This project would reduce the chokepoint and better accommodate forecasted traffic demands. Modification of the entrance and exit ramps would alleviate congestion at adjacent intersections.

External Funding:

The Board has approved \$4.40 million in federal funds for the environmental phase. Future phases are also eligible for state and federal funds. Any additional funding is expected to be submitted for Board approval at a later time.



D. I-5 (El Toro Road Interchange) Improvements

Risks:

Overall time, scope, and cost risks are high with this project due to the challenging project area with significant ROW impacts with study alternatives under consideration. Community concerns has resulted in a lack of consensus between the three stakeholder local jurisdictions. This project will need local jurisdiction consensus, before moving forward.

Related Projects:

Project C.

Other Involved Agencies:

Caltrans, cities of Laguna Hills, Laguna Woods, and Lake Forest, and FHWA.

Assumptions:

Cost based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report - State Highway Project (February 2021)

D. I-5 (Ortega Highway Interchange) Improvements

Description:

Project D improvements include reconstruction of the I-5 interchange at State Route 74 (SR-74) in south Orange County, as well as widening SR-74, modifying entrance and exit ramps, and replacing the existing bridge structure.

Cost:

\$79.80 million.

Status:

The project opened to traffic on September 4, 2015 and was officially completed on January 15, 2016.

Present Day:

Prior to completion of the project, the existing freeway overcrossing and on- and off-ramps did not accommodate existing and projected to-and-from street/freeway traffic.

Benefits:

This project alleviated a major chokepoint and reduced congestion by widening the Ortega Highway Bridge and improving local traffic flow through reconfigured streets and on- and off-ramps.

External Funding:

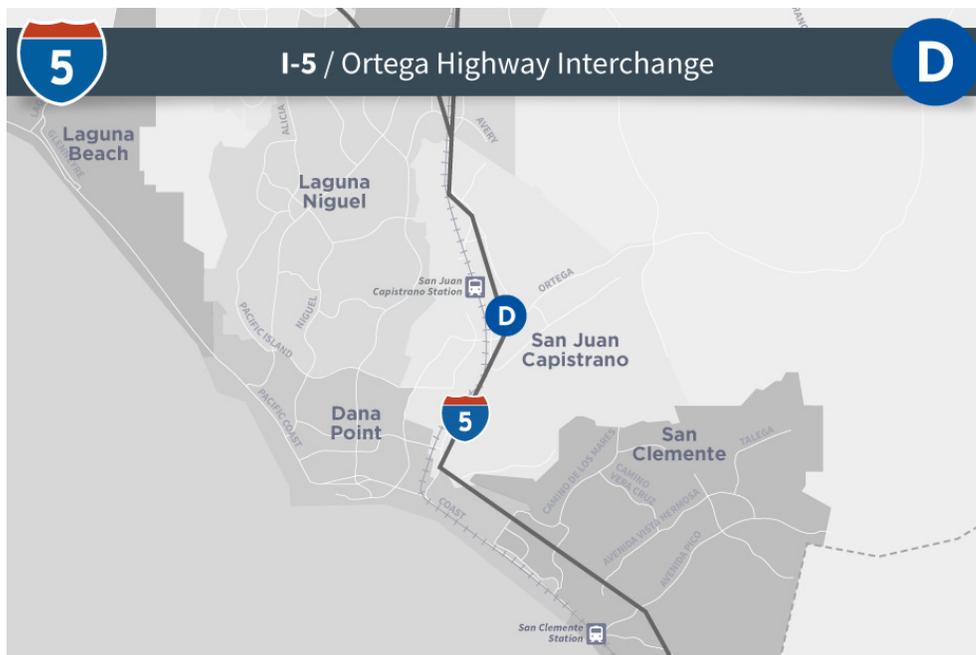
\$752,000 in federal funds, \$73.48 million in state funds, \$2.50 million in M1 funds from the regional interchange program, and \$5.01 million in other local funds were used for the project.

Risks:

None – project completed.

Related Projects:

Project C.



D. I-5 (Ortega Highway Interchange) Improvements

Other Involved Agencies:

Caltrans, City of San Juan Capistrano, and CTC.

Assumptions:

Cost based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- January 2020 Project Status Report
- Capital Funding Program Report - State Highway Project (January 2020)

E. SR-22 Access Improvements

Description:

Project E constructed interchange improvements at Euclid Street, Brookhurst Street, and Harbor Boulevard to reduce freeway and street congestion near these interchanges.

Cost:

\$25.8 million.

Status:

These projects were part of the State Route 22 (SR-22) widening project completed in 2008 using M1 funds.

Present Day:

The project widened the streets at the interchanges and were designed to improve accommodation of existing and projected traffic.

Benefits:

The project reconstructed the freeway overcrossings to allow these streets to be widened through the interchange area. These improvements reduced congestion and delay at all three interchanges.

External Funding:

\$15.9 million of M1 funds and \$9.9 million of other non-M2 (federal, state and city) funds were used for the project.

Risks:

None – project completed.

Related Projects:

West County Connector improvements at SR-22/I-405 and I-405/I-605 interchanges.

Other Involved Agencies:

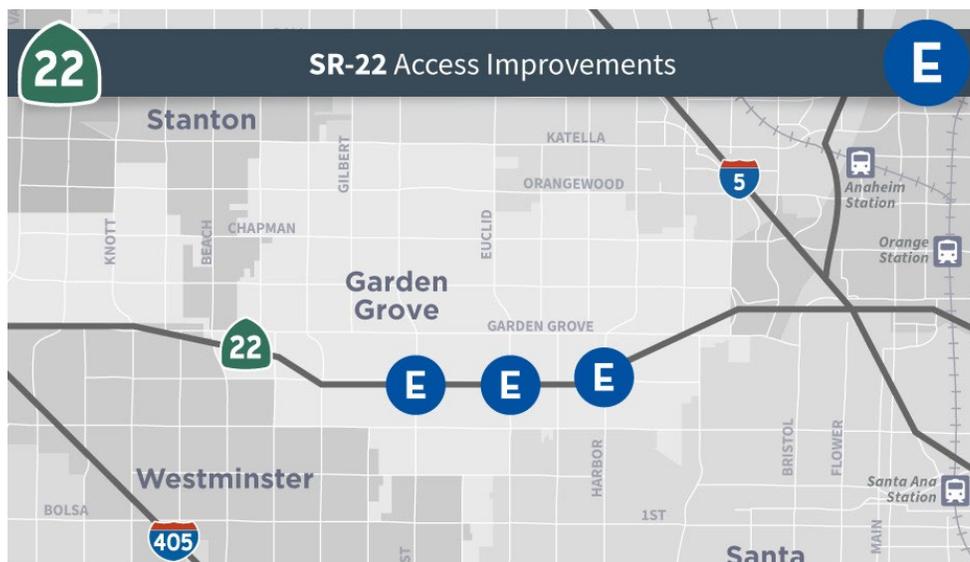
Caltrans and City of Garden Grove.

Assumptions:

Completed as part of the M1 SR-22 Design/Build project.

References:

- OCTA 2014 Long Range Transportation Plan



F. SR-55 (I-405 to SR-91)

Description:

Project F will increase freeway capacity and reduce congestion by adding lanes and operational improvements to SR-55 between I-405 and SR-91. This project is divided into two segments as described below.

Segment 1:

This project will add one general purpose lane (approximately four miles) between I-405 and I-5, including merging lanes between interchanges to smooth traffic flow. This segment will generally be constructed within the existing ROW. The general purpose lane will be funded with M2, state, and federal funds. Concurrent with these efforts, a second HOV lane will also be constructed between I-5 and I-405 with state and local funds.

Segment 2:

This project will add new lanes between I-5 and SR-22, including merging lanes between interchanges to smooth traffic flow. Operational improvements between SR-22 and SR-91 would also be incorporated. The environmental phase of this segment was completed in March 2020 and is ready to advance into design and construction. This segment will generally be constructed within the existing ROW.

Cost:

Segment 1: \$503.22 million (YOE) which includes cost for potential ROW risk.

Segment 2: \$131.31 million (YOE).



F. SR-55 (I-405 to SR-91)

Status:

Segment 1 is currently in the design phase and is anticipated to begin construction in early 2022. Segment 2 began the environmental phase in late 2016 and completed in March 2020.

Present Day:

This freeway carries about 316,000 vehicles on a daily basis. This volume is expected to increase by nearly eight percent by 2035, bringing it up to 340,000 vehicles per day in the future.

Benefits:

This project will increase freeway capacity, improving mobility and reducing congestion in central Orange County areas by adding new lanes and making operational improvements for existing and forecasted traffic volumes (especially for weaving and lane efficiency at ramp junctions).

External Funding:

Segment 1: The Board has approved providing \$202.4 million in federal funds and \$80.00 million in state funds. As previously mentioned, Caltrans has also committed \$42.70 million in State Highway Operation and Protection Program funds for this project. In addition, in December 2020, the project was awarded \$140.00 million in SB 1 funding.

Segment 2: The Board has approved providing \$5.00 million in federal funds for this project to support the environmental phase. This project is eligible for future state and federal funds.

Risks:

Schedule, scope, and cost risks remain high on Segment 1 due to complex ROW impacts which rely on design variations. This may also delay receipt of the State's share of funding.

Overall schedule, scope, cost risks are low on Segment 2 at this time.

Related Projects:

Projects A and B.

Other Involved Agencies:

Caltrans, cities of Orange and Santa Ana, and FHWA.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report - State Highway Project (February 2021)

G. SR-57 Improvements

Description:

Project G will increase capacity and reduce congestion by adding one general purpose lane in the northbound direction from Orangewood Avenue in the City of Orange to approximately Tonner Canyon Road in the City of Brea. Select northbound undercrossings will also be widening and seismically retrofitted, as required. The project is divided into three segments as described below.

Segment 1:

This project consists of three northbound sections including Katella Avenue to Lincoln Avenue, Orangethorpe to Yorba Linda Avenue, and Yorba Linda Boulevard to Lambert Road in the cities of Anaheim, Brea, Fullerton, and Placentia. Projects in this segment are complete.

Segment 2:

This project includes the addition of a northbound truck-climbing lane from

Lambert Road in the City of Brea to one-half mile south of the Los Angeles County line (approximately Tonner Canyon Road).

Segment 3:

This project includes adding one northbound general purpose lane from approximately Orangewood Avenue in the City of Orange to Katella Avenue in the City of Anaheim. Segment improvements would maintain the existing auxiliary lane and address existing non-standard features between Orangewood Avenue and Katella Avenue.

Cost:

Segment 1: \$144.36 million.

Segment 2: \$212.30 million (YOE).

Segment 3: \$71.84 million (YOE).



G. SR-57 Improvements

Status:

Segment 1 was completed and opened to traffic in 2014. Segment 2 is planned to be environmentally cleared during the Next 10 Plan timeframe. Segment 3 completed the environmental phase in March 2019 and is anticipated to begin the design phase in early 2022.

Present Day:

This freeway carries about 302,000 vehicles on a daily basis. This volume is expected to increase by nearly 13 percent by 2035, bringing it up to 342,000 vehicles per day in the future.

Benefits:

This project will substantially improve existing and future mobility, reduce congestion, improve mainline weaving, and merge/diverge movements, which will improve both traffic operations and safety. Combined improvements from Orangethorpe Avenue to Tonner Canyon Road could achieve a 40 percent reduction in total delay through the SR-57 northbound corridor.

External Funding:

Segment 1: \$104.85 million in state funds were used for the project.

Segment 2: Funding for this project was removed as part of the 2020 State Transportation Improvement Program (STIP), and a funding plan will be developed at a later date.

Segment 3: The Board has approved \$5.74 million in federal funds to support the environmental phase of this project.

Segments 2 and 3 are eligible for future state and federal funds.

Risks:

Overall time, scope, costs, and quality risks are low to medium with this project due to construction within the existing ROW and relatively straightforward design issues. However, risks exist due to the potential need for seismic retrofitting of existing bridges.

Related Projects:

Project H.

Other Involved Agencies:

Caltrans, cities of Anaheim, Brea, Fullerton, Orange, and Placentia, CTC, and FHWA.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report - State Highway Project (February 2021)

H. SR-91 (I-5 to SR-57)

Description:

Project H widened westbound SR-91 by connecting existing auxiliary lanes through interchanges, thus forming a fourth continuous general purpose lane between I-5 and SR-57. The project also replaced existing auxiliary lanes on westbound SR-91 between State College Boulevard and Raymond Avenue, and between Euclid Street and Brookhurst Street, and added a new auxiliary lane between Raymond Avenue and Lemon Street.

Cost:

The cost for this project was \$59.23 million.

Status:

The project opened to traffic in March 2016 and was officially completed in June 2016.

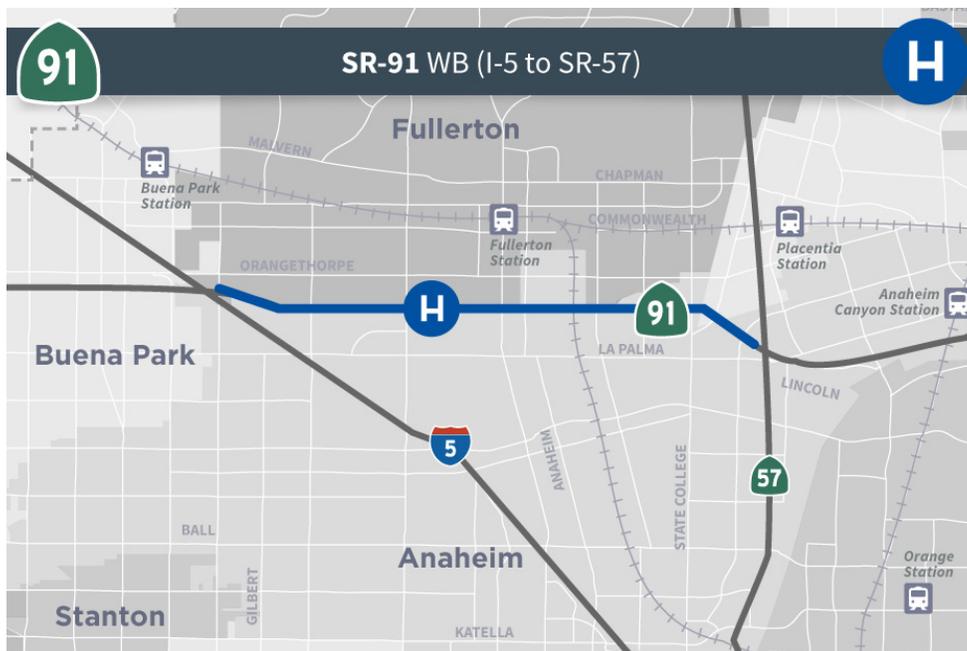
Present Day:

SR-91 serves as a major commuting route connecting Orange County with Riverside and Los Angeles counties.

SR-91 is also one of the most congested freeways in Southern California. This freeway carries about 290,000 vehicles on a daily basis. This volume is expected to increase by nearly five percent by 2035, bringing it up to 304,000 vehicles per day in the future.

Benefits:

This project alleviated congestion and increased mainline capacity by adding a continuous general purpose lane and replaced existing auxiliary lanes, which improved merging operations at each interchange.



H. SR-91 (I-5 to SR-57)

External Funding:

\$27.23 million in state funds were used for the project.

Risks:

None – project completed.

Related Projects:

Project I.

Other Involved Agencies:

Caltrans, cities of Anaheim and Fullerton, and CTC.

Assumptions:

Cost based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2021)

I. SR-91 (Tustin Avenue Interchange to SR-55)

Description:

Project I from Tustin Avenue Interchange to SR-55 added a westbound auxiliary lane, beginning at the northbound SR-55 to westbound SR-91 connector, through the Tustin Avenue interchange. The overall segment length was approximately two miles. Additional features of this project included widening the westbound Santa Ana River Bridge to accommodate the auxiliary lane.

Cost:

The cost for this project was \$42.47 million.

Status:

The project was completed and opened to traffic in 2016.

Present Day:

SR-91 serves as a major commuting route connecting Orange County with Riverside and Los Angeles counties.

SR-91 is also one of the most congested freeways in Southern California. This freeway carries about 290,000 vehicles on a daily basis. This volume is expected to increase by nearly five percent by 2035, bringing it up to 304,000 vehicles per day in the future.

Benefits:

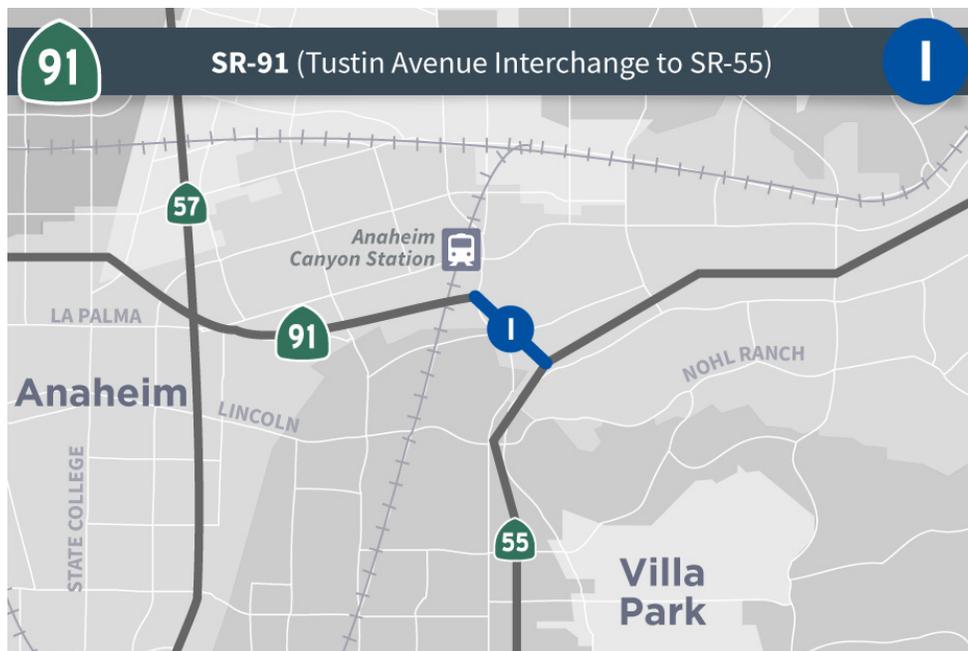
This project addressed chokepoint conditions and reduced operational problems, including weaving and merging maneuvers, which were primarily caused by extensive weaving between the northbound SR-55 to westbound SR-91 connector and the westbound SR-91 off-ramp to Tustin Avenue.

External Funding:

\$29.75 million in state funds were used for the project.

Risks:

None – project completed.



I. SR-91 (Tustin Avenue Interchange to SR-55)

Related Projects:

Projects H, I (SR-57 to SR-55) and J.

Other Involved Agencies:

Caltrans, City of Anaheim, CTC, and FHWA.

Assumptions:

Costs based December 2020 M2
Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- January 2019 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2019)

I. SR-91 (SR-57 to SR-55)

Description:

Project I from approximately SR-57 to SR-55 will add one westbound general purpose lane from northbound SR-57 connector to westbound SR-91 connector, and one eastbound general purpose lane between SR-57 and SR-55. The project is divided into three segments as described below.

Segment 1:

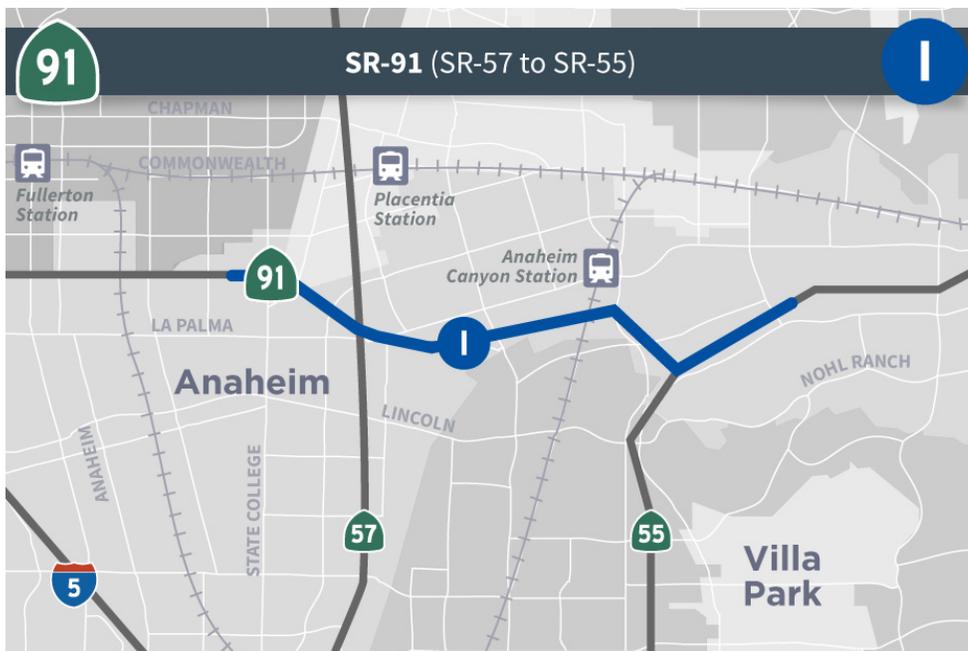
This project from SR-55 to Lakeview Avenue will realign the westbound on-ramp to direct traffic to westbound SR-91. This project will replace the Lakeview Avenue Bridge that will feature a new on-ramp from the Lakeview Avenue Bridge connecting directly to southbound SR-55 to increase freeway capacity and improve traffic operations in the Anaheim area.

Segment 2:

This project from La Palma Avenue to SR-55 will add an eastbound general purpose lane on SR-91 between La Palma Avenue and SR-55 (approximately 2.3 miles) and include bridge replacements at Glassell Street/ Kraemer Boulevard and Tustin Avenue to increase freeway capacity and reduce congestion in the cities of Anaheim and Fullerton.

Segment 3:

This project from Acacia Street to La Palma Avenue will add a fourth general purpose lane on westbound SR-91 from the northbound SR-57 to westbound SR-91, make improvements to the weave from westbound SR-91 to northbound and southbound SR-57, and replace the bridge at La Palma Avenue to enhance westbound operations on SR-91, increase overall freeway capacity, and reduce congestion in the cities of Anaheim and Fullerton.



I. SR-91 (SR-57 to SR-55)

Cost:

Segment 1: \$100.91 million (YOE).

Segment 2: \$208.45 million (YOE).

Segment 3: \$116.20 million (YOE).

Status:

The environmental phase for all three segments was completed in June 2020.

Segment 1: The design phase was initiated in March 2020.

Segment 2: The design phase was initiated in June 2020.

Segment 3: The design phase was initiated in November 2020.

Present Day:

Current freeway volume on this segment of the SR-91 is about 250,000 vehicles per day. This vehicular demand is expected to increase by 12 percent by 2035, bringing it up to 280,000 vehicles per day in the future.

Benefits:

Segment 1 improvements are expected to alleviate congestion and reduce delay by improving the connection from Lakeview Avenue to southbound SR-55.

Segment 2 improvements will increase freeway capacity in the eastbound direction and reduce traffic congestion.

Segment 3 improvements will enhance westbound operations and increase freeway capacity.

External Funding:

The Board has approved funding that supports this project including:

Segment 1: \$1.77 million in federal funds and \$13.98 million in 91 Express Lanes excess revenue.

Segment 2: \$3.46 million in federal funds and \$42.81 million in 91 Express Lanes excess revenue.

Segment 3: \$1.77 million in federal funds and \$14.40 million in 91 Express Lanes excess revenue.

Risks:

Overall time, scope and costs risks are high. High risk is the result of refined design options that require Caltrans concurrence, which remain under review.

Related Projects:

Projects H, I (Tustin Avenue Interchange to SR-55), and J.

Other Involved Agencies:

Caltrans, cities of Anaheim, Fullerton, Orange, and Placentia, CTC, and FHWA.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2021)

J. SR-91 (SR-55 to I-15)

Description:

Project J includes the addition of capacity on SR-91 from SR-55 to I-15 in Riverside County and is divided into three segments.

Segment 1:

This project improved six-miles of SR-91 by adding one eastbound lane from one-mile east of SR-241 to State Route 71 (SR-71) in Riverside County. This project was led by RCTC in coordination with Caltrans District 8.

Segment 2:

This project improved approximately six miles of SR-91 between SR-55 and SR-241 by adding one new lane in each direction and improved key interchanges. Additional improvements included the widening and seismic retrofitting for the Imperial Highway and Weir Canyon Road undercrossing bridges. This project was led by OCTA in coordination with Caltrans District 12.

Segment 3:

This project requires coordination and funding agreements with RCTC to

deliver complementary improvements between SR-241 and SR-71 in Riverside County. Improvements between SR-71 and I-15 are overseen by RCTC.

Cost:

Segment 1: \$57.77 million.

Segment 2: \$79.74 million.

Segment 3: \$300.00 million (YOE).

Status:

Segment 1 was completed in January 2011, and Segment 2 was completed in March 2013.

Segment 3 is contingent on the future widening in Riverside County to match the planned improvements in Orange County. The segment was environmentally reviewed as part of the RCTC's Corridor Improvement Project. RCTC and OCTA have agreed to advance the westbound direction of this segment by adding a general purpose lane (two miles in length) from



J. SR-91 (SR-55 to I-15)

Green River Road to SR-241. RCTC is the lead agency and OCTA contributed \$15 million towards the project. The eastbound improvements between SR-241 and SR-71 are more challenging due to engineering constraints. A feasibility study to evaluate potential improvements is anticipated to be completed in 2021.

Present Day:

Today, this freeway carries about 328,000 vehicles every day. This volume is expected to increase by 15 percent, bringing it up to 378,000 vehicles by 2035.

Benefits:

Segment 1 improvements added one general purpose lane, which improved weaving by reducing the volume of exiting vehicles in the SR-91 mainline through lanes that are exiting at Green River Road and SR-71.

Segment 2 improvements helped to alleviate congestion and reduce delay.

Segment 3 proposed improvements are expected to reduce congestion and delay and improve operational efficiency by increasing capacity and by reducing the existing chokepoints within the project limits.

External Funding:

Segment 1: \$45.91 million in federal funds and \$4.92 million in local funds were used for this project.

Segment 2: \$76.30 million in state funds were used for this project. An additional \$2.90 million in state funds were used for replacement planting.

Segment 3: \$15.00 million of 91 Express Lanes excess revenue is Board approved for the Orange County portion of this segment. RCTC will contribute \$26.80 million in funding for the project.

Risks:

No risks for Segments 1 and 2 as they are complete.

For Segment 3, time, scope, and costs risks are dependent upon required coordination with RCTC. Eastbound improvements have many engineering challenges due to project area topography (Santa Ana Canyon) and natural constraints (Santa Ana River).

Related Projects:

Project I and the Riverside County Corridor Improvement Project.

Other Involved Agencies:

Caltrans, cities of Anaheim and Yorba Linda, County of Orange, CTC, and FHWA.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2012 Project Status Report (Segment 1)
- June 2018 Project Status Report (Segment 2)
- December 2020 Project Status Report (Segment 3)
- Capital Funding Program Report – State Highway Project (February 2021)

K. I-405 (SR-73 to I-605)

Description:

Project K includes the addition of new lanes to I-405 between SR-73 and I-605. The project will make the best use of available freeway property by staying generally within the freeway ROW and updating key local interchanges to current Master Plan of Arterial Highway (MPAH) standards. The project will add one general purpose lane in each direction of I-405 from Euclid Street to I-605.

Concurrently with Project K, an additional lane will be added in each direction that would combine with the existing HOV lane to provide dual express lanes in each direction on I-405 from SR-73 to I-605. The general purpose lanes will be funded with M2, state, and federal funds; the express lanes will be funded solely with toll revenues.

Cost:

M2 Portion: \$1.560 billion (YOE).

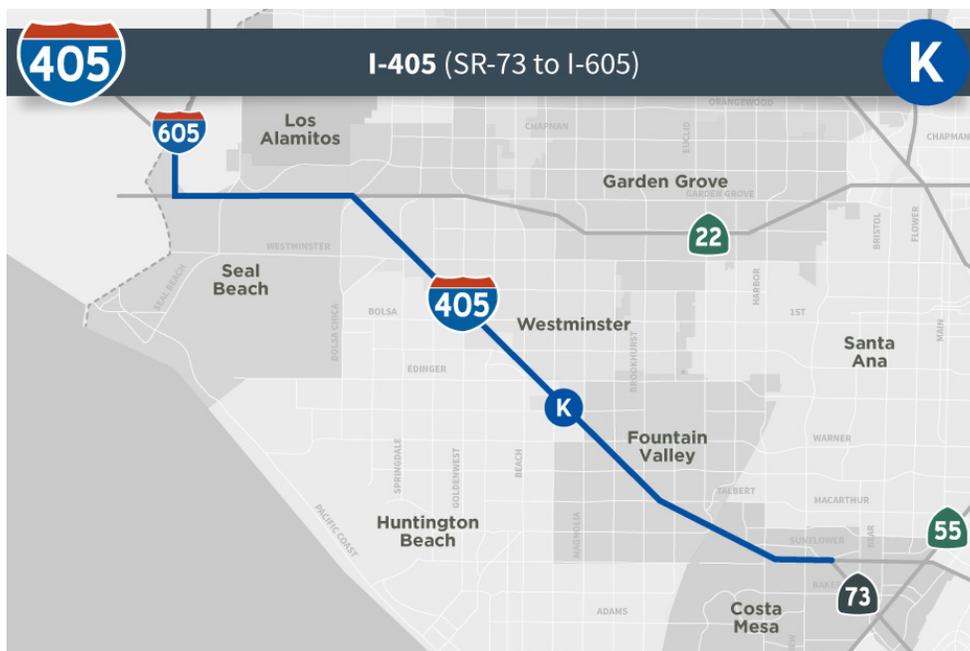
Express Lanes Portion: \$520 million (YOE).

Status:

Project K is currently about halfway through the design/build contract phase. Design/build is a project delivery method in which one team is hired to perform both the design and construction of the project. The project is expected to be open to traffic in 2024.

Present Day:

On average, I-405 carries approximately 392,000 vehicles daily. The volume is expected to increase by 20 percent by 2035, bringing it up to 472,000 vehicles daily. The project will increase freeway capacity, reduce congestion, enhance operations, increase mobility, improve trip reliability, and maximize throughput on I-405.



K. I-405 (SR-73 to I-605)

Benefits:

Project K includes the addition of auxiliary and general purpose lanes. These improvements would help reduce congestion and improve travel times. Additional improvements include interchange and local street improvements, and a direct Express Lanes connector at the I-405/SR-73 Interchange.

The express lanes will operate congestion-free throughout the day, due to toll rates that vary based on traffic demand. The express lanes provide commuters with a reliable travel option compared to the adjacent, general purpose lanes.

M2 improvements, in combination with express lanes improvements, will provide more throughput in the corridor. These improvements will add two additional freeway lanes to I-405 in both directions between Euclid Street to the I-605 interchange.

External Funding:

The Board has approved funding supporting this project, including \$89.77 million in a contribution of state funds, and \$45.65 million in federal funds. The project also successfully secured \$628.93 million from Transportation Infrastructure Finance and Innovation Act (TIFIA), a low-cost federal loan. The M2 cash flow will benefit from \$153.93 million in TIFIA revenues for this project. The entire TIFIA loan will be paid back solely with toll revenues.

Risks:

Overall time, scope, utility relocation, archeological discoveries and cost risks are high with this project due to the extensive project scope.

Related Projects:

Project L and WCC improvements at SR-22/I-405 and I-405/I-605 interchanges (mentioned under Project E).

Other Involved Agencies:

Caltrans, Build America Bureau TIFIA Office, cities of Costa Mesa, Fountain Valley, Huntington Beach, Seal Beach, and Westminster, Community of Rossmore, CTC, and FHWA.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow. M2 will only pay for the addition of the general purpose lanes. Toll revenues will pay for the 405 Express Lanes.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2021)

L. I-405 (I-5 to SR-55)

Description:

Project L will add new lanes to I-405 from the vicinity of I-5 to SR-55 to alleviate congestion and reduce delay. The project will generally be constructed within the existing ROW.

Cost:

\$262.39 million (YOE).

Status:

The project completed the environmental phase in August 2018 and is shelf-ready to begin the design phase.

Project B (I-5, I-405 to SR-55) is a parallel project designated for construction. As a result, this project will follow to avoid excessive inconvenience to the traveling public.

Present Day:

This segment of the freeway carries 296,000 vehicles a day. This number will increase by nearly 22 percent, bringing it up to 362,000 vehicles per day by 2035.

Benefits:

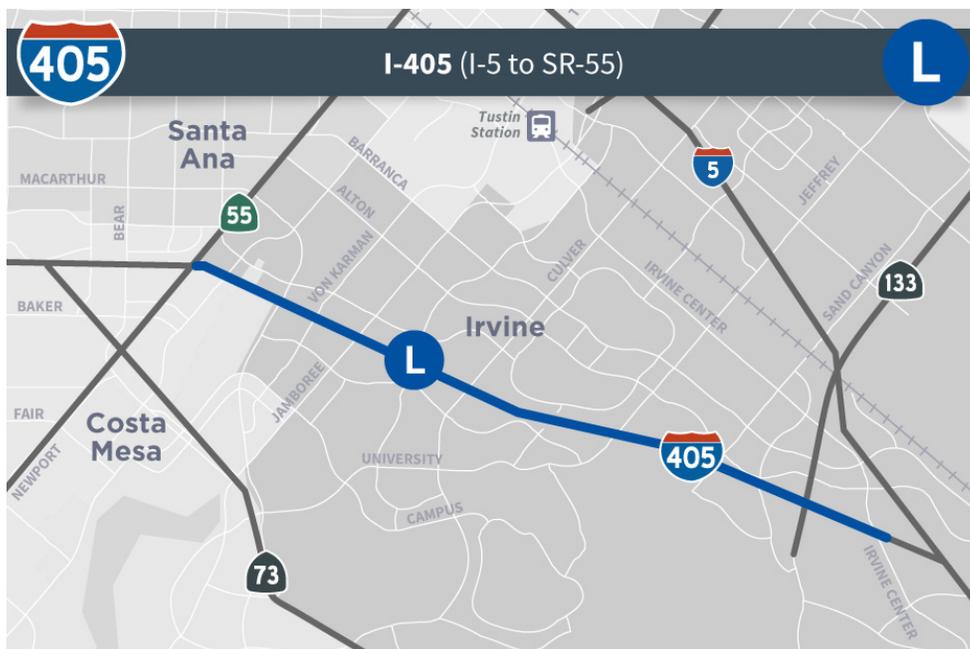
Improvements between I-5 and SR-55 would help alleviate congestion and reduce delay.

External Funding:

The Board approved providing \$8.00 million in federal funds to support the environmental phase of the project. This project is eligible for future state and federal funds.

Risks:

Overall time, scope, and costs risks are low with this project due to low ROW impacts and straightforward design.



L. I-405 (I-5 to SR-55)

Related Projects:

Projects B and K.

Other Involved Agencies:

Caltrans, City of Irvine, CTC, FHWA, and Transportation Corridor Agencies.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2021)

M. I-605 (Katella Avenue Interchange) Improvements

Description:

Project M includes improvements to I-605 freeway access and the arterial connection at Katella Avenue, which serves communities in the cities of Cypress and Los Alamitos.

Cost:

The cost for this project is estimated to be \$29.02 million (YOE).

Status:

The environmental phase for this project was completed in late 2018 and was done in cooperation with the City of Los Alamitos. A design consultant was approved by the Board on August 10, 2020 and the contract was executed on December 28, 2020. Design is anticipated to begin in January 2021.

Present Day:

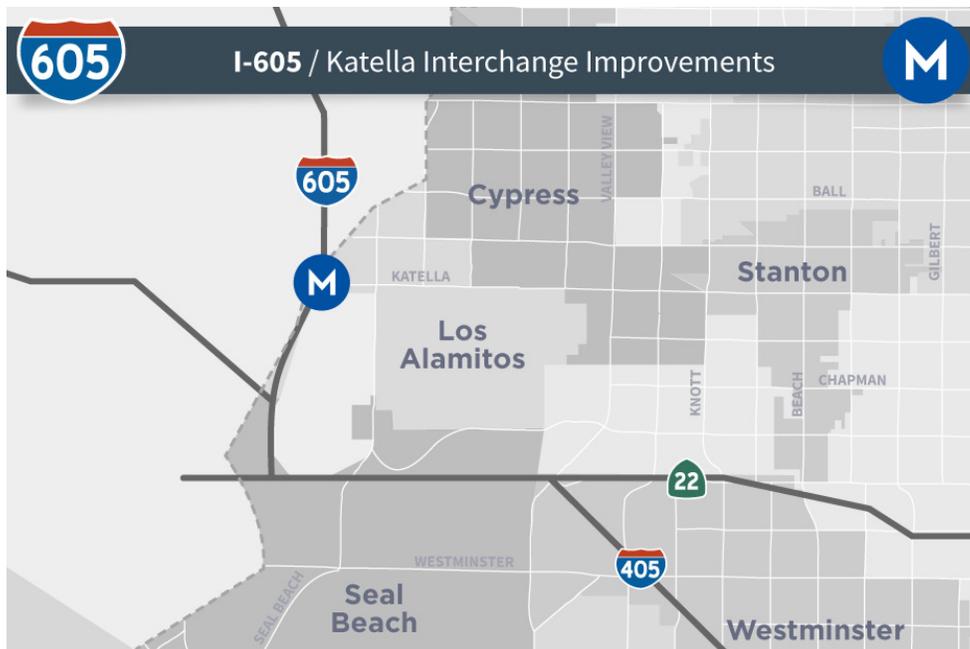
The existing interchange design is outdated and results in both arterial congestion and freeway queuing in the interchange area.

Benefits:

The I-605/Katella Avenue interchange project would include both freeway and arterial improvements that would improve interchange traffic operations and improve bicycle and pedestrian facilities while minimizing adjacent ROW and environmental impacts. Additionally, these improvements would reduce congestion, traffic queuing, and delay within the interchange area.

External Funding:

The construction phase of this project is eligible for future state and federal funds.



M. I-605 (Katella Avenue Interchange) Improvements

Risks:

Overall time, scope, and costs risks are low with this project due to low ROW impacts and straightforward design.

Related Projects:

Project K and I-405/I-605/SR-22 HOV connector project (West County Connector).

Other Involved Agencies:

Caltrans and City of Los Alamitos.

Assumptions:

Costs based on December 2020 M2 Program Cash Flow.

References:

- OCTA 2018 Long Range Transportation Plan
- December 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (February 2021)

N. Freeway Service Patrol

Description:

The FSP provides competitively-bid, privately contracted tow truck service to help stranded motorists quickly clear disabled vehicles and large debris from freeway lanes to minimize congestion caused by blocked traffic lanes and passing motorists rubbernecking. Currently FSP is available on various Orange County freeways, seven days a week. This project assures that this basic level of service will be continued through 2041.

Program Funding:

\$42.2 million in M2 revenue between 2021 and 2030.

Status:

FSP is primarily funded by State Highway Account (SHA) and Road Repair and Accountability Act of 2017 (SB 1) funds. OCTA meets matching fund requirements by utilizing a portion of its share of Service Authority for Freeway Emergencies (SAFE) funds, which are collected by the Department of Motor Vehicles each year.

As demand, congestion levels, and costs increase, this project will permit the program to maintain existing service hours and allow service to be extended throughout the day and on weekends on additional freeway segments.

M2 also helps support California Highway Patrol as the partner responsible for field supervision. Currently, M2 funds a full-time dispatcher to ensure dispatcher coverage seven days a week.

Present Day:

In FY 2019-20, the FSP program provided a total of 56,374 assists to motorists on the Orange County Freeway system.

Benefits:

To keep Orange County moving, FSP provides free limited roadside assistance to motorists whose vehicles have become disabled on an Orange County freeway. Assistance is limited to taping a hose, providing water for a radiator, a jump start, a gallon of gas, a tire change, or towing a disabled vehicle off the freeway to a designated drop zone where the motorist may seek additional assistance.

In FY 2018-19, for every dollar invested in the program, Orange County received approximately \$6 of congestion relief benefit.

External Funding:

SHA allocation provided by Caltrans – approximately \$2.2 million annually.

SB 1 allocation provided by Caltrans – approximately \$2 million annually.

SAFE (\$1 per vehicle registration fee) funds not allocated to the Freeway Call Box and 511 Motorist Assistance and Traveler Information programs are available for FSP program use, to meet local match fund requirements – approximately \$1.2 million annually.

Risks:

Should the State of California stop funding FSP through the SHA and SB 1, M2 will not be sufficient to maintain existing service levels.

N. Freeway Service Patrol

Related Projects:

M2 Project N funds are designated to maintain existing service levels, provide midday and weekend service, and support FSP service for construction of Projects A-M.

Other Involved Agencies:

Caltrans and California Highway Patrol.

Assumptions:

Project N is assumed to be funded on a pay-as-you-go basis. Funding provided through the SHA and SB 1 are allocated first, and then M2 funding is applied as needed.

References:

- M2 Project N Guidelines Freeway Service Patrol Project, Approved on February 13, 2012

Environmental Mitigation Program



Overview:

The EMP provides for allocation of five percent of the total M2 freeway budget for comprehensive environmental mitigation related to impacts from freeway improvements. The EMP was approved by Orange County voters under the M2 half-cent sales tax for transportation improvements in 2006.

A master agreement between OCTA, Caltrans, and state and federal resource agencies was approved in January 2010. This offers higher-value environmental benefits such as habitat protection, connectivity, and resource preservation in exchange for streamlined project approvals for the 13 (segmented into 30) M2 freeway projects.

To adhere to the promise of M2, the Next 10 Plan includes the following framework for the Mitigation Program as it relates to Projects A-M:

- Streamline freeway projects through the biological permitting process.
- Provide comprehensive environmental mitigation.
- Partner with state and federal resource and regulatory agencies.
- Provide higher-value environmental benefits such as habitat protection, connectivity, and resource preservation.

Next 10 Deliverables:

In 2009, the Board approved a policy to allocate approximately 80 percent of the revenues to acquisitions and 20 percent to fund restoration projects. This policy will need to be revisited periodically to ensure it continues to meet program needs. The Next 10 Plan recommends four major initiatives through 2030 consistent with the above framework:

1. Oversee and manage the Preserves while the endowment is being established and determine long term land manager(s) and endowment holder(s).
2. Focus EMP resources funding as a first priority toward the establishment of the endowment for the Preserves.
3. Review and update the resource management plans (RMP) on the Preserves as appropriate (projects A-M). This includes the development of fire management plans (FMP) for each of the Preserves.
4. Complete approximately 350 acres of restoration projects funded through M2 to fulfill the Conservation Plan commitments. This includes working with the restoration project sponsors to remediate damages caused by the 2020 Silverado and Bond fires.

Environmental Mitigation Program

Description:

In July 2010, OCTA began preparing a Conservation Plan, which examines habitat resources within broad geographic areas and identifies conservation and mitigation measures to protect habitat and species. This analysis was completed in late 2016; in accordance with the master agreement “advance credit” provision, funds were allocated prior to completion of the Conservation Plan. In June 2017, the United States Fish and Wildlife Service (USFWS) and the California Department of Fish and Wildlife (CDFW) (collectively, Wildlife Agencies) finalized the issuance of their respective biological opinion, findings, and associated permits, as well as signed the Conservation Plan Implementing Agreement. Receipt of these permits represent the culmination of years of collaboration and support by the Board, environmental community, and Wildlife Agencies.

Concurrent with efforts made toward completing the Conservation Plan and EIR/Environmental Impact Statement (EIS), OCTA collaborated with the United States Army Corps of Engineers (USACE) and the State Water Resources Control Board (SWRCB) - regulatory agencies - to streamline the regulatory permitting process. In 2017, the USACE issued a programmatic permit to OCTA and Caltrans (as owner/operator of the state highway system). The SWRCB provided a letter to OCTA in 2018, which further secured assurances related to advanced mitigation and freeway project permit issuance.

RMPs for each of the seven Preserves were finalized in 2018. These RMPs guide the management of the Preserves as outlined within the Conservation Plan. The Conservation Plan also requires that each Preserve also have a Preserve specific FMP. These FMPs are being developed in coordination with local fire agencies and will require approval from the Wildlife Agencies. The FMPs will be attachments to the RMPs. Staff will continue to oversee and manage the Preserves until a long-term manager(s) is established.

Cost:

In 2007, the Board approved approximately \$55 million as part of the EAP. Accordingly, \$42 million and \$10.5 million were allocated for acquisition and restoration, respectively. An additional \$2.5 million was allocated for the Conservation Plan development and program support, including appraisals and biological surveys.

Status:

Since September 2010, a total of \$10 million has been allocated for 12 projects to restore approximately 350 acres of open space lands throughout Orange County.

On September 26, 2016, the Board approved the selection of the endowment fund manager. Annually, approximately \$2.9 million is deposited in the endowment. These annual deposits are expected over a ten to 12 year period, or until the fund totals approximately \$46.2 million. In July 2020, OCTA made its fifth

Environmental Mitigation Program

endowment deposit. As of December 31, 2020, the balance was \$17,664,006. Annual endowment deposits will continue to be made near the beginning of each fiscal year.

The Wildlife Agencies finalized the issuance of their respective permits, as well as executing the Implementing Agreement in June 2017. In January 2018, OCTA secured advance streamlined state and federal clean water permitting requirements.

All seven Preserves have finalized RMPs and are being managed and protected for an interim period by OCTA staff and consultants. These RMPs will be reevaluated every five years and revised as necessary. Staff will continue to oversee and manage the Preserves until a long-term manager(s) is established.

Present Day:

In consultation with the local fire authority, staff has begun the preparation of FMPs for the seven Preserves. The plans 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. These plans are a requirement of the Conservation Plan and will require approval by the Wildlife Agencies.

Benefits:

The completed Conservation Plan and regulatory permitting process are tools by which OCTA obtains biological and regulatory permits/assurances for the

13 (now subdivided into multiple segments) M2 freeway projects. This comprehensive process enables OCTA to streamline future M2 freeway improvement projects.

External Funding:

Examples of external funding available for this program include:

- USFWS contribution toward the acquisition of open space land in the Trabuco Canyon area.
- USFWS Habitat Conservation Planning Assistant Grant to help fund the completion of the Conservation Plan.
- Restoration project sponsors utilize external funds and resources to implement their projects.

Risks:

The success of the restoration projects will support OCTA's Conservation Plan and regulatory permitting processes. However, unforeseeable conditions such as the frequency of drought and wildfires have and may continue to impact plant reestablishment. Additional funding may be necessary to ensure successful implementation of the restoration projects if the Wildlife Agencies do not sign off on the project under current conditions.

OCTA will need to establish the endowment over a ten to 12-year period. OCTA currently holds the title and interim land management responsibility of the Preserves but will eventually need to secure a long-term land manager(s).

Environmental Mitigation Program

Related Projects:

Projects A-M.

Other Involved Agencies:

Caltrans, CDFW, the environmental community, SWRCB, USACE, and USFWS.

Assumptions:

This program is assumed to be funded primarily on a pay-as-you-go basis in the future, in addition to prior bonding issuances. More detailed assumptions are included in the appendices.

References:

- Final Conservation Plan and EIR/EIS
- Additional resources can be found online: www.octa.net/environmental

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2020
UPDATE

NEXT 10

DELIVERY PLAN

Streets & Roads Program

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- OC Bridges Grade Separation Projects
- Signal Synchronization Network

updated 3.5.21

Ⓞ Regional Capacity Program

- Competitive program with annual call for projects for roadway improvements (not mapped)
- OC Bridges Grade Separation Projects (see map above)

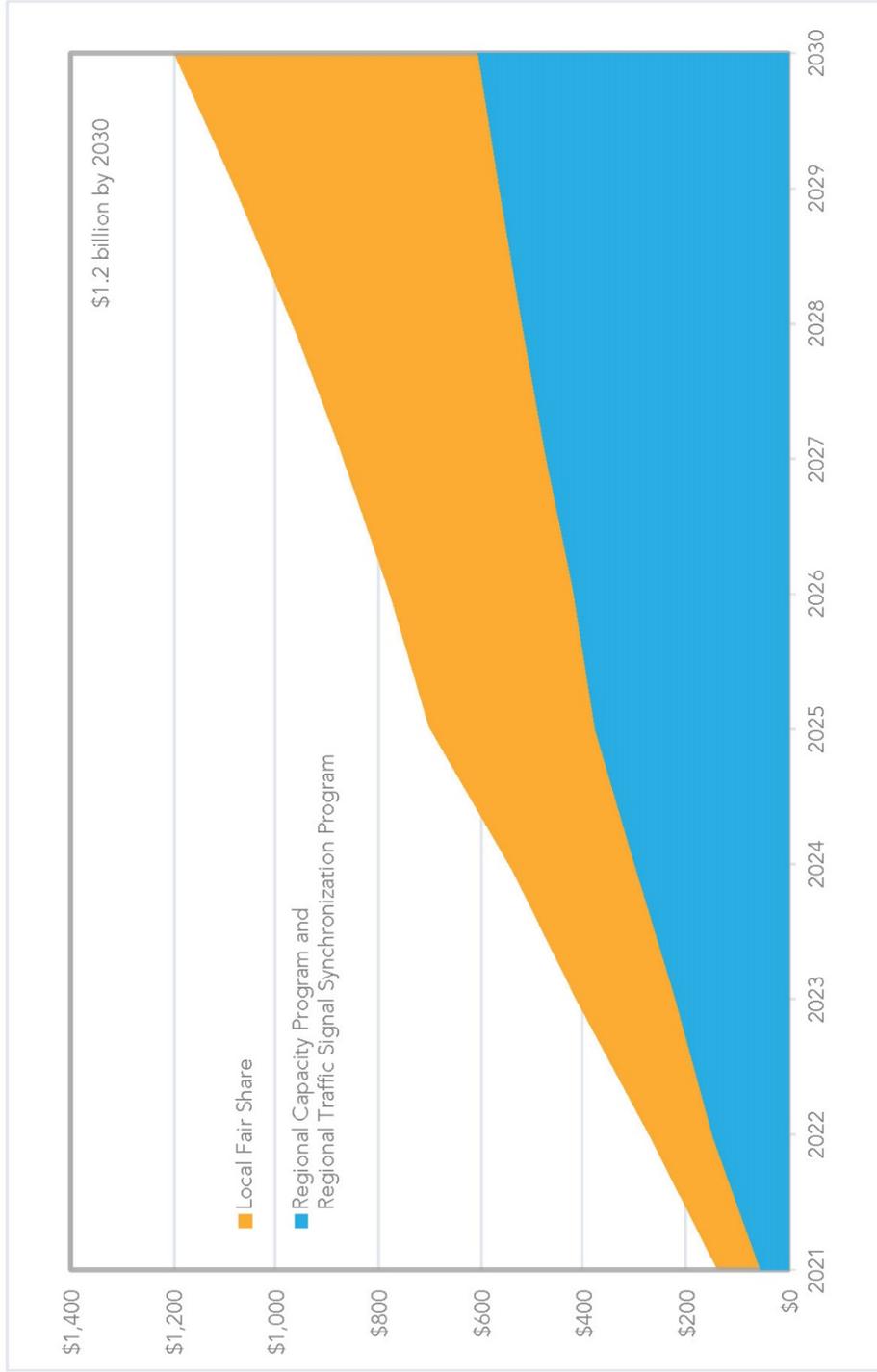
Ⓟ Regional Traffic Signal Synchronization Program (see map above)

- Competitive program with annual call for projects for signal coordination

Ⓠ Local Fair Share Program (not mapped)

- Flexible funding to local jurisdictions for street maintenance and improvements

OC Go Streets and Roads Cumulative Expenditures



Streets and Roads



Overview:

Local streets provide the capacity for the movement of people and goods which is essential to Orange County's commerce and vitality. Streets carry approximately half of Orange County's car and truck traffic and nearly all of Orange County's bicycle and pedestrian traffic. Keeping people moving on local streets is an essential function of the M2 funding programs for local streets. To meet this broad mobility goal, the Next 10 Plan includes the following framework for the Streets and Roads Program:

- Target M2 competitive program funds for streets with the worst traffic congestion.
- Maintain the value of investments in streets by synchronizing traffic signals and keeping pavement in good condition.
- Keep traffic moving on Orange County streets by completing key grade separations along the BNSF corridor in north Orange County.
- Consider all modes of travel when planning for added street capacity.

Next 10 Deliverables:

Continue to provide funding to improve the countywide network of streets and roads making them safer and more efficient. The Next 10 Plan for streets and roads recommends two major initiatives through 2030, consistent with the above framework:

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

O. Regional Capacity Program

Description:

Project O provides funding through a competitive process to local jurisdictions for recommended streets and roads projects which complete the Orange County MPAH, relieve congestion, are cost effective, and can proceed to construction quickly. These projects fall into one of two categories as described below.

RCP: This portion of Project O provides a funding source to complete the Orange County MPAH, a plan for future roadway improvements throughout Orange County, that includes considerations for bicycle and pedestrian components as part of each project as applicable to local conditions. This includes intersection improvements and other projects that help improve street operations and reduce congestion. The M2 goal for these projects is to complete roughly 1,000 miles of new street lanes, mostly in the form of widening existing streets to their ultimate planned width. Matching local funds are required for these projects.

OC Bridges: This portion of Project O funded seven over- or underpass grade separations that eliminate car and train conflicts along the BNSF Railway (Orangethorpe corridor) in northern Orange County. These grade separations increased safety for everyone traveling through the intersections and eliminate delays caused by trains.

Program Funding:

RCP: \$400 million between 2021 and 2030.

OC Bridges: The current program funding is \$214.08 million in federal funds and \$260.87 million in state funds.

Status:

To date, OCTA has awarded \$319 million to 155 projects through ten competitive RCP calls. Annual calls are planned for projects between 2021 and 2030.

As of May 2018, all seven planned grade separation projects are complete (Kraemer Boulevard, Lakeview Avenue, Orangethorpe Avenue, Placentia Avenue, Raymond Avenue, State College Boulevard, and Tustin Avenue/Rose Drive).

Present Day:

Annual RCP calls take place providing local jurisdictions the opportunity to request funding for street improvements.

Benefits:

Completion of the MPAH system, including grade separations will result in better traffic flow and a more efficient transportation system.

O. Regional Capacity Program

External Funding:

RCP: Local jurisdictions are required to provide a 50 percent local match. Matching funds may be reduced contingent on participation in pavement and signal programs, as well as use of non-M2 funds for local match. While other external state and federal funding are not typically used for RCP projects, there have been eight projects to date which qualified for and received SLPP state funds, amounting to approximately \$24 million.

OC Bridges: The Board approved the use of \$214.08 in federal funds and \$260.87 million in state funds for this project. Additionally, local jurisdictions provided \$43.33 million in funding. OC Bridges funding includes 78 percent in external local, state, and federal funds.

Risks:

Local jurisdictions must meet and maintain eligibility requirements to receive net M2 funds. Local jurisdictions also must meet timely use of funds provisions included in M2.

Related Projects:

Project P and Project Q.

Other Involved Agencies:

All local jurisdictions (cities and County of Orange).

Assumptions:

Project O is assumed to be funded primarily on a pay-as-you-go basis with bonding for the seven OC Bridges projects. More detailed assumptions are included in the appendices.

References:

- M2 Eligibility Guidelines
- Comprehensive Transportation Funding Guidelines
- Orange County MPAH Guidelines
- Commuter Bikeways Strategic Plan
- Capital Funding Program Report – Local Road Project (July 2020)

P. Regional Traffic Signal Synchronization Program

Description:

Project P provides funds to local jurisdictions to implement new signal timing on a 750-mile regional network that covers most of Orange County. Optimizing traffic signal timing is a low-cost, high-benefit approach to reducing congestion and improving traffic flow. Better signal timing results in fewer traffic stops, delays, pollution, and saves commuters gas and money.

Program Funding:

\$219 million between 2021 and 2030.

Status:

As of December 2020, OCTA has awarded more than \$132.3 million, including approximately \$30.4 million in external funding, to 120 projects. Annual calls are planned for projects between 2021 and 2030.

Including early efforts, OCTA and local jurisdictions have synchronized more than 3,000 intersections and implemented 89 corridor-based signal synchronization projects since 2008 for a cost of approximately \$64.8 million (including non-M2 funds). Another 28 projects are planned or underway. From 2021-2030, the entire network of signals is anticipated to have been retimed or optimized at least two times. This equates to more than 4,000 intersections retimed over a ten-year period (2021 to 2030).

Present Day:

In the past, many traffic signal synchronization projects were limited to segments of roads in individual cities. M2 provides funds to expand these

projects to benefit neighboring cities and regional corridors.

Benefits:

Optimizing signal timing offers substantial benefits in reducing traffic delays and improving air quality. To date, OCTA has implemented optimized signal timing on 89 corridors with 3,003 intersections covering 772 miles of roadway. On the average, each project resulted in a 13 percent travel time savings for corridor end-to-end travel, saving commuters time and money for a relatively low investment. Future projects may see comparable benefits when combined with capital improvements to reduce physical bottlenecks where appropriate.

External Funding:

Local jurisdictions are required to provide a 20 percent local match. Matching funds may be in-kind services. There may be future needs for more capital-intensive investments as systems age.

Projects started prior to the 2011 call were funded with \$4.95 million in M1, \$1.77 million in federal Congestion Mitigation and Air Quality Improvement (CMAQ), and \$3.85 million in Prop 1B funds. The 2013 call was partially funded with \$1.25 million in MSRC grant money. The 2018 call was able to leverage \$6.69 million in SB 1 Local Partnership Program competitive grant funds. OCTA was also able to leverage \$12 million in SB 1 Solutions for Congested Corridor Program competitive grant funds for three corridor projects outside the 2020 call. In all, external funding (not including

P. Regional Traffic Signal Synchronization Program

funds provided by local jurisdictions) contributed is approximately \$30.4 million.

Risks:

Local jurisdictions must meet eligibility requirements and timely-use-of-funds provisions to receive M2 funding.

Related Projects:

Project O (RCP) and Project Q.

Other Involved Agencies:

Caltrans and all local jurisdictions (cities and County of Orange).

Assumptions:

Project P is assumed to be funded on a pay-as-you-go basis.

References:

- M2 Eligibility Guidelines
- Comprehensive Transportation Funding Program Guidelines
- OCTA's Comprehensive Business Plan
- Capital Funding Program Report – Local Road Project (July 2020)

Q. Local Fair Share Program

Description:

Project Q provides formula based LFS funds that local jurisdictions may use for a variety of purposes and needs, including repairing aging streets, residential street projects, bicycle lanes, and pedestrian safety (plus other transportation uses).

Key among these needs includes pavement preservation, which involves extending the useful life of pavement and avoiding costly street reconstruction. Preserving and maintaining roads in good condition is a key goal of M2 and Project Q in particular.

Program Funding:

Up to \$600 million will be provided between 2021 and 2030.

Status:

As of December 2020, approximately \$475.6⁴ million in LFS payments have been provided to local jurisdictions and the County.

Orange County streets are in generally good condition on average (with a pavement condition index of 79 based on the 2018 statewide report). As roadway pavement conditions deteriorate, however, the cost for repairs increases exponentially. For example, it costs as much as 14 times more to reconstruct pavement than to preserve it when it is in good condition.

Present Day:

The cost of street rehabilitation has increased substantially in recent years, and gas tax revenues have not kept pace with these increases which has a direct impact on the ability to fund street maintenance and rehabilitation.

Benefits:

Investments in streets and roads save future costs, keep traffic moving, and offer expanded travel choices.

LFS funds are also flexible and can be used as matching funds for capacity and safety projects, bike and pedestrian facilities, as well as local transit services.

External Funding:

This program is not externally funded.

Risks:

Local jurisdictions must meet eligibility requirements and timely-use-of-funds provisions to receive M2 funding.

Related Projects:

Project O (RCP) and Project P.

Other Involved Agencies:

All local jurisdictions (cities and County of Orange).

Assumptions:

Project Q is assumed to be funded on a pay-as-you-go basis.

⁴Includes disbursements to the cities of Santa Ana and Stanton that were previously suspended. On May 13, 2019, the Board determined that the cities were ineligible to receive M2 revenues. Funds were suspended until the

cities achieved compliance. On April 13, 2020, based on compliance audit results, the Board determined the cities eligible to receive net M2 revenues again.

Q. Local Fair Share Program

References:

- M2 Eligibility Guidelines
- 2018 California Statewide Local Streets and Roads Needs Assessment
- OCTA's Comprehensive Business Plan
- Capital Funding Program Report – Local Road Project (July 2020)

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**2020
UPDATE**

NEXT 10 **DELIVERY PLAN**

Transit Programs

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Metrolink Rail Station

updated 12.31.20

R High Frequency Metrolink Service

- Metrolink Grade Crossing Improvements
- Station Improvement Project
- Planned Metrolink Station
- Laguna Niguel-San Juan Capistrano Passing Siding Project
- Sand Canyon Grade Separation Project

S Transit Extensions to Metrolink

- OC Streetcar

T Metrolink Gateways

- Anaheim Regional Transportation Intermodal Center (ARTIC)

U Expand Mobility Choices for Seniors and Persons with Disabilities (countywide, not mapped)

V Community Based Transit/Circulators (countywide, not mapped)

W Safe Transit Stops (countywide, not mapped)

OC Go Transit Projects Through Construction



Please note that schedules are updated as of December 31, 2020. Shown schedules are subject to change.

* The Placentia Metrolink Station's ability to move into construction is subject to a track sharing agreement with Burlington Northern Santa Fe Railway.

Transit Program



Overview:

The goal of the Transit Program is to build a visionary transit system that is safe, clean, and convenient, with a focus on Orange County's transportation future. Providing mobility choices and connectivity for Orange County residents and workers are key components of the overall M2 Plan. To meet this broad mobility goal, the Next 10 Plan includes the following framework for the Transit Program:

- Ensure efficient and integrated Metrolink service for Orange County residents.
- Assess and deliver transit options providing riders first and last mile connections and alternatives to driving.
- Provide services and programs to meet the growing transportation needs of seniors and persons with disabilities.
- Support local agency efforts to deliver Board-approved community-based transit projects.
- Advance improvements to the busiest transit stops across the County to provide passenger amenities that ease transfers between bus lines.

Next 10 Plan Deliverables:

The Next 10 Plan for transit recommends seven major initiatives through 2030, consistent with the above framework.

1. Complete two rail station improvements.
2. Sustain existing Metrolink service as an attractive alternative to driving in Orange County.
3. Complete construction and begin operating the OC Streetcar.
4. Incorporate recommendations from planning studies to guide development of future transit connections.
5. Support expanded mobility choices for seniors and persons with disabilities.
6. Work with local jurisdictions to maintain successful community circulator projects and potentially provide grant opportunities for expanded or new local transit services.
7. Continue to improve the top 100 busiest bus stops in Orange County.

R. High Frequency Metrolink Service

Description:

Project R provides for sustained and expanded rail service into Los Angeles and Orange Counties along the three Metrolink lines serving Orange County (Orange County, Inland Empire-Orange County, and 91/Perris Valley Lines). Project R also provides for safety and operational improvements to the railroad infrastructure necessary to support existing and expanded train service, including grade crossing improvements, track improvements, signal and communications system improvements, as well as other projects as necessary to support the rail system. Grade separation projects will be considered as available funding permits.

Program Cost:

Approximately \$322 million between 2021 and 2030.

Status:

To date, rail safety enhancements at 50 at-grade rail-highway crossings have been completed. As a result, quiet zones have been established in the cities of Anaheim, Dana Point, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin.

Station improvements completed during the EAP include parking expansion projects at the Fullerton Transportation Center, Tustin Station, and Laguna Niguel/Mission Viejo Station, and safety repairs to the San Clemente Pier Station platform.

Since then, four station improvement projects have been completed: The San Clemente Pier Metrolink/ Amtrak Station lighting (March 2017), the Laguna

Niguel/Mission Viejo Metrolink Station Americans with Disabilities Act (ADA) ramps (September 2017), the Orange Transportation Center Parking Structure (February 2019), and the Fullerton Transportation Center elevator upgrades project (May 2019).

Two major rail station improvements are anticipated to be completed during the Next 10 Plan: Anaheim Canyon Metrolink Station improvement project and the Placentia Metrolink Station. Other rail station improvements underway include the detectable tile replacements at various stations and the stair replacement project at the Fullerton Transportation Center. Plans for the Anaheim Canyon Metrolink Station and a new Metrolink station in the City of Placentia have been completed. The Anaheim Canyon Metrolink Station project is anticipated to start construction in mid-2021. The new Placentia Metrolink Station project is pending a shared-use agreement between Metrolink and BNSF prior to advertisement and construction. There is no projected date for when this agreement will be completed at this time.

Completed rail corridor improvements include Control Point Stadium, the San Clemente Beach Trail Audible Warning System, Laguna Niguel to San Juan Capistrano Passing Siding, and six Project Study Reports for potential grade separations along the Los Angeles-San Diego-San Luis Obispo Rail (LOSSAN) corridor, including: Control Point at 4th Street, 17th Street, Ball Road, Grand Avenue, Main Street, Orangethorpe Avenue, and Santa Ana Boulevard.

R. High Frequency Metrolink Service

Rail corridor improvements underway include: San Juan Creek Railroad Bridge Replacement, Railroad ROW Slope Stabilization Project, Metrolink Preventive Maintenance Capitalized Operation, Metrolink Rehabilitation/Renovation, and ongoing operation of Positive Train Control.

Present Day:

In October 2019, four intracounty trips operating between Laguna Niguel/Mission Viejo and Fullerton were extended to Los Angeles. Further service changes were scheduled in April 2020 but were postponed due to COVID-19. The service changes are now anticipated in 2022 and will include the addition of one evening weekday round trip from Oceanside to Los Angeles on the Orange County Line.

Metrolink is currently operating 41 weekday trains in Orange County due to COVID-19 related service reductions; the plan is to restore service to 54 weekday trains following the pandemic. OCTA and partner agencies are working together with Metrolink and BNSF to implement improvements allowing expansion of service to Los Angeles. OCTA is coordinating with LOSSAN and its member agencies to continue to support improved service integration and coordination within the corridor.

Benefits:

Project R allows for sustained operation and enhanced capacity of Metrolink trains serving Orange County, providing a viable alternative to single-occupant vehicle travel, thereby reducing

congestion on crowded roadways and freeways.

External Funding:

State: STIP, Propositions 1A, 1B, and 116, and Transit and Intercity Rail Capital Program totaling \$285.80 million.

Federal: CMAQ, the Surface Transportation Block Grant Program, and FTA Sections 5307, 5309, and 5337, totaling \$450.96 million.

Other Local: Local funding from the cities as well as other entities is programmed for \$85.26 million.

M1 also provided \$136.58 million.

Risks:

The lower sales tax revenue projections due to COVID-19 limit the ability to expand Metrolink service to Los Angeles. In addition, COVID-19 has greatly impacted Metrolink service. Depending on Metrolink ridership recovery projections and future service level assumptions, maintaining pre-COVID-19 service or expansion of service may no longer be feasible.

Outside of the Next 10 Plan but important to Metrolink operations is the undertaking by Metrolink of a major multi-year \$443.5 million systemwide rehabilitation program that, in addition to safety, will help improve system reliability and performance for commuters. This program needs to be funded over and above ongoing maintenance and operation costs.

Related Projects:

Project S, Project T, and Project V.

R. High Frequency Metrolink Service

Other Involved Agencies:

BNSF, Caltrans, California Office of Emergency Services, California Public Utilities Commission (CPUC), California State Transportation Agency (CalSTA), Corridor Agencies, CTC, FTA, Los Angeles County Metropolitan Transportation Authority, Metrolink, RCTC, San Bernardino County Transportation Authority, and Ventura County Transportation Commission.

Assumptions:

Funding and operating agreements with partner agencies will be successfully implemented.

References:

- OCTA's Comprehensive Business Plan
- Capital Funding Program Report - Rail Project (July 2020)

S. Transit Extensions to Metrolink

Description:

Project S establishes a competitive program for local jurisdictions to broaden the reach of Metrolink to other Orange County cities, communities, and activity centers via transit, to connect passengers to their final destinations. With approximately 60 percent of Orange County's population and employment centers located within a four-mile radius of Metrolink stations, the emphasis of Project S is on expanding access to the core rail system and establishing connections to destinations that are not immediately adjacent to the Metrolink corridor, within the central core, north and south of Orange County. These connections may include a variety of transit technologies such as conventional bus or vanpool (Rubber Tire), bus rapid transit or high capacity rail transit systems (Fixed Guideways), as long as they can be fully integrated and provide seamless transition for the users.

Program Funding:

Approximately \$296 million between 2021 and 2030 (for fixed guideways and rubber tire) in sales tax revenue.

Status:

Fixed Guideway: Through a competitive process, one project (OC Streetcar) advanced beyond initial study. The OC Streetcar is in construction and will operate in the cities of Garden Grove and Santa Ana.

Rubber Tire: One call has been issued since 2012, providing approximately \$732,000 for four projects in the cities of Anaheim and Lake Forest. The City of Lake Forest has cancelled all three

projects. The City of Anaheim project successfully completed its grant on June 30, 2020 and is being funded on a go-forward basis through a subsequent Project V grant.

Present Day:

Maintaining and growing Metrolink ridership relies on convenient and seamless bus and rail connections. Currently, OCTA fixed bus service and company shuttles are the prime providers of transit connections. However, Uber/Lyft paid-ridesharing services have been a growing presence.

Benefits:

Project S will provide expanded transit access to the centralized Metrolink system, thereby allowing Metrolink commuters to connect to other parts of the County without using an automobile.

External Funding:

Fixed Guideways: External funds for two preliminary studies for the cities of Anaheim and Santa Ana were funded with \$4.12 million in federal FTA Section 5307 and city local funds. M1 also provided \$18.71 million for preliminary studies.

The Board has approved funding supporting the OC Streetcar project, including \$25.59 million in contribution of state funds, and \$216.68 million in federal funds from federal CMAQ, FTA Section 5307 and 5309 and New Starts funding totaling \$242.26 million.

Rubber Tire: None. These projects are funded by M2 and local city matching funds.

S. Transit Extensions to Metrolink

Risks:

Overall schedule, scope, and cost risks are high with this project due to the extensive project scope.

Related Projects:

Project R (High Frequency Metrolink Service), Project T, and Project V.

Other Involved Agencies:

CalSTA, Caltrans, CPUC, CTC, FTA and local jurisdictions.

Assumptions:

OC Streetcar: cities of Garden Grove and Santa Ana will provide their required match for operations.

Funding for a future call will be at the Board's discretion.

Rubber Tire: Future calls will be at the Board's discretion based on the level of interest from local jurisdictions but will likely be transitioned to Project V which provides for greater flexibility.

References:

- M2 Eligibility Guidelines
- Project S Guidelines
- Federal 5307 and 5309 Funding Guidelines
- OCTA's Comprehensive Business Plan
- OC Streetcar Project Revised Funding Plan (July 2018)
- Capital Funding Program Report - Rail Project (July 2020)

T. Convert Metrolink Stations to Regional Gateways that Connect Orange County with High-Speed Rail Systems

Description:

Provide funding for local improvements to stations along the LOSSAN corridor in Orange County to facilitate connections to future high-speed rail systems, thereby ensuring Orange County's presence in the development and implementation of high-speed rail systems that will serve Orange County. One project, the Anaheim Regional Transportation Intermodal Center (ARTIC), moved forward to completion.

Cost:

M2 contributed \$35.29 million of the \$225.53 million cost of the ARTIC project.

Status:

As part of EAP efforts, OCTA held a competitive call in 2009 for eligible station cities for the development and implementation of station projects in preparation of future high-speed rail systems. The cities of Anaheim, Fullerton, Irvine, and Santa Ana were awarded funding for planning of major expansions of their Metrolink Stations. The City of Anaheim received environmental clearance for the ARTIC project in early 2012. The completed facility opened to rail and bus service on December 6, 2014.

On December 14, 2015, the Board amended the M2 Ordinance and Transportation Investment Plan to officially close out Project T by considering the completion of ARTIC as fulfilling the intent of Project T, as the only Orange County station on the planned High-Speed Rail route. The remaining balance of M2 funds were then transferred to two projects in need:

the Metrolink Service Expansion Program (part of Project R), and the Fare Stabilization Program for Seniors and Persons with Disabilities (part of Project U).

Present Day:

In partnership with transportation agencies, corridor cities, and stakeholders, the California High-Speed Rail Authority in 2008 planned a High-Speed Rail system that was envisioned to extend as far north as Sacramento and as far south as San Diego with a connection in Anaheim. Work on the Central Valley segment from Bakersfield to Merced continues, however other areas of the system have been postponed.

Benefits:

Early completion of Project T allowed for investment in Orange County's rail system to facilitate the planned ultimate integration of various high-speed rail systems within the County. The project relocated the prior rail station from leased land in the Los Angeles Angels of Anaheim parking lot, to its new permanent location as a multi-modal station for all transit riders.

External Funding:

State: STIP totaling \$29.22 million.

Federal: CMAQ, Regional Surface Transportation Program, FTA Sections 5309 and 5337, FTA Bus Livability, and Highway Safety Improvement Program, totaling \$76.00 million.

T. Convert Metrolink Stations to Regional Gateways that Connect Orange County with High-Speed Rail Systems

M1 also provided \$87.02 million of which \$32.50 million for ROW will be repaid plus interest by the City of Anaheim by 2025.

Risks:

None – project completed.

Related Projects:

California High-Speed Rail System.

Other Involved Agencies:

California High-Speed Rail Authority, Caltrans, cities of Anaheim, Fullerton, Irvine, and Santa Ana, CTC, FTA, and Metrolink.

Assumptions:

The California High-Speed Rail System will extend to the City of Anaheim as identified in their 2016 Business Plan.

References:

- M2 Eligibility Guidelines
- Section 5309 and 5337 Funding Guidelines
- California High-Speed Rail 2016 Business Plan
- December 2017 Project Status Report
- Capital Funding Program Report - Rail Project (December 2017)

U. Expand Mobility Choices for Seniors and Persons with Disabilities

Description:

Project U provides funding for three programs to expand mobility choices for seniors and persons with disabilities.

The Fare Stabilization Program ensures that fares for seniors and persons with disabilities continue to be discounted at the same percentage as 2006 levels.

The SMP, administered by OCTA, was first established in 2001. For the first ten years, this program was supported with Transit Development Act funds. The allocation of Project U funding ensures the continuation of dedicated resources to sustain this program.

The SNEMT Program was established by the County of Orange in 2003, utilizing Tobacco Settlement Revenue (TSR) to fund the program. Project U funding supplements existing TSR resources to expand the capacity of the program and increase the number of available SNEMT trips.

Program Funding:

Approximately \$116 million on a pay-as-you-go basis between 2021 through 2030.

Status:

Fare Stabilization: In December 2015, the Board approved an amendment to the M2 Ordinance and Transportation Investment Plan that backfilled a funding shortfall identified in this program with

remaining Project T funds. Effective January 2016, an amendment to the M2 Ordinance adjusted this amount to 1.47 percent of net M2 revenues. With the amendment, projected Fare Stabilization revenues are expected to be solvent through the life of the M2 Program.

SMP: This program offers a variety of senior transportation resources for medical, nutrition, shopping, and social trips to participating cities. Currently, there are 31 cities which participate.

SNEMT: This program is administered by the County of Orange Office on Aging and is carried out by two transportation contractors. This program provides approximately 140,000 annual trips under Project U for non-emergency services such as trips to doctor and dental appointments, therapy, dialysis, and pharmacy visits.

As of December 2020, more than \$33.5 million has supported over 120 million trips through the Fare Stabilization Program, \$24.5^{5,6} million provided 2.46 million trips through SMP, and \$26.6 million provided 978,249 trips through the SNEMT Program since the inception of M2.

Present Day:

Studies of senior mobility needs have identified seniors' preference for utilizing local, community-based transportation

⁵ Includes disbursements to the cities of Santa Ana and Stanton. On May 13, 2019, the Board determined that the cities were ineligible to receive M2 revenues. Funds were suspended until the cities achieved compliance. On April 13, 2020, based on compliance audit results, the Board determined the cities eligible to receive net M2 revenues again.

⁶ Only includes disbursed funds. On October 12, 2020, the Board approved a temporary exception to the SMP guidelines, which allows 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 the agency resumes transportation services, whichever occurs first.

U. Expand Mobility Choices for Seniors and Persons with Disabilities

services rather than countywide or regional services.

The SMP allows participating cities to identify the specific mobility needs of the seniors in their communities and develop transportation programs to best meet those needs with available funding.

The SNEMT Program fills a gap in senior transportation services, as trips are often provided to seniors who do not qualify for ACCESS service, or to seniors whose advanced age or disposition make it difficult to use ACCESS service. Contracting with social service agencies to provide SNEMT services allows this program to provide enhanced service elements beyond the requirements of ACCESS, a paratransit service that complements OCTA's fixed route bus service and is provided to comply with ADA.

Benefits:

M2 funding of these programs, combined with OCTA ACCESS service and other senior transportation services funded with public and private resources, provide a menu of mobility options for Orange County seniors, allowing them to select the service that most appropriately meets their transportation need.

External Funding:

Local jurisdictions contribute a 20 percent match to their SMP services. A variety of funding sources are used by cities for their SMP match requirement, including general fund, Community Development Block Grants, sponsorships, advertising revenue, and

administrative in-kind resources. The County of Orange utilizes primarily TSR funds to meet their maintenance of effort requirement.

Risks:

Local jurisdictions must meet eligibility requirements and provide matching funds for SMP.

Related Projects:

Not Applicable.

Other Involved Agencies:

Nearly all local jurisdictions – Participating SMP cities include: Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Irvine, La Habra, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster, and Yorba Linda. The Orange County Office on Aging administers the SNEMT Program.

Assumptions:

Project U is assumed to be funded on a pay-as-you-go basis.

References:

- M2 Eligibility Guidelines
- Project U Funding and Policy Guidelines
- OCTA's Comprehensive Business Plan

V. Community Based Circulators

Description:

Project V provides funding to local jurisdictions through a competitive process to develop local bus transit services, such as community-based circulators, shuttles, and bus trolleys that complement regional bus and rail services and meet local needs in areas not adequately served by regional transit. Projects will need to meet performance criteria for ridership, connection to bus and rail services, and financial viability to be considered for funding.

Program Funding:

\$100 million between 2021 through 2030.

Status:

Since M2 inception, the Board has approved \$52 million for 35 projects (Note: service expansions and/or extensions from the 2018 & 2020 calls are counted as separate projects) and ten planning studies through four calls.

Out of the 35 projects awarded by OCTA: two are currently active, 21 are currently suspended (or not initiated) at this time due to COVID-19, nine have been cancelled (primarily due to low ridership), and three have been completed.

Present Day:

Project V helps address the regularly-expressed need for local community-based transit service by Orange County communities.

Benefits:

Community based circulators can provide relief to arterials in high traffic areas, and provide non-auto based mobility options that meet specific local needs.

External Funding:

The local match requirement for both capital and any operating funds authorized by the Board is a minimum of ten percent.

Risks:

Local jurisdictions must meet eligibility requirements to receive funding. Ability to sustain service will be key to moving projects forward. Continued social distancing requirements will also likely impact the ability of these services to re-initiate post-pandemic.

Related Projects:

Project S (some Project S and V routes could serve dual purposes).

Other Involved Agencies:

Participating local jurisdictions.

Assumptions:

Project V is assumed to be funded on a pay-as-you-go basis.

References:

- M2 Eligibility Guidelines
- Project V Guidelines
- OCTA's Comprehensive Business Plan

W. Safe Transit Stops

Description:

Project W provides funding for passenger amenities at the 100 busiest transit stops across Orange County. The intent is to assist bus riders in the ease of transfer between bus lines and provide passenger amenities.

Program Funding:

\$10 million between 2021 through 2030.

Status:

Since inception, the Board has approved over \$3.2 million for 122 stop improvements through three calls. To date, 43 stops have been completed and 71 stop improvements are either planned or underway. The remaining eight projects have been cancelled.

Present Day:

High volume stops are eligible for funding providing needed passenger amenities commensurate with the volume of riders.

Benefits:

Eligible improvements in locations where such amenities do not exist to enhance the customer experience. Improvements include enhancements such as sun/rain protection, passenger seating, improved lighting, etc.

External Funding:

Minimal local match provided for design requests; the rest is 100 percent M2 funded up to the Project W funding caps. If over the cap, then additional local agency funds are required.

Risks:

Local jurisdiction-initiated: Local jurisdictions are responsible for amenities at bus stops. Depending on the amenities selected, long-term maintenance and costs could be required.

Related Projects:

Not Applicable.

Other Involved Agencies:

Local jurisdictions with a top 100 busiest stop are eligible to receive these funds.

Assumptions:

Project W is assumed to be funded on a pay-as-you-go basis.

References:

- M2 Eligibility Guidelines
- Project W Guidelines
- OCTA's Comprehensive Business Plan

**2020
UPDATE**

NEXT 10

DELIVERY PLAN

Environmental Cleanup Program

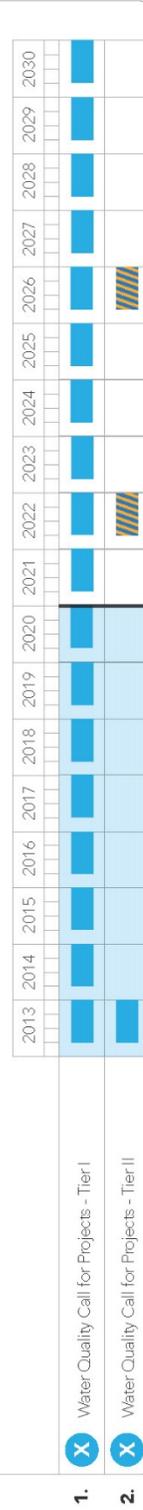
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2020 UPDATE
NEXT 10
 DELIVERY PLAN

Call for Projects
 Call for Projects to be determined based on revenue flow

OC Go Environmental Cleanup Grants and Call for Projects



Tier 1 grants program consists of funding for equipment purchases and upgrades to existing storm drains and related best management practices.
Tier 2 grants program consists of funding for regional, potentially multi-jurisdictional, capital-intensive projects.

Environmental Cleanup Program



Overview:

The ECP (Project X) allocates approximately \$225 million toward improving overall water quality in Orange County from transportation related pollution. Project X was approved by Orange County voters under the M2 half-cent sales tax for transportation improvements in 2006.

To adhere to the promise of M2, the Next 10 Plan includes the following framework for Project X:

- Provide supplemental funds (not supplant) for existing transportation related water quality programs
- Allocate funds on a competitive basis to improve water quality standards in Orange County
- Reduce transportation-generated pollutants along Orange County's streets, roads and freeways
- Implement best management practices to improve runoff from streets, roads and freeways

Additionally, as part of the overall M2 Plan, all M2 capital projects (freeway, street, and transit) must include water quality mitigation as part of their respective project scope and cost. Therefore, this source of funding is not eligible for environmental mitigation efforts.

Next 10 Plan Deliverables:

The Next 10 Plan for Project X recommends two major initiatives through 2030 consistent with the above framework:

1. Protect Orange County beaches by removing trash from entering waterways and inlets that ultimately lead to the ocean.
2. Work with the ECAC to develop the next tiers of water quality funding 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 Project X.

X. Environmental Cleanup Program

Description:

Project X implements street- and highway-related water quality improvement programs and projects that assist Orange County cities, the County of Orange and special districts in meeting federal Clean Water Act standards for urban runoff. Project X 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.

In May 2010, the Board approved a two-tiered approach to fund Project X. The Tier 1 grant program is designed to mitigate the more visible forms of pollutants, such as litter and debris that collect on roadways and in storm drains. 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.

The Tier 2 grant program consists of funding regional, potentially multi-jurisdictional, and capital-intensive projects. Examples include constructed wetlands, detention/infiltration basins, and bioswales which mitigate pollutants such as heavy metals, organic chemicals, and sediment and nutrients.

Program Funding:

\$79 million between 2021 and 2030.

Status:

To date, the Board has awarded approximately \$27.4 million to fund 189 Tier 1 projects across the County through ten rounds of funding since M2 inception. An eleventh call anticipated to be released in early 2021 for approximately

\$2.8 million and programming recommendations are anticipated in summer 2021. The Board has also awarded approximately \$28 million for 22 Tier 2 projects in 12 cities and the County of Orange.

The 2020 Next 10 Plan will continue to commit to annual Tier 1 calls. The next Tier 2 call is anticipated in 2022, with future calls determined based on local jurisdiction interest and cash flow analysis.

Present Day:

Staff estimates that over 33 million gallons (nearly 78 football fields at one-foot deep) 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. As the equipment is in service over time, the volume of trash captured is expected to increase. The funded Tier 2 projects, once fully operational, have the potential to recharge 157 million gallons of groundwater annually.

Benefits:

Improvements funded through this program will improve overall water quality in Orange County. Funds allocated on a countywide competitive basis will assist agencies in meeting federal Clean Water Act requirements for controlling transportation-generated pollution.

External Funding:

Local jurisdictions are required to provide a 20 percent (Tier 1) and 50 percent (Tier 2) minimum local cash match. Tier 2 matching funds may be reduced, depending on project readiness and operations and maintenance above the ten-year minimum requirement.

X. Environmental Cleanup Program

Risks:

Local jurisdictions must meet eligibility requirements and timely-use-of-funds provisions to M2 receive funding.

Related Projects:

Not Applicable.

Other Involved Agencies:

All local jurisdictions (cities and County of Orange). Third parties such as environmental organizations, homeowner's associations, non-profit groups, and water and wastewater public entities cannot be a lead agency applicant; however, they could jointly apply with an eligible applicant.

Assumptions:

Funds will be allocated on a countywide competitive basis to assist agencies with improving water quality related to transportation pollution.

References:

- M2 Eligibility Guidelines
- Project X Guidelines
- Tier 2 Grant Program Planning Study
- OCTA's Comprehensive Business Plan

2020
UPDATE

NEXT 10 DELIVERY PLAN

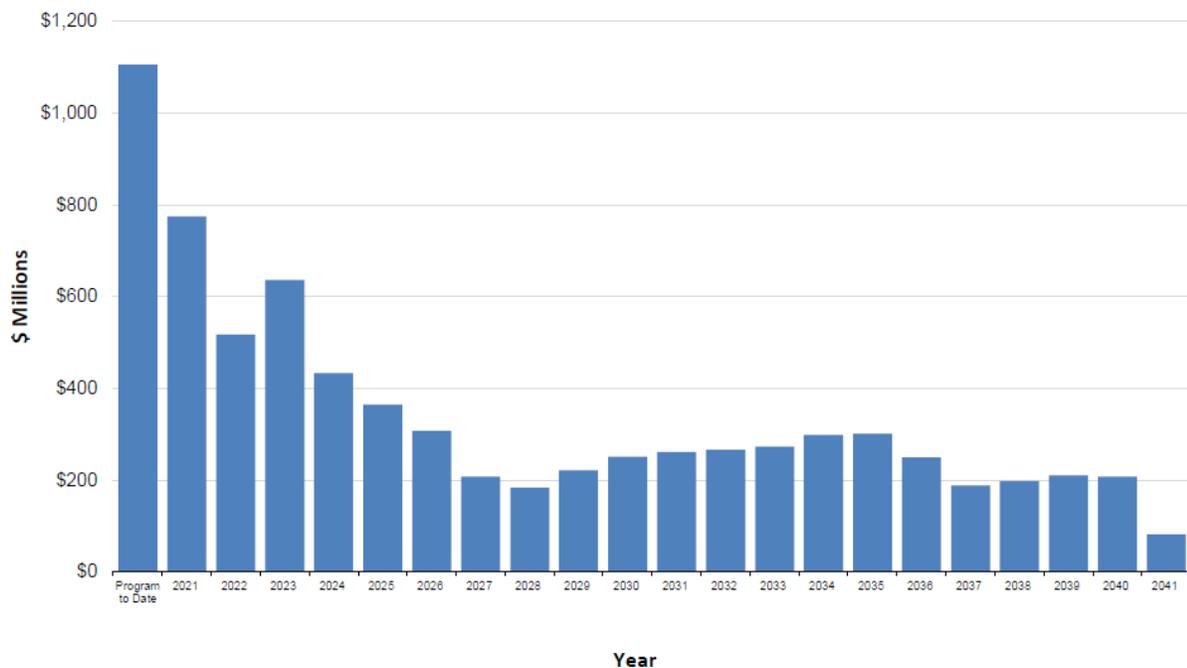
Appendix

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Next 10 Plan Funding Assumptions

To determine the status of the M2 Program, staff reviewed and updated cash flows for the Next 10 Plan for each of the program elements to test whether commitments provided to the voters as part of the M2 approval in November 2006 remain achievable. The revenue assumptions are based on the 2020 M2 revenue forecast of \$11.6 billion using the latest M2 revenue forecast methodology approved by the Board. The Next 10 Plan also assumes approved TIFIA proceeds, FFGA, and net excess 91 Express Lanes revenues for eligible projects as well as the availability of a viable amount of discretionary federal and/or state funds from 2020 to 2041. Revenues and expenses were merged into a high-level cash flow model that will be refined through a Plan of Finance. Bonding assumptions were updated to determine the need to address projected negative ending balances by year (compared to a pay-as-you-go scenario) and are constrained to minimum debt coverage ratios. An M2 cash flow summary chart showing ending balances in all years is shown below.

2020 Updated Next 10 Delivery Plan
M2 Program Cash Balance



Freeway Program

Revenues for the M2 Freeway Program assumed a proportional share (43 percent) of net M2 revenue. From inception to 2030, the Freeway Program would receive approximately \$2.58 billion in M2 revenue, \$1.07 billion in bond proceeds (includes \$495.4 million in prior bond proceeds), and \$1.59 billion in state/federal grants, \$108.9 million in committed proceeds, \$418.6 million in net excess 91 Express Lanes revenue for eligible projects, \$26.6 million in interest, and \$24.7 million transferred in

Next 10 Plan Funding Assumptions

from M1 for a total of \$5.818 billion in total revenue. Costs for the same period total \$5.598 billion.

For the 2020 Next 10 Plan update, forecasted revenues and costs through 2041 were also tested for the complete M2 Freeway Program to ensure it could be delivered consistent with commitments. For projects currently in environmental or final design, project schedules and costs were based on data provided by OCTA's Project Controls Department. For projects that have not yet entered the environmental phase, conceptual estimates were prepared based on a scoring of congestion relief, project readiness, and cost escalation risks (associated with project delays). The 2020 update maintained just one bond issuance during the Next 10 Plan timeframe, although the amount increased by approximately \$275 million from the 2019 Next 10 Plan, and includes no others looking out to 2041. As always, bonding is constrained to legal debt coverage ratios, and a Plan of Finance is brought separately to the Board for approval as needed with refined bond assumptions.

As of December 2020, 12 of 30 freeway projects have been completed, as listed in the table below.

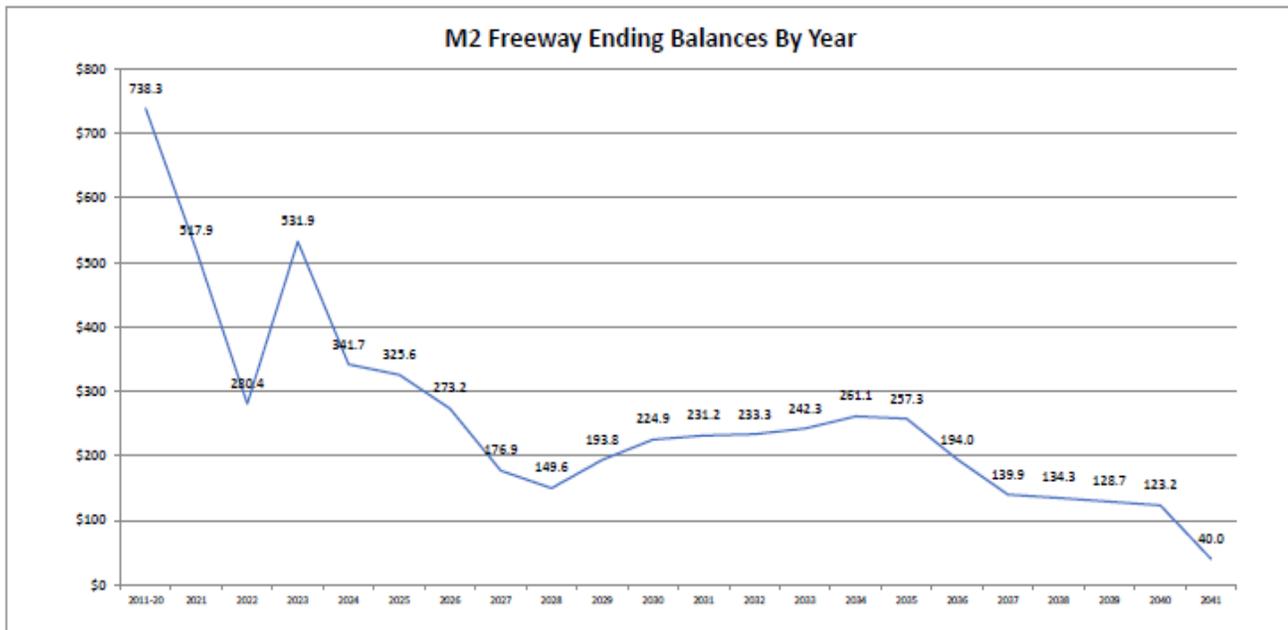
Completed M2 Freeway Projects		Construction Complete	Cost*
1. Project C, D	I-5, Avenida Pico to Avenida Vista Hermosa/Avenida Pico Interchange	2018	\$83.6
2. Project C	I-5, Avenida Vista Hermosa to PCH	2017	\$75.2
3. Project C	I-5, PCH to San Juan Creek Road	2018	\$74.3
4. Project D	I-5, Ortega Highway Interchange	2016	\$79.7
5. Project E	SR-22 Access Improvements at Euclid Street, Brookhurst Street, and Harbor Boulevard	2008	M1\$'s
6. Project G	SR-57 Northbound, Katella Avenue to Lincoln Avenue	2015	\$38.0
7. Project G	SR-57 Northbound, Orangethorpe Avenue to Yorba Linda Boulevard	2014	\$52.3
8. Project G	SR-57 Northbound, Yorba Linda Boulevard to Lambert Road	2014	\$54.1
9. Project H	SR-91 Westbound, I-5 to SR-57	2016	\$59.2
10. Project I	SR-91 Westbound, Tustin Avenue Interchange to SR-55	2016	\$42.5
11. Project J	SR-91 SR-55 to SR-241	2013	\$79.7
12. Project J	SR-91 Eastbound, SR-241 to SR-71	2011	\$57.8
Total			\$696.4

* Cost in millions

Next 10 Plan Funding Assumptions

2020 Next 10 Update - M2 Freeway Program Revenues, Estimated Costs, and Ending Balances
(Millions of Dollars; Year of Expenditure)

	M2 Projected Revenue A	Programmed Other Revenue B	Estimated Costs (YOE) C	Project Revenues - Costs D = A + B - C
Project A (I-5, SR-55 to SR-57)	\$ 436.9	\$ 36.2	\$ 39.7	\$ 433.4
Project B (I-5, SR-55 to "Y")	\$ 279.1	\$ 170.1	\$ 430.9	\$ 18.3
Project C (I-5, South of "Y")	\$ 582.8	\$ 445.2	\$ 810.2	\$ 217.9
Project D (I-5 interchanges)	\$ 239.8	\$ 84.3	\$ 200.3	\$ 123.8
Project E (SR-22 access improvements)	\$ 111.5	\$ -	\$ -	\$ 111.5
Project F (SR-55 improvements)	\$ 340.2	\$ 428.2	\$ 634.5	\$ 133.9
Project G (SR-57 improvements)	\$ 240.5	\$ 107.4	\$ 428.5	\$ (80.7)
Project H (SR-91, I-5 to SR-57)	\$ 130.1	\$ 27.2	\$ 59.2	\$ 98.1
Project I (SR-91, SR-57 to SR-55) ¹	\$ 387.2	\$ 455.3	\$ 468.0	\$ 374.4
Project J (SR-91, SR-55 to OC/RC line) ¹	\$ 327.4	\$ 430.0	\$ 437.5	\$ 319.9
Project K (I-405, I-805 to SR-55) ²	\$ 997.2	\$ 244.3	\$ 1,560.2	\$ (318.6)
Project L (I-405, SR-55 to I-5)	\$ 297.2	\$ 8.0	\$ 262.4	\$ 42.8
Project M (I-805 access improvements)	\$ 18.6	\$ -	\$ 29.0	\$ (10.4)
Project N (Freeway Service Patrol)	\$ 139.4	\$ -	\$ 138.5	\$ 1.0
Mitigation Program @ 5%	\$ 238.3	\$ -	\$ 206.0	\$ 32.3
Transfer from M1 Savings		\$ 20.0		\$ 20.0
Interest Earnings		\$ 26.6		\$ 26.6
Bond Interest Costs ³			\$ 543.0	\$ (543.0)
Other Non-Programmed Revenue		\$ 7.7		\$ 7.7
Freeway Program Economic Uncertainties			\$ 969.0	\$ (969.0)
Subtotal M2 Revenues and Costs:	\$ 4,766.4	\$ 2,490.6	\$ 7,216.9	
2041 Projected Balance:				\$ 40.0



¹ \$691.8 million in 91 Express Lanes excess revenue has been incorporated into Other Revenues for portions of Project I (currently assumed at \$418.6 million) and Project J (currently assumed at \$273.2 million).

² \$108.9 million has been incorporated into Other Revenues for Project K. This is a direct benefit to the M2 portion of the I-405 Improvement Project, as the loan will with toll revenues and not M2.

³ Total debt service less bond proceeds.

Next 10 Plan Funding Assumptions

Streets and Roads

The M2 Streets and Roads Program consists of Project O (RCP), Project P (RTSSP), and Project Q (LFS). Combined M2 revenues for these programs assume a proportional share (32 percent) of net M2 revenue. From inception to 2030, the Streets and Roads Program would receive approximately \$1.918 billion in M2 revenue, \$33.9 million in interest, \$121.6 million in prior bond proceeds, and \$607.9 million in M1 and state/federal grants (primarily for the OC Bridges Program), for a total of \$2.681 billion in total revenue. This includes \$6.9 million in SB 1 funding leveraged for Project P. Costs for the same period would total approximately \$2.673 billion (including debt service payments against prior bonding).

Part of Project O includes the OC Bridges Program, which funded seven over- or underpass grade separations that eliminated car and train conflicts along the BNSF Railway in northern Orange County. These grade separations, listed in the table below, increased safety for everyone traveling through the intersections and eliminate delays caused by trains.

Completed OC Bridges – Grade Separation Projects		Construction Complete	Cost*
1. Project O	Kraemer Boulevard (Placentia)	2014	\$63.8
2. Project O	Placentia Avenue (Placentia)	2014	\$64.5
3. Project O	Orangethorpe Avenue (Anaheim/Placentia)	2016	\$105.9
4. Project O	Tustin Avenue/Rose Drive (Anaheim/Placentia)	2016	\$96.6
5. Project O	Lakeview Avenue (Anaheim/Placentia)	2017	\$110.7
6. Project O	Raymond Avenue (Fullerton)	2018	\$126.2
7. Project O	State College Boulevard (Fullerton)	2018	\$99.6
Completed OC Bridges – Grade Separation Projects Total			\$667.3

*Cost in millions

Next 10 Plan Funding Assumptions

Transit Program

The M2 Transit Program consists of Project R (High Frequency Metrolink Service), Project S (Transit Extensions to Metrolink), Project T (Metrolink Gateways), Project U (Seniors/Disabled Persons Mobility Programs), Project V (Community Based Transit/Circulators), and Project W (Safe Transit Stops). Revenues for the M2 Transit Program assume a proportional share (approximately 25 percent) of net M2 revenue. From inception to 2030, the Transit Program would receive approximately \$1.498 billion in M2 revenue, \$51.7 million in prior bond proceeds, \$453 million in external revenue, \$45.6 transferred from M1, and \$14.4 million in interest for a total of \$2.063 billion. Expenses for this same time period total \$2.042 billion (including debt service payments against prior bonding). The cash flow includes \$148.96 million in Federal New Starts funding, \$85.47 million in federal CMAQ, and \$25.52 million in State Cap-and-Trade for the OC Streetcar project. The unprogrammed balance for Project S allows for the option of an additional future transit connection project.

Environmental Cleanup Program

The M2 ECP consists of Project X (Cleanup Highway and Street Runoff that Pollutes Beaches). Revenues for the M2 ECP assume two percent of gross annual M2 sales tax revenue. From inception to 2030, the ECP would receive approximately \$118.6 million in M2 revenue. Expenses for this same time period total \$119.5 million.

Common Abbreviations

Americans with Disabilities Act	ADA
Anaheim Regional Transportation Intermodal Center	ARTIC
Board of Directors	Board
Burlington Northern Santa Fe	BNSF
California Department of Fish and Wildlife	CDFW
California Department of Transportation	Caltrans
California Public Utilities Commission	CPUC
California State Transportation Agency	CalSTA
California Transportation Commission	CTC
Call for Projects	Call
Congestion Mitigation and Air Quality	CMAQ
Conservation Properties	Preserves
Coronavirus	COVID-19
Early Action Plan	EAP
Environmental Cleanup Allocation Committee	ECAC
Environmental Cleanup Program	ECP
Environmental Impact Report	EIR
Environmental Impact Statement	EIS
Environmental Mitigation Program	EMP
Federal Highways Administration	FHWA
Federal Transit Administration	FTA
Fire Management Plan	FMP
Fiscal Year	FY
Freeway Service Patrol	FSP
Full Funding Grant Agreement	FFGA
High-Occupancy Vehicle	HOV
Infrastructure Construction Cost Index	ICCI
Interstate 15	I-15
Interstate 405	I-405
Interstate 5	I-5
Interstate 605	I-605
Local Fair Share	LFS
Los Angeles-San Diego-San Luis Obispo	LOSSAN
Master Plan of Arterial Highways	MPAH
Measure M	M1
Measure M2 or Renewed Measure M	M2
Natural Community Conservation Plan/Habitat Conservation Plan	Conservation Plan
Next 10 Delivery Plan	Next 10 Plan
Orange County Business Council	OCBC
Orange County Transportation Authority	OCTA
M2 Ordinance No. 3	M2 Ordinance
Pacific Coast Highway	PCH
Regional Capacity Program	RCP

Common Abbreviations

Regional Traffic Signal Synchronization Program	RTSSP
Resource Management Plan	RMP
Right-of-Way	ROW
Riverside County Transportation Commission	RCTC
Senate Bill 1	SB 1
Senior Mobility Program	SMP
Senior Non-Emergency Medical Transportation	SNEMT
Service Authority for Freeway Emergencies	SAFE
State Highway Account	SHA
State Route 133	SR-133
State Route 22	SR-22
State Route 241	SR-241
State Route 55	SR-55
State Route 57	SR-57
State Route 71	SR-71
State Route 73	SR-73
State Route 74	SR-74
State Route 91	SR-91
State Transportation Improvement Program	STIP
State Water Resources Control Board	SWRCB
Tobacco Settlement Revenue	TSR
Transportation Infrastructure Finance and Innovation Act	TIFIA
United States Army Corps of Engineers	USACE
United States Fish and Wildlife Service	USFWS
Year of Expenditure	YOE

2020 Updated Next 10 Delivery Plan – Ten Balanced Deliverables

Freeways

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

In Construction		Construction Complete
Project A	Interstate 5 (I-5) between State Route 55 (SR-55) and State Route 57 (SR-57)	2021
Project C, D	I-5 between State Route 73 (SR-73) and Oso Parkway/ Avery Parkway Interchange	2025
Project C, D	I-5 between Oso Parkway and Alicia Parkway/La Paz Interchange	2023
Project C	I-5 between Alicia Parkway and El Toro Road	2024
Project K	Interstate 405 (I-405) between SR-73 and Interstate 605 (I-605)	2024
In Design		
Project F	SR-55 between I-405 and I-5	2026
Project I	State Route 91 (SR-91) between SR-55 and Lakeview Avenue	2027
Project I	SR-91 between La Palma Avenue and SR-55	2028
Project I	SR-91 between Acacia Street and La Palma Avenue	2028
Project M	I-605 Katella Avenue Interchange	2025
In Environmental		
Project B	I-5 between I-405 and Yale Avenue	2029
Project B	I-5 between Yale Avenue and SR-55	2028
Project F	SR-55 between I-5 and SR-91	2029
Project G	SR-57 Northbound from Orangewood Avenue to Katella Avenue	2026

2. Prepare remaining freeway improvement projects for delivery.

Remaining Projects		Environmental Clearance/Shelf-Ready
Project D	I-5/El Toro Road Interchange	2021
Project G	SR-57 Northbound from Lambert Road to Tonner Canyon Road	2024
Project J	SR-91 between State Route 241 and Interstate 15	2030
Project L	I-405 between I-5 and SR-55	2018

2020 Updated Next 10 Delivery Plan – Ten Balanced Deliverables

Streets and Roads

3. Provide annual competitive funding opportunities for local jurisdictions to address bottlenecks and gaps in the street system, synchronize signals (Project O and Project 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).

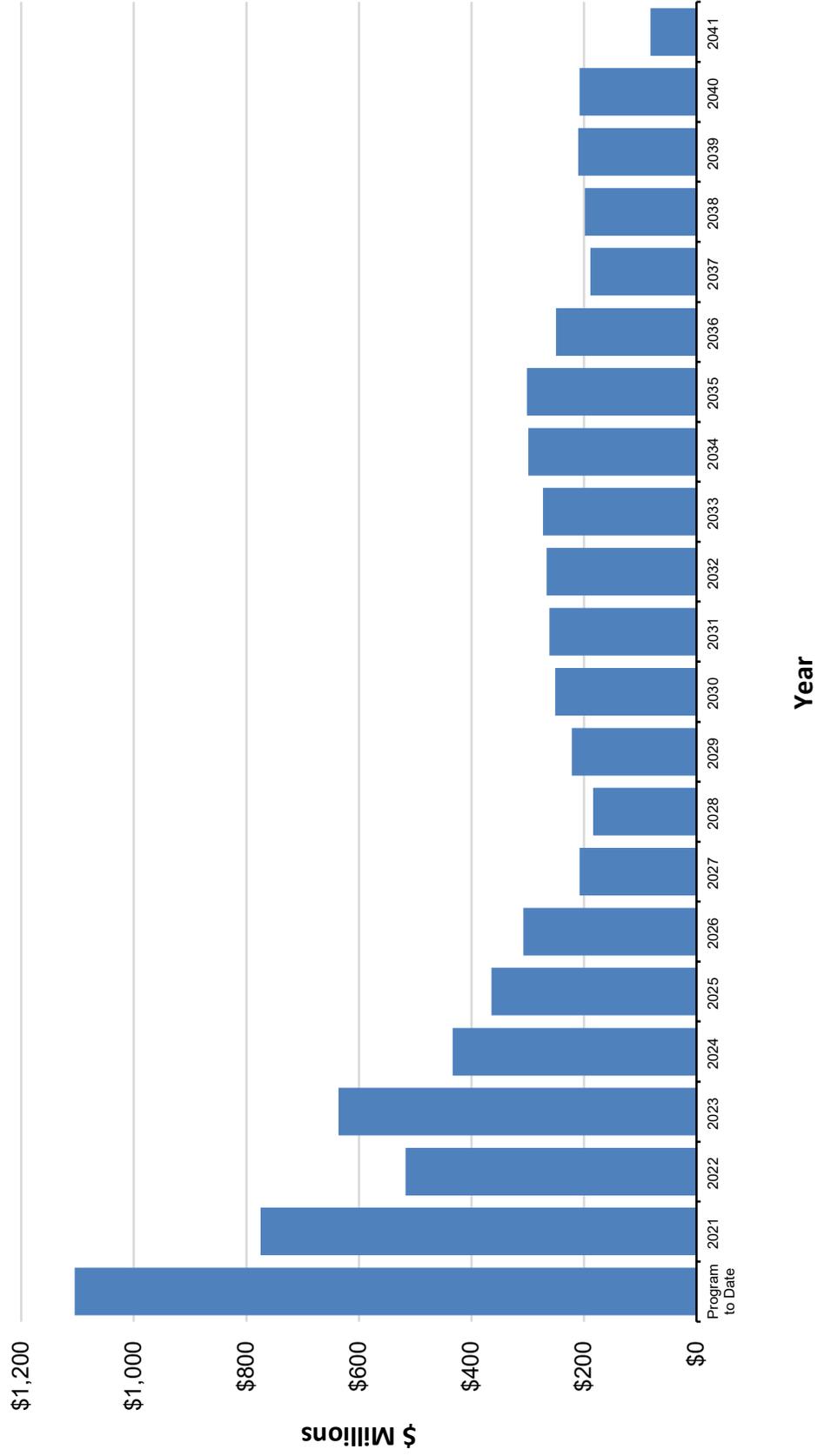
Transit

4. Maintain Metrolink service and complete two rail station improvements (Project R).
5. Complete construction, secure vehicles, begin operating the OC Streetcar, and work with local jurisdictions to consider recommendations from planning studies to guide development of future high-quality transit connections (Project S).
6. Support expanded mobility choices for seniors and persons with disabilities (Project U).
7. Work with local jurisdictions to maintain successful community circulator projects and potentially provide grant opportunities for expanded or new local transit services (Project V).
8. Continue to improve the top 100 busiest transit stops to enhance the customer experience (Project W).

Environmental

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).
10. Work with the Environmental Cleanup Allocation Committee 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 (Project X).

2020 Updated Next 10 Delivery Plan M2 Program Cash Balance



Measure M2

2020 UPDATE

NEXT 10 DELIVERY PLAN

The logo for OCGO, consisting of the letters 'OC' stacked above 'GO' in white, with a small green leaf icon above the 'O', all contained within an orange rounded square.

- Purpose

- Confirm promised projects can be delivered
- Ensure financial sustainability
- Mobilize projects and benefits earlier
- Minimize cost escalation risks
- Position projects to leverage external funding



- Work to date

- ✓ Early Action Plan - adopted in 2007 (five-year mobilization plan)
- ✓ M2020 - adopted in 2012 (eight-year plan – replaced mid-stream)
- ✓ Next 10 Plan - adopted in 2016 (ten-year plan)
 - ✓ Annual updates in 2017, 2018, and 2019

M2 Accomplishments to Date

- Freeways
 - ✓ 12 projects completed
 - ✓ 1,300 acres of open space preserved and another 350 acres restored
- Streets and Roads
 - ✓ 155 projects to make streets work better
 - ✓ 3,000 signals coordinated to reduce stop & go traffic
 - ✓ \$476 million distributed to local jurisdictions for transportation improvements
- Transit
 - ✓ Ongoing Metrolink service and five station projects completed
 - ✓ Safety enhancements at 50 railroad grade crossings
 - ✓ OC Streetcar under construction
 - ✓ \$85 million for mobility of seniors and persons with disabilities
 - ✓ 26 community circulator services
- Environmental
 - ✓ 196 water quality projects



M2 Sales Tax Revenue Forecast

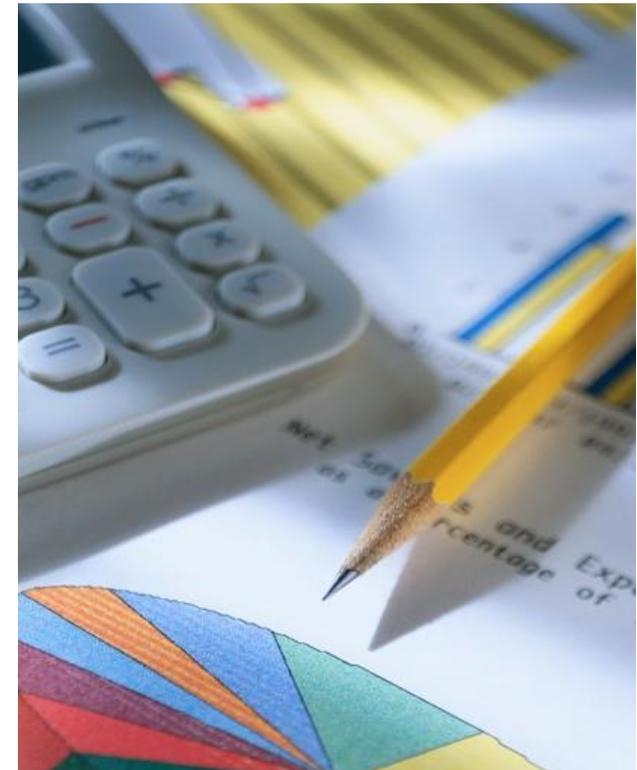
- Updated 2020 forecast is \$11.6 billion
 - ↓ \$1.8 billion less than the 2019 forecast
- Most areas of M2 Plan scale to available revenue
- Freeway Program cannot scale due to set scopes
 - ↑ Cost increase - \$244 million
 - ↓ Revenue loss - \$747 million



ENVIRONMENTAL

- A total of 5% of OC Go Freeway Program funds is allocated to the Freeway Environmental Mitigation Program
- A total of 2% of the overall OC Go Program funds is allocated to the Environmental Cleanup Program

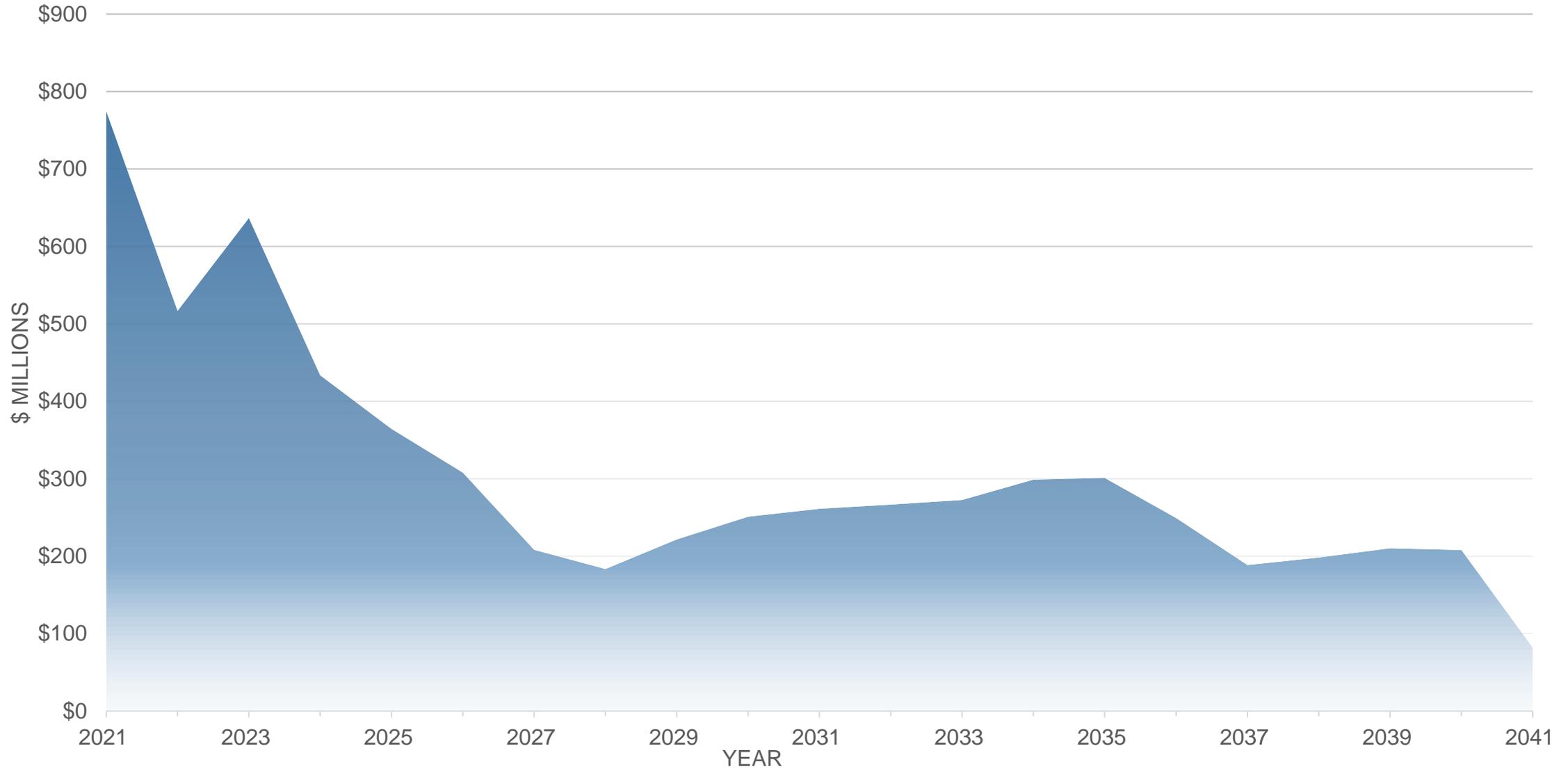
- Options to move forward – December 2020
 - Maintain momentum on project delivery and manage bonding levels
 - Adjust Next 10 Plan horizon from FY 2017-2026 to FY 2021-2030
 - Review Q2 M2 revenue receipts prior to update
- Information on M2 Revenue Collections – March 2021
 - ✓ Q2 M2 revenue receipts consistent with forecasts
 - ✓ On track to generate \$11.6 billion in gross M2 revenues



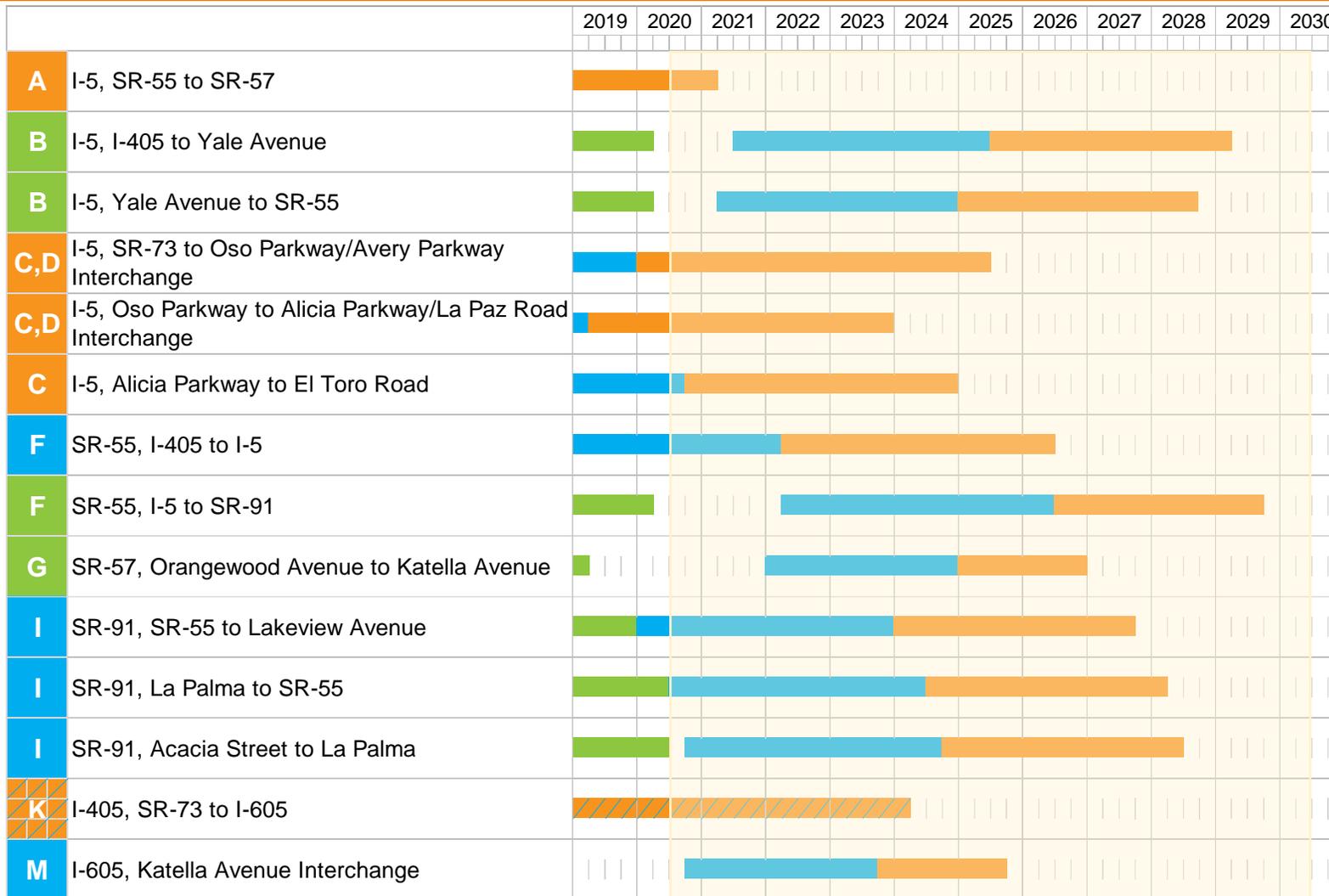
- Cashflow assumes:
 - \$11.6 billion in M2 revenues
 - \$3.6 billion in external revenues
- Assumes one bond issuance of \$575 million in 2023
- Minimum debt service coverage ratio of 3.6x
- Minimum cash balance of \$183 million through 2040
- Cash balance of \$82 million at the end of the program in 2041



M2 Program Cash Balance



M2 Freeway Program

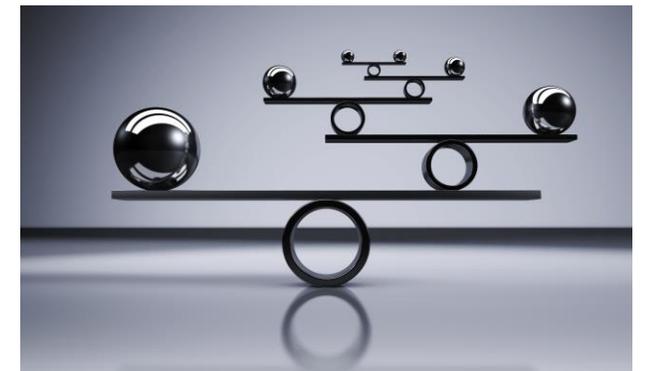


- 14 freeway projects to be delivered in Next 10 Plan timeframe
- Four remaining freeway projects to be reassessed during annual review

I-5 – Interstate 5
SR-55 – State Route 55
SR-57 – State Route 57
I-405 – Interstate 405
SR-73 – State Route 73
SR-91 – State Route 91
I-605 – Interstate 605

Next 10 Deliverables Summary

- Freeways
 - Delivers 14 freeway projects
 - Continues annual endowment deposits
- Streets and Roads
 - Returns 18 percent to local agencies for transportation needs
 - Provides annual grants to address street bottlenecks and gaps
 - Funds ongoing coordination of 2,200 traffic signals
- Transit
 - Operations of Metrolink and station improvements
 - Begins operation of OC Streetcar
 - Enhances mobility for seniors and persons with disabilities
 - Continues support for localized transit options
- Environmental
 - Provides for annual water cleanup grants



- Distribute the updated Next 10 Plan to local jurisdictions and stakeholders
- Work with transportation partners on delivery of the Next 10 Plan
- Monitor the risks associated with the changing environment and return to the Board of Directors with updates as appropriate

2020 UPDATE
NEXT 10 
DELIVERY PLAN



Update on Interstate 5 Widening Project Between State Route 73 and El Toro Road





Project Segments

Segment 1

State Route 73 to Oso Parkway

Segment 2

Oso Parkway to Alicia Parkway

Segment 3

Alicia Parkway to El Toro Road

Total length: 6.5 miles

Total estimated cost: \$580m
(all projects and phases)

Local Cities

Mission Viejo, Laguna Niguel

Mission Viejo, Laguna Hills

Laguna Hills, Laguna Woods,
Lake Forest

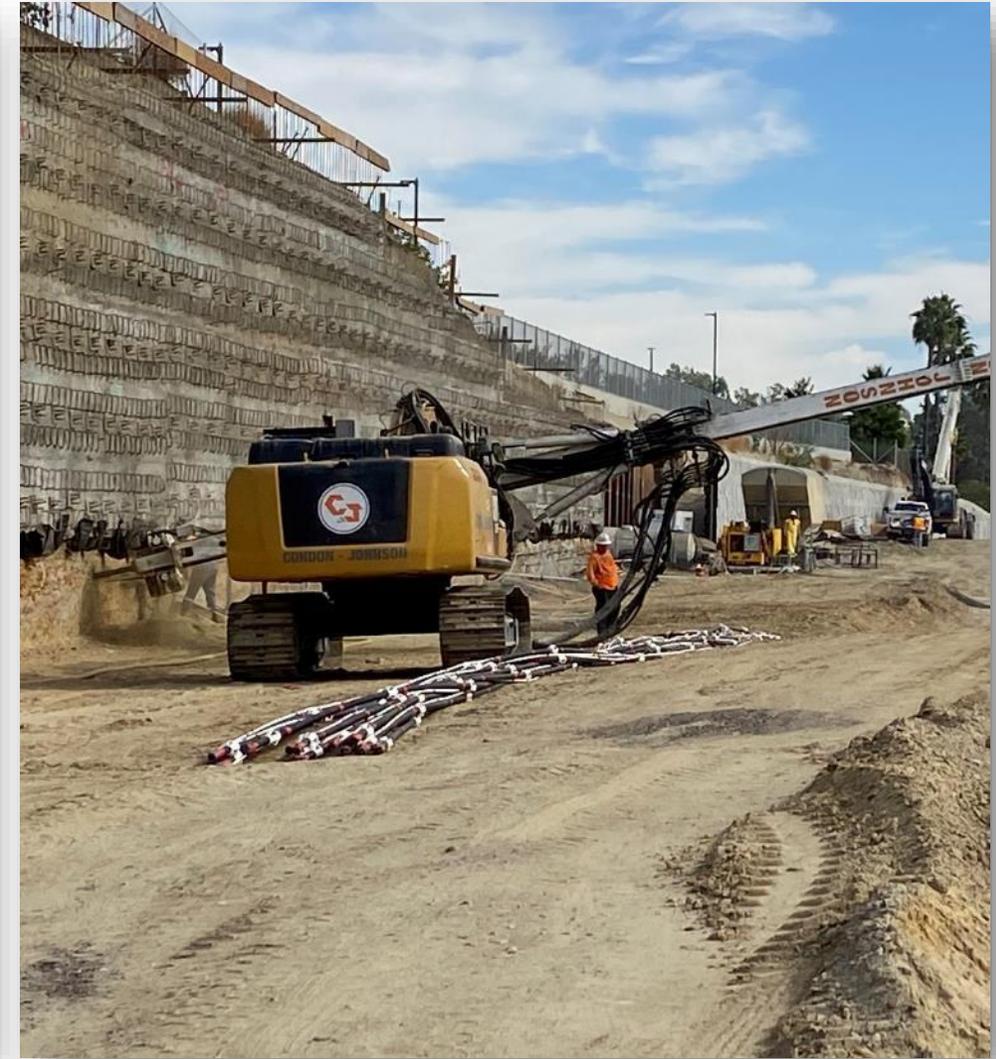
- 1** Add one general purpose lane in both directions from Avery Parkway to Alicia Parkway
- 2** Extend second high-occupancy vehicle (HOV) lane in both directions from Alicia Parkway to El Toro Road
- 3** Reconstruct Avery Parkway and La Paz Road interchanges, and Los Alisos Boulevard overcrossing
- 4** Reconstruct and add auxiliary lanes
- 5** Realign and/or improve on- and off-ramps
- 6** Convert existing HOV lanes to continuous access throughout the project area

Estimated Construction Schedule



Segment	Estimated Schedule
Segment 2 Oso Parkway to Alicia Parkway	May 2019 – Late 2023 <i>Under Construction</i>
Segment 1 State Route 73 to Oso Parkway	February 2020 – Early 2025 <i>Under Construction</i>
Segment 3 Alicia Parkway to El Toro Road	January 2021 – Mid-2024 <i>Under Construction</i>

Segment 2 – Current Activities



La Paz Road Interchange



- Increase vertical clearance to 15 feet
- Total number of thru lanes
 - Three eastbound (EB) thru lanes
 - Three westbound (WB) thru lanes
- New five-foot bike lanes and widen existing sidewalks

Segment 1 – Current Activities



Avery Parkway Interchange

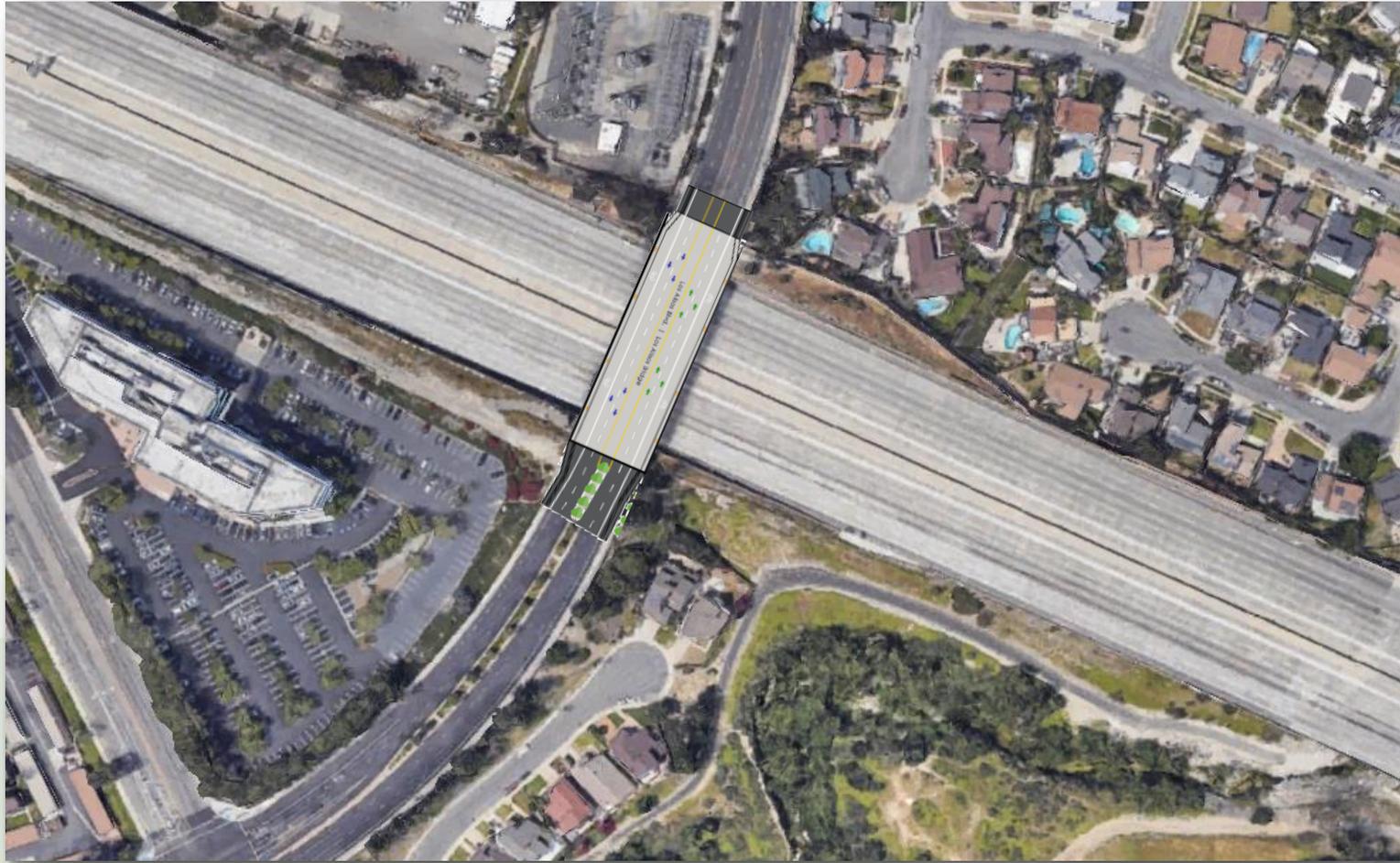


- Replace Interstate 5 bridge
- Ten lanes on Avery Parkway
- Three WB and three EB thru lanes
- Two WB and two EB left-turn lanes
- Eight-foot bike lanes in each direction
- Standard shoulders
- Sidewalks in each direction

Segment 3 – Current Activities



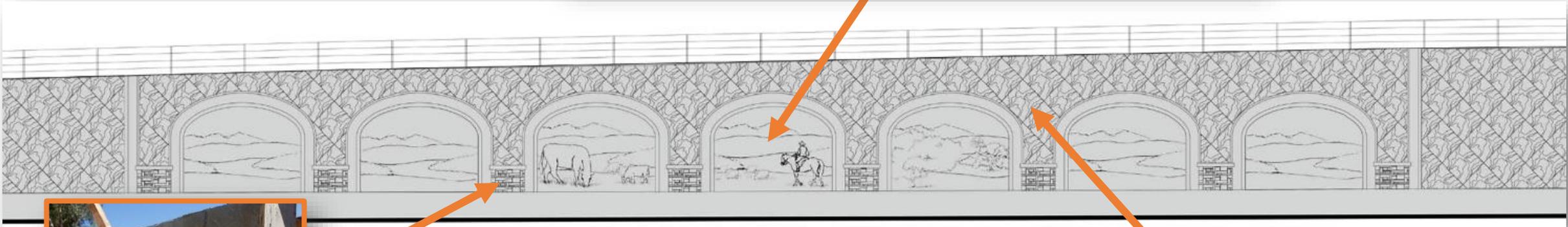
Los Alisos Boulevard Overcrossing



- Two EB and WB lanes
- Bike lanes and wider sidewalks

Retaining Wall Aesthetics

Major Retaining Walls *Pastoral Ranch Theme*



Stacked Stone Texture



Slate Stone Texture

Essential Coordination

Segment 1

State Route 73 to Oso Parkway



Segment 2

Oso Parkway to Alicia Parkway

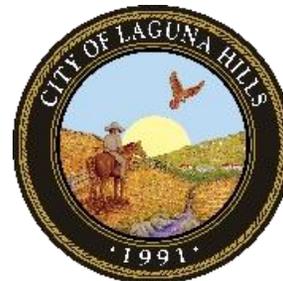


Segment 3

Alicia Parkway to El Toro Road



METROLINK



Traffic Management Plan



55 mph zone
K-rail
CHP-enforced
Closures



Off-peak
Overnight
2 lanes



Short-term
28 hour
55 hour



Caltrans
Cities
CHP

CONSTRUCTION UPDATE

A PROJECT OF THE ORANGE COUNTY TRANSPORTATION AUTHORITY AND CALTRANS DISTRICT 12

WEEK OF JANUARY 25, 2021

PILE DRIVING AT AVERY PARKWAY

Crews will be performing pile driving activities along the northbound I-5 bridge at Avery Parkway starting as early as Monday, Feb. 1. This work will take place for up to three weeks. Pile driving is necessary for the foundation of the new Avery bridge as part of the freeway widening.

Please be advised, this work may be loud. Schedules are subject to change due to unforeseen operational factors or inclement weather.

WHAT IS PILE DRIVING?

Pile driving is a common method of constructing structure foundations. To

I-5 FREEWAY WIDENING PROJECT

Improvements Down the Road

I-5 South County Improvements Project will begin construction on Segment 3, from Alicia Pkwy. to El Toro Rd., on January 4, 2021. The total length of this segment is 1.8 miles and will allow for:

- Widening of the freeway in both northbound and southbound
- Extend the second carpool lane
- Reconstruct the Los Alisos Blvd. bridge
- Convert carpool lanes to continuous access
- Modify on- and off-ramps

Initial work activities will include the removal of trees and shrubs located along the I-5 within the Caltrans right of way. Please be advised this work may be loud. Crews will begin placing construction equipment, K-rail and signage in the area. Construction on all segments is expected to be completed in 2025.

949-614-0202 | octa.net/i5southcounty | @OCI5SouthCounty

Avery Parkway Interchange Construction: Stage 1

- Estimated Start: Early 2021/1st Quarter
- Estimated Duration: Nine to 12 months

oci5southcounty
Mission Viejo, California

19 likes

oci5southcounty Nighttime demolition along the northbound I-5 bridge at Avery Pkwy. has been completed. Access on Avery Pkwy. under the... more

December 18, 2020

Public Outreach Contacts



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Logan Selleck
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@I5SouthCounty@octa.net



@OCI5SouthCounty



Project Help Line
(949) 614-0202



Facebook.com/OCI5SouthCounty



COMMITTEE TRANSMITTAL

March 8, 2020

To: Members of the Board of Directors

From: Andrea West, Interim Clerk of the Board *Andrea West*

Subject: Measure M2 Quarterly Progress Report for the Period of October 2020 Through December 2020

Executive Committee Meeting of March 1, 2021

Present: Chairman Do, Vice Chairman Murphy, and Directors Bartlett, Hennessey, Jones, and Shaw

Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 5-0 by the Members present.

Director Hennessey was not present to vote on this item.

Committee Recommendation

Receive and file as an information item.



March 1, 2021

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Measure M2 Quarterly Progress Report for the Period of October 2020 Through December 2020

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

Overview

Staff has prepared the Measure M2 quarterly progress report for the second quarter of fiscal year 2020-21, covering October 2020 through December 2020, for consideration by the Orange County Transportation Authority Board of Directors. This report highlights progress on Measure M2 projects and programs and will be 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 a margin of 69.7 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 revenue stream for a broad range of transportation and environmental improvements, as well as a governing ordinance, which defines the requirements for implementing the Plan. Ordinance No. 3 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 called for in the measure, as identified in the ordinance. Ordinance No. 3 requires that quarterly status reports regarding the major projects detailed in the Plan be brought to the OCTA Board of Directors (Board). The Board also is provided with individual project staff reports and overall reports on the status of the capital projects by the Capital Programs Division.

Discussion

This quarterly report reflects current activities and progress across all M2 programs for the period of October 1, 2020 through December 31, 2020 (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 payments made to cities during the quarter is also included.

Additionally, Attachment A includes a summary of the Program Management Office (PMO) activities that have taken place during the quarter. One area is highlighted below.

Next 10 Delivery Plan (Next 10 Plan)/M2 Sales Tax Revenue Forecast

Annually, staff reviews the Board-adopted commitments in the Next 10 Plan to ensure it remains deliverable with updated revenues and project costs. On October 26, 2020, the final 2020 M2 sales tax revenue forecast of \$11.6 billion was presented to the Board. This year-over-year decline of \$1.8 billion is attributed to the economic impacts of the coronavirus (COVID-19) pandemic and represents the lowest forecast since M2 inception.

An update to the Next 10 Plan is warranted to confirm that OCTA has the capacity to deliver M2 as promised to the voters. To manage the impacts of the decreased M2 sales tax revenue forecast and updated project cost estimates, staff explored three options. On December 14, 2020, the options were presented for Board discussion and feedback. With variations in schedule, cost, and bonding assumptions, each option had its advantages and challenges. The Board discussed the options and provided feedback to pursue a financially prudent course of action with a proactive stance on project delivery while remaining flexible. Given the fluidity of current events, staff offered to review fiscal year (FY) 2020-21 second quarter sales tax revenue actuals in March 2021 to provide an additional financial data point prior to updating Next 10 Plan.

Progress Update

The following provides an overview of M2 accomplishments to date by mode, as well as highlights of activities that occurred during the second quarter of FY 2020-21.

Freeway Program

The M2 Freeway Program consists of 30 project segments to be delivered by 2041. Currently, while in year ten of the 30-year program, 12 project segments are complete, five are in construction, and another five are readying for construction. The remaining eight project segments are in various stages of project development.

Key freeway project highlights taking place this quarter are highlighted below.

- Interstate 5 (I-5) between Interstate 405 (I-405) and Yale Avenue - This is the southerly segment of the I-5 between I-405 and State Route (SR-55) project. On December 14, 2020, the Board approved the release of request for proposals for the preparation of plans, specifications, and estimates. (Project B)
- I-5 between Yale Avenue and SR-55 - This is the northerly segment of the I-5 between I-405 and SR-55 project. On November 9, 2020, the Board approved the selection of a consultant to prepare plans, specifications, and estimates. (Project B)
- I-405 between State Route 73 and Interstate 605 (I-605) – This project, which includes concurrent design and construction, is over 50 percent complete despite numerous challenges. At the onset, some project costs consumed a share of the project contingencies: bids received for the project were higher than the engineer’s estimate and there were legal settlements with the cities of Long Beach and Seal Beach related to the environmental document. Subsequent to the award of the project contract, the California Department of Transportation and Federal Highway Administration issued new safety-related directives such as guard rail and concrete paving requirements. These unexpected mandates could not have been foreseen in the development of the project cost estimate. More recently, discovery of archaeological resources within the construction zone also impacted the project budget and schedule. As a result of these and other challenges, OCTA performed a comprehensive analysis of actual and estimated remaining costs. The analysis indicated the cost to complete the M2 portion of the project is \$1,560 million, which is a 9.5 percent increase over the current available funding of \$1,425 million. On December 14, 2020, the Board approved the changes to the project budget. (Project K)
- I-605/Katella Avenue interchange - The design contract with the Board-approved consultant was executed on December 28, 2020.

Streets and Roads

Since 2011, approximately \$892.9 million has been allocated to local jurisdictions for transportation improvements through the streets and roads competitive and formula funding programs. Additionally, M2 provided \$149 million, a portion of the \$667 million total project cost, to grade-separate seven streets and rail crossings, leveraging the majority of the funds (\$518 million) from local, state, and federal sources.

- On October 26, 2020, a Regional Traffic Signal Synchronization Program (RTSSP) update was provided to the Board. The update shared that OCTA and local agencies have successfully implemented new cooperative traffic signal synchronization timing on 84 corridors, with another 28 projects planned or underway. (Project P)
- Applications for the 2020 annual call for projects for the Regional Capacity Program and the RTSSP were due on October 22, 2020. Staff review is underway and programming recommendations are anticipated to be presented to the Board in spring 2021. (Project O and Project P)

Transit

The M2 transit mode includes a number of programs designed to provide additional transportation options. M2 is the main funding source for Metrolink commuter rail service in Orange County and provides funding for rail station improvements and transit connections to extend the reach of the services.

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 (\$41.9 million to date), and bus stop improvements (\$2.9 million to date). In parallel, M2 provides a set amount of annual funding to support three programs intended to meet the needs of seniors and persons with disabilities (\$84.6 million¹ to date). Key transit project activities taking place this quarter, along with updates, are highlighted below.

- A Metrolink Performance Report was presented to the Transit Committee on October 8, 2020, and to the Board on October 12, 2020. Total ridership was 3.9 million boardings in FY 2019-20 for OC Metrolink, a 23.6 percent

¹ Only includes disbursed funds. On October 12, 2020, the Board approved a temporary exception to the Senior Mobility Program 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.

decrease over FY 2018-19, with the COVID-19 pandemic impacting both weekday and weekend ridership. (Project R)

- Anaheim Canyon Metrolink Station Improvements – On October 12, 2020, the Board approved the release of invitation for bids for construction of the project. The bid opening was held on January 21, 2021, with construction anticipated to begin in spring 2021. (Project R)
- Laguna Niguel to San Juan Capistrano Passing Siding Project - Construction of the project was completed on November 17, 2020. This project added approximately 1.8 miles of new passing siding railroad track adjacent to the existing mainline track, which enhances the operational efficiency of passenger services within the Los Angeles - San Diego - San Luis Obispo rail corridor. (Project R)
- OC Streetcar - Significant construction activities continued, with a major milestone reached in December 2020, as the first rail was set into the street at the intersection of Santa Ana Boulevard and Bristol Street. (Project S)

Environmental Programs

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

On October 12, 2020, the Board approved programming recommendations for 12 ECP Tier 1 projects, totaling \$2.8 million. Since 2011, the ECP has allocated approximately \$51.4 million to local jurisdictions for 178 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 33 million gallons of trash have been captured since inception of the program, which is the equivalent of filling nearly 78 football fields with one-foot deep of trash.

Additionally, the Board previously authorized \$55 million for the EMP to acquire conservation lands, fund habitat restoration projects, and to develop the Conservation Plan. OCTA has acquired more than 1,300 acres and funded 12 restoration projects to restore habitat on 350 acres of open space across Orange County to fulfill the necessary 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. Prior to COVID-19, it was estimated that it would take approximately 12 years to fully fund the endowment with annual deposits, or until the fund totals \$46.2 million. The level of annual deposits will be reassessed based on availability of M2 funds. Any changes may affect the timeframe for the full funding of the endowment. As of December 31, 2020, the balance of the endowment was just over \$17.6 million.

Challenges

COVID-19 Pandemic

On February 27, 2020, OCTA activated its Emergency Operations Center and implemented its Emergency Operations Plan in response to COVID-19. On March 19, 2020, the State issued a stay-at-home order to protect the health and well-being of all residents of California and slow the spread of COVID-19.

As stay-at-home orders were gradually lifted, cases started to increase, which resulted in the State issuing new stay-at-home orders on November 21, 2020 (limited) and again on December 3, 2020 (regional). Public transportation and infrastructure projects are designated by the state and federal governments as essential. OCTA has continued operations while following best practices and health guidance from local, state, and federal officials to help ensure the health of the public and OCTA employees. The PMO continues to monitor COVID-19 impacts to M2 to ensure projects and programs remain deliverable as promised to voters. Pandemic impacts on the individual M2 Program areas are discussed further below.

Freeways

Risks for schedule-critical right-of-way (ROW) acquisition processes continue to be impacted by COVID-19. ROW acquisition offers to owners, associated discussions, negotiations, and meetings are being impacted by business closures and availability of owners and attorneys. There are also additional COVID-19-related ROW impacts due to court closures, filing and service delays, potential temporary easement timeline expirations, land and business valuation challenges, and appraisal and site inspection issues.

In addition, the California Department of Industrial Relations Division of Occupational Safety and Health issued new emergency temporary standards, which became effective November 30, 2020. Staff will continue to monitor contractor COVID-19 cases to ensure essential operations are not impacted.

Streets and Roads

OCTA completed the September 2020 semi-annual review of projects funded through the Comprehensive Transportation Funding Programs. This process reviews the status of M2 grant-funded projects and provides an opportunity for local agencies to update project information and to request project modifications. Of the total 64 project adjustment requests, 40 were attributed to COVID-19-related impacts. These adjustments were approved by the Board on December 14, 2020.

Transit

Travel pattern changes due to stay-at-home orders have affected Metrolink ridership. As a result, Metrolink implemented temporary service reductions in March 2020 and again in November 2020; the three lines serving Orange County have reduced service by 24 percent. With the decline in ridership and its compounding effects on the level of revenues from fares, Metrolink's Board adopted new fare policy goals to guide future fare discussions and decisions. The availability of the federal Coronavirus Aid, Relief, and Economic Security Act funding will mitigate this impact in the near-term.

Through the Senior Mobility Program (SMP), M2 provides funding to cities for programs that meet the needs of seniors in their communities. Due to COVID-19, some jurisdictions have suspended operation of their SMP or modified services, such as providing home delivered meals in lieu of transporting the seniors to their nutrition programs. To provide flexibility in serving their senior communities and relief to jurisdictions from timely-use of funds provisions, on October 12, 2020, the Board approved temporary exceptions to the SMP Guidelines. For cities with modified services, the exceptions will allow for meal delivery in lieu of transportation to the senior center until the State lifts the State of Emergency. For cities with suspended services, OCTA will suspend the distribution of SMP funds and hold them in reserve for jurisdictions until the State lifts the State of Emergency, or when the agency notifies OCTA that they have reinitiated SMP services, whichever occurs first.

The Community-Based Transit Circulator Program (Project V) continues to be affected as 23 services have been suspended or not initiated due to COVID-19. On December 14, 2020, the Board approved cooperative agreement amendments for all active Project V services to incorporate proposed COVID-19-related grant term adjustments for up to 24 months.

Staff also held a workshop in October 2020 with local agency project managers to discuss impacts and the future of Project V. Taking their input into consideration, staff proposed Project V revisions to modify the program's minimum performance requirements/service parameters to allow for re-establishment and providing annual escalation of funding within the programmed grant amount. These changes will provide local agencies' flexibility to reinitiate and fund Project V services in a post-COVID-19 environment, while shifting evaluation metrics to be more financially focused, context sensitive, and locally driven. The Board approved these program revisions on January 25, 2021.

Orange County Fires

On October 26, 2020, two wind-driven fires (Silverado and Blue Ridge) started in Orange County. Following that, on December 2, 2020, another fire (Bond) broke out in Silverado Canyon. Since then, all fires have been fully contained. The fires did not impact any OCTA mitigation properties but did affect some OCTA-funded restoration projects. OCTA is working closely with restoration project managers to fully assess the damage and will coordinate with Wildlife Agencies to discuss next steps.

Staff will continue to closely monitor these challenges to ensure M2 remains deliverable as promised to voters and provide updates to the Board as appropriate.

Summary

As required by Ordinance No. 3, a quarterly report covering activities from October 2020 through December 2020, 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, Second Quarter of Fiscal Year 2020-21, October 1, 2020 through December 31, 2020

Prepared by:



Francesca Ching
Section Manager,
Measure M2 Program Management Office
(714) 560-5625

Approved by:



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



OCGO

Local Tax Dollars at Work

MEASURE M2 QUARTERLY PROGRESS REPORT

Second Quarter of Fiscal Year 2020 – 21
October 1, 2020 through December 31, 2020

Second 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 69.7 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 the M2 Ordinance No. 3, a quarterly report covering activities from October 1, 2020, through December 31, 2020, is provided to update progress in implementing the Measure M2 Transportation Investment Plan. On September 25, 2017, the Board of Directors (Board) approved externally rebranding M2 as OC Go to promote OCTA's Measure M awareness and public perception and to avoid confusion with Measure M in Los Angeles County.

To be cost-effective and to facilitate accessibility and transparency of information available to stakeholders and the public, Measure M2 progress reports are presented on the Orange County Transportation Authority (OCTA) website. Hard copies are mailed upon request.



The cover photo shows the completion of the San Juan Capistrano/Laguna Niguel passing siding project. This project added approximately 1.8 miles of new passing siding railroad track adjacent to the existing mainline track, which enhanced the operational efficiency of passenger services within the Los Angeles - San Diego - San Luis Obispo rail corridor.



MEASURE M2 PROGRESS REPORT

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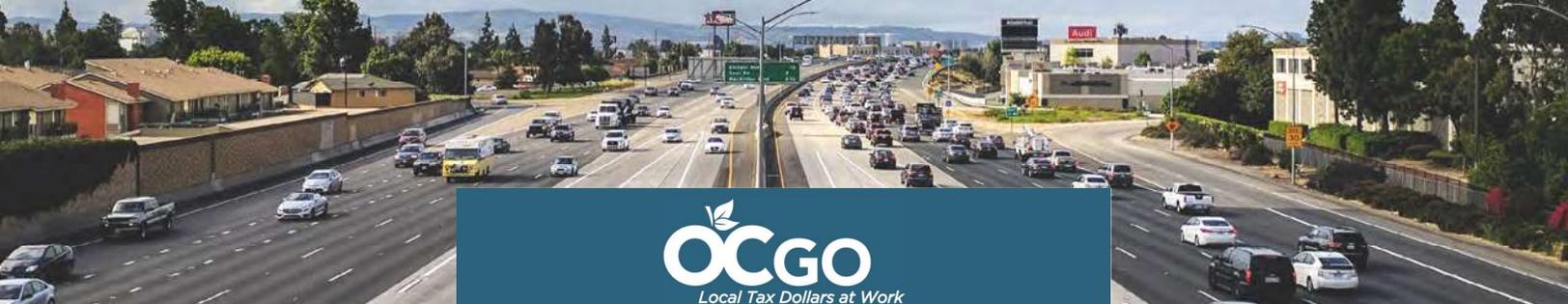

COMMON ABBREVIATIONS

Americans with Disabilities Act	ADA
Annual Eligibility Review	AER
Board of Directors	Board
Burlington Northern Santa Fe	BNSF
California Department of Fish and Wildlife	CDFW
California Department of Tax and Fee Administration	CDTFA
California Department of Transportation	Caltrans
California Transportation Commission	CTC
Capital Action Plan	CAP
Capital Investment Grant	CIG
Chief Executive Officer	CEO
Cost Estimate Review	CER
Congestion Mitigation and Air Quality	CMAQ
Design Standard Decision Document	DSDD
Draft Environmental Document	DED
Draft Project Report	DPR
Environmental Cleanup Allocation Committee	ECAC
Environmental Cleanup Program	ECP
Environmental Document	ED
Environmental Impact Report	EIR
Environmental Impact Statement	EIS
Environmental Mitigation Program	EMP
Environmental Oversight Committee	EOC
Federal Highway Administration	FHWA
Federal Transit Administration	FTA
Federal Transportation Improvement Program	FTIP
Freeway Service Patrol	FSP
Full Funding Grant Agreement	FFGA
High Occupancy Vehicle	HOV
Interstate 15	I-15
Interstate 405	I-405
Interstate 5	I-5
Interstate 605	I-605
Invitation for Bids	IFB
Local Fair Share Program	LFSP
Los Angeles – San Diego – San Luis Obispo	LOSSAN
Los Angeles County Metropolitan Transportation Authority	LA Metro
Measure M2 or Renewed Measure M	M2
Memorandum of Understanding	MOU



COMMON ABBREVIATIONS

Metrolink Service Expansion Program	MSEP
Notice to Proceed	NTP
Next 10 Delivery Plan	Next 10 Plan
Natural Community Conservation Plan/Habitat Conservation Plan	Conservation Plan
Orange County Transportation Authority	OCTA
Orange County Unified Transportation Trust	OCUTT
Pacific Coast Highway	PCH
Plans, Specifications and Estimates	PS&E
Program Management Office	PMO
Project Development Team	PDT
Project Study Report	PSR
Ready to List	RTL
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 Association of Governments	SCAG
State Route 133	SR-133
State Route 22	SR-22
State Route 241	SR-241
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 Transportation Improvement Program	STIP
State Water Resources Control Board	SWRCB
Southern California Regional Rail Authority	SCRRA
Taxpayer Oversight Committee	TOC
To Be Determined	TBD
Trade Corridors Improvement Funds	TCIF
Transportation Infrastructure Finance and Innovation Act	TIFIA
United States Army Corps of Engineers	ACOE
United States Fish and Wildlife Service	USFWS
United States Department of Transportation	USDOT



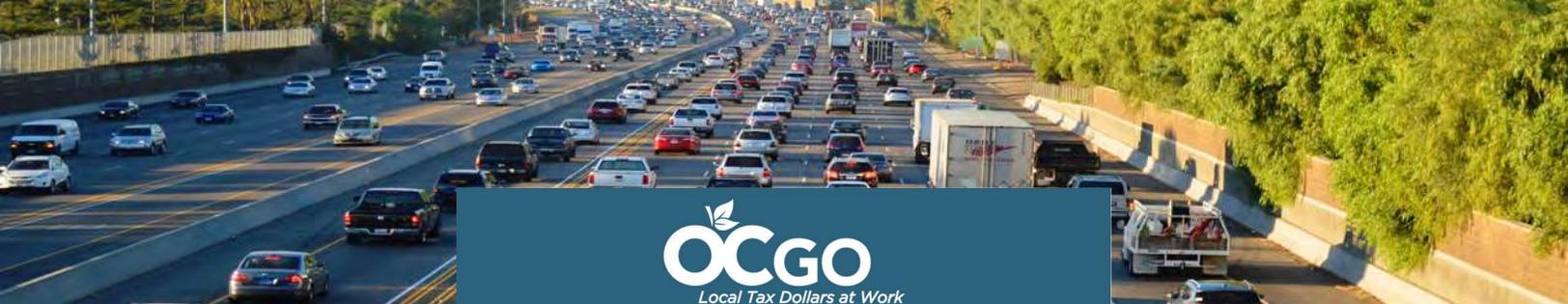

MEASURE M2 PROJECT SCHEDULES

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

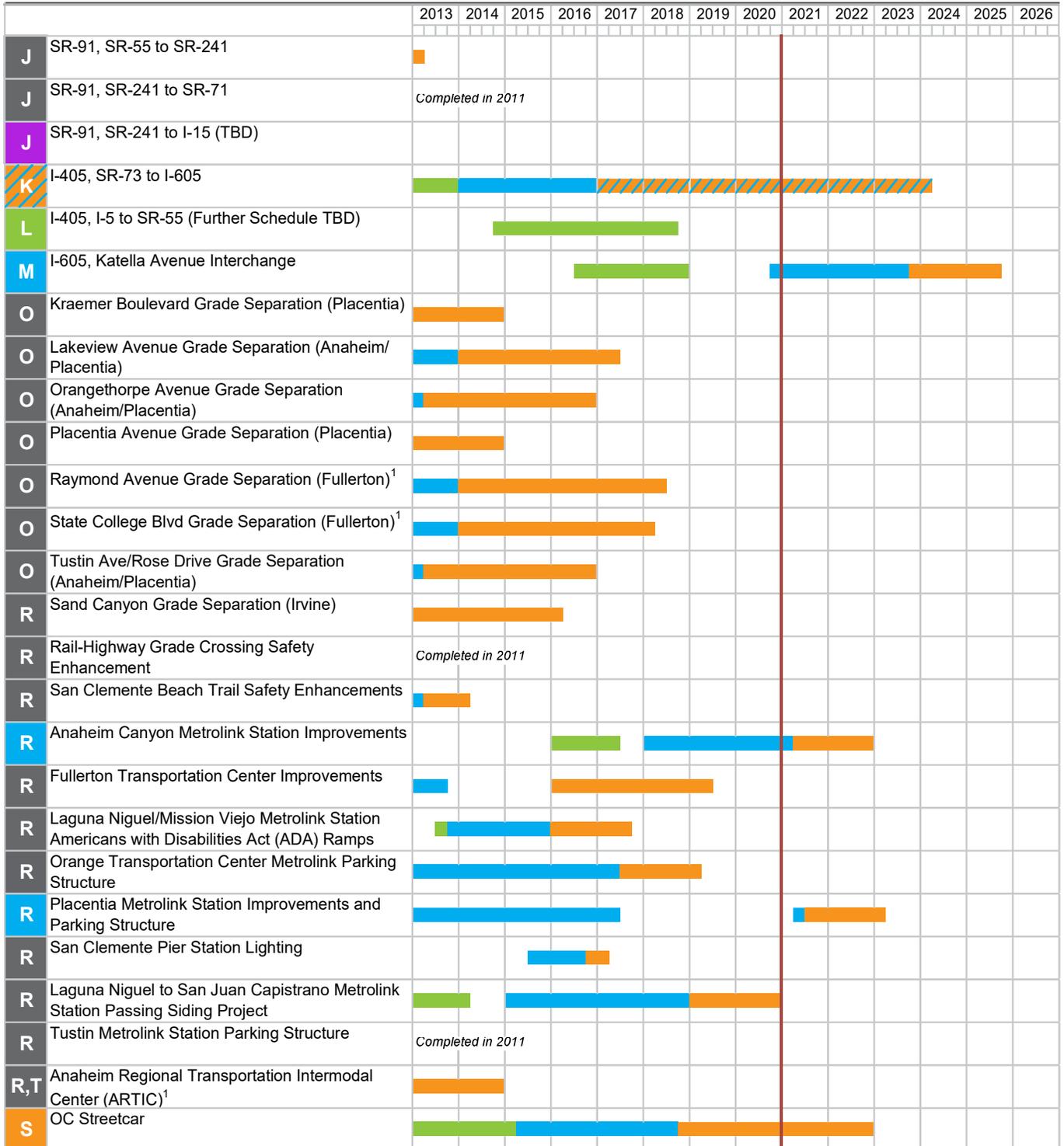
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
A	I-5, SR-55 to SR-57	Green		Blue				Orange								
B	I-5, I-405 to Yale Avenue		Green						Blue		Orange					
B	I-5, Yale Avenue to SR-55		Green						Blue		Orange					
C,D	I-5, Avenida Pico to Avenida Vista Hermosa/Avenida Pico Interchange	Blue		Orange												
C	I-5, Avenida Vista Hermosa to Pacific Coast Highway	Blue		Orange												
C	I-5, Pacific Coast Highway to San Juan Creek Road	Blue		Orange												
C,D	I-5, SR-73 to Oso Parkway/Avery Parkway Interchange	Green		Blue				Orange								
C,D	I-5, Oso Parkway to Alicia Parkway/La Paz Road Interchange	Green		Blue				Orange								
C	I-5, Alicia Parkway to El Toro Road	Green		Blue				Orange								
D	I-5, El Toro Interchange (Further Schedule TBD)				Green											
D	I-5, Ortega Interchange	Orange														
E	SR-22, Access Improvements	<i>Completed in 2008</i>														
F	SR-55, I-405 to I-5	Green				Blue				Orange		Orange				
F	SR-55, I-5 to SR-91 (Further Schedule TBD)				Green											
G	SR-57 NB, Katella Avenue to Lincoln Avenue	Orange														
G	SR-57 NB, Orangethorpe Avenue to Yorba Linda Boulevard	Orange														
G	SR-57 NB, Yorba Linda Boulevard to Lambert Road	Orange														
G	SR-57 NB, Lambert Road to Tonner Canyon Road (TBD)															
G	SR-57, Orangewood Avenue to Katella Avenue (Further Schedule TBD)				Green											
H	SR-91 WB, I-5 to SR-57	Orange														
I	SR-91 WB, SR-55 to Tustin Avenue Interchange	Blue		Orange												
I	SR-91, SR-55 to Lakeview Avenue			Green				Blue		Orange						
I	SR-91, La Palma to SR-55			Green				Blue		Orange						
I	SR-91, Acacia Street to La Palma			Green				Blue		Orange						

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

¹ Projects managed by local agencies



MEASURE M2 PROJECT SCHEDULES



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

¹ Projects managed by local agencies



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
Financial		
1	The 2020 M2 revenue forecast of \$11.6 billion was presented in October 2020. This \$1.8 billion decrease from the 2019 M2 revenue forecast is a result of the coronavirus (COVID-19) pandemic.	COVID-19 has introduced a new risk to the program. The \$11.6 billion revenue forecast represents the lowest forecast since M2 inception and warrants a review of the timing of capital projects and competitive funding program cash flows.
2	Inability to scale the M2 Freeway Program to available revenue and still deliver the M2 commitments.	Staff explored options to address the significant decrease in the M2 revenue forecast. In December 2020, staff presented three options for Board discussion and feedback. The Board directed staff to pursue a financially prudent course of action with a proactive stance on project delivery while remaining flexible given the fluidity of current events.
3	Schedule and scope changes on critical capital projects impacting delivery and project costs.	OCTA will work closely with Caltrans to apply value engineering strategies on projects to manage costs.
4	Sustain Metrolink train service as an attractive alternative to driving in Orange County within the limits of available revenue.	Changes as a result of updated highway standards or issues identified in the field regularly impact scope and schedule and ultimate costs.
		Work closely with Caltrans and project contractors to limit changes in scope and schedule to a minimum. Work with Caltrans to approve additional lane closures and longer work windows where possible.
		In September 2020, Metrolink adopted a Recovery Plan Framework to ensure the safety of passengers and employees and restore service in a post-COVID-19 environment. Staff will work closely with Metrolink and OCTA partners to ensure cost increases are minimized, while seeking external revenue. Metrolink received \$65 million in one-time federal funds through the Coronavirus Aid, Relief and Economic Security (CARES) Act, which alleviated some concerns in the short-term.



MEASURE M2 PROGRESS REPORT

Delivery Risk	Explanation	Proposed Action
<p>5 The Next 10 Plan Market Conditions Forecast and Risk Analysis showed a cooling of the prior increasing cost environment. Current events may cause this to further change during the Next 10 Plan delivery years.</p>	<p>OCTA's economic consultants forecasted a slowing of cost pressures for 2021 and 2022. The economic impacts from COVID-19 may further affect cost pressures.</p>	<p>OCTA will continue to monitor market conditions affecting project costs. The decline in cost pressures provides an opportunity to address potential COVID-19-related revenue impacts.</p>
Resource		
<p>6 Substantial work underway in the region has resulted in significant demand for professional and skilled labor which can impact delivery given the volume of the M2 capital program.</p>	<p>The economic impacts of COVID-19 and changes in unemployment may change the availability of key talent. If shortages continue, project delivery costs could rise but if additional labor resources are available, it may temper costs and reduce delivery risk.</p>	<p>OCTA will monitor impacts of COVID-19 on the labor market. Expert and timely coordination between OCTA and Caltrans are imperative to manage this risk. Staff is currently working with Caltrans to ensure resource needs are met.</p>
<p>7 New operational responsibilities with the OC Streetcar.</p>	<p>With the implementation of the OC Streetcar service, OCTA will be increasing its overall role in operations. OCTA holds a successful track record in operating various transportation systems including both a fixed and demand-based bus network.</p>	<p>To ensure 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 of the OC Streetcar.</p>
Regulatory		
<p>8 New federal and statewide directives create additional limitations for use of transportation dollars which could affect freeway projects.</p>	<p>New directives that focus on required greenhouse gas reductions and managed lane corridors, as well as an emphasis on transit, have created new hurdles that eliminate some sources of funding for M2 freeway improvements.</p>	<p>OCTA is tracking the new directives to ensure that M2 projects stay true to the voter commitment and compete for funding as appropriate.</p>



MEASURE M2 PROGRESS REPORT

Next 10 Delivery Plan ▼

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

On November 14, 2016, the Board approved the Next 10 Delivery Plan (Next 10 Plan), providing guidance to staff on delivery of M2 projects and programs between 2017 and 2026.

Due to the uncertainty created by COVID-19, the 2020 preliminary M2 sales tax revenue forecast of \$11.6 billion was presented to the Board on August 24, 2020. With tax receipts for quarter four of fiscal year (FY) 2019-20 received in September 2020, the final M2 sales tax forecast was presented to the Board on October 26, 2020. The M2 revenue forecast remained at \$11.6 billion. This represents a year-over-year decline of \$1.8 billion and the lowest forecast since M2 inception. The decrease in taxable sales is due to the cascading effects of COVID-19 on the economy. OCTA's conservative approach to financial planning has allowed for all M2 projects that are currently underway to continue as planned in FY 2020-21.

On December 14, 2020, staff presented three options for Board discussion and feedback on how to manage the impacts of the decreased M2 sales tax revenue forecast and revised project cost estimates. The Board directed staff to pursue a financially prudent course of action with a proactive stance on project delivery while remaining flexible, given the fluidity of current events. In addition, the Board directed staff to review FY 2020-21 second quarter financial information to provide an additional data point prior to presenting the updated Next 10 Plan, which is anticipated in spring 2021. With four years of the Next 10 Plan completed to date, on December 14, 2020, the Board approved to shift the timeframe four years to span FY 2020-21 through FY 2029-30. The adjustment allows for more strategic, forward-thinking planning and will make the update underway a true ten-year look ahead.

Next 10 Plan Deliverables

Significant progress has been made on the Next 10 Plan deliverables, with projects completing construction, projects in and advancing towards construction, as well as regular funding allocations to local jurisdictions through local programs. Staff will continue to monitor the impacts of the COVID-19 pandemic on the Next 10 Plan delivery commitments and will report to the Board as appropriate.

1. Deliver \$3.5 billion of freeway improvements approved through construction (Projects A-M).

The M2 Freeway Program is currently made up of 30 projects or project segments (projects). At the point of Next 10 Plan adoption, nine of the 30 total projects were completed for a total cost of \$463 million. Deliverable 1 includes 12 of the 30 projects to be delivered (or underway) within the Next 10 Plan timeframe including SR-91 between SR-57 to SR-55 (Project I), which is funded with 91 Express Lanes excess revenue. Together, the projects designated for completion or near completion by 2026 currently make up a \$3.1 billion delivery promise. The \$3.5 billion deliverable commitment includes prior completed projects. To date, four projects have been completed. Three segments on Interstate 5 (I-5) between Avenida Pico and San Juan Creek Road opened to traffic in 2018 and added six miles of carpool lanes. In August 2020, the I-5 project between SR-55 to SR-57 opened to traffic, adding a second carpool lane for approximately



MEASURE M2 PROGRESS REPORT

three miles in each direction. The remaining eight segments are in design or construction. For more details, see [pages iii-iv](#) (Project Schedules) and the project updates contained in the following pages.

Upcoming activities:

- SR-55, I-405 to I-5 - Award construction management support services contract

2. Invest approximately \$715 million more in revenues, bringing the completed M2 Freeway Program improvements to \$4.3 billion (Projects A-M).

The final nine remaining project segments (of the 30 total) are environmentally cleared or on track to be environmentally cleared by 2026, making them shelf-ready for further advancement. Using Board-adopted guiding principles, the 2019 updated Next 10 Plan identified five projects to be advanced through construction: I-5 between I-405 and Yale Avenue (Project B), I-5 between Yale Avenue and SR-55 (Project B), SR-55 between I-5 and SR-91 (Project F), SR-57 Northbound from Orangewood Avenue to Katella Avenue (Project G), and I-605/ Katella Interchange (Project M). The remaining four projects have specific reasons related to the application of the guiding principles that require additional time prior to being advanced. In all, during the Next 10 Plan time period, approximately \$4.3 billion in freeway improvements committed to the voters in M2 will be completed or underway by 2026. For more details, see [pages iii-iv](#) (Project Schedules) and the project updates contained in the following pages.

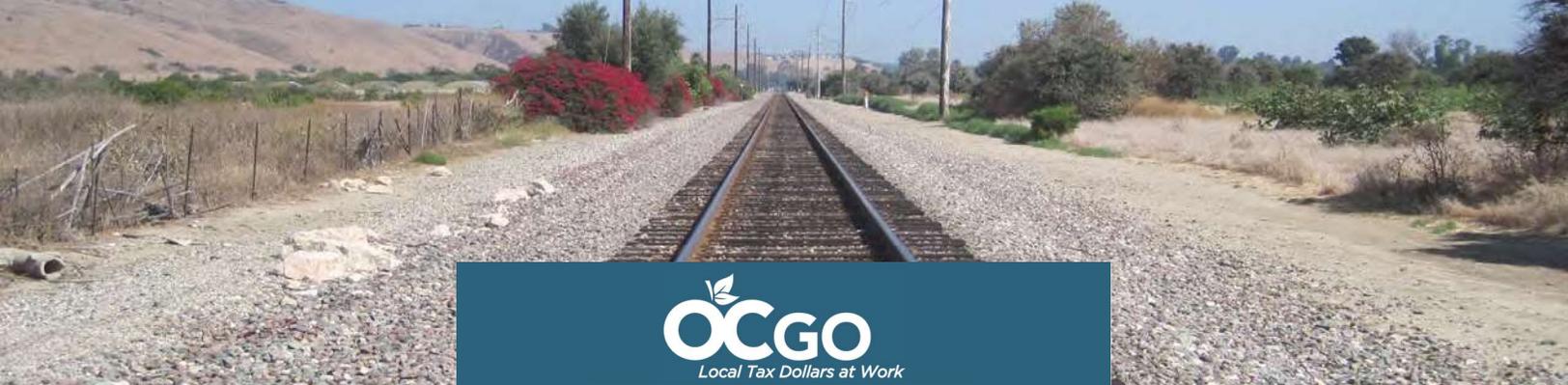
Upcoming activities:

- I-5, I-405 to Yale Avenue - Award contract for final design
- SR-55, I-5 to SR-91 - Release RFP for design services
- SR-57 NB, Orangewood Avenue to Katella Avenue - Release RFP for design services

3. Allocate nearly \$1 billion, with up to \$400 million in competitive funding to local jurisdictions to expand roadway capacity and synchronize signals (Project O and P) and up to \$600 million in flexible funding to local jurisdictions to help maintain aging streets or for use on other transportation needs, as appropriate (Project Q).

Since the adoption of the original Next 10 Plan, OCTA has awarded approximately \$126 million in competitive funding through the Regional Capacity Program (Project O) and Regional Traffic Signal Synchronization Program (Project P). Additionally, \$239.7 million in Local Fair Share (Project Q) funds have been distributed to local agencies. This brings the total allocation to date to \$366 million.

On August 10, 2020, the Board authorized the 2021 call for projects (call), providing up to \$30 million for both Project O (\$22 million) and Project P (\$8 million) in available M2 funds to support local streets and roads improvement projects throughout Orange County. Applications were due on October 22, 2020. Based upon project selection criteria as specified in the Comprehensive Transportation Funding Programs (CTFP) Guidelines, projects will be prioritized for Board consideration in spring 2021.



MEASURE M2 PROGRESS REPORT

Additionally, all seven bridges included in the OC Bridges program have been completed. For more details, see the project updates on [page 20](#).

Upcoming activities:

- Project O and P - Programming recommendations for the 2021 call for projects

4. Extend Metrolink service from Orange County into Los Angeles County, contingent upon cooperation and funding participation from route partners; complete six rail station improvements (Project R).

In October 2019, three weekday intracounty round trips operating between Laguna Niguel/Mission Viejo and Fullerton were replaced with two round trips between Laguna Niguel/Mission Viejo (extended from Fullerton) into Los Angeles. Additional service changes were scheduled to be implemented in April 2020, however, due to COVID-19, they have been postponed until full service is reinstated.

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. The Next 10 Plan identified six projects to be completed by 2026: 1) San Clemente Pier Metrolink/Amtrak Station Lighting Project (completed March 2017), 2) Laguna Niguel/ Mission Viejo Metrolink Station Americans with Disabilities Act (ADA) ramps (completed September 2017), 3) Orange Metrolink Station Parking Structure (completed February 2019), 4) Fullerton Transportation Center elevators (completed May 2019), 5) Anaheim Canyon Metrolink Station Improvement Project (construction to begin in early 2021 with completion anticipated in late 2022), and 6) Placentia Metrolink Station (is ready to begin construction, however, it is contingent on a Burlington Northern Santa Fe (BNSF) construction and maintenance agreement being in place). For more details, see the project updates on [page 25](#).

Upcoming activities:

- Placentia Metrolink Station - Advertise for construction
- Anaheim Canyon Metrolink Station Improvement Project - Award construction contract

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

OC Streetcar

With strong Federal Transit Administration (FTA) support for the project, a Full Funding Grant Agreement (FFGA) was executed in November 2018. The streetcar construction contract has been executed and Notice to Proceed was issued on March 4, 2019, and construction activities are underway. Activities this quarter included coordinating with third parties on utility relocation, deck pouring on the Westminster and Santa Ana River bridges, hand digging and surveying of the Overhead Contact System (OCS) pole foundations, welding rail sticks into rail strings, inspecting the first article for the vehicle truck assembly, reviewing final design of the remaining vehicle components, and continuing coordination with the FTA. Construction is anticipated to be completed in 2022. See [page 29](#) for more information.



MEASURE M2 PROGRESS REPORT

Bristol Street Transit Corridor Study

The study is focused on Bristol Street between West 17th Street and Sunflower Avenue (South Coast Metro), and connections to John Wayne Airport and the Santa Ana Regional Transportation Center. In prior quarters, the study analyzed existing conditions and future demand and developed six conceptual transit alternatives for the Bristol Street Corridor. In October 2019, the Board requested that further evaluation of the two streetcar alternatives be put on hold until the Board has an opportunity to review the Transit Master Plan short-term action plan. This quarter, the team focused on completing the technical evaluations of the four bus alternatives.

6. Provide up to \$115 million in funding to expand mobility choices for seniors and persons with disabilities (Project U).

Approximately \$45.9 million¹ has been provided for the Senior Mobility Program (SMP), the Senior Non-Emergency Medical Transportation (SNEMT) Program, and the Fare Stabilization Program since the Next 10 Plan adoption. See [page 31](#) for more information.

¹ Only includes disbursed funds. On October 12, 2020, the Board approved a temporary exception to the Senior Mobility Program 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 develop a plan for the next community circulator projects to provide grant opportunities for local agencies to implement effective local transit services (Project V).

The Board has authorized four calls in total since M2 inception, with two occurring since the adoption of the original Next 10 Plan. During the Next 10 Plan period, the Board awarded 15 projects for a total of \$15.3 million. This included the fourth Project V call, which was programmed by the Board on April 13, 2020. The Board programmed six local agency projects under the capital and operating reserve category and three local agency projects under the planning category for a combined total of approximately \$9.2 million.

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. Currently, two services are active, and all other remaining active services have been suspended (or were not initiated). It is unclear when these services will be reinitiated. During this quarter, OCTA staff met with local agency project managers and discussed potential program revisions which will need to be evaluated and finalized by the Board in early 2021, to support the program in a post COVID-19 environment. Discussions focused on the need to extend Project V grants in order to hold local agencies harmless for the period during the pandemic when they were precluded from operating, and potentially revising minimum performance requirements, and allowing for escalation of the reimbursement subsidy and annual fiscal year funding caps.

Staff continues to work with local jurisdictions through letters of interest requests, workshops, CTFP Guidelines revisions, and calls, to fine-tune this program and facilitate successful project implementation, especially in light of the COVID-19 pandemic. For additional details and information on current project program performance and service, see [page 33](#).



MEASURE M2 PROGRESS REPORT

8. Allocate up to \$7 million in funding to improve the top 100 busiest bus stops and support the modernization of the bus system to enhance the customer experience (Project W).

Through three calls, the Board has approved Project W funds to support implementation of amenity improvements at busy transit stop locations on the OCTA system. Since adoption of the original Next 10 Plan, the Board has programmed \$1.9 million in Project W funds for 69 stops. The program is designed to ease transfers between public transit lines and provide passenger amenities such as installation of benches or seating, shelters, improved lighting, and other passenger related amenities. See [page 34](#) for more information.

9. Ensure the ongoing preservation of purchased open space (Preserves) 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 Freeway Mitigation Program Preserves includes seven properties (1,300 acres) and 12 restoration projects (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 Environmental Mitigation Program, allowing streamlined project approvals for the 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 represent the culmination of years of collaboration and support by the Board, environmental community, and regulatory agencies.

To ensure ongoing preservation of the open space, an endowment was established to pay for the long-term management of the Preserves with annual deposits of approximately \$2.9 million. In July 2020, OCTA made its fifth endowment deposit. Quarterly investment reports are provided to the Board, with the most recent one in December 2020. The next report is anticipated to be presented to the Board in March 2021. As of December 31, 2020, the endowment balance is \$17,664,006. For more details, see the project updates on [page 35](#).

10. Work with the Environmental Cleanup Allocation Committee (ECAC) to develop the next tiers of water quality programs, with a goal of providing \$40 million in grants 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).

Since adoption of the original Next 10 Plan, OCTA has issued four calls for Tier 1 ECP projects. With four calls complete, the Board has awarded approximately \$10.4 million, funding 51 projects. The next Tier 1 call is scheduled to be released in February 2021. Despite the economic impacts from COVID-19, staff is moving forward with the annual \$2.8 million Tier 1 calls, but will continue to analyze revenues for future calls. Staff is assessing the timing of a future Tier 2 call. It was anticipated, prior to the most recent pandemic events, that a Tier 2 call could take place in FY 2020-21 or FY 2021-22. For more details, see the project updates on [page 35](#).

Upcoming activities:

- Project X – Issue 2021 Tier 1 call for projects



FREWAYS

INTERSTATE 5 (I-5) PROJECTS ▾

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

PROJECT A

Status: Substantial Construction Complete

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

Summary: This project increased high-occupancy vehicle (HOV) capacity by adding a second HOV lane in both directions along I-5 between SR-55 and SR-57 for approximately three miles in the City of Santa Ana. Construction began on February 20, 2019. During the quarter, construction activities included electrical work, signage installation, and construction of the median barrier. This work culminated in the opening of the second northbound HOV lane in July 2020 and the second southbound HOV lane in August 2020. The project was substantially completed in late 2020, with Caltrans Relief of Maintenance expected in early 2021.

I-5, I-405 to SR-55 is one project broken into two segments in early 2020. The Final Environmental Document (ED) was approved on January 7, 2020. The Design Standard Decision Document (DSDD) was approved on February 19, 2020 and the Final Project Report was approved on February 28, 2020. This project was approved by the Board in the 2019 updated Next 10 Plan to advance through construction.

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

PROJECT B

Status: Environmental Phase Complete; RFP for design consultant services initiated

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

Summary: The I-5, I-405 to Yale Avenue (Segment 1) project will add an additional general-purpose lane in both directions, improve interchanges, and replace and add new auxiliary lanes, where needed, in the City of Irvine. On June 8, 2020, the Board approved the Final Design Cooperative Agreement between OCTA and Caltrans for the I-5, I-405 to SR-55 Project. The Request for Proposals (RFP) for consultant final design services was released on December 14, 2020. Final design services are anticipated to begin in mid to late 2021.

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

Status: Environmental Phase Complete; Design Proposals Under Review

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

Summary: The I-5, Yale Avenue to SR-55 (Segment 2) project will add an additional general-purpose lane in both directions, improve interchanges, and replace and add new auxiliary lanes, where needed, in the cities of Irvine and Tustin. The Board approved the RFP release for consultant final design services on June 22, 2020 and awarded the contract on November 9, 2020. Final design services are anticipated to begin in spring 2021.



FREWAYS

PROJECT C AND PART OF PROJECT D

I-5, Avenida Pico to San Juan Creek Road is one project broken into three segments.

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 segment added a carpool lane in each direction of I-5 between Avenida Vista Hermosa and Pacific Coast Highway (PCH) for approximately 2.5 miles in the City of San Clemente and reconstructed on- and off-ramps at Avenida Vista Hermosa and Camino de Estrella. Construction began in September 2014 and all three segments of the I-5 between Avenida Pico to San Juan Creek were opened to traffic on March 13, 2018. The project was officially completed on July 31, 2017, and the one-year plant establishment period for this segment was completed in May 2018.

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

Status: PROJECT COMPLETE

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



Summary: This segment added a carpool lane in each direction of I-5 between Avenida Vista Hermosa and Pacific Coast Highway (PCH) for approximately 2.5 miles in the City of San Clemente, and reconstructed on- and off-ramps at Avenida Vista Hermosa and Camino de Estrella. Construction began in September 2014 and all three segments of the I-5 between Avenida Pico to San Juan Creek Road were opened to traffic on March 13, 2018. The project was officially completed on July 31, 2017, and the one-year plant establishment period for this segment 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 segment added one carpool lane in each direction of I-5 between PCH and San Juan Creek Road for approximately 2.5 miles in the cities of Dana Point, San Clemente, and San Juan Capistrano. Project improvements also reconstructed the on- and off-ramps at PCH/Camino Las Ramblas. Construction began in March 2014 and all three segments of the I-5 between Avenida Pico to San Juan Creek were opened to traffic on March 13, 2018. The project was officially completed on July 3, 2018, and the one-year plant establishment period for this segment was completed in March 2019.



FREEWAYS

I-5, SR-73 to El Toro Road is one project broken into three segments in early 2018. With a cost estimate for this project of \$557.11 million, the project was above the \$500 million threshold for a “Major Project” designation, as determined by the Federal Highway Administration (FHWA). Major projects require a Cost Estimate Review (CER) workshop. A CER was conducted by the FHWA, Caltrans, and OCTA in February 2018 and resulted in an estimated project cost of \$612.6 million. The OCTA cost estimate for the three segments is currently \$577.1 million.

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

Status: Construction Underway - 17% Complete

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

Summary: This project will make improvements along I-5 between SR-73 and Oso Parkway in the cities of Laguna Hills, Laguna Niguel, and Mission Viejo. The improvements include the addition of a 2.2-mile general-purpose lane in each direction and reconstruction of the Avery Parkway Interchange (part of Project D). The project was awarded on December 19, 2019, and the first working day was March 10, 2020. During the quarter, the contractor removed portions of the existing Avery Parkway bridge and shifted traffic to the west side in both directions. The contractor continued work on several retaining walls in both directions. In addition, Caltrans and OCTA have 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 – 31% Complete

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

Summary: This project will make improvements along I-5 between Oso Parkway and Alicia Parkway in the cities of Mission Viejo, Laguna Hills, and Lake Forest. The improvements include the addition of a 2.6-mile general-purpose lane in each direction and the reconstruction of the La Paz Road Interchange (Part of Project D). The construction contract was awarded on April 4, 2019 and the first working day was May 29, 2019. Activities this quarter include working on several retaining walls in both directions, grading of slopes on northbound I-5, and the completion of pile driving for the northbound portion of the new La Paz bridge. In addition, staff continued coordination of the service contract with Southern California Regional Rail Authority/ Metrolink.

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

Status: Design Complete; Construction Contract Awarded

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

Summary: This project will make improvements along I-5 between Alicia Parkway to El Toro Road in the cities of Lake Forest, Laguna Hills, and Laguna Woods. The improvements include extension of the second HOV lane between El Toro Road and Alicia Parkway in both northbound and southbound directions. The construction contract was awarded on September 23, 2020 and approved on October 13, 2020. The contractor is anticipated to start clear and grub activities in early 2021. In addition, staff continued coordination with Southern California Edison for relocation of their existing facilities and with Caltrans on ROW and utility relocations.

FREWAYS

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



PROJECT D

Summary: Construction began in February 2013 to reconstruct the SR-74 Ortega Highway Bridge over I-5 and improve local traffic flow along SR-74 and Del Obispo Street in the City of San Juan Capistrano. All lanes on the new bridge were opened to traffic on September 4, 2015. A dedication ceremony was held on October 1, 2015. The project was officially completed on January 15, 2016.

Segment: I-5, El Toro Interchange

Status: Environmental Phase In Review

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

Summary: Caltrans is the lead in the environmental phase of this project, which includes the study of four build alternatives that consider modifications to the existing interchange, ranging from an I-5 southbound direct connector to El Toro Road to modifications to how existing on- and off-ramp intersections operate. The project area includes the cities of Laguna Hills, Laguna Woods, and Lake Forest, who 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 finalization of the document. OCTA requested Caltrans put completion of the ED on hold until the consultant retained by OCTA provides further assessment of the alternatives to help facilitate reaching an agreement. The project kick-off meeting was held on September 16, 2020. Major activities this quarter include the preparation of five new alternatives to study and the finalization of the scoring criteria. The project development team also held a geometric workshop with Caltrans to review the new alternatives and to identify potential design issues. A Draft Final Alternatives Assessment and the study is anticipated to be completed in early 2021.



FREWAYS

STATE ROUTE 22 (SR-22) PROJECTS ▾

PROJECT E

Segment: SR-22 Access Improvements

Status: PROJECT COMPLETE

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



Summary: Completed in 2008, Project E 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 in the area. This M2 project was completed early as a “bonus project” provided by the original Measure M (M1).

STATE ROUTE 55 (SR-55) PROJECTS ▾

PROJECT F

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

Status: Design Phase Underway - 98% Complete

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

Summary: This project will widen SR-55 between I-405 and I-5 in the cities of Irvine, Santa Ana, and Tustin. The improvements will include a four-mile general purpose lane and a second HOV lane in both directions between the I-405 and I-5. Auxiliary lanes will be added and extended in some segments within the project limits. Through a cooperative agreement, Caltrans and OCTA’s consultant initiated the design together and on April 29, 2020, the 100 percent design was submitted. The cooperative agreement was subsequently revised to transfer the Supplemental Fact Sheet task from Caltrans to OCTA. The final Supplemental Fact Sheet and final design approval are anticipated in spring 2021. Due to complex ROW challenges, right-of-way certification is anticipated to be completed by fall 2021 with construction beginning in early 2022. This quarter, three resolutions of necessities were approved by the Board. In addition, the Board approved the release of the request for proposals for construction management support services on October 26, 2020.

The Board has approved \$103 million in federal funds and OCTA has received \$80 million in state funds through the 2018 State Transportation Improvement Plan (STIP). In addition, Caltrans has committed \$42.7 million in SHOPP funds. On December 3, 2020, the California Transportation Commission awarded \$140 million in SB 1 (Chapter 5, Statutes of 2017) competitive funds to OCTA for the construction phase of this project.



FREWAYS

Segment: SR-55, I-5 to SR-91

Status: Environmental Phase Complete

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

Summary: This project is studying approximately 7.5 miles of SR-55 between I-5 and SR-91 in the cities of Anaheim, Orange, Santa Ana, and Tustin. The environmental study looked at the addition of one general-purpose lane in each direction between SR-22 and the I-5 and operational improvements between SR-22 and SR-91.

The environment phase of the project was completed with the approval of the DSDD, the Final ED, and the Final Project Report documents on March 30, 2020. This project was approved by the Board in the 2019 updated Next 10 Plan to advance through construction. Release of the RFP for final design services is anticipated in summer 2021.

STATE ROUTE 57 (SR-57) PROJECTS ▾

PROJECT G

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 and improved operations on northbound SR-57 between Katella Avenue and Lincoln Avenue in the City of Anaheim with the addition of a new three-mile general purpose lane, on- and off-ramp improvements, and soundwalls. Bridges at Katella Avenue and Douglas Road were also widened in the northbound direction. The project opened to traffic on November 19, 2014 and was 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 and improved operations on northbound SR-57 with a new 2.5-mile northbound general-purpose lane between Orangethorpe Avenue in the City of Placentia to Yorba Linda Boulevard in the City of Fullerton. In addition to the new lane, capital improvements included reconstruction of northbound on- and off-ramps, widening of seven bridges, and the addition of soundwalls. The project opened to traffic on April 28, 2014 and was 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 2.5-mile northbound general-purpose lane 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 project opened to traffic on September 23, 2013 and was completed on May 2, 2014.

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

Status: Schedule TBD

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

Summary: Caltrans previously completed a Project Study Report/Project Development Support document for the Lambert Road to Tonner Canyon Road segment, which would add a northbound truck-climbing lane (approximately 2.5 miles) in the City of Brea. The project will require coordination with Los Angeles County Metropolitan Transportation Authority (LA Metro) on planned improvements or related work across the county line. The mainline project includes interchange and ramp improvements at Lambert Road. Through the SB 1 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 at the end of 2021. Phase 2, which is the mainline improvement, was initially approved for 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. The schedule for this project will be updated during the annual M2 cash flow review and Next 10 Plan update.

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

Status: Environmental Phase Complete

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

Summary: This project studied the addition of a new one-mile northbound general-purpose lane on SR-57 from Orangewood Avenue to Katella Avenue in the cities of Anaheim and Orange. The northbound general-purpose lane would join the northbound general-purpose lane, which was opened to traffic in 2014 between Katella Avenue and Lincoln Avenue. The Final ED and Final Project Report were approved on March 29, 2019. This project was approved by the Board in the 2019 updated Next 10 Plan to advance through construction. Release of the RFP for final design services is anticipated in spring 2021.



FREEWAYS

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



PROJECT H

Summary: This project increased capacity in the westbound direction of SR-91 by adding an additional 4.5-mile general purpose lane 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 project was opened to traffic on March 7, 2016 and was completed on June 23, 2016.

Segment: SR-91, SR-55 to Tustin Avenue Interchange

Status: PROJECT COMPLETE

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



PROJECT I

Summary: This project improved traffic flow at the SR-55/SR-91 interchange by adding a westbound auxiliary lane beginning at the northbound SR-55 to westbound SR-91 connector through the Tustin Avenue interchange in the City of Anaheim in the approximately two-mile area. 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 project was opened to traffic on May 14, 2016 and was completed on July 15, 2016.

SR-91, between SR-55 and SR-57 is one project broken into three segments in late 2020. The Final ED was approved on June 22, 2020. The DSDD and the Final Project Report were both approved on June 24, 2020. This project was approved by the Board in the Next 10 Plan to advance through construction and will be funded with 91 Express Lanes excess revenue.

Segment: SR-91, SR-55 to Lakeview Avenue

Status: Design Phase Underway

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

Summary: The SR-91, SR-55 to Lakeview Avenue (Segment 1) project will provide westbound operational improvements which includes realignment of the existing westbound SR-91 on- and off-ramps, add 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 design of this project was initiated on March 30, 2020. This quarter, the design team completed performing surveys, collected existing information, worked on geometric design and submitted the 35 percent roadway design.

FREWAYS

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

Status: Design Phase Underway

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

Summary: The SR-91, La Palma Avenue to SR-55 (Segment 2) project will provide an additional eastbound general-purpose lane, 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. The design of this project was initiated on June 17, 2020. This quarter, the design team continued to work on obtaining permits, performing surveys, collecting existing information, and geometric design.

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

Status: Design Phase Underway

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

Summary: The SR-91, Acacia Street to La Palma Avenue (Segment 3) project will provide westbound operational improvements by adding a fourth general-purpose lane along westbound SR-91 from the northbound SR-57 to westbound SR-91 connector, extending the southbound SR-57 to westbound SR-91 connector auxiliary lane through the State College Boulevard interchange, tying in to 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 November 30, 2020.

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

Status: PROJECT COMPLETE

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



PROJECT J

Summary: This segment added six miles in the westbound and eastbound direction to a key stretch 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 much-needed 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. Completion of this project in March 2013 meant a total of 18 lane miles have been added to SR-91 since December 2010. The project opened to traffic in December 2012 and was completed on March 5, 2013.

FREEWAYS

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

Status: PROJECT COMPLETE

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



Summary: This segment added six miles through a key stretch of SR-91 between Orange County's SR-241 and Riverside County's SR-71. The project improves mobility and operations by reducing traffic weaving from traffic exiting at SR-71 and Green River Road. An additional eastbound lane on SR-91 was added and all existing eastbound lanes and shoulders were widened. The project opened to traffic on December 2, 2010 and was completed 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: RCTC's Design-Build - Initial Phase Complete March 20, 2017. Alternatives Analysis Underway

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

Summary: Freeway improvements that cross county lines require close coordination to maintain seamless travel. This project adds one general purpose lane (bringing the total to six lanes in each direction) 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 constructing the improvements under multiple segments to coordinate improvements and to capitalize on available funding. While the portion of this project between SR-241 and the Orange County/ Riverside County line is part of OCTA's OC Go 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 has been developing the 91 Corridor Operation Project, which began construction in late 2020 and is anticipated to be completed in late 2021. In addition, OCTA and RCTC will be jointly conducting 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. On October 10, 2019, the RFP was released for the SR-91 (SR-241 to SR-71) Eastbound Geometric and Design Alternatives Analysis. The consultant recommendation was approved by the Board on February 10, 2020, and a Notice to Proceed was provided on May 5, 2020. The Alternatives Analysis is anticipated to be completed in August 2021.



FREWAYS

INTERSTATE 405 (I-405) PROJECTS ▾

PROJECT K

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

Status: Design-Build Underway

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

Summary: OCTA and Caltrans are working together to widen I-405 through the cities of Costa Mesa, Fountain Valley, Garden Grove, Huntington Beach, Los Alamitos, Seal Beach and Westminster in the approximately 16-mile project area. These improvements will add one general purpose lane, add a second lane to be combined with the existing HOV lane to provide a dual express lanes facility, and improve the local interchanges along the corridor from SR-73 to I-605.²

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 and construction submittals ongoing. OCTA's toll lanes system integrator, Kapsch, is under contract and working with OCTA and the design-builder. Two one-stage bridges were completed at Bushard Street and McFadden Avenue in October 2020 and construction continued at Edinger Avenue, Edwards Street, and Talbert Avenue. Two-stage bridges (partially closed but allow throughway traffic during construction) at Bolsa Chica Road, Fairview Road, Goldenwest Street, Magnolia Street, and Westminster Boulevard are also underway. 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 Santa Ana River and Harbor Boulevard bridges are ongoing. The construction of the Heil Street pedestrian overcrossing is also underway. Public outreach, through virtual neighborhood meetings continues to be held to discuss construction activities. Construction is scheduled to be completed in 2024.

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

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

PROJECT L

Status: Environmental Phase Complete

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

Summary: This project studied the addition of general-purpose lanes for approximately 8.5-miles along the I-405 corridor 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 each direction. The final Project Report and ED were completed in August 2018. The Next 10 Plan sets direction through 2026 and is reviewed annually. As projects listed are completed and schedules and revenues are reviewed, the Board adopts an updated delivery plan providing direction on project advancement. 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

INTERSTATE 605 (I-605) PROJECTS ▼

Segment: I-605, Katella Interchange Improvements

Status: Environmental Phase Complete; Design Consultant Selected

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

PROJECT M

Summary: This project will improve freeway access and the arterial connection to I-605 at Katella Avenue in the City of Los Alamitos and the County of Orange. Improvements under this project will include enhancements at the on- and off-ramps in addition to operational improvements on Katella Avenue at the I-605 Interchange. The final ED was approved in October 2018 and the final Project Report was approved in November 2018. This project was approved by the Board in the 2019 Next 10 Plan update to advance through construction. The Board approved the release of the RFP for design services on April 13, 2020 and a contract was awarded on August 10, 2020. Design efforts are anticipated to begin in early 2021.

FREEWAY SERVICE PATROL ▼

Status: Service Ongoing

Contact: Cliff Thorne • (714) 560-5975

PROJECT N

Summary: Freeway Service Patrol (FSP) provides assistance to motorists whose vehicles have become disabled on 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 12,752³ services. Since June 2012, FSP has provided a total of 581,029³ services on the Orange County freeway system.

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



STREETS AND ROADS

REGIONAL CAPACITY PROGRAM ▼

Status: 2021 Call for Projects (Call) Applications Under Review

PROJECT O

Contact: Joseph Alcock, Planning • (714) 560-5372

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, 155 projects totaling more than \$319 million including \$24 million in external funding, have been awarded through ten calls by the Board. On August 10, 2020, the Board approved the release of the 2021 call. Applications were received on October 22, 2020 and are currently under review. Recommendations to the Board for approval are anticipated in spring 2021.

OC Bridges Railroad Program

This program built seven grade separations (either under or over passes) where high-volume streets are impacted by freight trains along the BNSF Railroad in north Orange County. With all seven grade separations open to traffic, an OC Bridges completion ceremony was held on October 24, 2017. On July 13, 2020, the Board approved program closeout and budget adjustment to \$667.7 million in committed M2 and external funds for all seven of the OC Bridges Program grade separation projects. Minor activities this quarter include the closeout of two projects.

Segment: Kraemer Boulevard Grade Separation



Status: PROJECT COMPLETE

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

Summary: The project located at Kraemer Boulevard 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 in January 2012 and opened to public traffic on June 28, 2014. Construction acceptance was obtained by the cities of Anaheim and Placentia in December 2014. OCTA turned over the maintenance of 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.



STREETS AND ROADS

Segment: Lakeview Avenue Grade Separation

Status: PROJECT COMPLETE

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



Summary: The project located at Lakeview Avenue 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 in March 2014 and opened to public traffic on June 6, 2017. Construction acceptance was obtained from the cities of Anaheim and Placentia in June 2018. OCTA turned over the maintenance responsibilities to the cities and completed the one-year warranty on some constructed items. The one-year warranty was extended 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: The project located at Orangethorpe Avenue 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 in April 2013 and was opened to public traffic on June 23, 2016. Construction acceptance was obtained from the cities of Anaheim and Placentia on October 2016. OCTA turned over the maintenance of responsibilities to the cities and completed the one-year warranty on the majority of constructed items. The one-year warranty was extended 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: The project located at Placentia Avenue 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 in January 2012 and opened to public traffic on March 12, 2014. Construction acceptance was obtained from the cities Anaheim and Placentia in December 2014. OCTA turned over the maintenance of 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.

STREETS AND ROADS

Segment: Raymond Avenue Grade Separation

Status: PROJECT COMPLETE

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



Summary: The project located at Raymond Avenue 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 in May 2014 and opened to public traffic on October 2, 2017. Construction acceptance was obtained from the City of Fullerton in May 2018. OCTA turned over the maintenance responsibilities to the City of Fullerton and completed the one-year warranty on constructed items. Activities this quarter include project closeout with BNSF and processing final invoices. Funding reimbursement and closeout are ongoing.

Segment: State College Boulevard Grade Separation

Status: PROJECT COMPLETE

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



Summary: The project located at State College Boulevard 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 in May 2014 and opened to public traffic on November 1, 2017. Construction acceptance was obtained from the City of Fullerton in March 2018. OCTA turned over the maintenance responsibilities to the City of Fullerton and completed the one-year warranty on constructed items. Activities this quarter include processing final invoices. Funding reimbursement and closeout are ongoing.

Segment: Tustin Avenue/Rose Drive Grade Separation

Status: PROJECT COMPLETE

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



Summary: The project located at Tustin Avenue/Rose 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 in April 2013 and opened to public traffic on December 7, 2015. Construction acceptance was obtained from the cities of Anaheim and Placentia in October 2016. OCTA turned over the maintenance responsibilities to the cities and completed the one-year warranty on the majority of constructed items. The one-year warranty was extended to November 2018 for some minor repair items. No additional issues or repairs were identified. Funding reimbursement and closeout have been completed.



STREETS AND ROADS

REGIONAL TRAFFIC SIGNAL SYNCHRONIZATION PROGRAM ▼

Status: 2021 Call Applications Under Review

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

PROJECT P

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 delay.

To date, OCTA and local agencies have synchronized more than 3,000 intersections over more than 772 miles of streets (89 completed projects). Through ten calls, 101 projects totaling more than \$107.4 million have been awarded. Overall, OCTA has funded 120 projects totaling more than \$132.3 million, including \$25.5 million in leveraged external funding.

On August 10, 2020, the Board approved the release of the 2021 call. Applications were received on October 22, 2020 and are currently under review. Recommendations to the Board for approval are expected in spring 2021.

LOCAL FAIR SHARE ▼

Status: Ongoing

Contact: Ben Torres, Finance • (714) 560-5692

PROJECT Q

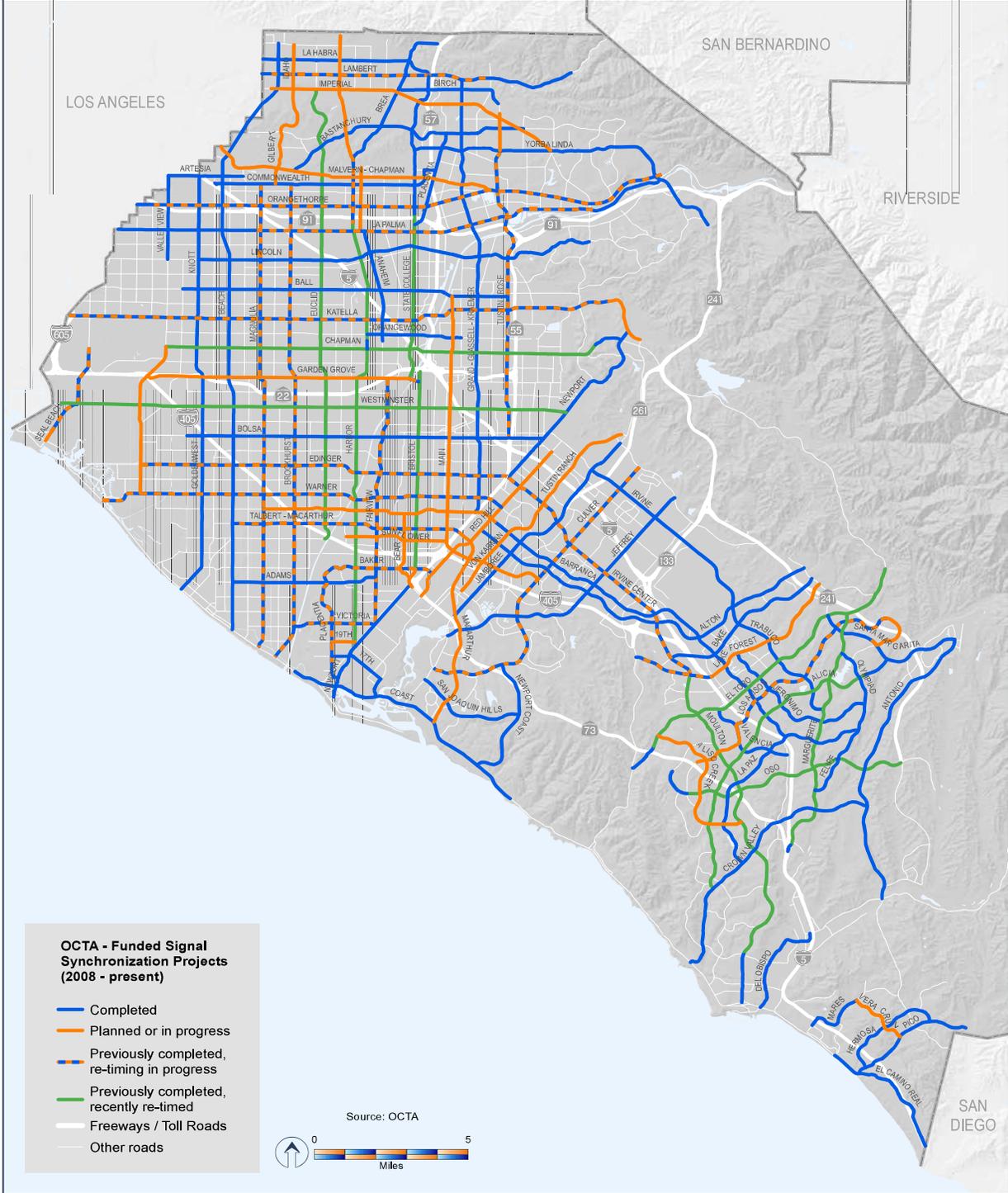
Summary: To help cities and the County of Orange keep up with the rising cost of repairing the aging street system, this program provides flexible funding intended to augment, not replace, existing transportation expenditures by the cities and the County. Annually, all local agencies are reviewed to determine eligibility to receive M2 funds. All local agencies have been found eligible to receive Local Fair Share funds. On a bimonthly basis, 18 percent of net revenues are allocated to local agencies by formula. Approximately \$475.6 million in Local Fair Share payments have been provided to local agencies as of the end of this quarter.

See [pages 49-50](#) for funding allocation by local agency.



STREETS AND ROADS

OCTA-Funded Signal Synchronization Projects (2008 - Present)



7/14/2020



TRANSIT

HIGH FREQUENCY METROLINK SERVICE ▾

PROJECT R

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: Jennifer Bergener, Operations • (714) 560-5462



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 for OCTA to make enhancements and one street closure that 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, Santa Ana, San Clemente, San Juan Capistrano, and Tustin have established quiet zones within their communities.

Project: Metrolink Service Expansion Program

Status: Service Ongoing

Contact: Jennifer Bergener, Operations • (714) 560-5462

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. However, in March 2020, all Metrolink services were impacted by the statewide enforcement of stay-at-home orders that resulted from the COVID-19 pandemic. Metrolink implemented temporary service reductions in March and November 2020 due to the decline in ridership. The three lines serving Orange County (Orange County, Inland Empire-Orange County, and the 91/Perris Valley lines) now operate 41 trains, a 24 percent reduction from 54 daily trains. Once ridership recovers following the pandemic, Metrolink and OCTA will reassess the service needs in Orange County and reinstate various trains.



TRANSIT

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](#).



Segment: Anaheim Canyon Metrolink Station Improvements

Status: Design Plans Completed; Advertised for Construction

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

Summary: This OCTA-led project will include construction of a second main track and platform, lengthening the existing platform, and improving pedestrian circulation. The project will also include the addition of benches, shade structures, and ticket vending machines. The design plans have been completed and the project was advertised for bids in October 2020. Construction of the project is anticipated to begin by April 2021 with completion anticipated in late 2022.

Segment: Fullerton Transportation Center Improvements

Status: PROJECT COMPLETE

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



Summary: Completed early on, a new five-level parking structure was constructed to provide additional transit parking at the Fullerton Transportation Center for both intercity rail service and commuter rail passengers. This city-led project was 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 May 1, 2019.

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

Status: PROJECT COMPLETE

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



Summary: The Laguna Niguel/Mission Viejo station accessibility improvements project was completed in September 2017. Improvements included 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 acceptance from the cities was obtained on September 20, 2017.

TRANSIT

Segment: 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 was completed on February 15, 2019. A dedication ceremony was held on February 19, 2019.

Segment: New Placentia Metrolink Station and Parking Structure

Status: Design Complete - Ready for Advertisement subject to BNSF construction and maintenance agreement

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

Summary: 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 new 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 station will include platforms, parking, a new bus stop, and passenger amenities. OCTA is the lead agency for design and construction of the project. 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. BNSF will be the lead on the rail construction. Design plans for the station are complete and will be ready to advertise for bidding once a construction and maintenance (C&M) agreement with BNSF is in place. Due to the dependency on the C&M agreement, this project is marked as a cost/schedule risk in the CAP.

Segment: San Clemente Pier Station Lighting

Status: PROJECT COMPLETE

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



Summary: This project was completed on March 17, 2017, and project closeout was completed in the same month. OCTA was the lead agency for design and installation of this project, which added lighting to the existing platform and new decorative handrails at the San Clemente Pier Station.





TRANSIT

Additional rail corridor improvements include: completed Control Point project at Fourth Street in the City of Santa Ana, which provides rail operational efficiencies; completed Positive Train Control implementation, which improves rail safety by monitoring and controlling train movement; continued with 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 (ROW acquisition is in progress); completed the Railroad ROW Slope Stabilization project at eight locations within the rail corridor to prevent future erosion and slope instability; replacement of stairs at the Fullerton Transportation Center; and continued implementation of video surveillance systems.

Segment: Sand Canyon Grade Separation

Status: PROJECT COMPLETE

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



Summary: The project separated the local street from railroad tracks in the City of Irvine by constructing an underpass for vehicular traffic. The westbound lanes were opened to traffic on June 12, 2014, and the eastbound lanes were opened to traffic on July 14, 2014. A road opening ceremony was held on August 11, 2014. The project has been 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.

Segment: 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. The parking structure was opened to the public on September 22, 2011.

Segment: Laguna Niguel to San Juan Capistrano Passing Siding Project

Status: PROJECT COMPLETE

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



Summary: The project added approximately 1.8 miles of new passing siding railroad track adjacent to the existing mainline track, which enhanced the operational efficiency of passenger services within the LOSSAN rail corridor. The project was completed on November 17, 2020.



TRANSIT

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 which 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

PROJECT S

Status: FFGA Executed November 30, 2018, Construction and Utility Relocation Work Ongoing, Vehicle Production Underway, Operations and Maintenance Contract Approved by the Board on May 22, 2020.

Contact: Mary Shavalier, Rail • (714) 560-5725
Cleve Cleveland, Rail • (714) 560-5535

Summary: The OC Streetcar will serve the Santa Ana Regional Transportation Center 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.

During the quarter, several significant milestones were completed in the Pacific Electric Right of-Way, including removing falsework from the bridges, complete retaining walls to support bridge approaches and soundwalls were constructed. On September 16, 2020, cultural resources were discovered within the project limits. A Data Recovery Plan was submitted and approved by the State Historic Preservation Officer on November 3, 2020, and data recovery was completed on December 7, 2020. During this time, construction was restricted within a 50-foot radius of the discovery. On December 7, 2020, the site was released back to the contractor. The cost and schedule impacts associated with this discovery are being evaluated. Work continued on the west half of the maintenance and storage facility (MSF) building to prepare the foundation and slab for the car wash, and the new utility services to the facility. All wet utility (sewer, water, and storm drains) relocation and installation in the city streets are complete. Construction of westbound embedded tracks on Santa Ana Boulevard between Raitt Street and Bristol Street began in August 2020. The first concrete for the embedded track was placed on Santa Ana Boulevard across Bristol Street in December 2020, and concrete placement will proceed west towards Raitt Street in 300-foot segments.

All eight S700 vehicles are in various stages of production. The first four of the eight vehicles are near completion. These cars have been assembled and equipped with interior seats, truck assemblies, flooring, doors, and electrical systems and are currently undergoing static and dynamic testing to verify component and system functionality. The first article inspections were conducted for the vehicle doors and the four-person flip seats that are unique to the OC Streetcar system. This is the only S700 vehicle that Siemens produces that allows for all four seats to flip up to accommodate bicycles, strollers, and larger mobility devices. The remaining four vehicles are in various stages of production, including interior equipping, final assembly, and sub-floor installation. Coordination is ongoing for the design of the computer-aided dispatch, automated vehicle location, communication equipment, and integration of the vehicle with the infrastructure, tracks, platforms, MSF and wayside equipment and systems.



TRANSIT

Coordination is ongoing between Conduent Transportation, OCTA, and Siemens in the design of the computer-aided dispatch and automated vehicle location, as well as the communications equipment on the vehicles. Coordination also continued between OCTA, Siemens, and Walsh Construction in the integration of the streetcar vehicle with the infrastructure, including tracks, platforms, MSF, and wayside equipment and systems.

To support the local community, OCTA continues to directly support Santa Ana's Business Improvement District and residents during construction of the OC Streetcar through the Eat, Shop, Play program by providing ongoing construction alerts. OCTA held a virtual neighborhood meeting on December 17, 2020.

On October 8, 2020 OCTA, FTA and PMOC conducted their quarterly meeting on the project. On December 7, 2020, the three agencies also conducted a meeting to discuss project cost, schedules, and risks. Work continues to progress on other key OC Streetcar activities, including coordination with third parties on final utility relocations, public outreach and continued coordination with the FTA and project management oversight consultant.

Project: Bus and Station Van Extension Projects

Status: Last service completed on June 30, 2020; no future calls anticipated.

Contact: Joseph Alcock, Planning • (714) 560-5372

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 canceled 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. As of July 1, 2020, this service has continued under a new Project V grant through June 30, 2027, subject to meeting Project V performance metrics.



TRANSIT

METROLINK GATEWAYS ▼

Status: PROJECT COMPLETE

Contact: Jennifer Bergener, Rail • (714) 560-5462



PROJECT T

Summary: This project constructed the Anaheim Regional Transportation Intermodal Center (ARTIC) located at 2626 East Katella Avenue in the City of Anaheim. In addition to providing transit connections for OCTA bus service, Metrolink and Amtrak service, shuttle and charter bus service, taxis, bikes, and other public and private transportation services, ARTIC also accommodates future high-speed rail trains. The City of Anaheim, which led the construction effort, opened the facility to rail and bus service on December 6, 2014. A ribbon-cutting ceremony was held on December 8, 2014, with a grand opening celebration hosted on December 13, 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.

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 SNEMT Program, and the Fare Stabilization Program. Since inception, more than \$84.6 million⁴ in Project U funding has been provided under M2.

⁴Payments 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: Beth McCormick, Transit • (714) 560-5964

PROJECT U

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 age 60 and above multiplied by available revenues. Remaining unallocated funds are distributed to the M2 Project U Fare Stabilization Program.

Since inception, approximately \$24.5 million⁵ and 2,460,000 boardings have been provided 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, approximately \$508,500 was paid out to the 28 participating cities.

⁵Only includes disbursed funds. On October 12, 2020, the Board approved a temporary exception to the Senior Mobility Program 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.



TRANSIT

Project: Senior Non-Emergency Medical Transportation Program

Status: Ongoing

Contact: Beth McCormick, Transit • (714) 560-5964

Summary: This program provides one percent of net M2 revenues to supplement existing countywide senior non-emergency medical transportation services. Since inception, more than \$26.6 million and 978,249 SNEMT boardings have been provided. This quarter, approximately \$617,000 in SNEMT funding was paid⁶ to the County of Orange.

Project: Fare Stabilization Program

Status: Ongoing

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

Summary: Between years 2011-2015, 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 No. 3, adjusted this amount to 1.47 percent of net M2 revenues to be dedicated to the Fare Stabilization Program.

Approximately \$907,000⁶ 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 1,100,000 program-related boardings recorded on fixed-route and ACCESS services, approximately \$356,000 was utilized. In the latter half of September, OCTA returned to front-door boarding on fixed-route services after installing protective shields. The senior and disabled boardings recorded for the quarter were based off of pass sales and ACCESS boardings figures. Since inception of the program, more than \$33.5 million has been allocated and 120 million program-related boardings have been provided.

⁶Payments 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.



TRANSIT

COMMUNITY BASED TRANSIT/CIRCULATORS ▼

Status: Service Updates

PROJECT V

Contact: Joseph Alcock, Planning • (714) 560-5372

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 provided four rounds of funding (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, two are currently active; nine have been canceled (primarily due to low ridership); 21 are currently suspended (or not initiated) due to the COVID-19 pandemic, and three have been completed.

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. Currently, two services are active, and all other remaining active services have been suspended (or were not initiated). It is unclear when these services will be reinitiated. During this quarter, OCTA staff met with local agency project managers and discussed potential program revisions. Discussions focused on the need to extend Project V grants in order to hold local agencies harmless for the period during the pandemic when they were precluded from operating, and potentially revising minimum performance requirements, and allowing for escalation of the reimbursement subsidy and annual fiscal year funding caps. To support the program in a post-COVID-19 environment, proposed revisions will be presented to the Board for approval in early 2021.



TRANSIT

SAFE TRANSIT STOPS ▼

Status: City-Initiated Improvements Underway and/or are Complete

Contact: Joseph Alcock, Planning • (714) 560-5372

PROJECT W

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 installation of bus benches or seating, shelters, lighting, and other passenger-related amenities.

In 2014, the Board approved the first round of funding in the amount of \$1,205,666 to support city-initiated improvements and \$370,000 for OCTA-initiated improvements. The City of Anaheim postponed development of its proposed stop improvements and OCTA-initiated improvements were funded through another grant source. As a result, the funds were deallocated and returned to the program in June 2019. The 43 stop improvements funded through the first call are now complete.

In October 2018, the Board authorized a second Project W allocation process, providing up to \$3 million (in total) to eligible agencies to support bus stop amenity improvements. Eligible agencies were able to receive between \$20,000 to \$35,000 (per identified bus stop based on ridership). On June 24, 2019, funding recommendations were approved by the Board providing just under \$1 million to support improvements at 36 locations.

In May 2020, the Board directed staff to return with additional programming recommendations for Project W. On September 14, 2020, funding recommendations were approved by the Board providing \$1.03 million to support improvements at 35 locations.



ENVIRONMENTAL

CLEAN UP HIGHWAY AND STREET RUNOFF THAT POLLUTES BEACHES ▼

Project: Environmental Cleanup Program

Status: Ongoing

PROJECT X

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.

Project X 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). To date, there have been ten rounds of funding under the Tier 1 grants program. A total of 189 projects, amounting to more than \$27 million, have been awarded by the Board since 2011. 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. To date, all Orange County cities plus the County of Orange have received funding under this program. The eleventh Tier 1 call is anticipated to be released in February 2021. Staff will evaluate the M2 revenues on a regular basis and prior to each call to ensure adequate funding availability. 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. Prior to the COVID-19 pandemic, it was anticipated that a Tier 2 call could be feasible sometime around fiscal year 2021 or 2022 timeframe.

Staff estimates that over 33 million gallons of trash has 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 78 football fields with one-foot deep of trash. Over time, the volume of trash captured is expected to increase. It is estimated that the funded Tier 2 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.

FREEWAY MITIGATION ▼

Project: Environmental Mitigation Program

Status: Biological Permits Issued and Conservation Plan in Place

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

Summary: In June 2017, the United States Fish and Wildlife Service, and the California Department of Fish and Wildlife (Wildlife Agencies) finalized the issuance of their respective biological opinion, findings, and associated permits, as well as signed the Conservation Plan Implementing Agreement. Receipt of these permits represents the culmination of years of collaboration and support by the Board, environmental community, and Wildlife Agencies.



ENVIRONMENTAL

As a result, the environmental process will be streamlined, allowing OCTA to move forward with the M2 freeway projects (as described in the Conservation Plan) with little additional coordination from the 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 State Board, and constitute another groundbreaking milestone for the M2 Environmental Mitigation Program.

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, three 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. Three restoration projects were affected by the recent (2020) Silverado and Bond fires. Staff is coordinating with the Wildlife Agencies and Irvine Ranch Conservancy (IRC) restoration project manager to determine the remediation needs for these projects. OCTA will coordinate with the restoration project sponsors to fully assess the damage and then work closely with the Wildlife Agencies to discuss next steps. In addition, OCTA will work with the IRC to find innovative ways to aide in the restoration recovery.

As part of the Conservation Plan requirement, an endowment has been established to pay for the long-term management of the Preserves. It was previously estimated that it would take approximately 12 to 15 years to fully fund the endowment with annual deposits of approximately \$2.9 million. In July 2020, OCTA made its fifth endowment deposit. Quarterly investment reports are provided to the Board, with the most recent one in December 2020. The next report is anticipated to be presented to the Board in March 2021. As of December 31, 2020, the endowment balance was \$17,664,006. Staff will continue to oversee and provide endowment updates to the Finance and Administration and the Environmental Oversight Committee (EOC) on a regular basis.

Resource management plans (RMPs) for the Preserves were finalized in 2018. These RMPs guide the management of the 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.

In coordination with the local fire authority, staff has been working with a consultant to draft fire management plans (Plans) for the seven Preserves. The Plans 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



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with conservation and stewardship responsibilities. These Plans are a requirement of the Conservation Plan and will require approval by the Wildlife Agencies as well as the local fire authority. The first Plan (Silverado Chaparral Preserve) has been approved by the Orange County Fire Authority. OCTA is coordinating with the Wildlife Agencies to obtain their approval. The remaining Plans were anticipated to be completed in 2020. However, due to coordination delays with Southern California Edison regarding easement confirmation, they are anticipated to be finalized in 2021. Once completed, these Plans will be publicly available.

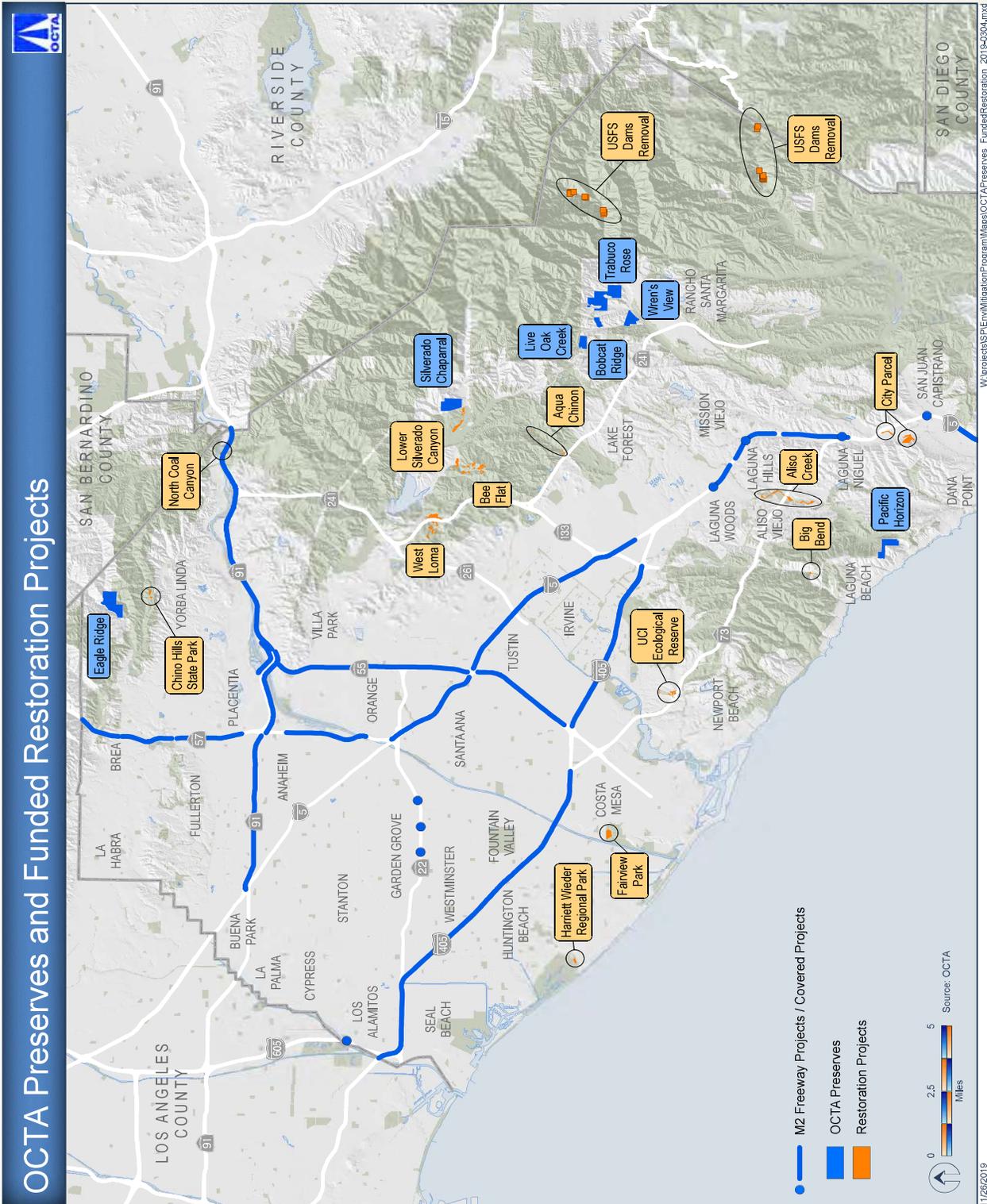
Conservation Plan annual reports will be completed every year. These reports will include the tracking of impacts associated with covered freeway improvement projects, other management and monitoring activities on Preserves, status and activities, progress of the restoration projects, plan administration, 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 up to 2020 were in compliance and on target with the Conservation Plan commitments. OCTA will continue with its efforts to complete the required objectives in a timely manner. It is anticipated that the next annual report will be provided to the Board in mid-2021. The annual reports are available for public review at www.PreservingOurLegacy.org.

To date, multiple freeway projects have utilized the Conservation Plan and/or the Clean Water Act 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 K (I-405 from SR-73 to I-605), and Project M (I-605 and Katella 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.

OCTA provides docent-led hikes and equestrian rides in the Preserves. As a result of the stay-at-home order due to the COVID-19 pandemic, OCTA is postponing all scheduled hikes and equestrian rides until further notice. OCTA will release the 2021 Wilderness Preserve Hiking and Equestrian Riding Tour calendar once the order has been lifted. A list of scheduled 2021 wilderness Preserve tours will be available on the M2 website at www.PreservingOurLegacy.org.

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 that has garnered the trust of stakeholders, ranging from the environmental community to the recreational community to Orange County citizens. See map of Preserves and funded restoration properties on the following page.

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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.

Market Conditions Forecast and Risk Analysis

In September 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 a 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 Next 10 Plan.

The Board directed staff to continue to work with the consultant 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.

On November 9, 2020, the consultant team presented the results of the 2020 fall analysis to the Board. The results of the analysis identified that OCTA may experience a low inflationary cost environment (ranging from negative two percent to one percent) during 2021 and 2022, followed by a more normal inflationary cost environment in 2023 (ranging from two to six percent). Compared to the last update presented to the Board in October 2019, cost pressures have tempered and are primarily attributed to COVID-19. Staff will incorporate the information from this analysis into the M2 cash flow for update of the Next 10 Plan.

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 2017 and 2026. The PMO monitors the progress on the ten deliverables identified in the Next 10 Plan and provides status updates. See [pages 3-6](#).

A preliminary sales tax revenue forecast of \$11.6 billion was presented to the Board on August 24, 2020. With tax receipts for quarter four of FY 2019-20 received in September 2020, the final M2 sales tax forecast was presented to the Board on October 26, 2020. Despite sales tax receipts being higher than anticipated for FY 2019-20, the total anticipated sales tax to support the M2 Program remained at \$11.6 billion due to a more conservative short-term forecast provided by MuniServices. This represents a year-over-year decline of \$1.8 billion and the lowest forecast since M2 inception. The decrease in taxable sales is due to the cascading



PROGRAM MANAGEMENT

effects of the COVID-19 pandemic on the economy. OCTA's conservative approach to financial planning has allowed for all M2 projects that are currently underway to continue as planned in FY 2020-21.

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 current 2019 Next 10 Plan reflects the previous forecast of \$13.4 billion.

Staff explored options to address the significant decrease in the revenue forecast. A preliminary sales tax revenue forecast of \$11.6 billion was presented to the Board on August 24, 2020. With tax receipts for quarter four of FY 2019-20 received in September 2020, the final M2 sales tax forecast was presented to the Board on October 26, 2020. Despite sales tax receipts being higher than anticipated for FY 2019-20, the total anticipated sales tax to support the M2 Program remained at \$11.6 billion due to a more conservative short-term forecast provided by MuniServices. This represents a year-over-year decline of \$1.8 billion and the lowest forecast since M2 inception. The decrease in taxable sales is due to the cascading effects of the COVID-19 pandemic on the economy. OCTA's conservative approach to financial planning has allowed for all M2 projects that are currently underway to continue as planned in FY 2020-21.

On December 14, 2020, staff presented three options to the Board for discussion and feedback. The Board suggested that staff pursue a financially prudent course of action with a proactive stance on project delivery while remaining flexible, given the fluidity of current events. In addition, staff offered to review FY 2020-21 second quarter financial information to provide an additional data point prior to presenting an updated Next 10 Plan in spring 2021. With four years of the Next 10 Plan completed to date, on December 14, 2020, the Board approved to shift the timeframe four years to span FY 2020-21 through FY 2029-30. The adjustment allows for more strategic, forward-thinking planning and will make the update underway a true ten-year look ahead.

M2 Performance Assessment

The M2 Ordinance and Transportation Investment Plan (Ordinance No. 3) includes a requirement for a performance assessment to be conducted at least once every three years to evaluate OCTA's efficiency and effectiveness in 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. The most recent report commended OCTA's management of the M2 program with eight recommendations for enhancements. Staff implemented all eight recommendations for enhancements and provided a final report to the Board on January 13, 2020. There are no outstanding action items. Procurement efforts for the next performance assessment will begin in early 2021 to have a consultant contract executed by July 1, 2021.



PROGRAM MANAGEMENT

M2 Ordinance Tracking Matrix

Ordinance No. 3 includes numerous requirements that staff must follow in order 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 is in compliance with all requirements detailed in Ordinance No. 3. During the quarter, staff initiated the update of the tracking matrix for 2020. It is anticipated to be completed in early 2021.

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 Measure M, state, and federal grants) in a format which 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. During the quarter, staff initiated the updates of the city fact sheets to include the March 2020 semi-annual review of CTFP projects approved by the Board on August 10, 2020, the 2020 Project W Safe Transit Stops projects approved by the Board on September 14, 2020, the 2020 Tier 1 ECP projects approved by the Board on October 12, 2020, the September 2020 semi-annual review of CTFP projects approved by the Board on December 14, 2020 in addition to programming updates. Updated city fact sheets will be completed in early 2021.

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.

More recent market conditions analyses have indicated that OCTA could possibly experience a deflationary cost environment due to reduced cost pressures and COVID-19. These factors include declines in statewide building permit issuance, increase in unemployment, increase in Orange County construction labor costs and declining building material costs. It should be noted that the engineer's estimate is based on a number of 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 downtick in the market.

During the quarter, Project R (Anaheim Canyon Metrolink Station Improvements) was advertised on October 22, 2020 with bids due next quarter. Staff will track and update the spreadsheet as appropriate.

PROGRAM MANAGEMENT

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 \$13.4 billion or 45 percent lower) as a result 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 had borrowed approximately \$5.2 million from OCUTT. Over the last few years, OCTA has experienced under-runs in the one percent administration cap and has made payments to OCUTT to reduce the outstanding balance. As of the most recent December 2020 Taxpayer Oversight Committee Report, the outstanding principal balance was \$0 and the remaining interest owed to OCUTT was \$0.6 million.

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.

Taxpayer Oversight Committee

The M2 Ordinance requires a Taxpayer Oversight Committee (TOC) to ensure compliance with M2 Ordinance No. 3. With the exception of the elected Auditor Controller of Orange County who is identified as the chair in the Ordinance, all other members cannot be elected or appointed officials. Members are recruited and screened for expertise and experience independently by the Orange County Grand Jurors Association and are selected from the qualified pool by lottery. The TOC is scheduled to meet every other month. The TOC upholds the integrity of the measure by monitoring the use of M2 funds and ensuring compliance. The responsibilities of the 11-member Measure M2 TOC are to:



PROGRAM MANAGEMENT

- Ensure compliance with the Ordinance
- 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
- Hold an annual Public Hearing to determine whether OCTA is proceeding in accordance with the Plan
- Review independent audits and performance assessments of the Orange County Local Transportation Authority regarding the expenditure of M2 sales tax monies
- The Chair shall annually certify whether M2 funds have been spent in compliance with the plan

On March 12, 2020 and March 18, 2020, the Governor enacted Executive Orders N-25-20 and N-29-20 authorizing a local legislative body to hold public meetings via teleconferencing and make public meetings accessible telephonically or electronically to all members of the public due to COVID-19. As a result, the TOC held a meeting on October 13, 2020 via teleconference.

At the October 13, 2020 meeting, the TOC voted unanimously to affirm that the TOC has received and reviewed pavement management plans (from all required local agencies), and local signal synchronization plans for all local agencies in Orange County. The committee received presentations on the OC Streetcar, M2 Quarterly Progress Report, and updates to the Investment Policy and also received staff updates on the M2 Sales Tax Forecast, Safe Transit Stops (Project W), SMP Temporary Guideline Extensions, ECP (Project X) and the I-405 Improvement Project (Project K). Due to all items being addressed by the TOC at the October meeting, the December 8, 2020 TOC meeting was cancelled. The TOC will continue to meet via teleconference following the direction of the Board. The next meeting is scheduled to take place on February 9, 2021.

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 ensure local jurisdictions have submitted the following documents in order to be deemed eligible to receive M2 funding: Congestion Management Program, Mitigation Fee Program, Local Traffic Signal Synchronization Plan, Pavement Management Plan, and an Expenditure Report. 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, Los Angeles; and California State University, Fullerton) 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.

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 No. 3 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. Due to the significant anticipated decrease in taxable sales due to the COVID-19 pandemic, OCTA prepared a preliminary update for the M2 sales tax forecast in August 2020. Since then, OCTA received final tax receipts for FY 2019-20 in September 2020 and prepared the final 2020 M2 sales tax forecast update that was presented to the Board in October 2020. The final forecast for total nominal sales tax collections over the life of M2 is estimated to be approximately \$11.6 billion, which remains the same as the preliminary forecast provided to the Board in August 2020. This represents a year-over-year decline of \$1.8 billion in forecasted sales tax when compared to last year's forecast.

Furthermore, the COVID-19 pandemic is projected to continue into FY 2020-21 and as a result, the assumed budget rate is negative 6.6 percent. Based on the sales tax forecast information provided by MuniServices, LLC to date, the actual growth rate is expected to be an improvement, negative 4.1 percent, when compared to the budget rate. The next updated forecast is anticipated to be brought to the Board in fall 2021.

OCTA staff is working closely with MuniServices, LLC and the three universities to monitor and determine the impact of the pandemic on OCTA's sales tax collections and long-term forecast.

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2020 (Unaudited) Schedule 1

(\$ in thousands)	Quarter Ended Dec 31, 2020	Year to Date Dec 31, 2020 (A)	Period from Inception to Dec 31, 2020 (B)
Revenues:			
Sales taxes	\$ 80,758	\$ 152,175	\$ 2,883,868
Other agencies' share of Measure M2 costs:			
Project related	17,041	23,731	751,572
Non-project related	-	-	454
Interest:			
Operating:			
Project related	747	1,733	3,893
Non-project related	3,411	8,111	92,631
Bond proceeds	3,675	4,429	78,205
Debt service	-	1	1,062
Commercial paper	-	-	393
Right-of-way leases	55	177	1,321
Proceeds on sale of assets held for resale	-	-	12,201
Donated assets held for resale			
Project related	-	-	2,071
Non-project related	-	-	-
Miscellaneous:			
Project related	-	-	311
Non-project related	-	-	100
Total revenues	<u>105,687</u>	<u>190,357</u>	<u>3,828,082</u>
Expenditures:			
Supplies and services:			
Sales tax administration fees	684	1,408	30,983
Professional services:			
Project related	6,824	8,738	420,090
Non-project related	876	1,408	32,078
Administration costs:			
Project related	2,559	5,119	88,629
Non-project related:			
Salaries and Benefits	700	1,400	29,307
Other	1,451	2,902	50,722
Other:			
Project related	65	71	5,251
Non-project related	15	28	5,047
Payments to local agencies:			
Project related	21,273	36,734	1,076,009
Capital outlay:			
Project related	103,234	124,983	1,412,024
Non-project related	-	-	31
Debt service:			
Principal payments on long-term debt	-	-	59,030
Interest on long-term debt and commercial paper	1	17,888	232,117
Total expenditures	137,682	200,679	3,441,318
Excess (deficiency) of revenues over (under) expenditures	<u>(31,995)</u>	<u>(10,322)</u>	<u>386,764</u>
Other financing sources (uses):			
Transfers out:			
Project related	(13,468)	(38,753)	(299,937)
Transfers in:			
Project related	1,358	1,920	175,564
Non-project related	-	-	-
Bond proceeds	-	-	804,625
Payment to refunded bond escrow agent	-	-	(45,062)
Total other financing sources (uses)	<u>(12,110)</u>	<u>(36,833)</u>	<u>635,190</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	<u>\$ (44,105)</u>	<u>\$ (47,155)</u>	<u>\$ 1,021,954</u>

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2020 (Unaudited) Schedule 2

(\$ in thousands)	Quarter Ended Dec 31, 2020 (actual)	Year to Date Dec 31, 2020 (actual) (C.1)	Period from Inception through Dec 31, 2020 (actual) (D.1)	Period from January 1, 2021 through March 31, 2041 (forecast) (E.1)	Total (F.1)
Revenues:					
Sales taxes	\$ 80,758	\$ 152,175	\$ 2,883,868	\$ 8,725,968	\$ 11,609,836
Operating interest	3,411	8,111	92,631	118,969	211,600
Subtotal	<u>84,169</u>	<u>160,286</u>	<u>2,976,499</u>	<u>8,844,937</u>	<u>11,821,436</u>
Other agencies share of M2 costs	-	-	454	-	454
Miscellaneous	-	-	100	-	100
Total revenues	<u>84,169</u>	<u>160,286</u>	<u>2,977,053</u>	<u>8,844,937</u>	<u>11,821,990</u>
Administrative expenditures:					
Sales tax administration fees	684	1,408	30,983	92,945	123,928
Professional services	876	1,408	28,303	85,379	113,682
Administration costs:					
Salaries and Benefits	700	1,400	29,307	89,052	118,359
Other	1,451	2,902	50,722	152,535	203,257
Other	15	28	2,027	6,263	8,290
Capital outlay	-	-	31	-	31
Environmental cleanup	247	266	44,788	174,491	219,279
Total expenditures	<u>3,973</u>	<u>7,412</u>	<u>186,161</u>	<u>600,665</u>	<u>786,826</u>
Net revenues	<u>\$ 80,196</u>	<u>\$ 152,874</u>	<u>\$ 2,790,892</u>	<u>\$ 8,244,272</u>	<u>\$ 11,035,164</u>
		(C.2)	(D.2)	(E.2)	(F.2)
Bond revenues:					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 804,625	\$ 647,725	\$ 1,452,350
Interest revenue from bond proceeds	3,675	4,429	78,205	90,079	168,284
Interest revenue from debt service funds	-	1	1,062	5,560	6,622
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>3,675</u>	<u>4,430</u>	<u>884,285</u>	<u>743,364</u>	<u>1,627,649</u>
Financing expenditures and uses:					
Professional services	-	-	3,775	2,267	6,042
Payment to refunded bond escrow	-	-	45,062	-	45,062
Bond debt principal	-	-	59,030	1,321,726	1,380,756
Bond debt and other interest expense	1	17,888	232,117	650,605	882,722
Other	-	-	3,020	-	3,020
Total financing expenditures and uses	<u>1</u>	<u>17,888</u>	<u>343,004</u>	<u>1,974,598</u>	<u>2,317,602</u>
Net bond revenues (debt service)	<u>\$ 3,674</u>	<u>\$ (13,458)</u>	<u>\$ 541,281</u>	<u>\$ (1,231,234)</u>	<u>\$ (689,953)</u>

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2020 (Unaudited) Schedule 3

Project	Description	Net Revenues through Dec 31, 2020	Total Net Revenues
	(G)	(H)	(I)
(\$ in thousands)			
Freeways (43% of Net Revenues)			
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 110,003	\$ 434,952
B	I-5 Santa Ana/SR-55 to El Toro	70,263	277,813
C	I-5 San Diego/South of El Toro	146,749	580,244
D	I-5 Santa Ana/San Diego Interchange Upgrades	60,385	238,761
E	SR-22 Garden Grove Freeway Access Improvements	28,086	111,052
F	SR-55 Costa Mesa Freeway Improvements	85,662	338,708
G	SR-57 Orange Freeway Improvements	60,549	239,409
H	SR-91 Improvements from I-5 to SR-57	32,767	129,560
I	SR-91 Improvements from SR-57 to SR-55	97,482	385,442
J	SR-91 Improvements from SR-55 to County Line	82,432	325,937
K	I-405 Improvements between I-605 to SR-55	251,088	992,802
L	I-405 Improvements between SR-55 to I-5	74,826	295,860
M	I-605 Freeway Access Improvements	4,681	18,509
N	All Freeway Service Patrol	35,107	138,815
	Freeway Mitigation	60,004	237,256
	Subtotal Projects	1,200,084	4,745,120
	Net (Bond Revenue)/Debt Service	-	-
	Total Freeways	\$ 1,200,084	\$ 4,745,120
	%		
Street and Roads Projects (32% of Net Revenues)			
O	Regional Capacity Program	\$ 279,092	\$ 1,103,531
P	Regional Traffic Signal Synchronization Program	111,632	441,393
Q	Local Fair Share Program	502,361	1,986,329
	Subtotal Projects	893,085	3,531,253
	Net (Bond Revenue)/Debt Service	-	-
	Total Street and Roads Projects	\$ 893,085	\$ 3,531,253
	%		

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2020 (Unaudited) Schedule 3

Expenditures through Dec 31, 2020 (J)	Reimbursements through Dec 31, 2020 (K)	Net M2 Cost (L)
\$ 10,355	\$ 7,424	\$ 2,931
10,549	7,952	2,597
197,096	48,267	148,829
2,324	527	1,797
5	-	5
39,754	21,301	18,453
51,396	12,429	38,967
34,934	824	34,110
25,882	24,970	912
7,327	5,897	1,430
832,095	129,227	702,868
9,195	6,954	2,241
2,315	16	2,299
6,021	-	6,021
55,784	4,728	51,056
<u>1,285,032</u>	<u>270,516</u>	<u>1,014,516</u>
58,294	-	58,294
<u>\$ 1,343,326</u>	<u>\$ 270,516</u>	<u>\$ 1,072,810</u>
		43.4%
\$ 782,336	\$ 506,691	\$ 275,645
74,742	6,075	68,667
480,205	77	480,128
<u>1,337,283</u>	<u>512,843</u>	<u>824,440</u>
64,748	-	64,748
<u>\$ 1,402,031</u>	<u>\$ 512,843</u>	<u>\$ 889,188</u>
		36.0%

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2020 (Unaudited) Schedule 3

Project	Description	Net Revenues through Dec 31, 2020	Total Net Revenues
	(G)	(H)	(I)
	(\$ in thousands)		
Transit Projects (25% of Net Revenues)			
R	High Frequency Metrolink Service	\$ 265,762	\$ 1,100,594
S	Transit Extensions to Metrolink	246,371	974,149
T	Metrolink Gateways	32,620	56,403
U	Expand Mobility Choices for Seniors and Persons with Disabilities	91,008	382,646
V	Community Based Transit/Circulators	55,803	220,645
W	Safe Transit Stops	6,159	24,354
	Subtotal Projects	697,723	2,758,791
	Net (Bond Revenue)/Debt Service	-	-
	Total Transit Projects	\$ 697,723	\$ 2,758,791
	%		
Environmental Cleanup (2% of Revenues)			
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 59,530	\$ 236,429
	Net (Bond Revenue)/Debt Service	-	-
	Total Environmental Cleanup	\$ 59,530	\$ 236,429
	%		
Taxpayer Safeguards and Audits			
	Collect Sales Taxes (1.5% of Sales Taxes)	\$ 43,258	\$ 174,148
	%		
	Oversight and Annual Audits (1% of Revenues)	\$ 29,765	\$ 118,214
	%		

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2020 (Unaudited) Schedule 3

Expenditures through Dec 31, 2020 (J)	Reimbursements through Dec 31, 2020 (K)	Net M2 Cost (L)
\$ 318,149	\$ 98,759	\$ 219,390
117,301	2,133	115,168
98,220	60,956	37,264
86,744	88	86,656
13,305	1,320	11,985
1,118	26	1,092
<u>634,837</u>	<u>163,282</u>	<u>471,555</u>
<u>36,211</u>	<u>-</u>	<u>36,211</u>
<u>\$ 671,048</u>	<u>\$ 163,282</u>	<u>\$ 507,766</u>
		20.6%
<u>\$ 44,788</u>	<u>\$ 292</u>	<u>\$ 44,496</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 44,788</u>	<u>\$ 292</u>	<u>\$ 44,496</u>
		1.5%
<u>\$ 30,983</u>	<u>\$ -</u>	<u>\$ 30,983</u>
		1.1%
<u>\$ 29,307</u>	<u>\$ -</u>	<u>\$ 29,307</u>
		1.0%

LOCAL FAIR SHARE

M2 Funds		
ENTITY	2ND QUARTER FY 2020-21	FUNDS TO DATE
ALISO VIEJO	\$138,442	\$5,981,059
ANAHEIM	\$1,204,787	\$49,580,089
BREA	\$199,110	\$8,595,765
BUENA PARK	\$296,449	\$13,371,215
COSTA MESA	\$512,307	\$21,904,167
CYPRESS	\$179,341	\$7,907,608
DANA POINT	\$117,296	\$4,998,493
FOUNTAIN VALLEY	\$211,115	\$9,307,764
FULLERTON	\$448,767	\$19,514,164
GARDEN GROVE	\$514,385	\$22,316,363
HUNTINGTON BEACH	\$669,889	\$29,192,504
IRVINE	\$996,954	\$40,788,638
LAGUNA BEACH	\$85,418	\$3,824,804
LAGUNA HILLS	\$115,157	\$5,108,888
LAGUNA NIGUEL	\$225,494	\$9,984,801
LAGUNA WOODS	\$42,838	\$1,908,547
LA HABRA	\$183,076	\$7,903,426
LAKE FOREST	\$277,704	\$11,903,440

LOCAL FAIR SHARE

M2 Funds		
ENTITY	2ND QUARTER FY 2020-21	FUNDS TO DATE
LA PALMA	\$48,636	\$2,447,750
LOS ALAMITOS	\$43,512	\$1,946,252
MISSION VIEJO	\$314,595	\$14,015,286
NEWPORT BEACH	\$378,983	\$16,513,401
ORANGE	\$579,812	\$24,753,882
PLACENTIA	\$161,958	\$6,890,461
RANCHO SANTA MARGARITA	\$144,533	\$6,352,265
SAN CLEMENTE	\$197,053	\$8,449,631
SAN JUAN CAPISTRANO	\$130,672	\$5,691,002
SANTA ANA	\$953,198	\$41,710,556
SEAL BEACH	\$81,716	\$3,744,338
STANTON	\$101,429	\$4,476,023
TUSTIN	\$312,668	\$13,436,175
VILLA PARK	\$17,671	\$782,393
WESTMINSTER	\$289,205	\$12,826,104
YORBA LINDA	\$210,558	\$9,028,030
COUNTY UNINCORPORATED	\$721,361	\$28,467,880
TOTAL M2 FUNDS	\$11,106,087	\$475,623,166

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 (millions)	Plan/Forecast			
		Begin Environmental	Begin Design	Award Contract	Complete Construction
Freeway Projects:					
I-5, SR-55 to SR-57	\$38.1	Jul-11	Jun-15	Dec-17	Apr-21
Project A	\$39.7	Jun-11	Jun-15	Nov-18	Jan-21
I-5, I-405 to Yale Avenue	\$230.5	May-14	TBD	TBD	TBD
Project B	\$230.5	May-14	Sep-21	Jul-25	Jan-29
I-5, Yale Avenue to SR-55	\$200.4	May-14	TBD	TBD	TBD
Project B	\$200.4	May-14	Apr-21	Feb-25	Aug-28
I-5, Pico to Vista Hermosa	\$113.0	Jun-09	Jun-11	Dec-14	Aug-18
Project C	\$83.6	Jun-09	Jun-11	Dec-14	Aug-18
I-5, Vista Hermosa to Pacific Coast Highway	\$75.6	Jun-09	Jun-11	Dec-13	Mar-17
Project C	\$75.2	Jun-09	Jun-11	Jun-14	Jul-17
I-5, Pacific Coast Highway to San Juan Creek Road	\$70.7	Jun-09	Jun-11	Oct-13	Sep-16
Project C	\$74.3	Jun-09	Jun-11	Dec-13	Jul-18
I-5, SR-73 to Oso Parkway	\$151.9	Sep-11	Mar-15	Dec-18	Apr-25
Project C & D	\$195.8	Oct-11	Mar-15	Dec-19	Apr-25
I-5, Oso Parkway to Alicia Parkway	\$196.2	Sep-11	Nov-14	Jun-18	Nov-23
Project C & D	\$203.1	Oct-11	Nov-14	Mar-19	Nov-23
I-5, Alicia Parkway to El Toro Road	\$133.6	Sep-11	Mar-15	May-19	Oct-24
Project C	\$165.9	Oct-11	Mar-15	Sep-20	Oct-24
I-5, SR-73 to El Toro Road (Landscape)	TBD	N/A	TBD	TBD	TBD
Project C	\$12.4	N/A	Jul-22	Nov-24	Jun-26
I-5, I-5/Ortega Interchange	\$90.9	Sep-05	Jan-09	Aug-12	Sep-15
Project D	\$79.8	Sep-05	Jan-09	Aug-12	Jan-16

*Status through December 2020. For detailed project information, please refer to the individual project section within this report.

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Capital Projects	Cost	Schedule			
	Baseline/Forecast (millions)	Begin Environmental	Begin Design	Award Contract	Complete Construction
I-5, I-5/Ortega Interchange (Landscape)	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	Jan-14	Sep-15	Sep-16
I-5, I-5/EI Toro Road Interchange	TBD	Apr-17	TBD	TBD	TBD
Project D Cost/Schedule Risk	TBD	Apr-17	TBD	TBD	TBD
SR-55, I-405 to I-5	\$410.9	Feb-11	Sep-17	Jul-21	Aug-25
Project F Cost/Schedule Risk	\$503.2	May-11	Sep-17	Apr-22	Apr-26
SR-55, I-5 to SR-91	TBD	Dec-16	TBD	TBD	TBD
Project F	TBD	Dec-16	TBD	TBD	TBD
SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue	TBD	Apr-16	TBD	TBD	TBD
Project G	TBD	Apr-16	TBD	TBD	TBD
SR-57 (NB), Katella Avenue to Lincoln Avenue	\$78.7	Apr-08	Jul-08	Aug-11	Sep-14
Project G	\$38.0	Apr-08	Aug-08	Oct-11	Apr-15
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	May-09	Sep-17	Jun-18
SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard	\$80.2	Aug-05	Feb-08	Oct-10	May-14
Project G	\$52.3	Aug-05	Feb-08	Oct-10	Nov-14
SR-57 (NB), Yorba Linda Boulevard to Lambert Road	\$79.3	Aug-05	Feb-08	Oct-10	Sep-14
Project G	\$54.1	Aug-05	Feb-08	Oct-10	May-14
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	Oct-14	Feb-18	Apr-19
SR-57 (NB), Lambert Road to Tonner Canyon	TBD	TBD	TBD	TBD	TBD
Project G	TBD	Jul-23	TBD	TBD	TBD

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CAPITAL ACTION PLAN

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Red = Forecast milestone is over three months later than plan

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Bold = Forecasted/Actual

Capital Projects	Cost	Schedule			
	Baseline/Forecast (millions)	Plan/Forecast			
		Begin Environmental	Begin Design	Award Contract	Complete Construction
SR-91 Westbound (WB), I-5 to SR-57	\$78.1	Jul-07	Oct-09	Nov-12	Apr-16
Project H	\$59.2	Jul-07	Mar-10	Jan-13	Jun-16
SR-91 Westbound (WB), I-5 to SR-57 (Landscape)	N/A	N/A	N/A	N/A	N/A
Project H	N/A	N/A	Nov-14	Mar-17	Nov-17
SR-91, SR-55 to Lakeview Avenue (Segment 1)	\$100.9	Jan-15	Mar-20	Feb-24	Sep-27
Project I	\$100.9	Jan-15	Mar-20	Feb-24	Sep-27
SR-91, La Palma Avenue to SR-55 (Segment 2)	\$208.4	Jan-15	Jun-20	Jul-24	Mar-28
Project I	\$208.4	Jan-15	Jun-20	Jul-24	Mar-28
SR-91, Acacia Street to La Palma Ave (Segment 3)	\$116.2	Jan-15	TBD	TBD	TBD
Project I	\$116.2	Jan-15	Nov-20	Sep-24	May-28
SR-91 (WB), Tustin Interchange to SR-55	\$49.9	Jul-08	Jul-11	Oct-13	Jul-16
Project I	\$42.5	Jul-08	Jun-11	Oct-13	Jul-16
SR-91, SR-55 to SR-241	\$128.4	Jul-07	Jun-09	Sep-11	Dec-12
Project J	\$79.7	Jul-07	Apr-09	May-11	Mar-13
SR-91, SR-55 to SR-241 (Landscape)	N/A	N/A	N/A	N/A	N/A
Project J	N/A	N/A	May-12	Oct-13	Feb-15
SR-91 Eastbound, SR-241 to SR-71	\$104.5	Mar-05	Jul-07	Jul-09	Nov-10
Project J	\$57.8	Mar-05	Jul-07	Aug-09	Jan-11
I-405, SR-73 to I-605 (Design-Build)	\$2,080.2	Mar-09	Mar-14	Nov-16	Feb-24
Project K	\$2,080.2	Mar-09	Mar-14	Nov-16	Feb-24
I-405, I-5 to SR-55	TBD	Dec-14	TBD	TBD	TBD
Project L	TBD	Dec-14	TBD	TBD	TBD

*Status through December 2020. 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 (millions)	Plan/Forecast			
		Begin Environmental	Begin Design	Award Contract	Complete Construction
I-605, I-605/Katella Interchange	\$29.0	Aug-16	TBD	TBD	TBD
Project M	\$29.0	Aug-16	Dec-20	Dec-23	Aug-25
Grade Separation Projects:					
Raymond Avenue Railroad Grade Separation	\$77.2	Feb-09	Mar-10	May-13	Aug-18
Project O	\$126.2	Feb-09	Mar-10	Feb-14	May-18
State College Boulevard Railroad Grade Separation (Fullerton)	\$73.6	Dec-08	Jul-06	May-13	May-18
Project O	\$99.6	Dec-08	Jul-06	Feb-14	Mar-18
Placentia Avenue Railroad Grade Separation	\$78.2	Jan-01	Jan-09	Jun-11	Nov-14
Project O	\$64.5	Jan-01	Jan-09	Jul-11	Dec-14
Kraemer Boulevard Railroad Grade Separation	\$70.4	Jan-01	Jan-09	Aug-11	Oct-14
Project O	\$63.8	Jan-01	Feb-09	Sep-11	Dec-14
Orangethorpe Avenue Railroad Grade Separation	\$117.4	Jan-01	Feb-09	May-12	Sep-16
Project O	\$105.9	Jan-01	Feb-09	Jan-13	Oct-16
Tustin Avenue/Rose Drive Railroad Grade Separation	\$103.0	Jan-01	Feb-09	Aug-12	May-16
Project O	\$96.6	Jan-01	Feb-09	Feb-13	Oct-16
Lakeview Avenue Railroad Grade Separation	\$70.2	Jan-01	Feb-09	May-13	Mar-17
Project O	\$110.7	Jan-01	Feb-09	Nov-13	Jun-17
Rail and Station Projects:					
Sand Canyon Avenue Railroad Grade Separation	\$55.6	N/A	Jan-04	Feb-11	May-14
Project R	\$61.9	N/A	Jan-04	Feb-11	Jan-16

*Status through December 2020. 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 (millions)	Plan/Forecast			
		Begin Environmental	Begin Design	Award Contract	Complete Construction
Rail-Highway Grade Crossing Safety Enhancement	\$94.4	Jan-08	Jan-08	Aug-09	Dec-11
Project R	\$90.4	Jan-08	Jan-08	Aug-09	Dec-11
San Clemente Beach Trail Safety Enhancements	\$6.0	Sep-10	Feb-12	Oct-12	Jan-14
Project R	\$5.0	Sep-10	Feb-12	May-13	Mar-14
San Juan Capistrano Passing Siding	\$25.3	Aug-11	Mar-15	Dec-16	Feb-21
Cost/Schedule Risk	\$36.4	Aug-11	Mar-15	Mar-19	Nov-20
Placentia Metrolink Station and Parking Structure	\$34.8	Jan-03	Oct-08	TBD	TBD
Project R	\$40.1	Jan-03	Oct-08	Aug-21	Mar-23
Orange County Maintenance Facility	TBD	Apr-20	TBD	TBD	TBD
Project R	TBD	Apr-20	TBD	TBD	TBD
Anaheim Canyon Station	\$27.9	Jan-16	Mar-19	Nov-19	Mar-21
	\$29.9	Jan-16	Mar-18	Mar-21	Oct-22
Orange Station Parking Expansion	\$33.2	Dec-09	Nov-10	Nov-16	Feb-19
	\$30.9	Dec-09	Nov-10	Jun-17	Feb-19
Fullerton Transportation Center - Elevator Upgrades	\$3.5	N/A	Jan-12	Sep-14	Mar-17
	\$4.2	N/A	Jan-12	Apr-15	May-19
Laguna Niguel/Mission Viejo Station ADA Ramps	\$3.5	Jul-13	Jul-13	Jan-15	Apr-17
	\$5.0	Jul-13	Jul-13	Oct-15	Sep-17
Anaheim Regional Transportation Intermodal Center	\$227.4	Apr-09	Jun-09	Jul-12	Nov-14
Project R & T	\$232.2	Apr-09	Jun-09	Sep-12	Dec-14
OC Streetcar	\$424.4	Aug-09	Feb-16	Aug-18	Dec-21
Project S	\$424.4	Aug-09	Feb-16	Sep-18	Oct-22

*Status through December 2020. For detailed project information, please refer to the individual project section within this report.

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January 2018

FREEWAY IMPROVEMENT PROGRAM

Interstate 5 (I-5) Projects

- A** I-5, SR-55 to SR-57
- B** I-5, El Toro "Y" Area 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, I-605 to SR-73
- L** I-405, SR-55 to El Toro "Y" Area

Interstate 605 (I-605) Projects

- M** I-605 Katella Interchange Improvements

Freeway Mitigation Restoration Projects
Part of Projects A-M

Freeway Mitigation Acquisition Projects
Part of Projects A-M

STREETS & ROADS

- O** Grade Separation Program (shown)
- P** Signal Synchronization Project Corridors

TRANSIT PROJECTS

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

OC GO PROJECTS NOT SHOWN

- Project N:** Freeway Service Patrol
- Project O:** Streets & Roads - Regional Capacity Program
- Project Q:** Local Fair Share Program
- Project R:** Grade crossing and Trail Safety Enhancements
- Project X:** Metrolink Service Expansion Program

- Project U:** Senior Mobility Program (SMP), Senior Non-emergency Medical Transportation Program (SNEMT), and Fare Stabilization Programs
- Project V:** Community Based Transit/Circulators
- Project W:** Safe Transit Stops
- Project X:** Environmental Cleanup Program

Staff Update
Items



COMMITTEE TRANSMITTAL

April 12, 2021

To: Members of the Board of Directors

From: Andrea West, Interim Clerk of the Board *Andrea West*

Subject: Proposed Amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3

Executive Committee Meeting of April 5, 2021

Present: Directors Do, Murphy, Bartlett, Hennessey, Jones, and Shaw
Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendations

- A. Direct staff to initiate the process to amend the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 to extend the fiscal year 2020 21 revised maintenance of effort requirement into fiscal year 2021 22 to continue assisting local jurisdictions through this period of economic uncertainty.
- B. Direct staff to set a date of May 24, 2021, for a public hearing and Board of Directors' action to consider adoption of the amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 as it relates to the maintenance of effort requirement.



April 5, 2021

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Proposed Amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is positioned to the right of the "From:" field.

Overview

The voter-approved Measure M2 Ordinance No. 3 requires that local jurisdictions meet a maintenance of effort requirement to remain eligible to receive Measure M2 funding. Local jurisdictions are continuing to experience uncertainties in general fund revenues due to the coronavirus pandemic, which is anticipated to impact their ability to meet the maintenance of effort requirement. In response to these impacts, the Board of Directors approved an amendment to the Measure M2 Ordinance No. 3 in June 2020 to provide flexibility on this requirement through fiscal year 2020-21. An amendment to extend the revised maintenance of effort requirement through fiscal year 2021-22 is proposed to continue assisting local jurisdictions through this period of economic uncertainty.

Recommendations

- A. Direct staff to initiate the process to amend the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 to extend the fiscal year 2020-21 revised maintenance of effort requirement into fiscal year 2021-22 to continue assisting local jurisdictions through this period of economic uncertainty.

- B. Direct staff to set a date of May 24, 2021, for a public hearing and Board of Directors' action to consider adoption of the amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 as it relates to the maintenance of effort requirement.

Background

In November 2006, Orange County voters approved the Renewed Measure M Ordinance No. 3 (Measure M2 {M2} Ordinance), also called M2. The

Orange County Transportation Authority (OCTA) is committed to fulfilling the commitments made in M2. This means delivering all projects and programs included in the M2 Transportation Investment Plan (Plan) and complying with the specific requirements identified in the M2 Ordinance. Included in the M2 Ordinance is an amendment process to address unforeseen circumstances.

Local jurisdictions are required to meet specific requirements in order to receive M2 revenues, one of which is related to maintenance of effort (MOE) spending levels. MOE is the amount a local jurisdiction spends in discretionary non-transportation funds, or general fund revenues (GFR), for streets and roads purposes. The intent of this requirement is to ensure that M2 revenues do not supplant funding for streets and roads that a local jurisdiction was previously spending. This requirement must be met each year in order for a local jurisdiction to receive net M2 disbursements.

The original MOE level was established in 1991 with the first Measure M (M1) Program using a five-year average of the funding amount local jurisdictions spent on streets and roads maintenance and construction between 1985 and 1990. The MOE amount remained unchanged during the 20-year life of M1; therefore, it did not keep pace with annual inflation. Recognizing the need for an adjustment, a process was included in the M2 Ordinance to update the MOE amount every three years. The adjustment is determined by utilizing the California Department of Transportation construction cost index growth during a three-year period and applying that growth rate to the MOE, with the exception that the increase cannot be greater than the jurisdiction's increase in GFR for the same period. The most recent adjustment approved by the OCTA Board of Directors (Board) on April 13, 2020, is only the third adjustment to the original MOE as established under M1, and this established MOE benchmark will be used through fiscal year (FY) 2022-23.

Discussion

The M2 Ordinance requires jurisdictions to annually submit two items to OCTA related to MOE:

- 1) MOE certification - before the start of the annual FY budget, local jurisdictions must certify that sufficient expenditures have been budgeted to meet the MOE benchmark.
- 2) Expenditure report - annually, local jurisdictions must submit a detailed financial report. This report is used to validate eligible uses of M2 funds and to report actual MOE expenditures to meet the MOE benchmark requirement.

These requirements, outlined in Section 6 of the M2 Ordinance, and in Section III of Attachment B to the M2 Ordinance, must be met in order for local jurisdictions to continue to receive M2 revenues.

The M2 Ordinance allows for amendments for unforeseen circumstances, which is noted and further discussed in Section 12 of the M2 Ordinance. A specific process for amendments was established by the Board during M1 and has continued with M2. Amendments to the M2 Ordinance, which do not affect the Plan, require a two-thirds vote from the Board, as well as a public hearing and notification process.

As the state designated Local Transportation Sales Tax Authority responsible for administering M2, OCTA is committed to upholding the intent of the M2 Ordinance. As such, amendments are not a normal occurrence and should only be proposed when warranted by unforeseen circumstances, as in the case of the current economic impacts of the health pandemic. Over the last 30 years, between both M1 and M2, there have only been five ordinance amendments. During this same period, there have been ten Plan amendments. Ordinance amendments are corrective changes in nature, versus Plan amendments, which address funding adjustments within the same mode. Attachment A provides information on the amendment process, the language on amendments from the M2 Ordinance, and a history of prior amendments.

In June 2020, the Board, through the process described above approved an amendment to the M2 Ordinance to revise MOE requirements for FY 2019-20 and FY 2020-21 in anticipation of near-term negative growth due to the coronavirus (COVID-19) pandemic. For FY 2019-20, local jurisdictions reported actual MOE expenditures, which could be below the MOE benchmark. For FY 2020-21, local jurisdictions were given the option of meeting either the MOE benchmark or a proportional MOE calculation. The proportional calculation used the local jurisdiction's MOE benchmark compared to GFR, as reported in local jurisdictions' FY 2018-19 Comprehensive Annual Financial Reports. This option allowed local jurisdictions to scale the MOE requirement with fluctuations in their GFR in FY 2020-21.

The latest M2 sales revenue forecast, presented to the Board in October 2020, does not reflect a return to pre-pandemic revenue levels in FY 2021-22. Accordingly, the local jurisdictions may be challenged with satisfying the MOE requirement for FY 2021-22, which reverts to the MOE benchmark. In addition, several local jurisdictions have expressed support for the MOE flexibility offered in FY 2020-21 to be extended through FY 2021-22.

For these reasons, staff is recommending an M2 Ordinance amendment to extend the option for local jurisdictions to use the FY 2020-21 proportional MOE calculation for FY 2021-22. The proposed amendment language is provided in Attachment B. This change is not expected to be extended further, and the MOE will revert to the benchmark in FY 22-23.

The process and timing for amending the M2 Ordinance and MOE submittals is shown below:

Actions	Date
OCTA Executive Committee considers M2 amendment	April 5, 2021
Board considers M2 Eligibility Guidelines FY 2021-22	April 12, 2021
Board considers M2 amendment and sets a public hearing date for June 14, 2021	April 12, 2021
Proposed amendment sent to local jurisdictions for public review prior to public hearing	April 13 - 16, 2021
Taxpayers Oversight Committee provided an update on ordinance amendment	April 13, 2021
Issue public hearing notice (at least 30 days prior to public hearing)	April 13 - 18, 2021
Public hearing on amendment and roll call vote by Board (requires two-thirds vote)	May 24, 2021
Adopted amendment transmitted to local jurisdictions	May 25 - 28, 2021
Local jurisdictions required to submit the MOE certification for FY 2021-22	June 30, 2021
Amendment effective 45 days following adoption	July 8, 2021

Summary

An amendment to the M2 Ordinance is proposed to continue assisting local jurisdictions manage the economic impacts of the COVID-19 pandemic. The amendment will extend the revised MOE requirements for FY 2020-21 through FY 2021-22, while upholding the legislative intent of the M2 Ordinance. Staff also requests that the Board set a public hearing date for May 24, 2021.

Attachments

- A. Procedures to Amend the Renewed Measure M Transportation Investment Plan and Ordinance No. 3, Language Excerpt and Amendment History
- B. Proposed Orange County Local Transportation Authority Ordinance No. 3, Maintenance of Effort Requirements Excerpt, Section 6, Page 3

Prepared by:



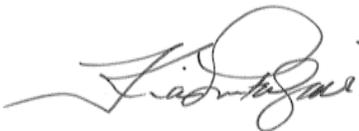
Adriann Cardoso
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Approved by:



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

**PROCEDURES TO AMEND THE
RENEWED MEASURE M TRANSPORTATION INVESTMENT PLAN
AND ORDINANCE NO. 3
LANGUAGE EXCERPT AND AMENDMENT HISTORY**

PROCEDURES

The Orange County Local Transportation Authority (OCLTA) Ordinance No. 3 approved by Orange County voters on November 6, 2007, includes the following procedures to amend the Renewed Measure M Transportation Investment Plan (Plan) and the OCLTA Ordinance No. 3, by the OCLTA Board of Directors (Board):

A proposed amendment which eliminates a program or project specified on page 31 of the Plan shall not be adopted unless the Board adopts a finding that the transportation purpose of the program or project to be eliminated will be satisfied by a different program or project.

A proposed amendment which changes in funding categories, programs, or projects identified within the expenditure plan, page 31 of the Plan, shall be first approved by a two-thirds vote of the Taxpayers Oversight Committee.

Proposed amendments to the Plan and Ordinance No. 3 shall be presented to the Board. The Board shall set a date no sooner than 30 days thereafter for a public hearing to consider the proposed amendment(s), and the proposed amendment(s) shall be transmitted to the County Board of Supervisors and the city council of each Orange County city not less than 30 days prior to the public hearing.

Local agencies may offer comments in writing or in person at the public hearing and such comments shall be incorporated into the public record of the hearing.

The Board shall hold a public hearing prior to the adoption of the amendment.

The amendment shall be passed by a roll call vote with at least a two-thirds majority of Board members.

The Orange County Transportation Authority shall give written notice of the amendment to the County Board of Supervisors and all city councils.

Amendment(s) to the Plan or Ordinance No. 3 shall become effective 45 days after adoption.

In addition, a proposed amendment which changes funding allocations among the four major categories of: freeway projects, streets and roads projects, transit projects, and environmental cleanup projects, as identified on page 31 of the Plan; or which changes funding allocations for Local Fair Share Program net revenues (Section IV, C, 3 of Attachment B) shall be approved by a simple majority vote of the electors before going into effect.

**Orange County Local Transportation Authority Ordinance No. 3 Amendment Excerpt
Page 6-7**

SECTION 12. AMENDMENTS

The Authority may amend the Ordinance, including the Plan, to provide for the use of additional federal, state, and local funds, to account for unexpected revenues, or to take into consideration unforeseen circumstances. The Authority shall notify the board of supervisors and the city council of each city in the county and provide them with a copy of the proposed amendments, and shall hold a public hearing on proposed amendments prior to adoption, which shall require approval by a vote of not less than two thirds of the Authority Board of Directors. Amendments shall become effective forty-five days after adoption. No amendment to the Plan which eliminates a program or project specified on Page 31 of the Plan shall be adopted unless the Authority Board of Directors adopts a finding that the transportation purpose of the program or project to be eliminated will be satisfied by a different program or project. No amendment to the Plan which changes the funding categories, programs or projects identified on page 31 of the Plan shall be adopted unless the amendment to the Plan is first approved by a vote of not less than two thirds of the Committee. In addition, any proposed change in allocations among the four major funding categories of freeway projects, street and road projects, transit projects and Environmental Cleanup projects identified on page 31 of the Plan, or any proposed change of the Net Revenues allocated pursuant to Section IV C 3 of Attachment B for the Local Fair Share Program portion of the Streets and Roads Projects funding category, shall be approved by a simple majority vote of the electors before going into effect.

Amendment History

Measure M Amendments Ordinance Amendment

1. September 23, 1991: Procedures and recommendation for amendments to the Measure M Ordinance
2. September 26, 2011: Agencies which qualify as an “Eligible Jurisdiction” under Ordinance No. 3 (Measure M2 {M2}) to also be an “Eligible Jurisdiction” under Ordinance No. 2. (Policy Resolution No. 3, Section II C1, subsection b)

Expenditure Plan Amendments

1. November 25, 1991: Reallocation of funds within the freeway program.
2. May 23, 1994: Reallocation of freeway program funding between Interstate 5 and State Route 91 (SR-91)/State Route 55.
3. May 13, 1996: Cost savings transferred to Commuter and Urban Rail Endowment fund accounts.
4. June 9, 1997: Amendments to local streets and roads component.
5. December 10, 2001: Amend the freeway program to add State Route 22 (SR-22) at \$203 million.
6. September 13, 2004: Amend the freeway program to advance SR-22 and additional \$123.7 million.
7. September 24, 2007: Modify State Route 57 (SR-57) description consistent with Project G in M2 and increase funding by \$22 million and expand limits of SR-22 to include the West County Connection improvements and increase funding by \$10 million.
8. March 8, 2010: Decrease SR-57 funding by \$22 million.

M2 Amendments

Ordinance Amendments

1. November 25, 2013: Strengthens the eligibility and selection process for Taxpayers Oversight Committee (TOC) members to prevent any person with a financial conflict of interest from serving as a member. Also requires currently elected or appointed officers who are applying to serve on the TOC to complete an "Intent to Resign" form.
2. December 14, 2015 (corrected March 14, 2016): Accounts for additional funding from Project T allocated to the Fare Stabilization Program by changing Attachment B language to reflect a 1.47% delegation (rather than 1%) of Project U funding towards Fare Stabilization. Corrected amendment language was presented to the Board of Directors (Board) on March 14, 2016.
3. June 22, 2020: Temporarily changes the maintenance of effort requirements for fiscal year 2019-20 and fiscal year 2020-21 to assist local jurisdictions through the unprecedented period of uncertainty due to the economic impacts of the 2020 coronavirus pandemic.

Plan Amendments

1. November 9, 2012: Reallocation of funds within the freeway program between SR-91 and Interstate 405
2. December 14, 2015 (corrected March 14, 2016): Closeout of Project T and reallocation of remaining funds within the Transit Program between Metrolink Service Expansion Project (Project R) and Fare Stabilization Program (Project U). Corrected amendment language was presented to the Board on March 14, 2016.

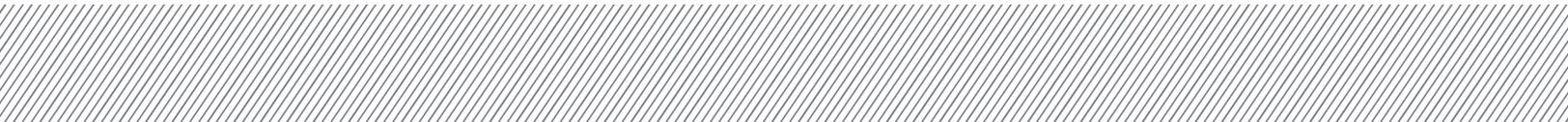
**Proposed Orange County Local Transportation Authority
Ordinance No. 3
Maintenance of Effort Requirements**

Section 6, Page 3

SECTION 6. MAINTENANCE OF EFFORT REQUIREMENTS

It is the intent of the Legislature and the Authority that the Net Revenues allocated to a jurisdiction pursuant to the Ordinance for street and road projects shall be used to supplement existing local discretionary funds being used for transportation improvements. Each jurisdiction is hereby required to annually maintain as a minimum no less than the maintenance of effort amount of local discretionary funds required to be expended by the jurisdiction for local street and road purposes pursuant to the current Ordinance No. 2 for Fiscal Year 2010-2011. The maintenance of effort level for each jurisdiction as determined through this process shall be adjusted effective July 1, 2014 and every three fiscal years thereafter in an amount equal to the percentage change for the Construction Cost Index compiled by Caltrans for the immediately preceding three calendar years, providing that any percentage increase in the maintenance of effort level based on this adjustment shall not exceed the percentage increase in the growth rate in the jurisdiction's general fund revenues over the same time period. The Authority shall not allocate any Net Revenues to any jurisdiction for any fiscal year until that jurisdiction has certified to the Authority that it has included in its budget for that fiscal year an amount of local discretionary funds for streets and roads purposes at least equal to the level of its maintenance of effort requirement. An annual independent audit may be conducted by the Authority to verify that the maintenance of effort requirements are being met by the jurisdiction. Any Net Revenues not allocated pursuant to the maintenance of effort requirement shall be allocated to the remaining eligible jurisdictions according to the formula described in the Ordinance.

In order to address the impacts of the novel coronavirus pandemic (commonly referred to as COVID-19), for fiscal year (FY) 2019-20, jurisdictions shall comply with all submittal requirements under the ordinance, including, but not limited to, those requirements under Attachment B (III) - Requirements for Eligible Jurisdictions, but will not be required to meet the required maintenance of effort (MOE) amount for that particular jurisdiction for the FY 2019-20. For FY 2020-21 and FY 2021-22, jurisdictions shall be required to comply with all submittal requirements under the ordinance, including, but not limited to, those requirements under Attachment B (III) - Requirements for Eligible Jurisdictions, but shall only be required to meet the MOE amount for that particular jurisdiction for the FY at the same proportional share of streets and roads discretionary expenditures to general fund revenues based upon the proportion of the FY 2020-21 MOE benchmark to general fund revenues that were reported in their respective Comprehensive Annual Financial Report for FY 2018-19. Jurisdictions are encouraged to use their best efforts during FY 2019-20, and FY 2020-21, and FY 2021-22 to meet original MOE levels.



Orange County Transportation Authority

Sales Tax Update



Background

- Orange County Transportation Authority (OCTA) staff has provided updates to the Board of Directors (Board) on the impact of the coronavirus pandemic
- Measure M2 (M2) Program sales tax forecast decreased from \$13.4 billion to \$11.6 billion over the life of the program
- Transportation Development Act (TDA) sales tax used to support bus operations forecasted to decrease from \$5.7 billion to \$5 billion over the next 20 years
- OCTA staff promised to provide an update on second quarter sales tax collections upon receipt of the final payment

Timing of Sales Tax Receipts

- Timing of sales tax receipts
 - Sales tax payments are received monthly but are paid two months in arrears
 - Sales tax payments are trued-up on a quarterly basis
 - Advance payments are received each month with a quarterly true-up payment received the second month following the end of a quarter
- Advances have not proven to be a good indicator of actual receipts for the quarter

Comparison of Fiscal Year-to-Date Receipts

<i>Actuals Comparison</i> *	M2	TDA
Fiscal Year 2021 Through Second Quarter (\$)	161.4	84.6
Fiscal Year 2020 Through Second Quarter (\$)	174.0	90.5
Year-Over-Year +/- (\$)	-12.6	-5.9
Year-Over-Year +/- (%)	-7.2%	-6.5%

<i>Budget Comparison</i> *	M2	TDA
Receipts Through Second Quarter (\$)	161.4	84.6
Budget Through Second Quarter (\$)	139.9	72.1
Variance +/- (\$)	21.5	12.5
Variance +/- (%)	15.3%	17.3%

* All dollars in millions

Comparison of Fiscal Year-to-Date Receipts

<i>Forecast Comparison</i> *	M2	TDA
Receipts Through Second Quarter (\$)	161.4	84.6
Forecast Through Second Quarter (\$)	161.6	83.8
Year-Over-Year +/- (\$)	-0.2	0.8
Year-Over-Year +/- (%)	-0.1%	1.0%

* All dollars in millions

Impacts to Forecasts

- Methodology uses MuniServices forecast for the first five years and the three-university average for the remainder
 - MuniServices, LLC, forecasts for fiscal years 2021 – 2025
 - Three universities' forecasts for fiscal years 2026 - 2041
- M2 Program sales tax forecasted to remain unchanged at \$11.6 billion
- TDA sales tax forecasted to remain unchanged at \$5 billion

Implications Going Forward

- Staff has been providing recent updates to the Board on the M2 and bus programs
- Sales tax receipts for the second quarter did not materially impact the short- or long-term sales tax forecasts
- No impact to the direction of either program at this time

Next Steps

- Staff will continue to monitor sales tax and its implications to programs and projects
- Two key items are scheduled to be brought to the Board this spring
 - M2 Next 10 Delivery Plan – April 2021
 - Comprehensive Business Plan – April 2021
- Staff will utilize updated sales tax information as part of the development process for the fiscal year 2022 budget

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance Tracking Matrix - Ordinance No. 3
For Period Ending December 31, 2020

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
1.00	Administrative and General Requirements						
2.00	Has a transportation special revenue fund ("Local Transportation Authority Special Revenue Fund") been established to maintain all Revenues?	Sec. 10.1	F & A	One-time, start-up	Done	Sean Murdock	Yes. The LTA Fund (Fund 17) was established for this purpose. A discussion of the fund and its purpose can be found in the OCLTA audited financial statements. Please reference: " OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report ," for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021.
3.00	Have the imposition, administration and collection of the tax been done in accordance with all applicable statutes, laws, rules and regulations prescribed and adopted by California Department of Tax and Fee Administration (formerly State Board of Equalization)?	Sec. 3	F & A	Recurring	Done to date	Sean Murdock	Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report. Please reference: " OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report ," for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021.
4.00	Have Net Revenues been allocated solely for the transportation purposes described in the Ordinance?	Sec. 4	F & A	Recurring	Done to date	Sean Murdock	Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report. Please reference: " OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report ," for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021.
5.00	"Pay as you go" financing is the preferred method of financing transportation improvements and operations under the Ordinance. Before issuing bonds, has the Authority determined the scope of expenditures made "pay-as-you-go" financing unfeasible?	Sec. 5	F & A, Planning	Recurring	Done to date	Sean Murdock	Yes. Please reference: " Plan of Finance for Early Action Plan ," Attachment D in Staff Report dated November 9, 2007. " Renewed Measure M Early Action Plan Review ," Staff Report dated December 14, 2009. " Paying for M2 - Bond Financing Legal Memo ," dated March 5, 2012.
6.00	Have maintenance of effort (MOE) levels been established for each jurisdiction for fiscal year 2010-2011 pursuant to Ordinance 2?	Sec. 6	Planning	One-time, start-up	Done	Joe Alcock/ Adriann Cardoso	Yes. The MOE benchmark for each jurisdiction was originally established under Ordinance No. 2. MOE for FY 2010-11 and was established and adopted by the OCTA Board as part of the M2 Eligibility Guidelines. Please reference: " Measure M2 Local Agency Eligibility Guidelines and Requirements ," dated January 25, 2010.
7.00	Have city MOE levels been adjusted by July 1, 2014 and every three years thereafter using the Caltrans Construction Cost Index?	Sec. 6	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. The third MOE benchmark adjustment was presented to the Board on April 13, 2020. Please reference: " Fiscal Year 2020-21 Updates to the Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines ," dated April 13, 2020.

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							<p>Due to the coronavirus (COVID-19) pandemic, on May 11, 2020, the Board authorized staff to initiate the amendment process to the M2 Ordinance No. 3 in order to adjust MOE requirements. Please reference: "Proposed Amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3," dated May 11, 2020.</p> <p>On June 22, 2020 the Board held a public hearing and approved the Ordinance No. 3 amendment. Please reference: "Public Hearing to Amend the Measure M2 Orange County Local Transportation Authority Ordinance No. 3," dated June 22, 2020.</p> <p>On December 14, 2020, the Board approved the MOE Benchmark correction/adjustments for the cities of Buena Park and Villa Park. Please reference: "Measure M2 Annual Eligibility Review," dated December 14, 2020.</p> <p>Please also reference the following Staff Reports: "Fiscal Year 2014-15 Measure M2 Maintenance of Effort Adjustment and Updates to Eligibility and Local Signal Synchronization Plan Guidelines," dated April 14, 2014. "Fiscal Year 2014-15 Maintenance of Effort Benchmark Adjustments," dated August 11, 2014 to see adjustments made for the cities of La Habra, Laguna Woods, Los Alamitos, and Yorba Linda. "Fiscal Year 2017-18 Measure M2 Maintenance of Effort Adjustment and Updates to the Eligibility and Local Signal Synchronization Plan Guidelines," dated April 10, 2017. "Measure M2 Eligibility Review Recommendations for Fiscal Year 2015-16 Expenditure Reports and City of San Juan Capistrano's Maintenance of Effort Benchmark," dated May 8, 2017. "Fiscal Year 2018-19 Measure M2 Eligibility and Countywide Pavement Management Plan Guidelines and City of Placentia's Maintenance of Effort Benchmark," dated April 9, 2018.</p>
8.00	Have MOE requirements been met annually by each jurisdiction?	Sec. 6	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	No. Due to 2019 audit findings, on May 13, 2019, the Board found the cities of Stanton and Santa Ana ineligible to receive net M2 Revenues based upon failing to meet and/or substantiate MOE requirements for FY 2017-18. The

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							<p>Board suspended all disbursements of M2 funding and required the cities sign separate settlement agreements that identified steps to regain compliance. Please reference: “Measure M2 Eligibility for the City of Santa Ana,” and “Measure M2 Eligibility for the City of Stanton,” dated May 13, 2019.</p> <p>On April 13, 2020, the Board determined the cities of Santa Ana and Stanton eligible to receive M2 net revenues again based on second audit findings that each city had met their respective MOE requirements. Payments were reinitiated and suspended funds that were held in reserve were disbursed. Please reference: “Measure M2 Eligibility for the City of Santa Ana,” and “Measure M2 Eligibility for the City of Stanton,” dated April 13, 2020.</p> <p>For the remaining 33 entities, MOE requirements have been met annually. Please reference: “Measure M2 Eligibility Review Recommendations for Fiscal Year 2018-19 Expenditure Reports,” dated June 8, 2020.</p>
9.00	Have Revenues expended for salaries and benefits of Authority administrative staff remained within the one percent per year limit?	Sec 7	F & A	Recurring	Action plan in place	Sean Murdock & Changsu Lee	<p>Yes. These are tracked on a fiscal year basis. Expenditures were 0.86% for the fiscal year period between July 1, 2019 and June 30, 2020, which was less than the one percent of net revenue requirement. The amount under one percent for the fiscal year was \$454,733. However, program-to-date expenditures were over the one percent limit by \$83,723. OCTA has Board approval to borrow from the Orange County Unified Transportation Trust with the understanding that those funds will be repaid with interest in the future. This is being paid back when administrative expenditures underrun revenue in any given year of the program.</p> <p>Please reference: “OCTA Summary of Measure M2 Administrative Costs from Inception through June 30, 2020.”</p>
10.00	Has the Authority, to the extent possible, used existing state, regional and local planning and programming data and expertise to carry out the purposes of the Ordinance?	Sec. 7	Planning	Recurring	Done to date	Francesca Ching	<p>Yes, OCTA as appropriate, looks to other existing resources to ensure that work is not duplicative and that expenses are kept to a minimum. In cases where OCTA does not have the expertise available, OCTA contracts with other external agencies. For example, OCTA regularly has cooperative agreements with the California Department of Transportation, local universities, Army Corp of Engineers, and contracts with private sector experts as needed to meet the requirements of the Ordinance.</p>

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11.00	Have expenses for administrative staff and for project implementation incurred by the Authority, including contracted expenses, been identified in an annual report pursuant to Ordinance No. 3, Sec. 10.8?	Sec. 7 and Sec. 10.8	External Affairs	Recurring	Done to date	Alice Rogan & Jennifer Beaver	<p>Yes. Annual reports identify expenses for administrative staff and for project implementation incurred by the Authority, including contracted expenses. M1 Annual reports from years 2008 - 2011 included minor updates on M2 Early Action Plan progress and funding. All reports are saved in the M2 Document Center.</p> <p>Please reference the following: "Measure M Annual Report 2010." "Measure M Annual Report 2011." "Measure M Annual Report 2012." "Measure M Annual Report 2013." "Measure M Annual Report 2014." "Measure M Annual Report 2015." "Measure M Annual Report 2016." "Measure M Annual Report 2017." "Measure M Annual Report 2018." "Measure M Annual Report 2019." "Measure M Annual Report 2020."</p>
12.00	Has the 2006-2007 Authority appropriations limit been set at \$1,123 million?	Sec. 8	F & A	One-time, start-up	Done	Sean Murdock	<p>Yes. Please reference "Board Resolution 2006-32 Establishing LTA Appropriations Limit FY 2006-07," dated June 12, 2006.</p>
13.00	Has the Authority's appropriations limit been adjusted annually?	Sec. 8	F & A	Recurring	Done to date	Sean Murdock	<p>Yes. All Board Resolutions establishing LTA appropriations are saved in the M2 Document Center.</p> <p>Please reference the following Staff Reports: "Board Resolution 2011-046 Establishing LTA Appropriations Limit FY 2011-12," dated June 13, 2011. "Board Resolution 2012-031 Establishing LTA Appropriations Limit FY 2012-13," dated June 11, 2012. "Board Resolution 2013-164 Establishing LTA Appropriations Limit FY 2013-14," dated May 24, 2013. "Board Resolution 2014-027 Establishing LTA Appropriations Limit FY 2014-15," dated June 9, 2014. "Board Resolution 2015-023 Establishing LTA Appropriations Limit FY 2015-16," dated June 22, 2015.</p>

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							<p>"Board Resolution 2016-025 Establishing LTA Appropriations Limit FY 2016-17," dated June 13, 2016.</p> <p>"Board Resolution 2017-028 Establishing LTA Appropriations Limit FY 2017-18," dated June 12, 2017.</p> <p>"Board Resolution 2018-055 Establishing LTA Appropriations Limit FY 2018-19," dated June 11, 2018.</p> <p>"Board Resolution 2019-027 Establishing LTA Appropriations Limit FY 2019-20," dated June 10, 2019.</p> <p>"Board Resolution 2020-022 Establishing LTA Appropriations Limit FY 2020-21," dated June 22, 2020.</p>
14.00	Has the County of Orange Auditor-Controller, in the capacity as Chair of the Taxpayer Oversight Committee, annually certified that the Revenues were spent in compliance with the Ordinance?	Sec. 10.2	External Affairs	Recurring	Done to Date	Alice Rogan	<p>Yes. Each year since 2007, subsequent to Measure M Annual Hearings, the County Auditor-Controller has annually certified that revenues were spent in compliance with the Ordinance. For this reporting period, on June 9, 2020, County Auditor-Controller Frank Davies certified that OCTA has spent revenues in compliance with the Ordinance as noted in the minutes of the Taxpayer Oversight Committee (TOC) meeting. All Annual Hearing Compliance Memos are saved in the M2 Document Center.</p> <p>For the most recent confirmation of compliance, please reference: "Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Findings," dated June 22, 2020.</p>
15.00	Have receipt, maintenance, and expenditure of Net Revenues been distinguishable in each jurisdiction's accounting records from other funding sources, and distinguishable by program or project?	Sec. 10.3	F&A, Internal Audit	Recurring	Action plan in place	Sean Murdock	<p>Yes, local jurisdictions submit expenditure reports annually that distinguish funding sources and tie to accounting records that are subject to audits. Starting with the 2011 version of the annual expenditure report, local jurisdictions' finance directors are also required to attest to this requirement and each year hereafter. Jurisdictions are also subject to audits that cover this requirement. Internal Audit, through contractors, conducts audits of 8 to 10 jurisdictions per year covering this matter. Expenditure Reports for each jurisdiction are reviewed by staff and the TOC. The jurisdictions to be audited are selected by the TOC Audit Subcommittee. The TOC approved jurisdictions' FY 2018-19 Expenditure Reports on May 12, 2020.</p> <p>Please reference the following:</p> <p>"Measure M2 Annual Eligibility Review Recommendations for Fiscal Year 2018-19 Expenditure Reports," dated June 8, 2020.</p> <p>"June 9, 2020 - Meeting Minutes," dated August 11, 2020.</p>

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							"OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report," for year ending June 30, 2019 – Attachment F. Report dated January 27, 2020. "OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report," for year ending June 30, 2020 – Attachment F. Report dated January 25, 2021.
16.00	Has interest earned on Net Revenues allocated pursuant to the Ordinance been expended only for those purposes for which Net Revenues were allocated?	Sec. 10.3	F & A	Recurring	Done to date	Sean Murdock	Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report. Please reference: "OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report," for year ending June 30, 2019 – Attachment F. Report dated January 27, 2020. "OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report," for year ending June 30, 2020 – Attachment F. Report dated January 25, 2021.
17.00	Have jurisdictions used Net Revenues only for transportation purposes authorized by the Ordinance?	Sec. 10.4	F&A, Internal Audit	Recurring	Action plan in place	Sean Murdock	Yes. See Item 15 notes.
18.00	If any jurisdiction used Net Revenues for other than transportation purposes, has it fully reimbursed the Authority the Net Revenues misspent and been deemed ineligible to receive Net Revenues for a period of five years?	Sec. 10.4	F & A	Recurring	N.A.	Sean Murdock	Not applicable because there have been no such occurrences to date. Compliance is subject to audits by Internal Audit.
19.00	Has a Taxpayer Oversight Committee been established to provide an enhanced level of accountability for expenditures of Revenues and to help ensure that all voter mandates are carried out as required?	Sec. 10.5	External Affairs	One-time, start-up	Done	Alice Rogan	Yes. The Citizens Oversight Committee (COC) established under M1 was transitioned into the Taxpayer Oversight Committee (TOC) in August 2007. The transition was mentioned in the OCTA Staff Update portion of the June 12, 2007 COC Meeting Minutes, included in the August 28, 2007 TOC Meeting Agenda Packet. The TOC has since met regularly to provide an enhanced level of accountability for expenditures of Revenues and to help ensure that all voter mandates are carried out as required. Agenda Packets and Meeting Minutes for each TOC meeting can be found in the Document Center. Please reference: "TOC Agenda Packet," dated August 28, 2007.
20.00	Have performance assessments to evaluate efficiency, effectiveness, economy, and program results been conducted every three years?	Sec. 10.6	PMO	Recurring	Done to Date	Francesca Ching	Yes, to date, four Triennial M2 Performance Assessments have been conducted. The most recent performance assessment covering 2015 – 2018 can be found:

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							<p>“Triennial M2 Performance Assessment FY2015-16 to FY 2017-18,” dated March 11, 2019.</p> <p>Please reference the following Staff Reports: “Triennial M2 Performance Assessment FY 2006-07 to FY 2009,” dated November 22, 2010. “Triennial M2 Performance Assessment FY 2009-10 to FY 2011-12,” dated April 8, 2013. “Triennial M2 Performance Assessment FY 2012-13 to FY 2014-15,” dated August 8, 2016.</p>
21.00	Have the performance assessments been provided to the Taxpayers Oversight Committee?	Sec. 10.6	PMO, External Affairs	Recurring	Done to Date	Francesca Ching & Alice Rogan	<p>Yes, to date, four performance assessments have been provided to the TOC.</p> <p>Please reference the following agenda packets: “TOC Agenda Packet 2010,” dated December 14, 2010. “TOC Agenda Packet 2013,” dated April 9, 2013. “TOC Agenda Packet 2016,” dated June 14, 2016. “TOC Agenda Packet 2019,” dated April 9, 2019.</p>
22.00	Have quarterly status reports regarding the major projects detailed in the Plan been brought before the Authority in public meetings?	Sec. 10.7	PMO	Recurring	Done to Date	Francesca Ching	<p>Yes, quarterly reports have consistently been brought before the Board. The reports are posted on the OCTA website and saved in the M2 Document Center. These reports can be found by searching for “M2 Quarterly Report.” The latest report was presented to the Board on March 8, 2021.</p> <p>Please reference: “Measure M2 Quarterly Progress Report for the Period of January 2020 to March 2020,” dated June 8, 2020. “Measure M2 Quarterly Progress Report for the Period of April 2020 to June 2020,” dated September 14, 2020. “Measure M2 Quarterly Progress Report for the Period of July 2020 to September 2020,” dated January 11, 2021. “Measure M2 Quarterly Progress Report for the Period of October 2020 to December 2020,” dated March 8, 2021.</p>
23.00	Has the Authority published an annual report on how revenues have been spent and on progress toward implementation and publicly reported on the findings?	Sec. 10.8	External Affairs	Recurring	Done to date	Alice Rogan	<p>Yes. These annual reports were prepared and made public since FY 2010-11. The FY 2019-20 information can be found on the 2020 infographic and M2 website.</p>
24.00	Has the Authority, every ten years, conducted a comprehensive review of all projects and programs implemented under the Plan to evaluate the performance of the overall program?	Sec. 11	PMO	Recurring	Done to date	Francesca Ching	<p>The first comprehensive Ten-Year Review was conducted for the period covering November 8, 2006 through June 30, 2015. The final report was presented to the Board on October 12, 2015.</p>

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							Please reference: "M2 Ten-Year Review Report," dated October 12, 2015.
25.00	If the Authority has amended the Ordinance, including the Plan, has the Authority followed the process and notification requirements in Ordinance No. 3, Sec. 12, including approval by not less than two-thirds vote of the Taxpayer Oversight Committee?	Sec. 12	PMO, External Affairs	Recurring	Done to Date	Francesca Ching & Alice Rogan	<p>Yes. There have been four amendments to Ordinance No. 3.</p> <p>For Amendment #1 (November 9, 2012) to the Plan (Freeway Category), OCTA followed the Plan amendment process and notification requirements (including TOC approval on October 9, 2012).</p> <p>For Amendments #2 and # 4 (November 25, 2013 and June 22, 2020) to the Ordinance (Attachment C), OCTA followed the Ordinance amendment process and notification requirements (did not require TOC approval).</p> <p>For Amendment #3 (December 14, 2015, corrected on March 14, 2016) to the Plan (Transit Category) and Ordinance (Attachment B), OCTA followed the Plan amendment process and notification requirements (including TOC approval on November 10, 2015).</p> <p>Please reference the following Staff Reports: "Public Hearing to Amend the Measure M2 Transportation Investment Plan for the Freeway Program," dated November 9, 2012 for Amendment #1. "Public Hearing on Proposal to Amend Orange County Local Transportation Authority Ordinance No. 3 to Modify Taxpayer Oversight Committee Membership Eligibility," dated November 25, 2013 for Amendment #2. "Public Hearing to Amend the Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan for the Transit Program," dated December 14, 2015 for Amendment #3. "Public Hearing to Amend the Measure M2 Orange County Local Transportation Authority Ordinance No. 3," dated June 22, 2020 for Amendment #4.</p>
26.00	General Requirements - Allocation of Net Revenues						
27.00	Have at least five percent of the Net Revenues allocated for Freeway Projects been used to fund Programmatic Mitigation of Freeway Projects, and have these funds derived by pooling funds from the mitigation budgets of individual Freeway Projects?	Att. B, Sec. II.A.5	Planning, F & A	30-year	Done to date	Sean Murdock	Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report.

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							Please reference: " OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report ," for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021.
28.00	<p>Has the Authority used Revenues as follows:</p> <ul style="list-style-type: none"> - First, paid the California Department of Tax and Fee Administration (formerly State Board of Equalization) for services and functions? - Second, paid the administrative costs of the Authority? - Third, satisfied the annual allocation of two percent of Revenues for Environmental Cleanup? - Fourth, satisfied the debt service requirements of all bonds issued pursuant to the Ordinance that are not satisfied out of separate allocations? 	Att. B, Sec. IV.A.1-4	F & A	Recurring	Done to date	Sean Murdock	<p>Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report.</p> <p>Please reference: "OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report," for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021.</p>
29.00	<p>After providing for the use of Revenues as described above, has the Authority allocated Net Revenues as follows:</p> <ul style="list-style-type: none"> - Freeway Projects - 43%? - Streets and Roads Projects - 32%? - Transit Projects - 25%? 	Att. B, Sec. IV.B.1-3	F & A	Recurring	Done to date	Sean Murdock	<p>Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report.</p> <p>Please reference: "OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report," for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021.</p>
30.00	<p>Has the allocation of the 32 percent for Streets and Roads Projects been made as follows:</p> <ul style="list-style-type: none"> - Regional Capacity Program projects - 10% of Net Revenues? - Regional Traffic Signal Synchronization Program projects - 4% of Net Revenues? - Local Fair Share Program projects - 18% of Net Revenues? 	Att. B, Sec. IV.C.1-3	F & A	Recurring	Done to date	Sean Murdock	<p>Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report.</p> <p>Please reference: "OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report," for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021.</p>
31.00	If the percentage basis of the allocation of Net Revenues in any given year is different than required by Sections B and C (except for Local Fair Share Program projects), have the percentage allocations set forth in Sections B and C been achieved during the duration of the Ordinance?	Att. B, Sec. IV.D	F & A	30-year	Not yet required	Sean Murdock	The percentage basis allocation is not an annual requirement but must be achieved during the duration of the Ordinance.
32.00	Have Net Revenues allocated for the Local Fair Share Program pursuant to Att. B, Sec. IV.C been paid to Eligible Jurisdictions within 60 days of receipt by the Authority?	Att. B, Sec. IV.E	F & A	Recurring	Done to date	Sean Murdock	<p>Yes. See General Accounting payments for Local Fair Share funds for FY 2019-20. Also note that Agreed-Upon Procedures to the Measure M2 Status Report.</p> <p>Please reference: FY 2019-20 Project Q Local Fair Share Payments.</p>

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							"OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report," for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021.
33.00	If the Authority exchanged Net Revenues from a Plan funding category for federal, state or other local funds, has the Authority and the exchanging public agency used the exchanged funds for the same program or project authorized for the use of the funds prior to the exchange, have such federal, state or local funds received by the Authority been allocated to the same Plan funding category that was the source of the exchanged Net Revenues?	Att. B, Sec. IV.F	Planning, F & A	Recurring	Not yet required	Sean Murdock	Not applicable to date because there have been no exchanges.
34.00	Has the Authority followed the requirement that in no event shall an exchange of funds reduce the Net Revenues allocated for Programmatic Mitigation of Freeway Projects?	Att. B, Sec. IV.F	Planning, F & A	Recurring	Not yet required	Sean Murdock	Not applicable to date because there have been no exchanges.
35.00	Has the Authority, upon review and acceptance of any Project Final Report, allocated the balance of Net Revenues, less the interest earned on the Net Revenues allocated for the project?	Att. B, Sec. IV.H	Planning	Recurring	Done to Date	Joe Alcock/ Adriann Cardoso	Yes. As projects are completed, any unused funds from each project are made available for other projects within the same category, as needed. Examples below: " Ordinance Amendment 1 ," dated November 9, 2012. " Ordinance Amendment 3 ," dated March 14, 2016. There have been no reallocations across categories (43% Freeway, 32% Streets and Roads, and 25% Transit), in accordance with overall requirements in Att. B, Sec IV.B.
36.00	Requirements Related to All Freeway Projects						
37.00	Have Freeway Projects been planned, designed and constructed with consideration for their aesthetic, historic and environmental impacts on nearby properties and communities?	Att. A, p. 5 Freeway Projects Overview	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes. Freeway Projects are developed with input from Cities, the public, other stakeholders and various interest groups. For example, landscaping and aesthetics are prepared with input from city representatives and the public to ensure that each city is given an opportunity to include its own "theme" while preserving the overall uniformity on the freeways throughout Orange County. Please reference: " Historic Resources Compliance Report HRCR ," dated December 2008, Project H portion in the Environmental Document.
38.00	Has a Master Agreement for environmental and programmatic mitigation of freeway projects between OCLTA and state and federal resource agencies been executed?	Att. A, p.5 Freeway Projects Overview	Planning	One-time, start-up	Done	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement, executed in January 2010, served as the Master Agreement. As a note, the termination date on the Planning Agreement was extended as it took longer than anticipated to complete the NCCP/HCP and EIR/EIS.

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							Please reference: " C-9-0278 Agreement, Environmental Mitigation Program MOA. "
39.00	Has the OCLTA made every effort to maximize Orange County's share of state and federal freeway dollars?	Att. B, Sec. II.A.1	Govt Relations, Planning	Recurring	Done to date	Adriann Cardoso	Yes. Since 2006, OCTA has received and programmed the following amounts, for freeway projects included in the M2 Plan: federal - \$570 million, state - \$945 million, other local - \$123 million. OCTA was also successful in receiving a TIFIA loan for \$629 million against future toll revenues for the I-405 from SR-73 to I-605 project. Please reference: " Capital Programming Update ," dated July 13, 2020.
40.00	Have all major approval actions for Freeway Projects, including project concept, location, and any change in scope, been agreed upon by Caltrans, the Authority, project sponsors, and where appropriate, the FHWA and/or the California Transportation Commission?	Att. B, Sec. II.A.2	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes, coordination with the agencies listed is a constant, and the required approval actions are obtained from the appropriate agencies. Project concept, location, and scope are determined when the preferred alternative is selected and identified in the final approved environmental document (ED). The Final ED is approved by Caltrans, which includes delegated NEPA authority from FHWA. The environmental documents are also provided to the CTC. Scope changes will often require changes to the Cooperative Agreement between OCTA and Caltrans. Design modifications and exceptions to design requirements are coordinated with Caltrans District 12 and Headquarters (Sacramento), which has the delegated authority from FHWA to approve design exceptions. Project Change Requests are required to be approved by both OCTA and Caltrans when a change in scope is large enough to warrant a change in project funding. Approval by the California Transportation Commission may also be required if state funds are requested or a baseline agreement amendment is required.
41.00	Has the Authority, prior to allocation of Net Revenues for any Freeway Project, obtained written assurances from the appropriate state agency that after the project is constructed to at least minimum acceptable state standards, the State shall be responsible for maintenance and operation?	Att. B, Sec. II.A.3	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes, construction Cooperative Agreements between OCTA and Caltrans include language that assigns maintenance and operations to Caltrans. For an example, please reference Attachment A, article 31 of the " Cooperative Agreement with the California Department of Transportation for the Interstate 5 HOV Improvement Project Between Avenida Pico and Avenida Vista Hermosa ," dated December 9, 2013. This agreement (C-3-2080) was executed on May 1, 2014.
42.00	Have Freeway Projects been built largely within existing rights of way using the latest highway design and safety requirements?	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes, keeping generally within existing right-of-way is one of the largest project parameters. For example, elimination of braided ramps on the I-405 Improvement Project was approved in the final EIR/EIS to reduce the full ROW acquisitions while still ensuring that the design meets Caltrans design and

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							safety standards. Keeping the ROW impacts to some partial acquisitions and primarily temporary construction easements while adding four lanes to the I-405 is a major accomplishment for a \$2.08 billion project, the largest project in the M2 freeway program, highlighting the importance placed on working within ROW constraints. For an example, please reference: " I-405 Supplemental Draft Environmental Impact Report/EIS ," dated May 2013.
43.00	To the greatest extent possible within the available budget, have Freeway Projects been implemented using Context Sensitive Design? ("Context Sensitive Design features" are further described in the referenced provision.)	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes, freeway projects include many context sensitive design features, from the Planning stages, through Environmental, Design, and Construction. The project team, including Public Outreach, coordinates with local cities and other agencies on landscaping, aesthetic and soft/hardscape features. For example, the construction of sound walls requires public input, in the form of a soundwall survey, to determine if soundwalls will be built. Aesthetics of soundwalls, retaining walls and bridges take into account City and community preferences.
44.00	Have Freeway Projects, to the greatest extent possible within the available budget, been planned, designed, and constructed using a flexible community-responsive and collaborative approach to balance aesthetic, historic and environmental values with transportation safety, mobility, maintenance and performance goals?	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes, Community Outreach is a constant on all the Freeway Projects. Open Houses, City Council presentations, local agency meetings and other forms of Outreach are deployed in order to obtain community feedback so that modifications are made, where possible, to retain these values. All design features and proposed changes are reviewed and approved by Caltrans to ensure safety, mobility, maintenance and performance goals.
45.00	Have the Net Revenues allocated to Freeway Projects for use in funding Programmatic Mitigation for Freeway Projects been subject to the following:	Att. B, Sec. II.A.5	Planning		Done	Dan Phu	See items 45.01 - 45.09
45.01	Has a Master Environmental Mitigation and Resource Protection Plan and Agreement (Master Agreement) between the Authority and state and federal resources been developed?	Att. B, Sec. II.A.5.a	Planning	One-time, start-up	Done	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement executed in January 2010, served as the Master Agreement. As a note, the Planning Agreement was extended as it took longer than anticipated to complete the NCCP/HCP and EIR/EIS. Please reference: " C-9-0278 Agreement, Environmental Mitigation Program MOA ."
45.02	Does the Master Agreement include commitments by the Authority to provide programmatic environmental mitigation of Freeway Projects?	Att. B, Sec. II.A.5.a.(i)	Planning	One-time, start-up	Done	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement executed in January 2010, served as the Master Agreement. See Item 1 within the Agreement which refers to commitments by OCTA to provide programmatic environmental mitigation of Freeway Projects. As a note, an extension of the termination date on the Planning Agreement was required since it took longer than anticipated to complete the NCCP/HCP and EIR/EIS.

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							Please reference: " C-9-0278 Agreement, Environmental Mitigation Program MOA. "
45.03	Does the Master Agreement include commitments by state and federal agencies to reduce project delays associated with permitting and streamline the process for Freeway Projects?	Att. B, Sec. II.A.5.a.(ii)	Planning	One-time, start-up	Done	Dan Phu	<p>Yes. The Memorandum of Agreement and Planning Agreement executed in January 2010, served as the Master Agreement. See Items 6 and 8 within the Agreement as it relates to commitments by state and federal agencies to reduce project delays associated with permitting and streamline the process for Freeway Projects. As a note, an extension of the termination date on the Planning Agreement was required since it took longer than anticipated to complete the NCCP/HCP and EIR/EIS.</p> <p>Please reference: "C-9-0278 Agreement, Environmental Mitigation Program MOA."</p>
45.04	Does the Master Agreement include an accounting process for mitigation obligations and credits that will document net environmental benefit from regional, programmatic mitigation in exchange for net benefit in the delivery of transportation improvements through streamlined and timely approvals and permitting?	Att. B, Sec. II.A.5.a.(iii)	Planning	One-time, start-up	Done	Dan Phu	<p>Yes. Development of the Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) set forth the process to meet this provision (Sections 5 and 6). The Final NCCP/HCP was approved by the Board and the Final EIR/EIS was certified by the Board on November 28, 2016.</p> <p>Please reference: "Final Natural Community Conservation Plan/Habitat Conservation Plan and Associated EIR/EIS," dated November 28, 2016.</p> <p>The corresponding state and federal wildlife agency permits were received in June 2017.</p> <p>Please reference: "OCTA M2 NCCP-HCP Implementing Agreement with Fed and State Fish-Wildlife and Caltrans," dated June 19, 2017.</p> <p>An accounting process is folded into the NCCP/HCP for mitigation obligations and credits. An annual report is required and will document freeway project level impacts as well as mitigation performed for those freeway projects. The first annual report will be finalized in 2019 and will include activities related to the NCCP/HCP from 2011. The future annual reports will only include one year's activities in relation to the NCCP/HCP. Actual impacts will be compared against assumptions made within the NCCP/HCP. Net environmental benefits from the NCCP/HCP are summarized in Table ES-1 of the NCCP/HCP. Biological permits from the wildlife regulatory agencies were issued in advance, therefore streamlining the delivery of the transportation projects.</p>

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45.05	Does the Master Agreement include a description of the specific mitigation actions and expenditures to be undertaken and a phasing, implementation, and maintenance plan?	Att. B, Sec. II.A.5.a.(iv)	Planning	One-time, start-up	Done	Dan Phu	Yes, the Memorandum of Agreement and Planning Agreement, executed in January 2010, included this provision. Please reference: " C-9-0278 Agreement, Environmental Mitigation Program MOA. "
45.06	Does the Master Agreement include appointment by the Authority of a Mitigation and Resource Protection Oversight Committee to make recommendations to the Authority on the allocation of Net Revenues for programmatic mitigation and to monitor implementation of the Master Agreement?	Att. B, Sec. II.A.5.a.(v)	Planning	One-time, start-up	Done	Dan Phu	Yes. The Environmental Oversight Committee makes recommendations to the Authority on the allocation of Net Revenues for programmatic mitigation and also monitors the implementation of the Environmental Mitigation Program which is based on the Master Agreement. Please reference: " C-9-0278 Agreement, Environmental Mitigation Program MOA. "
45.07	Was an Environmental Oversight Committee appointed and does it consist of no more than 12 members and is comprised of representatives of the Authority, Caltrans, state and federal resource agencies, non-governmental environmental organizations, the public and the Taxpayer Oversight Committee?	Att. B, Sec. II.A.5.a.(v)	Planning, External Affairs	One-time, start-up	Done	Dan Phu & Marissa Espino	Yes. Creation of the EOC occurred in 2007 with applicant scoring and selection for membership by the Transportation 2020 Committee on October 15, 2007. The first EOC meeting took place on November 13, 2007. Please reference: " Renewed Measure M Environmental Committees Selection Process ," dated October 22, 2007. " EOC Minutes ," dated November 13, 2007. " Status Report on Renewed Measure M Environmental Programs ," dated August 25, 2008. " EOC Roster 2020 "
45.08	Was the Master Agreement developed as soon as practicable following the approval of the ballot proposition by the electors?	Att. B, Sec. II.A.5.b	Planning	One-time, start-up	Done	Dan Phu	Yes, the Memorandum of Agreement and Planning Agreement process began in early 2008.
45.09	Have the Authority and state and federal resource agencies developed the Master Agreement prior to the implementation of Freeway Projects?	Att. B, Sec. II.A.5.b	Planning	One-time, start-up	Done	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement process began in early 2008 and was fully executed by OCTA and state and federal resources agencies in January 2010. During this timeframe, the Early Action Plan also authorized the project development processes for various M2 freeway projects, which included preliminary engineering, environmental studies, and final design work. The initiation of this work also maximized OCTA's ability to compete for state and federal funds (i.e., CMIA and federal stimulus). With the exception of the eastbound SR-91 lane addition between SR-241 and SR-71 and the State Route 22 access improvements, the rest of the M2 freeway projects did not begin construction until after January 2010. The Eastbound SR-91 lane addition project began construction in late 2009 and utilized primarily American Recover and Reinvestment Act (ARRA) federal stimulus

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							funds and the SR-22 improvements were amended into Measure M1 and completed early in 2007 as a "bonus project" as part of the SR-22 D/B project. Please reference: " C-9-0278 Agreement, Environmental Mitigation Program MOA. "
46.00	Requirements Related to Specific Freeway Projects						
47.00	Project A						
48.00	Have Santa Ana Freeway (I-5) improvements between the Costa Mesa freeway (SR-55) and "Orange Crush" (SR-57) described in Project A been built:	Att. A, p. 7, Project A	Capital Programs - Highways	30-year	Done to Date	Rose Casey	
48.01	At the SR-55/I-5 interchange area between the Fourth Street and Newport Boulevard ramps on I-5?	Att. A, p. 7	Capital Programs - Highways	30-year	Modified	Rose Casey	See notes for Item 48.02.
48.02	On SR-55 between Fourth Street and Edinger Avenue?	Att. A, p. 7	Capital Programs - Highways	30-year	Modified	Rose Casey	No. Project A improvement limits do not include SR-55 between Fourth Street and Edinger Avenue (agreed to by cities and Caltrans) due to lack of support/consensus between Caltrans and local jurisdictions which is a requirement of M2. There are some improvements included in Project F on SR-55 between I-405 and I-5.
48.03	On I-5 between SR-55 and SR-57?	Att. A, p. 7	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Construction on this project began in December 2018 and is anticipated to be completed in January 2021.
49.00	Have the Project A improvements, as built, increased capacity and reduced congestion?	Att. A, p. 7, Project A	Capital Programs - Highways	30-year	Done to Date	Rose Casey	The project added capacity with a second carpool lane and relieved congestion upon construction completion as identified during the environmental phase.
50.00	Project B						
51.00	Have new lanes been built and interchanges improved on the Santa Ana Freeway (I-5) between the Costa Mesa freeway (SR-55) to El Toro "Y"?	Att. A, p. 7, Project B	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The environmental phase for the project was completed in January 2020. Final design and construction will be segmented into two segments with Final Design for Segment 2 (Yale Avenue to SR-55) expected to commence in March 2021 and Final Design for Segment 1 (I-405 to Yale Avenue) in September 2021. Segment 1 is anticipated to be completed in 2029 and Segment 2 in 2028.
52.00	Have the Project B improvements as built increased capacity and reduced congestion?	Att. A, p. 7, Project B	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes in Item 51.00. The project will add capacity with one additional general-purpose lane in each direction and relieve congestion upon construction completion as identified during the environmental phase.
53.00	Project C						

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54.00	Have Santa Ana Freeway (I-5) improvements south of the El Toro "Y" been built with:	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>The I-5, Avenida Pico to San Juan Creek Road (including interchange improvements at Avenida Pico) was divided into three segments for design and construction. This project added a new HOV lane in both directions of I-5 between PCH and Avenida Pico, reconstruct the Avenida Pico Interchange, and reconstructed on- and off-ramps along the project area. All three segments are now complete.</p> <p>The I-5, SR-73 to El Toro Road project (including interchange improvements at Avery Parkway and La Paz Road) completed the environmental phase in May 2014. The project was divided into three segments for design and construction. Segments 1 and 2 are currently under construction. The construction contract for Segment 3 was approved by Caltrans in October 2020. This project adds a general-purpose lane in each direction, extends the second HOV lane in both directions from El Toro Road to Alicia Parkway, reconstruct the La Paz Road and Avery Parkway interchanges, and add auxiliary lanes where needed. The forecasted construction completion date of the last segment is January 2025.</p>
54.01	New lanes from the vicinity of the El Toro Interchange in Lake Forest to the vicinity of SR-73 in Mission Viejo?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>See notes Item 54.00. New lanes will be added upon construction completion.</p> <p>Segment 1, I-5 between SR-73 and Oso Parkway (including improvements to Avery Parkway Interchange): The construction contract was awarded in December 2019 and construction began in February 2020.</p> <p>Segment 2, I-5 between Oso Parkway and Alicia Parkway (including improvements to La Paz Interchange): The construction contract was awarded in March 2019 and construction began in April 2019.</p> <p>Segment 3, I-5 between Alicia Parkway and El Toro Road, the construction contract was awarded in September 2020 and construction activities began in October 2020.</p>
54.02	New lanes between Pacific Coast Highway and Avenida Pico?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Completed	Rose Casey	<p>Yes, new HOV lanes have been added between PCH and Avenida Pico and were broken into three segments. See notes in Item 54.00.</p> <p>The I-5, Avenida Pico to Vista Hermosa project (including interchange improvements at Avenida Pico) began construction in December 2014 and was completed in August 2018.</p> <p>Please reference: "FC101 Master Schedule Complete," Project Controls Schedule dated October 16, 2018. "Plan Sheets" are available on Caltrans' website using Contract No. 12-0F96A4, Invitation for Bids dated September 2, 2014.</p>

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							<p>The I-5, Vista Hermosa to PCH project began construction in July 2014 and was completed in July 2017. Please reference: "FC103 Master Schedule Complete," Project Controls Schedule dated August 17, 2017. "Plan Sheets" are available on the Caltrans' website using Contract No. 12-0F96C4, Invitation for Bids dated February 3, 2014.</p> <p>The I-5, PCH to San Juan Creek Road project started construction in December 2013 and was completed in July 2018. Please reference: "FC104 Master Schedule Complete," Project Controls Schedule dated September 17, 2018. "Plan Sheets" are available on the Caltrans' website using Contract No. 12-0F96E4, Invitation for Bids dated August 19, 2013.</p>
54.03	Major improvements at local interchanges as determined in Project D?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Avenida Pico, Avery Parkway and La Paz Parkway are incorporated into project C. (See notes Item 54.00 for main item status which includes these interchanges and notes from 56.00 for remaining interchanges.)
55.00	Have the Project C improvements as built increased capacity and reduced congestion?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 54.00. The I-5 HOV Improvement projects (between San Juan Creek Road and Avenida Pico) increased capacity and reduced congestion as identified during the environmental phase. The additional general- purpose lane to be added in each direction from SR-73 to El Toro Road will also relieve congestion once constructed.
56.00	Project D						
57.00	Have key I-5 interchanges such as Avenida Pico, Ortega Highway, Avery Parkway, La Paz Road, El Toro Road, and others been updated and improved to relieve street congestion around older interchanges and on ramps?	Att. A, p. 8, Project D	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>See item 54.00 for status of Avenida Pico, Avery Parkway and La Paz Road interchanges. Construction of the I-5/Ortega Highway Interchange project was completed in December 2015. The interchange was opened for public use in fall 2015.</p> <p>Please reference: "FD101 Master Schedule Complete," Project Controls Schedule dated February 19, 2016. "FD101 I-5 Ortega, SR-74 Ortega Highway Plans Sheets" can be found on Caltrans' website using Contract No. 12-0E3104, Invitation for Bids dated June 4, 2012.</p> <p>The I-5/El Toro Road Interchange environmental phase began in April 2017. As of December 2019, the completion of the environmental phase had been stalled due to lack of consensus on an alternative with the stakeholder cities. OCTA, in conjunction with Caltrans and the cities, are currently working on an</p>

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							Alternatives Assessment to determine if there are other potential alternatives that can be agreed to by Caltrans and all cities. The results of the Alternatives Assessment are anticipated by March 2021. Without consensus, OCTA will not move forward.
58.00	Project E						
59.00	Have interchange improvements on the Garden Grove Freeway (SR-22) been constructed at the following interchanges:	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes, completed in 2007. Improvements were made to the three interchanges listed below to reduce freeway and street congestion in the area. The project was completed early as a "bonus project" provided by the original Measure M. Please reference: " F7100 EA 0J9601 SR-22 As Built Plans Approved ," dated November 30, 2006.
59.01	Euclid Street?	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes, see notes in Item 59.00.
59.02	Brookhurst Street?	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes, see notes in Item 59.00.
59.03	Harbor Boulevard?	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes, see notes in Item 59.00.
60.00	Project F						
61.00	Have new lanes, including merging lanes to smooth traffic, been added to the Costa Mesa Freeway (SR-55) between SR-22 and I-405 generally constructed within existing ROW?	Att. A, p. 9, Project F	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The SR-55 project between I-405 and I-5 is currently in the design phase with an expected phase completion by April 2021. As of December 2020, the construction was forecasted to be complete in mid-2026. The project will generally be constructed within the existing ROW however right-of-way is required at 33 properties. The environmental phase for the SR-55 project between I-5 and SR-91 began in January 2017 and completed in March 2020. Final design is anticipated to begin in 2022. .
62.00	Have operational improvements been made to the SR-55 between SR-91 and SR-22?	Att. A, p. 9, Project F	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 61.00. Operations will improve upon construction completion as identified during the environmental phase.
63.00	Have these improvements increased freeway capacity and reduced congestion?	Att. A, p. 9, Project F	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 61.00. Capacity will increase and congestion will reduce upon construction completion as identified during the environmental phase.

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64.00	Project G						
65.00	Have the following improvements been made to the Orange Freeway (SR-57):	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>There are a total of five project segments for Project G: Orangewood Avenue to Katella Avenue, Katella Avenue to Lincoln Avenue, Orangethorpe Avenue to Yorba Linda Boulevard, Yorba Linda Boulevard to Lambert Road and Lambert Road to the Los Angeles County line. Construction of three of the five segments were completed in the 2014 to 2015 timeframe. See below for the remaining two segments:</p> <p>The environmental phase for the project between Orangewood Avenue to Katella Avenue was completed in 2019. The RFP for final design is anticipated to be released in mid-2021.</p> <p>The environmental phase for Lambert Road to Los Angeles County line is anticipated to begin in 2023.</p>
65.01	A new northbound lane between Orangewood Avenue and Lambert Road?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>See notes Item 65.00. Construction of northbound SR-57 from Katella Avenue to Lincoln Avenue project was completed in April 2015, and the northbound SR-57 from Orangethorpe Avenue to Lambert Road segments were completed in May 2014 and November 2014.</p> <p>Please reference: "FG101 Project Master Schedule Complete," Katella Avenue to Lincoln Avenue Project Controls Schedule dated May 18, 2015. "FG101 Plans Sheets," which can also be found on Caltrans' website using Contract No. 12-0F0404, Invitation for Bids dated July 18, 2011. "FG102 Project Master Schedule Complete," Orangethorpe Avenue to Yorba Linda Boulevard Project Controls Schedule dated December 15, 2014. "FG102 Plans Sheets" can be found on Caltrans' website using Contract No. 12-0F0314, Invitation for Bids dated May 10, 2010. "FG103 Project Master Schedule Complete," Yorba Linda Boulevard to Lambert Road Project Controls Schedule dated June 17, 2014. "FG103 Plans Sheets" can be found on Caltrans' website using Contract No. 12-0F0324, Invitation for Bids dated May 24, 2010.</p> <p>The environmental phase for the project between Orangewood Avenue and Katella Avenue was completed in March 2019. The RFP for final design is anticipated to be released in mid-2021.</p>

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65.02	Improvements to the Lambert Interchange?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 65.00. The lead agency for the Lambert Road interchange project is the City of Brea. The project is currently in construction and anticipated to be complete in late 2021.
65.03	Addition of a northbound truck climbing lane between Lambert Road and Tonner Canyon?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 65.00. The fifth project on SR-57 includes improvements to the Lambert Road interchange (see above – 65.02) and a northbound truck climbing lane between Lambert Road and Tonner Canyon. The Environmental phase for this project is anticipated to begin in the near future and once completed, the design and construction schedules will be determined.
66.00	Have these improvements increased freeway capacity and reduced congestion?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The three completed segments of northbound lanes on SR-57 from Katella to Lincoln and Orangethorpe to Lambert have increased capacity with the addition of a general-purpose lane and reduced congestion as identified during the environmental phase. See notes Item 65.00.
67.00	Project H						
68.00	On the Riverside Freeway (SR-91) from the I-5 to the SR-57:	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Done to Date	Rose Casey	Implementation of this project provides an additional general-purpose lane in the westbound direction by connecting existing auxiliary lanes through the interchanges within the project limits to create a 4 th continuous westbound general-purpose lane. WB auxiliary lanes will be placed or added and exit ramps will be modified to 2-lane exit ramps. Construction began on the new westbound lane in February 2013, and construction was completed in June 2016. Please reference: "FH101 Project Master Schedule Complete," Project Controls Schedule dated July 19, 2016. "Plan Sheets" on the Caltrans' website using Contract No. 12-0C5704, Invitation for Bids dated October 1, 2012. "FH101 Special Provisions"
68.01	Has capacity been added in the westbound direction?	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Done to Date	Rose Casey	Yes, capacity was provided in the westbound direction as identified during the environmental phase. See notes in Item 68.00.
68.02	Have operational improvements been provided at on and off ramps?	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Done to Date	Rose Casey	Yes, operational improvements were provided at on- and off-ramps with the addition of auxiliary lanes. See notes in Item 68.00.
69.00	Project I						
70.00	On the Riverside Freeway (SR-91) from the SR-57 to the SR-55, has the interchange complex been improved, including nearby local interchanges such as Tustin Avenue and Lakeview?	Att. A, p. 11, Project I	Capital Programs - Highways	30-year	Not yet required	Rose Casey	There are a total of two projects for Project I. The portion of the Project I between SR-55 and Tustin Avenue, which is complete, and the portion from west of State College Boulevard to east of Lakeview Avenue, which provides

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							SR-91 freeway mainline widening in the eastbound direction, and modifications to various interchanges, connectors, ramps, and intersections. This project began the environmental phase in January 2015, with an expected phase completion in June 2020.
71.00	On the SR-91, has capacity been added between the SR-55 and the SR-57?	Att. A, p. 11, Project I	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>See notes Item 70.00. The portion of Project I between SR-55 and Tustin Avenue added a westbound auxiliary lane from the westbound SR-55/ westbound SR-91 connector to Tustin Avenue off-ramp and an exit bypass lane on westbound SR-91 to Tustin Avenue off-ramp. This portion of Project I began construction in November 2013 and completed in July 2016.</p> <p>Please reference: "FI102 Project Master Schedule Complete," Project Controls Schedule dated August 16, 2016. "Plan Sheets" on the Caltrans' website using Contract No. 12-OC5604, Invitation for Bids dated June 17, 2013.</p> <p>The portion of the Project I from west of State College Boulevard to east of Lakeview Avenue provides the SR-91 freeway mainline widening in the eastbound direction, and modifications to various interchanges (including major modifications for the westbound SR-91 at both SR-57 and from Lakeview Avenue to SR-55), connectors, ramps, and intersections. The environmental phase of this project began in January 2015 and completed in June 2020. The project has been broken down into three segments for the design and construction phases. With the environmental phase completion, the design phase of all three segments has been initiated and began in 2020. These next phases will be funded using net excess 91 Express Lanes revenue as directed by the Board on November 14, 2016. The 91 Express Lanes revenue accelerates project completion, reducing risk and escalation cost.</p> <p>Please reference the following Staff Reports: "Measure M2 Delivery Plan – Next 10," dated November 14, 2016. "Measure M2 Updated Next 10 Delivery Plan," dated November 13, 2017.</p>
72.00	Project J						
73.00	Have up to four new lanes on SR-91 between SR-241 and the Riverside County Line been added?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>There are a total of three project segments for Project J. The first project segment between State Route 241 and SR-71 added one eastbound lane and is complete. The second project segment between SR-55 and SR-241 added two lanes - one in each direction - and is also complete.</p> <p>Please reference:</p>

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							<p>“FJ100 Project Master Schedule Complete,” Project Controls Schedule dated February 24, 2011. “FJ100 Plans Sheets” can be found on Caltrans’ website using Contract No. 12-0G0404, Invitation for Bids dated June 28, 2009.</p> <p>“FJ101 Project Master Schedule Complete,” Project Controls Schedule dated April 15, 2013. “FJ101 Plans Sheets” can be found on Caltrans’ website using Contract No. 12-0G3304, Invitation for Bids dated February 22, 2011.</p> <p>The remaining project segment will add a sixth lane between SR-241 and the Riverside County line to match up with an additional lane to be added by RCTC from the County line to SR-71. OCTA and RCTC are working together ensuring synchronization between the two counties. See item 75.00 for a link to the latest SR-91 Implementation Plan. Construction is underway for the sixth lane in the westbound direction as part of the SR-91 Corridor Operations Project (COP) between Green River Road and SR-241, and is anticipated to be completed in 2021. An alternatives analysis study of the eastbound direction began in April 2020 to better understand possible improvements given the difficult topography and other constraints. The study is anticipated to be completed in August 2021.</p>
74.00	Was the following taken into consideration: Making best use of available freeway property, adding reversible lanes, building elevated sections, and improving connections to SR-241?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>When a project goes through the environmental phase, all viable alternatives are considered, and the best alternative is determined at that time. This is true for this project. OCTA is also working with the TCA, who is the named lead on the design and construction of the SR-91/SR-241 Direct Connector Project.</p> <p>Please reference: “Framework for Implementation of the State Route 241/91 Express Lanes Connector,” dated October 28, 2019.</p>
75.00	Were the projects constructed with similar coordinated improvements in Riverside County extending to I-15 with the funding for those in Riverside county paid for from other sources?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>The SR-91 Implementation Plan, required by the state legislature to be updated annually, requires coordination between the two counties. Orange County and Riverside County are working cooperatively on all SR-91 projects. Project improvements within Riverside County limits are not paid for by Measure M.</p> <p>Please reference: “Draft 2020 State Route 91 Implementation Plan,” dated July 13, 2020.</p>
76.00	Also, was one new lane added in each direction on SR-91 between SR-241 and SR-55 and were the interchanges improved?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Done to Date	Rose Casey	<p>Yes. This project is complete. Improvements to Lakeview Interchange, Imperial Highway and Weir Canyon were included in this project. See Item 73.00 notes.</p>

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77.00	Project K						
78.00	Have new lanes been added to the San Diego Freeway (I-405) between the I-605 and the SR-55?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The environmental phase was completed in May 2015. OCTA is implementing the preferred alternative from the EIR/EIS using the design-build delivery method and will acquire all necessary ROW. The addition of one general-purpose lane in each direction is M2 Project K. The addition of a second lane in the median, which when combined with the existing HOV lane, becomes the two-lane Express facility in each direction, will be funded with non-M2 funding sources. The Board awarded the design-build construction contract in November 2016. Construction began in January 2017 and as of December 2020, construction completion is forecasted for May 2023.
79.00	Has the project made best use of available freeway property, updated interchanges and widened all local overcrossings according to city and regional master plans?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Yes, the majority of the ROW needed are temporary construction easements and some partial fee acquisitions. Local interchanges and overcrossings will be improved and widened according to city and regional master plans. Design of the local facilities has been closely coordinated with each corridor city.
80.00	Have the improvements been coordinated with other planned I-405 improvements in the I-405/SR-22/I-605 interchange area to the north and I-405/SR-73 improvements to the south?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Yes, the I-405 improvements have been coordinated with the West County Connector improvements at the I-405/SR-22/I-605 interchange that have been completed. There will be a direct connector linking the I-405 Express Lanes with SR-73 to the south.
81.00	Have the improvements adhered to recommendations of the Interstate 405 Major Investment Study adopted by the OCTA Board of Directors on October 14, 2005?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Yes, the improvements will add one general-purpose lane in each direction as recommended in the I-405 Major Investment Study.
82.00	Project L						
83.00	Have new lanes been added to the San Diego Freeway (I-405) between the SR-55 and the I-5?	Att. A, p. 14, Project L	Capital Programs - Highways	30-year	Not yet required	Rose Casey	A project study report was completed in 2013. The environmental phase began in December 2014 and was completed in August 2018. The project is ready to move into design and construction but per OCTA Board direction to avoid planned construction of the parallel project (Project B/I-5) to prevent unnecessary burden on the travelling public. Please reference: "Measure M2 Delivery Plan – Next 10," dated November 14, 2016. "Measure M2 Updated Next 10 Delivery Plan," dated November 13, 2017. "Measure M2 2018 Update: Next 10 Delivery Plan," dated September 10, 2018. "Measure M2 2019 Update: Next 10 Delivery Plan," dated November 11, 2019.
84.00	Have chokepoints at interchanges been improved and merging lanes added near on/off ramps such as Lake Forest Drive, Irvine Center Drive and SR-133 to improve the overall freeway operations in the I405/I-5 El Toro "Y" area?	Att. A, p. 14, Project L	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The project includes on- and off-ramp realignment at various locations, as well as auxiliary lanes between on- and off-ramps where required. See notes in Item 83.00.

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85.00	Project M						
86.00	Have freeway access and arterial connections to I-605 serving the communities of Los Alamitos and Cypress been improved?	Att. A, p. 15, Project M	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The project study report was approved. The environmental phase began in August 2016 and was completed in October 2018. Final design is planned to begin in late 2020 and construction will follow in mid-2023.
87.00	Has the project been coordinated with other planned improvements to the SR-22 and SR-405?	Att. A, p. 15, Project M	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The project takes into consideration the I-405 Design-Build construction project and other projects as identified during the environmental phase.
88.00	Project N						
89.00	Are basic freeway service patrols available Monday through Friday during peak commute hours?	Att. A, p. 15, Project N	Transit	30-year	Done to date	Patrick Sampson	<p>Yes, FSP service, divided into ten service areas, is available during peak commute hours on all freeways. Four service areas are under contract through October 2, 2021. Two service areas are under contract through December 3, 2021. Four service areas are under contract through December 1, 2023. M2 funded construction FSP service for the widening of I-405 started in July 2018. Mid-day and weekend service funded by M2 was approved by the Board on May 14, 2012 and began service on June 2, 2012. An M2 funded CHP dispatch position was filled in May 2013. Benefit/cost analysis of fiscal year 2018-19 service was completed in March 2020 and the results of the study will be incorporated into future service planning.</p> <p>Please reference: "Motorist Services Update for Fiscal Year 2018-19," dated January 13, 2020.</p>
90.00	Requirements for Eligible Jurisdictions						
91.00	In order to be eligible to receive Net Revenues, has each jurisdiction satisfied the following requirements?	Att. B, Sec. III.A	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	See below for more on each eligibility items conclusions, listed under Item 91.
91.01	Complied with the conditions and requirements of the Orange County Congestion Management Program (CMP)?	Att. B, Sec. III.A.1	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes. Required odd years only. This requirement was submitted to OCTA and was presented to the Board on December 9, 2019 as part of the Annual Eligibility Review. The next CMP submittal is due in 2021.</p> <p>Please reference: "Fiscal Year 2019-20 Measure M2 Annual Eligibility Review," dated December 9, 2019.</p>
91.02	Assessed traffic impacts of new development and required new development to pay a fair share of improvements attributable to it?	Att. B, pp B-7 to 10, Sec. III.A.2	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. This is required biennially except when there is an updated mitigation fee program. This requirement was submitted to OCTA and was presented to the Board on December 9, 2019 as part of the Annual Eligibility Review. The next submittal is due in 2021 unless there is an updated mitigation fee program.

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							Please reference: " Fiscal Year 2019-20 Measure M2 Annual Eligibility Review ," dated December 9, 2019.
91.03	Adopted and maintained a Circulation Element of its General Plan consistent with the MPAH?	Att. B, Sec. III.A.3	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. This is required biennially. This requirement was submitted to OCTA and was presented to the Board on December 9, 2019 as part of the Annual Eligibility Review. The next submittal is due in 2021. Please reference: " Fiscal Year 2019-20 Measure M2 Annual Eligibility Review ," dated December 9, 2019.
91.04	Adopted and updated biennially a Capital Improvement Program that includes all capital transportation projects?	Att. B, Sec. III.A.4	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. OCTA is requiring an annual 7-year CIP. This requirement was submitted to OCTA and was presented to the Board on December 14, 2020 as part of the Annual Eligibility Review. Please reference: " Measure M2 Annual Eligibility Review ," dated December 14, 2020.
91.05	Participated in Traffic Forums as described in Attachment B?	Att. B, Sec. III.A.5	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. This is an annual requirement. Local agencies have to attend at least one traffic forum on an annual basis to remain eligible for M2 net revenues. This requirement was presented to the Board on December 14, 2020 as part of the Annual Eligibility Review. Please reference: " Measure M2 Annual Eligibility Review ," dated December 14, 2020.
91.06	Adopted and maintained a Local Traffic Signal Synchronization Plan that identifies signalization street routes and signals; a three-year plan showing costs, available funding and phasing of capital, operations and maintenance of the street routes and traffic signals; and included information on how the street routes and signals may be synchronized with signals and routes in adjoining jurisdictions; and is consistent with the Traffic Signal Synchronization Master Plan?	Att. B, Sec. III.A.6	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. This is required every three years. This requirement was adopted by local agency governing bodies and was presented to the Board on December 14, 2020 as part of the Annual Eligibility Review. Please reference: " Measure M2 Annual Eligibility Review ," dated December 14, 2020.
91.07	Adopted and updated biennially a Pavement Management Plan (PMP) and issued, using a common format approved by the Authority, a report every two years regarding the status of road pavement conditions and implementation of the Pavement Management Plan?	Att. B, Sec. III.A.7	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. 14 agencies update PMPs on odd-year cycle, while 21 agencies update on an even-year cycle as part of the Measure M2 Annual Eligibility Review. Even-year cycle reports were presented to the Board on December 14, 2020. Odd-year cycle reports were presented to the Board on December 9, 2019 as part of the Fiscal Year 2018-19 Measure M2 Annual Eligibility Review. All prior

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							reports to date have been submitted and approved per the requirements and noted in the previous year's tracking matrix. Please reference the following Staff Reports: "Measure M2 Annual Eligibility Review," dated December 14, 2020. (for even-year agencies). "Fiscal Year 2019-20 M2 Annual Eligibility Review," dated December 9, 2019 (for odd-year agencies).
91.08	Included in its PMP: -Current status of pavement on roads -Six-year plan for road maintenance and rehabilitation, including projects and funding -Projected road conditions resulting from the maintenance and rehabilitation plan -Alternative strategies and costs necessary to improve road pavement conditions	Att. B, Sec. III.A.7.b-c	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes, all local agencies have adopted PMPs fully compliant with Att. B, Sec. III. A. 7. a. b. c., inclusive. All prior reports to date have been submitted and approved per the requirements and noted in previous year tracking matrix. Please reference the following Staff Reports: "Measure M2 Annual Eligibility Review," dated December 14, 2020. (for even-year agencies). "Fiscal Year 2019-20 Annual Eligibility Review," dated December 9, 2019 (for odd-year agencies).
91.09	Adopted an annual Expenditure Report to account for Net Revenues, developer/traffic impact fees, and funds expended by the Eligible Jurisdiction which satisfy the Maintenance of Effort requirements?	Att. B, Sec. III.A.8	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes, the Board was presented with the Annual Expenditure Reports for FY 2018-19 on June 8, 2020 for all local agencies. Please reference: "Measure M2 Eligibility Review Recommendations for Fiscal Year 2018-19 Expenditure Reports," dated June 8, 2020.
91.10	Submitted the Expenditure Report by the end of six months following the end of the jurisdiction's fiscal year and included all Net Revenue fund balances and interest earned, and expenditures identified by type and program and project?	Att. B, Sec. III.A.8	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes, all local agencies have submitted the expenditure reports by the end of six months following the end of the jurisdiction's fiscal year. Please reference: "Measure M2 Eligibility Review Recommendations for Fiscal Year 2018-19 Expenditure Reports," dated June 8, 2020. Expenditure Reports for Fiscal Year 2019-20 are due to OCTA by December 31, 2020 and will be presented to the AER Subcommittee and TOC in March/April of 2021 and is anticipated to be approved by the Board in June of 2021.
91.11	Provided the Authority with a Project Final Report within six months following completion of a project funded with Net Revenues?	Att. B, Sec. III.A.9	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes, an ongoing monitoring report is tracked frequently and uploaded to M2 Document Center. Please reference: "M2 Eligibility Compliance - 180 Day Tracking Report."

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91.12	Agreed that Net Revenues for Regional Capacity Program projects and Traffic Signal Synchronization Program projects shall be expended or encumbered no later than the end of the fiscal year for which the Net Revenues are programmed, subject to extensions?	Att. B, Sec. III.A.10.a	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes, net revenues are being expended and encumbered as required. They are monitored through the M2 Master Tracker Database and the Semi-Annual Review Process. Note: Primarily due to the COVID-19 pandemic, 18 eligible encumbrance delays were requested and approved by the Board.</p> <p>Please reference: "Comprehensive Transportation Funding Programs Semi-Annual Review - March 2020," dated August 10, 2020.</p> <p>Note: No encumbrance deadline delays were requested during the September 2020 semi-annual review.</p>
91.13	Any requests for extensions of the encumbrance deadline for no more than 24 months were submitted to the Authority no less than 90 days prior to the deadline?	Att. B, Sec. III.A.10.a	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes. These requests are monitored through the M2 Master Tracker Database and the Semi-Annual Review Process.</p> <p>During the March 2020 Semi-Annual Review request, one local agency requested a 24-month delay to the encumbrance deadline after the 90-day deadline. The request was rejected by OCTA staff.</p> <p>Note: No encumbrance deadline delays were requested during the September 2020 semi-annual review.</p>
91.14	Agreed that Net Revenues for any program or project other than Regional Capacity Program projects or Traffic Signal Synchronization Program projects shall be expended or encumbered within three years of receipt, subject to extension?	Att. B, Sec. III.A.10.b	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes, net revenues are being encumbered and expended consistent with these requirements. They are monitored through the M2 Master Tracker Database and the Semi-Annual Review Process.</p>
91.15	Agreed that if the above time limits were not satisfied, to return to the Authority any retained Net Revenues and interest earned on them to be available for allocation to any project within the same source?	Att. B, Sec. III.A.10.c	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes. Local agencies that did not meet the three-year expenditure deadline were not paid for expenditures incurred beyond the expenditure deadline. This is continuously monitored via Local Program's payment processes and also documented in the M2 Master Tracker Database.</p>
91.16	Annually certified Maintenance of Effort requirements of Ordinance No. 3, Sec. 6?	Att. B, Sec. III.A.11	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes. The Board approved the annual expenditure reports for 35 local agencies on June 8, 2020.</p> <p>Please reference: "Measure M2 Eligibility Review Recommendations for Fiscal Year 2018-19 Expenditure Reports," dated June 8, 2020.</p>

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							<p>On May 13, 2019, for the first time during the life of Measure M or M2, the Board found two cities ineligible to receive M2 revenues. Both the City of Stanton and the City of Santa Ana failed to satisfy the eligibility requirement of meeting the minimum MOE, a level of local streets and roads discretionary expenditures. As a result, net M2 payments for the two cities were suspended until the cities re-established eligibility by demonstrating compliance through an audit of M2-related expenditures for FY 2018-19. As part of the compliance requirement, the FY 2018-19 MOE requirements were increased by the amount that the Cities fell short in meeting the 2017-18 audit.</p> <p>Please reference: “Measure M2 Eligibility for the City of Stanton,” and “Measure M2 Eligibility for the City of Santa Ana,” dated May 13, 2019.</p> <p>A second audit was completed in early 2020 by the OCTA Internal Auditor and determined that both cities met their FY 2018-19 MOE requirement which includes additional MOE expenditures to make up for the shortfall identified in OCTA’s original FY 2-17-18 audit. On April 13, 2020, the Board reinstated the cities of Stanton and Santa Ana’s eligibility to receive net M2 funds.</p> <p>Please reference: “Measure M2 Eligibility for the City of Stanton,” and “Measure M2 Eligibility for the City of Santa Ana,” dated April 13, 2020.</p>
91.17	Agreed that Net Revenues were not used to supplant developer funding which has or will be committed for any transportation project?	Att. B, Sec. III.A.12	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes. This is required annually. This was last presented to the Board for approval on December 14, 2020 as part of the Annual Eligibility Review.</p> <p>Please reference: “Measure M2 Annual Eligibility Review,” dated December 14, 2020.</p>
91.18	Considered as part of its General Plan, land use planning strategies that accommodate transit and non-motorized transportation?	Att. B, Sec. III.A.13	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes. This is required annually. This was last presented to the Board for approval on December 14, 2020 as part of the Annual Eligibility Review.</p> <p>Please reference: “Measure M2 Annual Eligibility Review,” dated December 14, 2020.</p>
92.00	Has the Authority, in consultation with the Eligible Jurisdictions, defined a countywide management method to inventory,	Att. B, Sec. III.A.7.a	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes, the Countywide Pavement Management Program Guidelines which implement Att. B, Sec. III. A.7.a. b. and c. were developed by OCTA staff in</p>

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	analyze and evaluate road pavement conditions and a common method to measure improvement of road pavement conditions?						consultation with the Technical Advisory Committee and approved by the Board of Directors on May 24, 2010. The PMP guidelines were last revised and approved by the Board on April 13, 2020. Please reference: " Fiscal Year 2020-21 Updates to the Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines ," dated April 13, 2020.
93.00	Requirements Related to Specific Streets and Roads Projects						
94.00	Project O - Regional Capacity Program						
95.00	Prior to the allocation of Net Revenues for any Street and Road Project, has the Authority, in cooperation with affected agencies, determined the entity(ies) to be responsible for the maintenance and operation thereof, utilizing maintenance and operating agreements with each agency receiving streets and roads funding?	Att. B, Sec. II.C	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. OCTA relies on California Streets and Highways Code Sections 900-909 and 1800-1813 for Counties and Cities, respectively, which establishes the authority and obligations of local agencies to construct, maintain, and operate local streets and roads. For road projects implemented by OCTA on behalf of local agencies (e.g. select grade separations), OCTA enters cooperative agreements for construction and maintenance prior to implementation.
96.00	Has each eligible jurisdiction contributed local matching funds equal to 50 percent of Project O project or program costs?	Att. A, p. 18, Project O and Att. B, p. B-12, Sec. V.A.1	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes, except when a match reduction has been approved. Funding recommendations for 2020 Call for Projects were approved by the Board on May 11, 2020. Additional information on each fund source and percentage is available online on OCFUNDTRACKER. Please reference: " Comprehensive Transportation Funding Programs - 2020 Call for Projects Programming Recommendations ," dated May 11, 2020.
97.00	Alternatively, jurisdictions qualified for a ten- and/or five-percent reductions as provided in Attachment B have met those reduced match levels?	Att. A, p. 18, Project O and Att. B, Sec. V.A.1.a-c	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes, except when a match reduction has been approved. Funding recommendations for 2020 Call for Projects were approved by the Board on May 11, 2020. Additional information on each fund source and percentage is available online on OCFUNDTRACKER. Please reference: " Comprehensive Transportation Funding Programs - 2020 Call for Projects Programming Recommendations ," dated May 11, 2020.
98.00	Has a countywide competitive procedure for Project O been adopted by the Authority?	Att. B, Sec. V.A.2	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. The OCTA Board approved the revised CTFP Guidelines and issued the 2021 CTFP Annual Calls for Projects on August 10, 2020. Please reference:

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							"Measure M2 Comprehensive Transportation Funding Programs - 2021 Annual Call for Projects," dated August 10, 2020.
99.00	Have eligible Jurisdictions been consulted by the Authority in establishing criteria for determining priority for Project O allocations?	Att. B, Sec. V.A.2	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	The Technical Advisory Committee (TAC) recommended approval of modifications to the 2021 CTFP Guidelines on June 24, 2020, prior to the Board's action in August. Meeting Minutes from the June 24, 2020 meeting were approved by the TAC on October 28, 2020: "TAC Meeting Minutes for June 24, 2020."
100.00	Has funding under Project O been provided for construction of railroad over or underpass grade separations where high volume streets are impacted by freight trains along the Burlington Northern Santa Fe Railroad in northern Orange County?	Att. A, p. 18, Project O	Capital Programs, Planning	30-year	Done	Rose Casey & Adriann Cardoso	Yes, the Board authorized use of \$149.4 million in M2 funds as match for TCIF funding for seven Grade Separation projects. Please reference: "OC Bridges Railroad Grade Separation Program Funding Update and Closeout," dated July 13, 2020. All seven grade separations have been completed and are open to traffic. Please reference: "OC Bridges Railroad Grade Separation Completion," staff presentation dated December 11, 2017.
101.00	Project P - Regional Traffic Signal Synchronization Program						
102.00	Have the Cities, the County of Orange and Caltrans, as required, worked together to prepare a common Traffic Signal Synchronization Master Plan and the necessary governance and legal arrangements before receiving funds, and has the Authority adopted and maintained the Master Plan which was a part of the MPAH?	Att. A, p. 19, Project P and Att. B, Sec. V.B.1	Planning	One-time, start-up	Done	Anup Kulkarni	Yes. Please reference: "Fiscal Year 2020-21 Updates to Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines," dated April 13, 2020.
103.00	Does the Master Plan include synchronization of street routes and traffic signals within and across jurisdictional boundaries and the means of implementing, operating and maintaining the programs and projects including necessary governance and legal arrangements?	Att. A, p. 19, Project P and Att. B,V.B.1	Planning	One-time, start-up	Done	Anup Kulkarni	Yes. Please reference: "Fiscal Year 2020-21 Updates to Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines," dated April 13, 2020.
104.00	Has a countywide, competitive procedure been adopted by the Authority in consultation with eligible jurisdictions in establishing criteria for determining priority for allocations?	Att. B, Sec. V.B.2.a	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Procedures are developed by staff in consultant with the local jurisdictions and then approved by the Board for each Call for Projects with the priority for allocation updated as well. Please reference: "Measure M2 Comprehensive Transportation Funding Programs - 2021 Annual Call for Projects," dated

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							August 10, 2020, see "Comprehensive Transportation Funding Program Guidelines," chapter 8 in Attachment B.
105.00	Has the Authority given priority to programs and projects which include two or more jurisdictions?	Att. B, Sec. V.B.2.b	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Please reference: " Measure M2 Comprehensive Transportation Funding Programs - 2021 Annual Call for Projects ," dated August 10, 2020, see "Comprehensive Transportation Funding Program Guidelines – 2021 Call for Projects," chapter 8, page 8-13 in Attachment B.
106.00	Has the Authority encouraged the State to participate in the Regional Traffic Signal Synchronization Program and given priority to use of transportation funds as match for the State's discretionary funds used for implementing Project P?	Att. B, Sec. V.B.2.c	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Project P allows state participation and allows for match to be fulfilled with both in-kind and cash. Match beyond 20 percent (including State discretionary funds) is provided additional priority in the evaluation. Please reference: " Measure M2 Comprehensive Transportation Funding Programs - 2021 Annual Call for Projects ," dated August 10, 2020, see "Comprehensive Transportation Funding Program Guidelines – 2021 Call for Projects," chapter 8, page 8-5 and 8-15 in Attachment B.
107.00	Has each local jurisdiction contributed matching local funds equal to 20 percent of the program or project cost? (May be satisfied all or in part with in-kind services provided by the Eligible Jurisdiction including salaries and benefits)	Att. A, p. 19, Project P and Att. B,V.B.3	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Project P requires a minimum 20 percent match. Please reference: " Measure M2 Comprehensive Transportation Funding Programs - 2021 Annual Call for Projects ," dated August 10, 2020, see "Comprehensive Transportation Funding Program Guidelines – 2021 Call for Projects," chapter 8, page 8-17 in Attachment B.
108.00	Has the project provided funding for ongoing maintenance and operation of the synchronization plan?	Att. A, p. 19, Project P	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Project P requires ongoing maintenance and monitoring of the synchronization and provides funding for this task. Please reference: " Measure M2 Comprehensive Transportation Funding Programs - 2021 Annual Call for Projects ," dated August 10, 2020, see "Comprehensive Transportation Funding Program Guidelines – 2021 Call for Projects," chapter 8, page 8-2 in Attachment B.
109.00	Have local jurisdictions publicly reported on the status and performance of their signal synchronization efforts at least every three years?	Att. A, p. 19, Project P and Att. B, Sec. V.B.4	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Status and performance of their signal synchronization efforts were reported in the Local Signal Synchronization Plan Updates that were completed June 30, 2020. The next submittal is due June 2023. Please reference: " Measure M2 Annual Eligibility Review ," dated December 14, 2020.
110.00	Has signal equipment to give emergency vehicles priority at intersections been an eligible expense for projects implemented as part of this program?	Att. A, p. 19, Project P	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Project P includes signal equipment to give emergency vehicles priority at intersections as an eligible expense.

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							Please reference: “Measure M2 Comprehensive Transportation Funding Programs - 2021 Annual Call for Projects,” dated August 10, 2020, see “Comprehensive Transportation Funding Program Guidelines – 2021 Call for Projects,” chapter 8, page 8-13 in Attachment B.
111.00	Have eligible jurisdictions and Caltrans, with the County of Orange and the Orange County Division of League of Cities, established boundaries for Traffic Forums?	Att. B, Sec. III.A.5	Planning	Recurring	Done to date	Anup Kulkarni	Yes. See the guidelines for the preparation of the original Local Signal Synchronization Plans that went to the Board on July 26, 2010, and also see the latest annual eligibility guidelines from April 13, 2020. Please reference the following Staff Reports: “Guidelines for the Preparation of the Local Signal Synchronization Plans,” dated July 26, 2010. “Fiscal Year 2020-21 Updates to the Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines,” dated April 13, 2020.
112.00	Project Q - Local Fair Share Program						
113.00	Are Local Fair Share funds distributed by a formula that accounts for the following factors and weightings: <ul style="list-style-type: none"> - Population - 50%? - Street mileage - 25%? - Amount of sales tax collection in each jurisdiction - 25%? 	Att. A, p. 20, Project Q Att. B, Sec. 5.C.1-3	Planning, F&A	Recurring	Done to date	Sean Murdock	Yes. See General Accounting payments for Local Fair Share funds for FY 2019-20. Also see the Agreed-Upon Procedures to the Measure M2 Status Report for FY 2019-20 related to Local Fair Share disbursements. Please reference: FY 2019-20 Project Q Local Fair Share Payments. “OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report,” for fiscal year ending June 30, 2020 – Attachment F. Staff report dated January 25, 2021.
114.00	General Requirements Related to Transit Projects						
115.00	Have Metrolink extensions been evaluated against well-defined and well-known criteria detailed in the Renewed Measure M Transportation Investment Plan?	Att. A, p.23, Project S	Operations (for Project S)	Recurring	Done to date	Jennifer Bergener, Jim Beil & Joe Alcock/ Adriann Cardoso	Yes. The Board approved Project S funding guidelines for fixed guideway projects on September 13, 2010. Project S guidelines for Bus and Station Van Extension projects were approved by the Board on December 12, 2011. Please reference the following Staff Reports: “Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only),” dated September 13, 2010. “Project S 2012 Guidelines for Bus and Station Van Extension Projects,” dated December 12, 2011.

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116.00	Has the Authority made every effort to maximize state and federal transit dollars?	Att. B, Sec. II.B.1	Planning	Recurring	Done to date	Adriann Cardoso	<p>Yes. Consistent with Board of Directors approved programming policies, OCTA has maximized state and federal transit dollars for rail capital projects, as well as rail rehab projects. To date, OCTA has programmed \$341 million in state, \$756 million in federal and \$89 million in other local funds which will be used for rail capital projects in place of M2 funds. A regular review of project funding and status occurs monthly and all programming actions are made in accordance with the Board policies to maximize state and federal funding.</p> <p>Please reference: "Capital Programming Update," dated July 13, 2020.</p>
117.00	Prior to the allocation of Net Revenues for a Transit Project, has the Authority obtained a written agreement from the appropriate jurisdiction that the project will be constructed, operated and maintained to minimum standards acceptable to the Authority?	Att. B, Sec. II.B.2	Operations & Capital Programs (for Project V)	Recurring	Done to date	Jennifer Bergener & Joe Alcock/ Adriann Cardoso	<p>Yes. As transit projects are approved for development and/or funding by the OCTA Board to be implemented or in any way augmented by OCTA or OCTA Board-approved funding, necessary agreements are entered into with each jurisdiction to define roles and responsibilities during project phases as well as post-completion. At any given time, there are multiple agreements in place for projects. At the present time, there are active agreements in place for all funded capital projects. See example such as the Orange Transportation Center Parking Structure contract C-3-2065. Agreements for all transit projects can be found in the M2 Document Center.</p>
118.00	Requirements Related to Specific Transit Projects						
119.00	Has a series of new, well-coordinated, flexible transportation systems, each one customized to the unique transportation vision the station serves, been developed?	Att. A, p. 21 - General Transit, Att. A, p. 23, Project S	Capital Programs & Operations (for Project S)	30-year	Not yet required	Jim Beil & Joe Alcock/ Adriann Cardoso	<p>Yes. The Board approved the Project S funding guidelines on September 13, 2010 and December 12, 2011 (See Item 115 notes). On November 22, 2010, the Board evaluated and awarded Project S funds to the City of Anaheim and the City of Santa Ana for preliminary engineering of fixed-guideway projects. However, on June 27, 2016, the Board approved an amendment to Agreement (C-1-3115) with City of Anaheim to conclude all planning efforts on their fixed-guideway project. The Santa Ana-Garden Grove OC Streetcar project has an executed Full Funding Grant Agreement with FTA and is in the construction phase. On July 23, 2012, four rubber-tire projects were approved for the first call for projects. Three projects were cancelled and one (City of Anaheim) was implemented and completed (as of June 30, 2020). The City of Anaheim project has continued (as of July 1, 2020) under a Project V grant. No other rubber-tire project calls are anticipated at this time.</p> <p>Please reference the following Staff Reports: "Measure M2 Project S Programming Recommendations," dated November 22, 2010.</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							"Anaheim Rapid Connection and Future Transit Connectivity to OC Streetcar," dated June 27, 2016. "Project S Bus and Station Van Extension – 2012 Call for Projects Programming Recommendations," dated July 23, 2012. "Comprehensive Transportation Funding Programs Semi-Annual Review – September 2015," dated December 14, 2015.
120.00	Project R - High Frequency Metrolink Service						
121.00	Has Project R increased rail services within the county and provided frequent Metrolink service north of Fullerton to Los Angeles?	Att. A, p. 23, Project R	Operations	30-year	Done to date	Jennifer Bergener	<p>Yes, through the completion of the MSEP capital activities, additional service has been added, providing more intra-county trains. MSEP improvements have added infrastructure to support as many as 76 trains a day, but the Comprehensive Business Plan currently shows that only 59 are sustainable based on projected revenues and operating funds, and that number has been added over the past several years. Ten intra-county trains and two Inland Empire-OC trains have been added since July 2011.</p> <p>Effective October 14, 2019, two of the existing MSEP trains serving Laguna Niguel to Fullerton were extended to serve Los Angeles. A new round trip on the 91 Line was also implemented, providing additional service between Los Angeles and Riverside via Fullerton.</p> <p>In March 2020, all Metrolink services were impacted by the statewide enforcement of stay-at-home orders that resulted from the COVID-19 pandemic. Metrolink implemented temporary service reductions in March and November 2020 due to the decline in ridership. As of December 31, 2020, the three lines serving Orange County (Orange County, Inland Empire-Orange County, and the 91/Perris Valley lines) are operating 41 trains, a 24 percent reduction from the 54 daily trains being run prior to the pandemic. Once ridership recovers following the pandemic, Metrolink and OCTA will reassess the service needs in Orange County and reinstate various trains.</p> <p>Please reference: "Metrolink Service Expansion Program Update," dated November 26, 2012. "Proposed Fiscal Year 2019-20 (FY20) Southern California Regional Rail Authority Budget," dated May 13, 2019. "Metrolink Update – Performance Overview, COVID-19 Response, Budget Development," dated May 11, 2020. </p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
122.00	Has Project R provided for track improvements, more trains, and other related needs to accommodate the expanded service?	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	Done to date	Jim Beil	<p>Yes, Project R has made numerous improvements to passenger rail infrastructure, with more on the way. This is an ongoing program of improvements as needed, based on available Project R and state and federal funding. Current projects include track, signal, and rail crossing improvements to enhance rail operations and safety. Projects include construction of the Laguna Niguel to San Juan Capistrano passing siding, environmental clearance work for the Orange County Metrolink Maintenance Facility Station, design for replacement of the San Juan Creek railroad bridge, various safety and security improvements, and work to finalize a south County rail corridor climate change assessment. Project development began on numerous Metrolink Southern California Optimized Rail Service (SCORE) project in Orange County which include numerous track and signal improvements to increase rail operations capacity.</p> <p>For 2020 status of Project R improvements, please reference: "Capital Programs Division - First Quarter Fiscal Year 2020-21 Capital Action Plan Performance Metrics Report," dated November 9, 2020.</p>
123.00	Has the service included upgraded stations and added parking capacity; safety improvements and quiet zones along the tracks; and frequent shuttle service and other means to move arriving passengers to nearby destinations?	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	Done to date	Jim Beil/Dinah Minter	<p>Construction has been completed on the Orange Metrolink Station parking structure (February 2019), pedestrian access improvements to the undercrossing at Laguna Niguel/Mission Viejo (LN/MV) Station (September 2017), a new second elevator at the Fullerton Station (May 2019) and lighting enhancements at San Clemente Pier (March 2017). Project development is underway on a new Metrolink station in the City of Placentia, additional passenger platforms and station track at Anaheim Canyon Station, and scoping of the Irvine Station reconfiguration (which is part of the Metrolink SCORE program).</p>
124.00	Has Project R included funding for improving grade crossings and constructing over or underpasses at high volume streets that cross Metrolink tracks?	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	Awaiting Funding Availability	Jason Lee/Jim Beil	<p>Grade separation environmental documents are completed for the 17th Street grade separation project in Santa Ana, and State College Boulevard project in Anaheim. There are five other grade separations with PSR or PSR equivalents completed and awaiting funding to proceed further.</p>
125.00	Project S - Transit Extensions to Metrolink						
126.00	Has a competitive program been established for local jurisdictions to broaden the reach of the rail system to other activity centers and communities?	Att. A, p. 23, Project S	Planning	30-year	Done to date	Joe Alcock/Aдрианн Cardoso	<p>Yes. Project S Guidelines were developed for both fixed guideway and rubber tire projects and are included in OCTA's Comprehensive Funding Program (CTFP) Guidelines which specifies the criteria for projects to be evaluated when competing for funding. The CTFP Guidelines are updated annually, with the latest revision to the Project S guidelines in August 2017.</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							Please reference: “Measure M2 Comprehensive Transportation Funding Programs – 2018 Annual Call for Projects,” dated August 14, 2017.
127.00	<p>Have proposals for extensions been developed and supported by local jurisdictions and evaluated against well-defined and well-known criteria as follows:</p> <ul style="list-style-type: none"> -Traffic congestion relief? -Project readiness with priority to projects that can be implemented within the first five years of the Plan? -Local funding commitments and the availability of right of way? -Proven ability to attract other financial partners, both public and private? -Cost-effectiveness? -Proximity to jobs and population centers? -Regional as well as local benefits? -Ease and simplicity of connections? -Compatible, approved land uses? -Safe and modern technology? -A sound, long-term operating plan? 	Att. A, p. 23, Project S	Planning	30-year	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes. Following the criteria identified in the Ordinance as well as the guidelines specified for Project S in the CTFP Guidelines adopted by the Board, the first round of applications for fixed guideway funding were evaluated on November 22, 2010. The same process was followed for the Rubber Tire call for projects under Project S. The Board approved the Project S Guidelines for the Bus and Station Extension Projects Linking to the Metrolink Corridor on December 12, 2011. All projects recommended to move forward and not recommended to move forward are presented to the Board as part of Call for Project Programming Recommendations Staff Reports. On June 27, 2016, the Board approved an amendment to Agreement C-1-3115 with City of Anaheim to conclude all planning efforts on their fixed-guideway project.</p> <p>Please reference the following Staff Reports: “Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only),” dated September 13, 2010. “Project S 2012 Guidelines for Bus and Station Van Extension Projects,” dated December 12, 2011. “Fixed-Guideway Policy Decisions Overview,” dated May 12, 2014. “Santa Ana/Garden Grove Fixed-Guideway Proposed Financial and Implementation Plans,” dated August 11, 2014. “Memorandum of Understanding with the City of Santa Ana for the Santa Ana/Garden Grove Streetcar Project,” dated July 9, 2015. “Anaheim Rapid Connection and Future Transit Connectivity to OC Streetcar,” dated June 27, 2016.</p>
127.01	<p>Has Project S, as required, not been used to fund transit routes that are not directly connected to or that would be redundant to the core rail service on the Metrolink corridor?</p>	Att. A, p. 23, Project S	Planning	30-year	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes, any Project S funds that have been approved by the Board have been consistent with the program guidelines and as such have only been made available for guideway projects and rubber tire projects that directly connect to an existing Metrolink station. On August 11, 2014, the Board approved the use of Project S funds for operations of fixed-guideway projects. The OC Streetcar Project funding plan (revised) was approved by the OCTA Board on July 9, 2018.</p> <p>Please reference the following Staff Reports for documentation of compliance:</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							<p>"Measure M2 Project S Programming Recommendations," dated November 22, 2010.</p> <p>"Measure M2 Project S Cooperative Agreements with Cities of Anaheim and Santa Ana for Funding the Preliminary Engineering Phase of Proposed Fixed-Guideway Systems," dated March 14, 2011.</p> <p>"Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations," dated July 23, 2012.</p> <p>"Santa Ana/Garden Grove Fixed-Guideway Proposed Financial and Implementation Plans," dated August 11, 2014.</p> <p>"OC Streetcar Project Revised Funding Plan," dated July 9, 2018.</p>
127.02	Has the emphasis been on expanding access to the core rail system and on establishing connections to communities and major activity centers that are not immediately adjacent to the Metrolink corridor?	Att. A, p. 23, Project S	Planning	30-year	Done to date	Joe Alcock/ Adriann Cardoso	Yes. Planning activities completed to date have been done with an emphasis on expanding access to the core rail system and establishing connections to communities and major activity centers. The OC Streetcar alignment fits this criterion. A key aspect of that evaluation includes detailed study on passengers making connections at the existing stations.
127.03	Have multiple transit projects been funded with no single project being awarded all the funding under this project?	Att. A, p. 23, Project S	Planning	30-year	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes, there have been two fixed guideway projects and four rubber tire projects awarded funding by the Board. Currently one fixed guideway project concept is advancing through the program (OC Streetcar), and one rubber tire project (Anaheim Canyon Metrolink Station Bus Connection) is in operation.</p> <p>Please reference the following Staff Reports for documentation of compliance: "Measure M2 Project S Programming Recommendations," dated November 22, 2010. "Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations," dated July 23, 2012.</p>
128.00	Have Eligible Jurisdictions, in order to be eligible to receive Net Revenues for Transit Extensions, executed written agreements between the Authority and eligible jurisdictions regarding the respective roles and responsibilities pertaining to construction, ownership, operation and maintenance of the Transit Extensions to Metrolink?	Att. B, Sec. VI.A.2	Planning & Capital Programs - Rail	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes, upon each award of funding from the Board, a cooperative agreement has been executed with each agency to define roles, responsibilities and terms of funding.</p> <p>On March 14, 2011, and May 20, 2011, respectively, agreements were executed with the cities of Anaheim (C-1-2448) and Santa Ana (C-1-2447) to define roles and responsibilities related to funding the preliminary engineering phase of their respective proposed fixed-guideway projects (Anaheim Rapid Connection [ARC] and OC Streetcar).</p>

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							<p>On August 11, 2014, the Board authorized the CEO to negotiate and execute a cooperative agreement with the Cities of Santa Ana and Garden Grove to define roles and responsibilities for project development through construction of the OC Streetcar (Santa Ana/Garden Grove Fixed-Guideway Project). On August 1, 2015 and May 9, 2016, respectively, agreements were executed with the cities of Santa Ana (C-5-3583) and Garden Grove (C-5-3807) to define roles for the design phase of the OC Streetcar project. On March 17, 2017, an agreement was executed with the City of Santa Ana (C-6-1433) for use of public right-of-way for the construction, operations and maintenance of the OC Streetcar Project. On April 18, 2017 and May 8, 2017, respectively, agreements were executed with the cities of Santa Ana (C-6-1516) and Garden Grove (C-7-1556) to define roles for the construction phase of the OC Streetcar Project. On June 1, 2017, an amended and restated agreement was executed with the City of Santa Ana (C-94-859) for the Santa Ana Regional Transportation Center and the OC Streetcar.</p> <p>On December 14, 2016, an amendment was executed with the City of Anaheim (C-1-3115) to conclude all planning efforts on the ARC fixed-guideway project, and to determine OCTA would serve as the lead agency for any future phases of the project.</p> <p>For the Rubber Tire Program, Cooperative Agreements were established in 2012 with City of Anaheim (C-2-1668) and City of Lake Forest (C-2-1667). As of 2020, all agreements have either been cancelled or completed. The Anaheim project was extended under the Project V program.</p>
129.00	<p>Has a countywide competitive procedure for Project S been prepared in consultation with eligible jurisdictions and adopted by the Authority which included an evaluation process and methodology applied equally to all candidate projects?</p>	Att. B, Sec. VI.B.3	Planning	One-time	Done to date	Joe Alcock/Adriann Cardoso	<p>On September 13, 2010, the Board approved Project S funding guidelines which were developed by staff in consultation with local jurisdictions, and on November 22, 2010, the Board evaluated and awarded Project S funds to Anaheim and Santa Ana for preliminary engineering of fixed-guideway projects.</p> <p>Please reference the following Staff Reports: "Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only)," dated September 13, 2010.</p>

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							"Measure M2 Project S Programming Recommendations," dated November 22, 2010.
130.00	Project T - Convert Metrolink Stations to Regional Gateways						
131.00	Has the program provided local improvements necessary to connect planned future high speed rail systems to stations on the Orange County Metrolink route?	Att. A, p. 24, Project T	Planning & Capital Programs - Rail	30-year	Done to date	Jim Beil & Joe Alcock/ Adriann Cardoso	ARTIC, designed to accommodate future High-Speed rail service and will serve as the southern terminus for the California High Speed Rail in Orange County, opened in December 2014. Upon completion, the OCTA Board moved the remainder of Project T funding to Project U. Please reference: "Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update," dated March 14, 2016.
132.00	Have eligible Jurisdictions, in order to be eligible to receive Net Revenues, executed written agreements with the Authority regarding the respective roles and responsibilities pertaining to construction, ownership, operation and maintenance of the facilities?	Att. B, Sec. VI.B.2	Capital Programs - Rail	Recurring	Done to date	Jim Beil/Dinah Minter	Yes, as part of each project's development process, OCTA enters into cooperative agreements with host cities. These agreements define roles and responsibilities for the representative phase as well as ongoing maintenance of improvements.
133.00	Has a countywide competitive procedure for Project T been prepared in consultation with eligible jurisdictions and adopted by the Authority which included an evaluation process and methodology applied equally to all candidate projects?	Att. B, Sec. VI.B.3	Planning	One-time	Done	Joe Alcock/ Adriann Cardoso	Yes, a Call for Projects was issued in consultation with local jurisdictions and funds were awarded based on OCTA Board-approved criteria on January 26, 2009. Please reference: "Renewed Measure M Project T Funding Guidelines." These guidelines were modified on February 14, 2011. Please reference: "Measure M2 Project T Program Guideline Modifications." On December 14, 2015, an Ordinance Amendment was approved by the Board to closeout Project T. Please reference: "Public Hearing to Amend the Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan for the Transit Program."
134.00	Project U - Expand Mobility Choices for Seniors and Persons with Disabilities						

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135.00	Has one percent of Net Revenues been allocated to the County to augment existing senior non-emergency medical transportation services funded with Tobacco Settlement funds?	Att. B, Sec. VI.C.3.a	F&A	Recurring	Done to date	Sean Murdock & Joanne Jacobsen	Yes. See General Accounting payments for SNEMT funds for FY 2019-20. Also see the Agreed-Upon Procedures to the Measure M2 Status Report for FY 2020 related to Senior Non-Emergency Medical Transportation. Please reference: "OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report," for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021. FY 2019-20 Project U SNEMT Payments.
136.00	Has the County continued to fund these services in an amount equal to the same percentage of the total annual Tobacco Settlement funds received by the County?	Att. B, Sec. VI.C.3.a	F&A	Recurring	Done Date	Sean Murdock & Joanne Jacobsen	Yes. The County is required to allocate at least 5.27% of Tobacco Settlement Revenue (TSR) funds to meet their MOE obligation under M2. The County allocation for FY 2019-20 was 5.63%. See supporting documentation from the County showing Measure H Tobacco Settlement Revenues allocated to SNEMT. Please reference: "FY 2019-20 SNEMT MOE Verification," correspondence dated January 11, 2021.
137.00	Have Net Revenues been annually allocated to the County in an amount no less than the Tobacco Settlement funds annually expended by the County for these services and no greater than one percent of Net Revenues plus any accrued interest?	Att. B, Sec. VI.C.3a	F&A	Recurring	Done to date	Sean Murdock & Joanne Jacobsen	Yes, the M2 SNEMT funding allocation to the County for FY 2019-20 of \$3,218,500.54 exceeded TSR funding of \$1,665,887. Therefore, the M2 funding is no less than the TSR funding, and no more than 1% of net revenue as required under the Ordinance. Please reference: "FY 2019-20 SNEMT MOE Verification," correspondence dated January 11, 2021. FY 2019-20 M2 Project U SNEMT Payments.
138.00	Has one percent of Net Revenues been allocated to continue and expand the Senior Mobility Program provided by the Authority in 2006 with allocations determined pursuant to criteria and requirements as adopted by the Authority?	Att. B, Sec. VI.C.3.b	F&A, Transit	Recurring	Done to date	Sean Murdock & Joanne Jacobsen	Yes. See General Accounting payments for SMP funds for FY 2019-20. Also see the Agreed-Upon Procedures applied to the FY 2020 Measure M2 Status Report. Please reference: "OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report," for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021. FY 2019-20 Project U SMP Payments.

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							<p>On May 13, 2019, the Board found two cities ineligible to receive M2 revenues. Both the City of Stanton and the City of Santa Ana failed to satisfy the eligibility requirement of meeting the minimum MOE, a level of local streets and roads discretionary expenditures. As a result, net M2 payments for the two cities were suspended until the cities re-established eligibility by demonstrating compliance through an audit of M2-related expenditures for FY 2018-19.</p> <p>Please reference: "Measure M2 Eligibility for the City of Stanton," and "Measure M2 Eligibility for the City of Santa Ana," dated May 13, 2019.</p> <p>A second audit was completed in early 2020 by the OCTA Internal Auditor and determined that both cities met their FY 2018-19 MOE requirement which includes additional MOE expenditures to make up for the shortfall identified in OCTA's original FY 2-17-18 audit. On April 13, 2020, the Board reinstated the cities of Stanton and Santa Ana's eligibility to receive net M2 funds. All funds previously withheld were distributed to the cities.</p> <p>Please reference: "Measure M2 Eligibility for the City of Stanton," and "Measure M2 Eligibility for the City of Santa Ana," dated April 13, 2020.</p>
139.00	Has one and forty-seven hundreds percent (Ordinance amendment on 12/14/15 to increase allocation from 1% to 1.47%) of Net Revenues been allocated to partially fund bus and ACCESS fares for seniors and persons with disabilities in an amount equal to the percentage of funding as of the effective date of the Ordinance and to partially fund train and other transit fares for seniors and persons with disabilities as determined by the Authority?	Att. B, Sec. VI.C.3.c	F&A, Transit	Recurring	Done to date	Sean Murdock & Joanne Jacobsen	<p>Yes. See General Accounting Fare Stabilization Revenue Allocation chart. In addition to the 1%, the Board approved an amendment to the M2 Ordinance No. 3 on December 14, 2015 (updated on March 14, 2016), which increased the Fare Stabilization allocation from 1% to 1.47% of Net Revenues.</p> <p>Please reference: "Measure M2 Fare Stabilization Update," Staff Report dated June 23, 2014. "Measure M2 Fare Stabilization Update," Staff Report dated September 28, 2015. "Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update," Staff Report dated March 14, 2016. FY 2019-20 M2 Fare Stabilization Payments.</p>
140.00	Project V - Community Based Transit/Circulators						

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141.00	Have all such projects [within Project V], in order to be considered for funding, met performance criteria for ridership, connection to bus and rail services, and financial viability?	Att. A, p. 25, Project V	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. Per the Project V Guidelines adopted by the OCTA Board on October 14, 2019, performance criteria for ridership, connections to bus and rail services and financial viability were specifically required to be defined as part of the application process prior to competing and receiving funding. Please reference: "2020 Project V Community-Based Transit Circulators Program Guidelines and Call for Projects," Staff Report dated October 14, 2019.
142.00	Have all such projects been competitively bid?	Att. A, p. 25, Project V	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. Per the 2013, 2015, 2018, and 2020 Project V Guidelines adopted by the OCTA Board on November 26, 2012, November 23, 2015, February 12, 2018, and October 14, 2019, projects are required to follow competitive procedures including procurement. Local Agencies followed the procedures where applicable to their projects and nature of procurement. Please reference: "2020 Project V Community-Based Transit Circulators Program Guidelines and Call for Projects," Staff Report dated October 14, 2019.
143.00	As a condition of being funded, have such projects been determined not to duplicate or compete with existing transit services?	Att. A, p. 25, Project V	Planning, Transit	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes, OCTA staff evaluated all project applications before preparing final recommendations for the Board to ensure that proposed services will continue funding existing successful services, new special event services, expand new share-ride hailing options, and allow for future planning. OCTA Board approved project allocations on April 13, 2020. OCTA staff will continue to monitor the projects to ensure that services funded with Project V do not duplicate existing transit services. Please reference: "2020 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects Programming Recommendations," dated April 13, 2020.
144.00	For any of its projects to be eligible for funding, has the Eligible Jurisdiction executed a written agreement with the Authority regarding the respective roles and responsibilities pertaining to construction, ownership, operation and maintenance of the project?	Att. B, Sec. VI.D.2	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. OCTA executed Cooperative Funding Agreements with each local agency and identified roles and responsibilities pertaining to operation, construction, maintenance and uses of the facilities and vehicles. All M2 funding agreements and Letter agreements are available in the M2 Document Center. A list of the corresponding contract numbers can be found here in the Document Center. Please reference: "Project V Cooperative Agreements," dated March 21, 2019.

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							For projects awarded Project V funds during the 2020 Call for Projects, Cooperative Agreements are currently under development and will be implemented shortly.
145.00	Have any allocations of Net Revenues to such projects been determined pursuant to a countywide competitive procedure adopted by the Authority?	Att. B, Sec. VI.D.3	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes, OCTA Board approved updated Project V Guidelines on October 14, 2019 and also issued a call for projects on that date. Please reference: "2020 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects," Staff Report dated October 14, 2019.
146.00	Does the competitive procedure include an evaluation process and methodology applied equally to all candidate Community Based Transit/Circulator projects?	Att. B, Sec. VI.D.3	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. See 2020 Project V Guidelines adopted by the OCTA Board on October 14, 2019. Please reference: "2020 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects," Staff Report dated October 14, 2019.
147.00	Have Eligible Jurisdictions been consulted by the Authority in the development of the evaluation process and methodology?	Att. B, Sec. VI.D.3	Planning	One-time	Done to date	Joe Alcock/ Adriann Cardoso	Yes. Typically, OCTA has requested letters of interest prior to Project V calls for projects and holds workshops with interested parties to discuss potential changes to the guidelines prior to taking those guidelines to the Board. In the most recent cycle, two workshops were conducted in the Fall of 2019 (September 16, 2019 and November 5, 2019). The first workshop was to further gauge county-wide level of interest in applying for a 2020 call, in addition to letters of interest received, and to gather feedback on potential CTFP Guidelines revisions. The second workshop was focused on providing guidance to local agencies to help them understand CTFP Guidelines revisions and provide feedback regarding application development, evaluation process and methodology.
148.00	Project W - Safe Transit Stops						
149.00	Have amenities been provided at the 100 busiest transit stops across the County? Were they designed to ease transfer between bus lines and provide amenities such as improved shelters, lighting, current information on bus and train timetables and arrival times, and transit ticket vending machines?	Att. A, p. 25, Project W	Planning	30-year	Done to date	Joe Alcock/ Adriann Cardoso	The OCTA Board approved Project W CTFP Guidelines revisions and also approved the issuance of 2019 Project W call for projects, in order to allocate funds for the Top 100 Busiest Stops in Orange County. Please reference: "2019 Project W Safe Stops Call for Projects," dated October 22, 2018. On June 24, 2019, OCTA Board approved Project W funds for 36 stops. Please reference: "Measure M2 Project W Safe Transit Stops – 2019 Programming Recommendations," dated June 24, 2019.

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							<p>Project W funding is eligible for projects that install new transit shelters at locations where there are no shelters at present, and replace aging shelters, shade, and amenities that have become run down over time. The Board directed staff to issue another Project W call in 2020 to again consider the needs at the 100 busiest bus stops in order to ensure that all eligible entities have another opportunity to apply for funding and improve bus stops. On September 10, 2020 the Board approved a fourth allocation of Project W funds. Please reference: “Measure M2 Project W Safe Transit Stops – 2020 Programming Recommendations,” dated September 14, 2020.</p> <p>Please reference the following Staff Reports: “Measure M2 Project W Safe Transit Stops,” dated March 10, 2014. “Measure M2 Project W Safe Transit Stops – 2014 Programming Recommendations,” dated July 14, 2014. “Comprehensive Transportation Funding Programs Semi-Annual Review – March 2016,” dated June 13, 2016.</p>
150.00	Requirements Related to Project X						
151.00	<p>Have Environmental Cleanup funds been used on a countywide, competitive basis to meet federal Clean Water Act standards for controlling transportation-generated pollution as called for in Attachment A?</p>	Att. A, p. 27, Project X	Planning	30-year	Done to date	Dan Phu	<p>Yes, the OCTA Board has authorized several countywide competitive calls for projects for both a Tier 1 and Tier 2 environmental cleanup program providing funding to improve water quality. To date, ten rounds of funding under the Tier 1 grants program have been awarded by the Board. A total of 189 projects in the amount of over \$27 million have been awarded since 2011. 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 OCTA Board since 2013. To date, all Orange County cities plus the County of Orange have received funding under this program. The next Tier 1 Call for Projects is anticipated in spring 2021. Timing of the next Tier 2 call for projects is dependent on projected cash flow and local jurisdictions’ interest in potential viable Tier 2 projects.</p> <p>For the most recent Tier 1 and Tier 2 guidelines, please reference: “Measure M2 Environmental Cleanup Program - Project X Tier 1 Grant Program Call for Projects,” dated March 9, 2020. “Measure M2 Environmental Cleanup Allocation Program – Funding Program Guidelines Revisions and Tier 2 Grant Program Call for Projects,” dated June 10, 2013.</p>

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance Tracking Matrix - Ordinance No. 3
For Period Ending December 31, 2020

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
152.00	Does the program augment, not replace existing transportation related water quality expenditures and emphasize high impact capital improvements over local operations and maintenance costs?	Att. A, p. 27, Project X	Planning	30-year	Done to date	Dan Phu	Yes. Requirement is specified in Chapter 11 of the Comprehensive Transportation Funding Guidelines. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process. Please reference: " Measure M2 Environmental Cleanup Program - Project X Tier 1 Grant Program Call for Projects ," dated March 9, 2020, see attached Guidelines Chapter 11.
153.00	Has a comprehensive countywide capital improvement program for transportation related water quality improvements been developed?	Att. A, p. 27, Project X	Planning	One-time, start-up	Done	Dan Phu	Yes, the OCTA Board approved a two-tiered funding program for water quality improvement projects. These guidelines are incorporated into Chapter 11 of the Comprehensive Transportation Funding Programs guidelines. To date, ten rounds of funding under the Tier 1 program and two rounds under the Tier 2 have been allocated for these purposes. Please reference: See Item 151.00 for Tier 1 and Tier 2 Guideline Revisions and Call for Projects Staff Reports. " Measure M2 Environmental Cleanup Program – A Two-Tier Grant Funding Approach ," dated May 24, 2010. " Measure M2 Environmental Cleanup Program - Project X Tier 1 Grant Program Call for Projects ," dated March 9, 2020, see attached Guidelines Chapter 11.
154.00	Has a competitive grant process to award funds to the highest priority, most cost-effective projects been developed?	Att. A, p. 27, Project X	Planning	One-time, start-up	Done	Dan Phu	Yes. The Tier 1 and Tier 2 project evaluation criteria were adopted by the OCTA Board and integrated as Chapter 11 of the Comprehensive Transportation Funding Guidelines. Project X Tier 1 and Tier 2 Guidelines were moved to Chapter 11 in 2018. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process. Please reference: " Measure M2 Environmental Cleanup Program - Project X Tier 1 Grant Program Call for Projects ," dated March 9, 2020, see attached Guidelines Chapter 11.
155.00	Has a matching requirement to leverage federal, state and local funds for water quality improvement been established?	Att. A, p. 27, Project X	Planning	One-time, start-up	Done	Dan Phu	Yes. The Tier 1 and Tier 2 project evaluation criteria were adopted by the OCTA Board and integrated as Chapter 11 of the Comprehensive Transportation Funding Guidelines. Project X Tier 1 and Tier 2 Guidelines were moved to Chapter 11 in 2018. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance Tracking Matrix - Ordinance No. 3
For Period Ending December 31, 2020

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							Please reference: “Measure M2 Comprehensive Transportation Funding Programs – 2020 Annual Call for Projects,” dated August 12, 2019, see attached Guidelines Chapter 11.
156.00	Has a maintenance of effort requirement been established to ensure that funds augment, not replace existing water quality programs?	Att. A, p. 27, Project X	Planning	One-time, start-up	Done	Dan Phu	Yes, these are specified in Chapter 11 of the Comprehensive Transportation Funding Guidelines. Also, this becomes part of the evaluation process for candidate projects. Please reference: “Measure M2 Environmental Cleanup Program - Project X Tier 1 Grant Program Call for Projects,” dated March 9, 2020, see attached Guidelines Chapter 11.
157.00	Has there been annual reporting on actual expenditures and assessment of water quality benefits provided?	Att. A, p. 27, Project X	Planning, External Affairs	Recurring	Done to date	Dan Phu & Marissa Espino	Yes. Reports have occurred through the Semi-Annual Review Process, which ended in September 2016. Please reference: “Comprehensive Transportation Funding Programs Semi-Annual Review - September 2019,” dated December 9, 2019.
158.00	If there has been any misuse of these funds, have penalties been imposed?	Att. A, p. 27, Project X	Planning	Recurring	Done to date	Dan Phu	Not applicable because there has been no finding of misuse of funds to-date. Assessment of appropriate use occurs through the initial and final payment processes and Semi-Annual Review process.
159.00	Has an Environmental Cleanup Allocation Committee (ECAC), including the following 12 voting members, but not including any elected public officer, been established: <ul style="list-style-type: none"> - One representative of the County of Orange? - Five representatives of cities (one per supervisorial district)? - One representative of the Caltrans? - Two representatives of water or wastewater public entities? - One representative of the development industry? - One representative of private or non-profit organizations involved in water quality protection/enforcement matters? 	Att. B, Sec. VII.B.1.i-vii	Planning, External Affairs	Recurring	Done to date	Dan Phu & Marissa Espino	Yes. Creation of ECAC occurred in 2008. The initial roster was presented to the Board on August 25, 2008 as Attachment B to the Staff Report. ECAC members are recruited following the requirements upon any vacancies. Member rosters for each year are saved in the M2 Document Center. Please reference: “Status Report on Renewed Measure M Environmental Programs,” dated August 25, 2008. “ECAC Roster 2020”
160.00	Does the ECAC also include one representative of the Santa Ana Regional Water Quality Control Board and one representative of the San Diego Regional Water Quality Control Board as non-voting members?	Att. B, Sec. VII.B.1.i-vii	Planning, External Affairs	Recurring	Done	Dan Phu	Yes. Creation of ECAC occurred in 2008. The initial roster was presented to the Board on August 25, 2008 as Attachment B to the Staff Report. Member rosters for each year are saved in the M2 Document Center.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

Ordinance Tracking Matrix - Ordinance No. 3

For Period Ending December 31, 2020

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							Please reference: "Measure M2 Environmental Cleanup Program Updates and Next Steps," dated December 11, 2017. "ECAC Roster 2020"
161.00	Has the Environmental Cleanup Allocation Committee recommended to the Authority for the Authority's adoption the following:	Att. B, Sec. VII.B.2.	Planning	One-time, start-up	Done	Dan Phu	See items 161.01 - 161.04
161.01	A competitive grant process for the allocation of Environmental Cleanup Revenues as set forth in Attachment B.	Att. B, Sec. VII.B.2.a	Planning	One-time, start-up	Done	Dan Phu	Yes, the Environmental Cleanup Allocation Committee (ECAC) created guidelines that were approved by the Board on February 14, 2011. This is also included in Chapter 11 of the CTFP. Please reference: "Measure M2 Environmental Cleanup Allocation Program - Incorporation into the Comprehensive Transportation Funding Program and Tier 1 Grant Program 2011 Call for Projects," dated February 14, 2011. "Measure M2 Environmental Cleanup Program - Project X Tier 1 Grant Program Call for Projects," dated March 9, 2020, see attached Guidelines Chapter 11.
161.02	A process requiring that allocated Environmental Cleanup Revenues supplement and not supplant other applicable funding sources.	Att. B, Sec. VII.B.2.b	Planning	One-time, start-up	Done	Dan Phu	Yes, the ECAC ensures that as part of the application process that projects meet the criteria specified in the Ordinance. This is part of the guidelines which are included in Chapter 11 of the CTFP. Please reference: "Measure M2 Environmental Cleanup Program - Project X Tier 1 Grant Program Call for Projects," dated March 9, 2020, see attached Guidelines Chapter 11.
161.03	Allocation of Environmental Cleanup Revenues for proposed projects and programs.	Att. B, Sec. VII.B.2.c	Planning	Recurring	Done to date	Dan Phu	Yes, the ECAC reviews applications and makes recommendations on funding allocation, which is then approved by the Board. Please reference: "ECAC Agenda," dated September 10, 2020. "2020 Project X - Environmental Cleanup Program Tier 1 Call for Projects - Programming Recommendations," Staff Report dated October 12, 2020. "ECAC September 10, 2020 Minutes," from meeting dated January 14, 2021.

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For Period Ending December 31, 2020

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
161.04	An annual reporting procedure and method to assess water quality benefits provided by the projects and programs.	Att. B, Sec. VII.B.2.d	Planning, External Affairs	Recurring	Done to date	Dan Phu	Yes, the ECAC has developed a database to estimate the trash removed by the funded Tier 1 and Tier 2 projects to report on benefits of the program. This is an ongoing process. Updates have been provided to the ECAC and then to the Board on December 11, 2017. Please reference: "ECAC Agenda," dated December 11, 2014. "OCTA Measure M2 Tier 1 and Tier 2 – Potential Water Resources Benefits of Funded Projects Memo from Geosyntec Consultants," dated April 22, 2015. "Measure M2 Environmental Cleanup Program Updates and Next Steps," dated December 11, 2017.
162.00	Safeguards and Audits						
163.00	The requirements listed in Attachment A page 28-29 are covered in other areas of the matrix as they relate to quarterly and annual reporting.	Att. A, p.28-29					
164.00	Requirements Related to the Taxpayers Oversight Committee (TOC)						
165.00	Was a Taxpayers Oversight Committee established for the purpose of overseeing compliance with the Ordinance as specified in Attachment B, Section IV and organized and convened before any Revenues were collected or spent pursuant to the Ordinance?	Att. C, Sec. I	External Affairs	One-time, start-up	Done	Alice Rogan	Yes. The TOC updated the former procedures from the M1 Citizens Oversight Committee to accommodate additional responsibilities under M2 in August 2007. Please reference: "TOC Agenda Packet," dated August 28, 2007.
166.00	Has the TOC been governed by its 11 members and the provisions relating to membership (including initial and ongoing appointment, geographic balance, terms, resignation, removal, reappointment, and vacancies) consistent with Attachment C of the Ordinance been followed?	Att. C, Secs. II, and III	External Affairs	Recurring	Done to date	Alice Rogan	Yes, the TOC is governed by its 11 members and the provisions relating to membership (including initial and ongoing appointment, geographic balance, terms, resignation, removal, reappointment, and vacancies), consistent with Attachment C of the Ordinance. Please reference: "TOC Member Terms Roster History (1997-2020)," dated November 6, 2020.
167.00	Has the Committee carried out the following duties and responsibilities?	Att. C, Sec. IV	External Affairs	Recurring		Alice Rogan	See Items 167.01-167.11 below.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

Ordinance Tracking Matrix - Ordinance No. 3

For Period Ending December 31, 2020

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
167.01	Did the initial Members of the TOC adopt procedural rules and regulations as are necessary to govern the conduct of Committee meetings as described in Attachment C?	Att. C, Sec. IV.A	External Affairs	One-time, start-up	Done	Alice Rogan	Yes. The TOC updated the former procedures from the M1 Citizens Oversight Committee to accommodate additional responsibilities under M2 in August 2007. Please reference: " TOC Agenda Packet ," dated August 28, 2007. On June 14, 2016, the TOC updated the committee's Mission Statement and Policies and Procedures to remove responsibilities due to the close-out of M1. Please reference TOC Meeting Minutes in " TOC Agenda Packet ," dated August 9, 2016.
167.02	Did the Committee approve by a vote of not less than 2/3 of all Committee members, any amendments to the Plan which changed the funding category, programs or projects identified on page 31 of the Plan?	Att. C, Sec. IV.B	External Affairs	Recurring	Done to date	Alice Rogan	Yes. The TOC approved the first amendment to the M2 Transportation Investment Plan on October 9, 2012 and the third amendment on November 10, 2015 (Ordinance amendments do not require TOC approval). Please reference the following Staff Reports: " Public Hearing to Amend the Measure M2 Transportation Investment Plan for the Freeway Program ," dated November 9, 2012 for Amendment #1. " Public Hearing to Amend the Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan for the Transit Program ," dated December 14, 2015 for Amendment #3.
167.03	Did the TOC receive and review, as a condition of eligibility for M2 funds, from each jurisdiction the following documents as defined in Att. B, Sec. I?	Att. C, Sec. IV.C and	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Joe Alcock	The Annual Eligibility Review Subcommittee reviewed applicable eligibility requirements on September 23, 2020, and the full TOC approved them on October 13, 2020. Also see Items 167.04-167.08 below. Please reference: " TOC Agenda Packet ," dated October 13, 2020.
167.04	Congestion Management Program?	Att. C, Sec. IV.C.1 and Att. B, Sec. III.A.1	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Joe Alcock	This is required on odd numbered years. The TOC reviewed the Congestion Management Program on October 8, 2019. Eligibility determination was presented to the Board on December 9, 2019 as part of the Fiscal Year 2019-20 Measure M2 Annual Eligibility Review. The next submittal is due in 2021. Please reference: " Fiscal Year 2019-20 Measure M2 Annual Eligibility Review ," dated December 9, 2019. " TOC Agenda Packet ," dated October 8, 2019.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
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For Period Ending December 31, 2020

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
167.05	Mitigation Fee Program?	Att. C, Sec. IV.C.2 and Att. B, Sec. III.A.2	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Joe Alcock	This is required on a biennial basis. The TOC reviewed the Mitigation Fee Program on October 8, 2019. Eligibility determination was presented to the Board on December 9, 2019 as part of the Fiscal Year 2019-20 Measure M2 Annual Eligibility Review. The next submittal is due in 2021. Please reference: "Fiscal Year 2019-20 Measure M2 Annual Eligibility Review," dated December 9, 2019. "TOC Agenda Packet," dated October 8, 2019.
167.06	Expenditure Report?	Att. C, Sec. IV.C.3 and Att. B, Sec. III.8	Finance and Administration, External Affairs	Recurring	Done to date	Alice Rogan & Sean Murdock	Yes. The TOC reviewed the FY 2018-19 Expenditure Reports on August 11, 2020 for all 35 local agencies. Eligibility determination was presented to the Board upon final submittal of expenditure reports by local jurisdictions. At the October 13, 2020 TOC meeting, all local agencies were found conditionally eligible to receive net Measure M2 revenues for FY 2020-21 and will be presented to the Board in December 2020. Please reference: "TOC Agenda Packet," dated August 11, 2020. "TOC Agenda Packet," dated October 13, 2020. "Measure M2 Annual Eligibility Review," Staff Report dated December 14, 2020.
167.07	Local Traffic Synchronization Plan?	Att. C, Sec. IV.C.4 and Att. B, Sec. III.A.6	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Joe Alcock/ Adriann Cardoso	This is required every three years. The last Local Signal Synchronization Plan review was received and reviewed by the TOC on October 13, 2020, and was presented to the Board on December 14, 20120, as part of the Annual Measure M2 Eligibility Review. The next submittal is due in 2020. Please reference: "Measure M2 Annual Eligibility Review," Staff Report dated December 14, 2020. "TOC Agenda Packet," dated October 13, 2020.
167.08	Pavement Management Plan?	Att. C, Sec. IV.C.5 and Att. B, Sec. III.7	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Joe Alcock/ Adriann Cardoso	Yes. 14 agencies update PMPs on odd-year cycle, while 21 agencies update on even-year cycle as part of the Annual Eligibility Review. The TOC reviewed the Pavement Management Plans for even-year agencies on October 13, 2020 and an eligibility determination was presented to the Board on December 14,2020 as part of the Fiscal Year 2020-21 Measure M2 Annual Eligibility Review. The

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Ordinance Tracking Matrix - Ordinance No. 3
For Period Ending December 31, 2020

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							<p>TOC reviewed the Pavement Management Plans for odd-year agencies on October 8, 2019 and an Eligibility determination was presented to the Board on December 9, 2019 as part of the Fiscal Year 2019-20 Measure M2 Annual Eligibility Review.</p> <p>Please reference the following Staff Reports: "Measure M2 Annual Eligibility Review," dated December 14, 2020 (for even year PMPs). "Fiscal Year 2019-20 Measure M2 Annual Eligibility Review," dated December 9, 2019 (for odd year PMPs). "TOC Agenda Packet," dated October 13, 2020 (for even-year PMPs). "TOC Agenda Packet," dated October 8, 2019 (for odd-year PMPs).</p>
167.09	Has the Committee reviewed yearly audits and held an annual hearing to determine whether the Authority is proceeding in accordance with the Plan?	Att. C, Sec. IV.D	External Affairs	Recurring	Done to date	Alice Rogan	<p>Yes. The last Annual Hearing and Compliance Review was completed on June 9, 2020. Please reference: "Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Findings," Staff Report dated June 22, 2020.</p>
167.10	Has the Chair annually certified whether the Revenues have been spent in compliance with the Plan?	Att. C, Sec. IV.D	External Affairs	Recurring	Done to date	Alice Rogan	<p>Yes. The last Annual Hearing and Compliance Review was completed on June 9, 2020. A memo from the TOC Chairman was presented to the Board on June 22, 2020.</p> <p>Please reference: "Taxpayer Oversight Committee Measure M Annual Public Hearing Results and Compliance Findings," dated June 22, 2020.</p>
167.11	Has the Committee received and reviewed the performance assessment conducted by the Authority at least once every three years to review the performance of the Authority in carrying out the purposes of the Ordinance?	Att. C, Sec. IV.E	External Affairs	Recurring	Done to date	Alice Rogan	<p>Yes. The TOC has received and reviewed the performance assessments conducted by the Authority at least once every three years to review the performance of the Authority in carrying out the purposes of the Ordinance. Assessments have been reviewed by the TOC on December 14, 2010, April 9, 2013, June 14, 2016, and April 9, 2019.</p> <p>Please reference: "TOC Agenda Packet," dated December 14, 2010. "TOC Agenda Packet," dated April 9, 2013. "TOC Agenda Packet," dated June 14, 2016. "TOC Agenda Packet," dated April 9, 2019.</p>

Measure M2 Annual Public Hearing
30th Annual M (13th - M2)
June 8th 2021

- A. *Goal:* Listen to public comments to assist TOC members in determining whether the Authority is proceeding in accordance with the M2 Transportation Ordinance and Investment Plan.
- B. *Objectives*
1. Give an overview of the TOC.
 2. Review what happened during the past year and make known any notable actions the TOC has taken.
 3. Listen to any public comments relating to the implementation of Measure M.
- C. *Publicity*
1. Public notices in early May:
 - Register*
 - Excelsior*
 - Nguoi Viet*
 2. Press Releases
 3. Digital Communications
 - Website (TOC website will have area for people to comment online)
 - Homepage Banner
 - Social Media (Facebook, Twitter)
 - E-blasts
 4. OCTA biweekly blog – *On the Move*
 5. CEO Comments
- D. *Meeting Date*
Second Tuesday in June
June 8, 2021 @ 6:00 PM
- E. *Meeting Location*
Meeting is held via teleconference and can be accessed via the OCTA website.
- G. *Meeting Format* (part of Regular Agenda)
1. Welcome/Overview – 5 minutes **Frank Davies, Chair**
 - Brief introduction of TOC members
 - Mission of the TOC (purpose and duty)
 - a. Annual Eligibility Review (AER)
 - b. Amendments to the Plan
 - c. Audits
 - Two subcommittees reports
 - Recruitment process and committee make-up

2. *Annual Review* – 5 minutes

- Actions taken during the year
- AER Subcommittee Update
- Annual Audit

Steve Sloan
Frank Davies

3. *Virtual Public Hearing* – 20 minutes

- Each person wanting to give testimony will need to submit comments via the instructions on the TOC website in advance
- Alice Rogan, Staff Liaison, will administer the public comments
- Conclude by stating what the TOC will do with the input

Frank Davies

*Information
Items*



COMMITTEE TRANSMITTAL

January 25, 2021

To: Members of the Board of Directors

From: Andrea West, Interim Clerk of the Board *Andrea West*

Subject: Measure M2 Community-Based Transit Circulators Program Project V Ridership Report and Proposed Program Revisions

Transit Committee Meeting of January 14, 2021

Present: Directors Do, Jones, Shaw, and Sidhu
Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 4-0 by the Members present.

Committee Recommendations

- A. Receive and file the Project V Ridership Report as an information item.
- B. Approve Project V Program revisions related to the impacts of the coronavirus and recent internal audit recommendations.
- C. Authorize the Chief Executive Officer to negotiate, execute, and amend as necessary all existing cooperative agreements for Project V services, in order to implement the recommendation above.

Committee Discussion

At the January 14, 2021 Transit Committee meeting, the Measure M2 Community-Based Transit Circulators Program Project V Ridership Report and Proposed Program Revisions item was pulled from the consent calendar and a verbal report was requested. Staff provided an overview of the recommendations with a focus on the proposed changes to performance metrics for the Project V Program.

**Committee Discussion (Continued)**

With Board of Directors (Board) approval, the Project V Program's productivity measurements would move from a boarding per revenue vehicle hour metric to a total operating cost per boarding metric. The subsidy provided by the Orange County Transportation Authority (OCTA) would not increase beyond the escalation noted in the report, and operating costs beyond the OCTA subsidy would be the responsibility of the local agency. Operating costs exceeding specific levels would trigger public disclosure requirements and city council or Board of Supervisors actions. Staff also shared that the existing Project V cooperative agreements will expire within the next few years. The revised productivity measurements are intended to be in effect only for the remaining portion of the existing grants for Project V services. Any future calls for projects would return to the Board for specific authorization.

Director Shaw expressed appreciation for the new metric that requires notification and action by the applicable agency. He also asked about the overall funding status of the program and whether the proposed changes could be accommodated based upon current revenue projections. Staff responded that the proposed changes can be accommodated within projected cash flows while still maintaining future financial capacity.

Transit Committee Chairman Do stated that the presentation addressed his concerns with the recommendations.



January 14, 2021

To: Transit 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: Measure M2 Community-Based Transit Circulators Program
Project V Ridership Report and Proposed Program Revisions

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 designed to complement regional transit services. Funding is awarded to local agencies through a competitive call for projects and awarded services are then implemented by awarded local agencies. Ridership reports for each of the Project V-funded services are presented to the Board of Directors twice annually. This item provides the ridership report covering the fourth quarter of fiscal year 2019-20 (April - June 2020) and the first quarter of fiscal year 2020-2021 (July - September 2020). Due to the significant impacts that the coronavirus has had upon Project V services and recent audit recommendations, several revisions to the program are presented for review and approval.

Recommendations

- A. Receive and file the Project V Ridership Report as an information item.
- B. Approve Project V Program revisions related to the impacts of the coronavirus and recent internal audit recommendations.
- C. Authorize the Chief Executive Officer to negotiate, execute, and amend as necessary all existing cooperative agreements for Project V services, in order to implement the recommendation above.

Background

The Measure M2 (M2) Community-Based Transit Circulators Program (known as Project V) is a competitive grant program, which provides funding to develop and implement local transit services. Currently funded service types include community-based circulators, shuttles, trolleys, and demand-responsive services intended to complement regional transit, while also better meeting local needs in areas not adequately served by regional transit.

Measure M2 Community-Based Transit Circulators Program Page 2 Project V Ridership Report and Proposed Program Revisions

M2 Project V services are required to adhere to established minimum performance standards, which include achieving six boardings per revenue vehicle hour (B/RVH) by the end of the first year of service, maintaining six B/RVH and going up to ten B/RVH by the end of the second year of service, and then maintaining ten B/RVH for the remainder of the grant term. If services are not meeting standards, or are trending toward not meeting minimum standards, Orange County Transportation Authority (OCTA) staff will meet with the local agency and discuss adjustments, with an overall goal of attempting to improve ridership. However, under the current guidelines, M2 Project V funds are subject to cancellation if a service continues to perform below minimum performance standards. Revisions to these standards are proposed in this item in response to the coronavirus (COVID-19) pandemic. Additional changes are also proposed to both Project V and Project S (extensions to Metrolink) in response to recommendations provided through a recent internal audit of the Combined Transportation Funding Programs (CTFP).

Service performance is reported to the OCTA Board of Directors (Board) semi-annually, and the current reporting period includes ridership information covering the fourth quarter of fiscal year (FY) 2019-20 (April 1, 2020 through June 30, 2020) and the first quarter of FY 2020-21 (July 1, 2020 through September 30, 2020), which is summarized in this report.

Discussion

Semi-Annual Ridership Report

The COVID-19 pandemic, the State of California's stay-at-home order, and associated social distancing requirements pertaining to transit have had a significant impact upon Project V ridership and services. Only the three services listed below remained operational during this reporting period.

- Anaheim Canyon Circulator;
- Lake Forest Commuter Vanpool Service (Irvine Station and Ossur); and
- San Clemente Lyft Rideshare.

Specific productivity reporting and service notes for these services are provided in Attachment A. The other 23 Project V services identified in Attachment A were either suspended at the direction of the local agency or not initiated due to the pandemic and its associated impacts. In October 2020, OCTA met with local agency project managers to discuss these impacts and consider the future of the Project V Program. Key input from these discussions included the following:

- Most services will not be reinitiated until social distancing requirements are lifted;

- Project V ridership is largely discretionary, and as a result, Project V services may be unable to meet existing minimum ridership requirements post-pandemic and well into the future. However, Project V services add value to the communities they serve, and local agencies noted that they may want to continue to provide Project V services post-COVID-19. As such, they requested that OCTA consider alternative minimum performance standards; and
- Local agencies also noted that they anticipate the overall cost for the service could increase post-COVID-19 and requested that OCTA consider providing additional funding to remedy anticipated cost increases, especially to support more frequent and enhanced cleaning efforts.

Proposed Project V Program Revisions

Given this input, staff has developed proposed Project V program revisions for Board review and consideration. These proposed changes are focused on modifying the program's minimum performance requirements/service parameters to allow for re-establishment and providing annual escalation of funding within the programmed grant amount. Attachment B provides a more detailed overview of the proposed revisions.

The proposed revisions provide local agencies flexibility to reinstate and fund Project V services in a post-COVID-19 environment, while shifting evaluation metrics to be more financially focused, context sensitive, and locally driven. The proposed changes also maintain the fundamental M2 requirement that Project V services be subject to performance measures.

These recommendations were presented to local agency project managers and OCTA's internal M2 Program Management Committee during fall 2020. While local agency project managers stated that they would like to receive as much additional funding as possible, and also eliminate performance measures entirely, both groups were generally supportive of the proposed revisions.

The revisions have also been evaluated from a programmatic funding perspective and they can be accommodated within the program's currently projected revenues and cash flow. Therefore, Board consideration and approval of these proposed program revisions and related cooperative agreement amendments is requested.

CTFP Audit - Findings/Recommendations

During this reporting period, OCTA's Internal Audit Department conducted an audit of oversight and reporting controls of the M2 CTFP. The audit included a finding that on-time performance and customer satisfaction requirements for the Project V Program were not included in agency cooperative agreements. Accordingly, staff is proposing to make adjustments to all appropriate Project V cooperative agreements to clarify that local agencies should carry out customer satisfaction surveys. These surveys should be conducted at least once a year, reported on to OCTA through regular billing processes, and should include a plan to improve service if customer satisfaction is found to be below acceptable standards. A similar change is also proposed for on-time performance. However, this requirement would be implemented, as applicable, given that not all Project V-funded services maintain fixed schedules. Attachment B also includes other changes that clarify other audit requirements.

Next Steps

If approved, these program changes will supersede the individual CTFP Guidelines that were in place for each of the individual calls for projects that guide how the funds are administered for each project. Further, staff will work with local agencies to implement these changes and initiate amendments to all applicable Project V cooperative agreements in order to formalize and facilitate these proposed changes. Staff will also return to the Board in July 2020 with the next Project V semi-annual report, which will include the standard Project V Ridership Report and an update on the effectiveness of the proposed changes herein, to the program.

Summary

A status report on Project V services is provided for informational purposes. Approval of proposed Project V programmatic changes related to impacts from COVID-19 and a CTFP audit finding/recommendation are also requested. If these proposed changes are approved by the Board, authorization is also requested to initiate amendments to all applicable Project V cooperative agreements in order to implement the proposed changes identified in this report.

Attachments

- A. Project V Services – Ridership Report
- B. Proposed Project V Program Revisions

Prepared by:



Alfonso Hernandez
Transportation Funding Analyst, Senior
(714) 560-5363

Approved by:



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

Project V Services - Ridership Report

Reporting Period: Q4 of FY 2019-20 and Q1 of FY 2020-21

Agency	Service Description	Measure M2 Project V Funds	Service Type	Service Start Month/Year	Boardings Per Revenue Vehicle Hour (B/RVH) ¹	Notes
Anaheim	Anaheim Canyon Circulator	\$ 1,141,864	Commuter Feeder Service	July 2020	3	The service did not meet the minimum performance standard. However, it is still in its initial startup period and has 12 months to meet the minimum performance standard of six B/RVH. A letter has been sent to City of Anaheim advising them of this finding.
Dana Point	Dana Point Trolley	\$ 2,456,511	Seasonal Service	June 2015	N/A	The service did not operate during the reporting period.
Dana Point	Dana Point Trolley Expansion	\$ 905,968	Seasonal Service	June 2017	N/A	The service did not operate during the reporting period.
Dana Point	Dana Point Trolley Continuity	\$ 1,745,065	Seasonal Service	September 2019	N/A	The service did not operate during the reporting period.
Dana Point	Dana Point Trolley Continuity (2020 Call for Projects)	\$ 2,209,739	Seasonal Service	TBD	N/A	The service was awarded funds during the 2020 Project V call for projects. However, it was not initiated and its current start date is TBD.
Huntington Beach	Huntington Beach Special Events	\$ 93,287	Special Event	July 2014	N/A	The service did not operate during the reporting period.
Huntington Beach	HB Southeast Rideshare Pilot Program (2020 Call for Projects)	\$ 806,240	Shared-Ride Hailing Service	TBD	N/A	The service was awarded funds during the 2020 Project V call for projects. However, it was not initiated and its current start date is TBD.
Irvine	Irvine iShuttle Route E - Irvine Station - East	\$ 2,705,984	Commuter Service	February 2019	N/A	The service did not operate during the reporting period.
Irvine	Irvine iShuttle Route F - Tustin Station - Irvine Business Complex	\$ 2,712,258	Commuter Service	February 2019	N/A	The service did not operate during the reporting period.
La Habra	Special Event Service	\$ 96,810	Special Event	November 2016	N/A	The service did not operate during the reporting period.
La Habra	Community Special Event Service	\$ 66,234	Special Event	TBD	N/A	The service was awarded funds during the 2020 Project V call for projects. However, it was not initiated and its current start date is TBD.
Laguna Beach	Off-Season Weekend Trolley Service	\$ 3,612,360	Special Event	March 2015	N/A	This service's grant term expired on June 30, 2020. However, it was extended through a new 2020 Project V call for projects grant award (see below).
Laguna Beach	Off-Season Weekend Trolley Service (2020 Call for Projects)	\$ 3,850,000	Special Event	TBD	N/A	The service was awarded funds during the 2020 Project V call for projects. However, it was not initiated and its current start date is TBD.
Laguna Beach	Summer Breeze Bus Service	\$ 634,357	Seasonal Service	June 2018	N/A	The service did not operate during the reporting period.
Laguna Niguel	Laguna Niguel Summer Trolley - Southern Section	\$ 886,082	Seasonal Service	TBD	N/A	The service was awarded funds in 2019. However, it was not initiated and its current start date is TBD.
Lake Forest	Commuter Vanpool Service Irvine Station and Ossur	\$ 148,855	Commuter Service	July 2015	6	The service did not meet its minimum performance standard. However, its grant term expired on June 30, 2020 and the service is no longer operating.

Project V Services - Ridership Report

Reporting Period: Q4 of FY 2019-20 and Q1 of FY 2020-21

Agency	Service Description	Measure M2 Project V Funds	Service Type	Service Start Month/Year	Boardings Per Revenue Vehicle Hour (B/RVH) ¹	Notes
Lake Forest	Commuter Shuttle Service Irvine Station and Panasonic	\$ 1,226,862	Commuter Service	June 2017	N/A	The City of Lake Forest cancelled this service in April 2020 due to low ridership.
Mission Viejo	Local Community Circulator	\$ 3,332,879	Local Circulator	October 2016	N/A	The service did not operate during the reporting period.
Newport Beach	Balboa Peninsula Seasonal Trolley	\$ 685,454	Seasonal Service	June 2017	N/A	The service did not operate during the reporting period.
Newport Beach	Balboa Peninsula Seasonal Trolley Expansion	\$ 278,400	Seasonal Service	August 2018	N/A	The service did not operate during the reporting period.
Orange County	Local Circulator and Special Event Service (OC RanchRide)	\$ 2,041,547	Local Circulator and Special Event	June 2017	N/A	The service did not operate during the reporting period.
San Clemente	Summer Weekend Trolley and Seasonal Service	\$ 1,181,393	Seasonal and Special Event	May 2017	N/A	The service did not operate during the reporting period.
San Clemente	Summer Weekday Trolley and Seasonal Service Expansion	\$ 1,537,200	Seasonal and Special Event	July 2018	N/A	The service did not operate during the reporting period.
San Clemente	Downtown Route (2020 Call for Projects)	\$ 969,536	Seasonal and Special Event	TBD	N/A	The service was awarded funds during the 2020 Project V call for projects. However, it was not initiated and its current start date is TBD.
San Juan Capistrano	Special Event and Weekend Summer Trolley Service	\$ 958,642	Seasonal and Special Event	July 2018	N/A	The service did not operate during the reporting period.

Agency	Service Description	Measure M2 Project V Funds	Service Type	Service Start Month/Year	Boardings Per Hour of Service (B/HOS) ¹	Notes
San Clemente	On-Demand	\$ 914,400	Ride Hailing	October 2016	9	Service only offered single rides during the reporting period due to the coronavirus (ridesharing option disabled).

1. Rounded to the next whole number.

N/A - No service hours during reporting period (service was either seasonal and/or impact by the coronavirus).

ACRONYMS

Q4 - Quarter 4 (April - June 2020)

Q1 - Quarter 1 (July - September 2020)

FY - Fiscal year

TBD - To be determined

N/A - Not applicable

NOTE: Services below the minimum performance standard are shaded

Minimum Performance Standards for B/RVH

- Six passenger B/RVH by end of year one (12 months from the first day of operating the service).
- Maintain six B/RVH and meet or exceed ten B/RVH by end of year two.
- Ten B/RVH must then be maintained every year thereafter.

Minimum Performance Standards for B/HOS

- Staff will continue to monitor and measure service performance and assess appropriate next steps for this program which will include evaluation of all project related efforts and existing policies in order to determine how best to support and administer this emerging transit delivery model.

Proposed Project V Program Revisions

Recommended Changes to Project V Performance Requirement

Changes to the Project V performance requirement as described below are recommended to help manage the reduced ridership that is resulting from social distancing and stay-at-home requirements related to the coronavirus.

- Existing Project V Minimum Performance Requirement:
 - Year 1 - Meet or exceed six boardings per revenue vehicle hour (B/RVH) by the end of the first year of service.
 - Year 2 - Maintain six B/RVH and meet or exceed ten B/RVH by the end of the second year of service.
 - Year 3 - Maintain ten B/RVH each reporting period thereafter through the life of the grant.

- Existing Action for not Meeting Minimum Performance Standards:
 - After Year 1, services that perform below the minimum performance standards (above) for two or more reporting periods will be evaluated for cancellation.

- Proposed Project V Minimum Performance Requirement:
 - Change the Project V minimum performance requirement from the current B/RVH metrics (listed above) to a maximum cost per boarding metric established by the Orange County Transportation Authority (OCTA). Based upon evaluation of existing and similar services, this amount should be set at twice the current \$9 per boarding subsidy (i.e., \$18 per boarding). However, when this amount is escalated consistent with other actions identified in this item, it will result in a maximum cost per boarding for fiscal year (FY) 2020-21 of \$20.10, and will continue escalating at conservative 1.85 percent inflation rate¹ each FY thereafter.

¹ The 1.85 percent escalation rate is based upon input and assumptions from the Comprehensive Business Plan, The Chapman University forecast, input from the OCTA Finance Department, and Project V cash flow needs.

Proposed Project V Program Revisions

- Proposed Action for not Meeting the New Minimum Performance Standard:
 - Require that the city council (or the Board of Supervisors {BOS}), since they will be responsible for bearing the cost of the service beyond OCTA's maximum per boarding subsidy, either:
 - Reaffirm support for the service through a city council/BOS action,
 - Discontinue the service, or
 - Implement potential service changes or cost saving measures.

Recommended Escalation for Project V Per Boarding Subsidy:

Project V Guidelines allow for the escalation of the Project V subsidy per boarding. However, the only escalation that has been provided to date occurred during the 2016 call for projects. At the time, the per boarding subsidy was increased from \$8 per boarding to \$9 per boarding. Staff is proposing to increase the maximum per boarding subsidy to help local agencies meet increased service costs.

- Existing Project V Maximum Subsidy per Boarding:
 - \$9.00 per boarding.
- Proposed Project V Maximum Subsidy per Boarding:
 - Escalate the current \$9.00 subsidy per boarding starting from FY 2016-17 (the year it was established) through FY 2019-20 based upon published Consumer Price Index data for the Los Angeles-Anaheim-Long Beach area, and in FY 2020-21 escalate based upon a conservative 1.85 percent inflation rate¹. This will result in the FY 2020-21 Project V subsidy per boarding being escalated to \$10.05 and increasing at a 1.85 percent rate each FY thereafter.

Recommended Escalation for Project V Annual Funding Cap:

In order to support cost increases over time, an annual escalation to the Project V funding cap is proposed, starting in FY 2021-22.

- Existing Project V Annual Funding Cap:
 - Local agencies may be awarded, from all eligible project categories, and are provided an annual cap based on the amounts listed in the original application, which is no more than \$550,000 annually.

Proposed Project V Program Revisions

- Proposed Project V Annual Funding Cap:

Escalate the program's \$550,000 annual funding cap and each project's annual funding cap by 1.85 percent¹ annually starting in FY 2021-22, when applicable. This change will not adjust the total programmed amount previously approved by the Board of Directors.

Recommended Change for Project V Customer Satisfaction Survey Requirement:

A recent audit of the Measure M2 (M2) Competitive Transportation Funding Programs (CTFP) noted inconsistencies between the Project V Guidelines and related project agreements. In particular, the audit noted that customer satisfaction requirements for the Project V Program are not included in agency cooperative agreements. The reason for this is that the type of projects that were ultimately funded did not necessarily lend themselves to this type of measurement. Staff is proposing changes to make this an optional measurement rather than a requirement in the CTFP Guidelines by changing the language from "must" to "should" as noted below:

As part of the Project V service, local agencies ~~must~~ **should** develop ~~strategies~~ **surveys** to measure ridership satisfaction and on-time performance and ~~must achieve an 85 percent on-time performance on an ongoing basis, and rider satisfaction must be 90 percent satisfied based on customer surveys~~ **based upon local service objectives. These surveys should be conducted at least once a year; reported on to OCTA through regular billing processes; and should include a plan to improve service, if customer satisfaction is found to be below the local agencies' service objectives.**

Recommended Change for Project V On-Time Performance Requirement:

The audit also noted lack of a requirement for reporting of on-time performance. This is because the majority of the community circulator services do not maintain a published schedule. Instead, the services publish the span of service and the bus arrival intervals. In response, staff is proposing changes to the CTFP Guidelines to make this a recommendation and not a requirement by changing the language from "must" to "should when applicable", as noted below:

As part of the Project V service, local agencies, ~~must~~ **should, if applicable,** develop ~~strategies~~ **methods** to measure ridership satisfaction and on-time performance and ~~must achieve an 85 percent on-time performance on an ongoing basis, and rider satisfaction must be 90 percent satisfied based on customer surveys~~ **based upon local service objectives. These methods should be implemented at least once a year; reported on to OCTA through regular billing processes; and should include a plan to improve service if on-time performance is found to be below the local agencies' service objectives.**

Proposed Project V Program Revisions

Recommended Change for the CTFP Guidelines - Annual Audit Requirement:

The internal auditor also provided a verbal recommendation that staff clarify an M2 transit program requirement (applicable to Project S – Transit Extensions to Metrolink and Project V), that local agencies submit audited operations and maintenance (O&M) cost data each year.

Local agencies provide O&M cost information each year; however, there was a lack of clarity on what was meant by “audited” O&M costs. It is impractical to request local agencies to audit this information and submit it by September 30 each year. It is also unnecessary as they submit a significant amount of back up material when they submit requests for reimbursement, which are verified by staff, consistent with standard project management practices, prior to issuing reimbursement.

Further, the audit requirement language attached to O&M funding (provided through M2 Project S and Project V) did not identify the type or intent of the audit that is required. Therefore, staff is recommending that this requirement (identified below) be eliminated from the Project S and Project V transit programs as a specific requirement, given that it is redundant with other statements in the CTFP Guidelines, which state that all projects funded through the CTFP are subject to audit by OCTA’s Internal Auditor and staff’s current project management practices with respect to issuing reimbursements.

~~Awarded agencies must submit audited operations and maintenance costs and ridership and fare performance data to OCTA by September 30 of each year for the prior fiscal year.~~



COMMITTEE TRANSMITTAL

February 8, 2021

To: Members of the Board of Directors
From: Andrea West, Interim Clerk of the Board *Andrea West*
Subject: Measure M2 Environmental Cleanup Program – Project X Tier 1 Grant Program Call for Projects

Regional Planning and Highways Committee Meeting of February 1, 2021

Present: Directors Bartlett, Chaffee, Harper, Hernandez, Murphy, and Sarmiento
Absent: Director Delgleize

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendations

- A. Approve the proposed revisions to the Comprehensive Transportation Funding Programs Guidelines for the Environmental Cleanup Program Tier 1 Program.
- B. Authorize staff to issue the fiscal year 2021 Environmental Cleanup Program Tier 1 call for projects.



February 1, 2021

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Measure M2 Environmental Cleanup Program - Project X Tier 1 Grant Program Call for Projects

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

Overview

The Measure M2 Environmental Cleanup Program provides grants for projects that protect Orange County waterways and beaches from roadway runoff. Staff has updated the program implementation guidelines and is seeking authorization to release the next Environmental Cleanup Program Tier 1 call for projects.

Recommendations

- A. Approve the proposed revisions to the Comprehensive Transportation Funding Programs Guidelines for the Environmental Cleanup Program Tier 1 Program.
- B. Authorize staff to issue the fiscal year 2021 Environmental Cleanup Program Tier 1 call for projects.

Background

The Environmental Cleanup Program (ECP), also referred to as Project X, provides for the allocation of two percent of annual gross Measure M2 (M2) revenues to improve overall water quality in Orange County. Funding is allocated on a countywide competitive basis to assist jurisdictions in controlling transportation-related pollution. These funds are intended to supplement, not supplant, existing transportation-related water quality programs. Funds are awarded to priority projects that improve water quality in streams, harbors, and other waterways that have a nexus to transportation-related pollution, consistent with the Orange County Transportation Authority's (OCTA) Ordinance No. 3. The ordinance requires the Environmental Cleanup Allocation Committee (ECAC) to advise the OCTA Board of Directors (Board) on priorities and processes for the use of ECP funds.

On May 24, 2010, the Board approved a two-tiered approach to fund the M2 ECP. The Tier 1 Grant Program consists of funding for equipment purchases and upgrades to existing storm drains and related best management practices. The Tier 2 Grant Program consists of funding for regional, potentially multi-jurisdictional, capital-intensive projects.

The previous Tier 1 call for projects (call) was finalized by the OCTA Board on October 12, 2020, with the approval of \$2,800,000 in ECP Tier 1 funds. The Board programmed funding to support 12 successful project applications (based on the scoring criteria). To date, the Board has approved funding for 189 Tier 1 projects, totaling approximately \$27 million, and it is estimated that nearly 33 million gallons of trash and debris have been captured since inception of the ECP in 2011.

Discussion

OCTA staff worked with local agencies and the ECAC to determine areas of the program guidelines that needed to be adjusted, as well as reviewed issues that emerged out of the previous calls. The proposed modifications to the program guidelines are included in attachments A and B.

The proposed changes were reviewed by the ECAC at the January 14, 2021 meeting. The ECAC voted unanimously to endorse the changes to the CTFP Guidelines and recommended Board approval to issue the fiscal year (FY) 2021 ECP Tier 1 call. A summary of proposed modifications is provided below.

2021 Call Updates

The revisions to the CTFP Guidelines include minor technical changes to the ECP call application schedule. The proposed funding target, subject to Board approval, for the call is \$2.8 million, which is consistent with prior years. While M2 revenues were impacted by the economic downturn emerging from the coronavirus pandemic, this program has been conservatively managed in terms of funding distributions to the Tier I and Tier II programs, and based upon the program's currently projected cash flow, the \$2.8 million call amount appears to be both reasonable and fiscally responsible.

Based on requests from local agencies, the CTFP Guidelines were also modified to clarify that for the Project X Tier I program only, local agencies may spend up to 15 percent of total construction costs to support construction management, project management, and final design combined.

Finally, the updated CTFP Guidelines clarify that only electronic applications will be accepted during this call cycle.

Next Steps

Following Board approval expected on February 8, 2020, staff will notify local agencies of the call. Once the call is issued, staff will offer one-on-one meetings to assist local agencies with the application process. Per the recommendation of the ECAC, in addition to one-on-one meetings, staff will offer a workshop for local agencies as an additional resource. The workshop is tentatively scheduled for February 25, 2021. Applications will be due to OCTA by May 6, 2021, and staff will return to the Board with programming recommendations by late summer 2021.

Awards would be effective with Board approval and become available starting in FY 2021-22.

Summary

OCTA staff is recommending revisions to the ECP Tier 1 CTFP Guidelines and requests authorization to issue a 2021 ECP Tier 1 call, in order to make available approximately \$2.8 million for important projects that will mitigate the impacts of street runoff and improve water quality for Orange County waterways.

Attachments

- A. List of Proposed Revisions to the 2021 CTFP Guidelines for Project X (Chapter 11)
- B. Comprehensive Transportation Funding Programs Guidelines Excerpt, Proposed Revisions

Prepared by:



Alfonso Hernandez
Transportation Funding Specialist, Senior
(714) 560-5363

Approved by:



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

List of Proposed Revisions to the 2021 CTFP Guidelines for Project X (Chapter 11)

No.	Chapter	Section	Page No.	Proposed Change
1	V. Precepts	Precept Number 28	xx	Added the following language: Note: For the Project X Tier 1 Program only, local agencies may also include final design.
2	Chapter 11	Overview	11-1 to 11-3	Minor wording modifications.
3	Chapter 11	Funding Estimates	11-5	Updated reference from 2020 to 2021 and other minor wording modifications.
4	Chapter 11	2021 Tier 1 Call for Projects	11-6	Updated 2020 references to 2021 and clarified that the deadline for the 2021 Tier 1 call for projects is Thursday, May 6, 2021 at 5:00 PM.
5	Chapter 11	Exhibit 11-1 (Tier 1 Scoring Criteria)	11-7 - 11-8	Minor wording modification. Removed the note that "overmatch bonus points can only be granted to project with a cash match." Statement is no longer necessary, as cash is the only form of match now accepted by the program.
6	Chapter 11	Application Process	11-11	Revised language to specify that OCTA will only accept electronic application packages and clarified appropriate application submittal and document formatting requirements. Also, clarified that application revisions may be allowed, if they are made prior to the application deadline.
7	Chapter 11	Eligible Expenditures	11-12	Clarified the eligible expenditures, specifically the following language for construction management costs: For construction management, project management and final design (for Project X Tier 1 projects only), combined costs cannot exceed 15 percent of total construction cost.
8	Chapter 11	Ineligible Expenditures	11-12	Clarified that Environmental Cleanup Program Project X Tier 1 funds are not to be used for planning but can be used for final design, subject to the eligible expenditure requirements.

Acronyms

CTFP – Comprehensive Transportation Funding Program
OCTA – Orange County Transportation Authority

Comprehensive Transportation Funding Programs Guidelines Excerpt

Proposed Revisions

Intersection Capacity Utilization (ICU) calculations shall use 1,700 vehicles per hour per lane with a .05 clearance interval.

25. OCTA shall consider matching fund credit(s) for an implementing agency's proposed projects current and applicable environmental clearance expenditures. OCTA will review and consider these expenditures on a case-by-case basis at the time of funding approval.
26. An approved CTFP project may be determined ineligible for funding at any time if it is found that M2 funding has replaced all or a portion of funds or commitments that were to be provided by other sources such as: development conditions of approval, development deposits, fee programs, redevelopment programs or other dedicated local funding sources (i.e., assessment districts, community facilities districts, bonds, certificates of participation, etc.). Appeals may be made in accordance with Precept 39.
27. OCTA may fund environmental mitigation, up to 25 percent (25%) of the total eligible project cost by phase, as required for the proposed project contained in the environmental document. Participating environmental mitigation expenditures are eligible for funding under certain programs, but not all.
28. Construction Engineering, Construction Management, Materials Testing, Engineering Support and/or Project Management shall not exceed 15 percent (15%) of the total eligible project cost based upon the engineers' estimate. The cap is applied to the sum of eligible expenses, contract change orders (within the scope of work), equipment and materials (e.g. eligible traffic signal equipment). [Note: For the Project X Tier I program only, local agencies may include final design.](#)
29. Contract change orders are only eligible for reimbursement of work due to unforeseen changed conditions within the original scope of work and not exceeding 10 percent (10%) contingency provided in the application cost estimate.
30. OCTA shall evaluate "whole" projects during the initial review process. Subsequent phase application reviews shall not include prior phases in the evaluation unless locally funded and pledged as a match and are subject to OCTA verification. The criteria for ranking project applications is included in these guidelines as part of each program component chapter.
31. Projects that receive competitive CTFP funds shall not use other M2 competitive funds as a local match source. Lead agencies may request project consolidation. The TAC and Board must approve consolidation requests. OCTA shall use the weighted average match rate of the consolidated project's individual segments.
32. OCTA shall conduct a SAR of all active CTFP projects. All agencies shall participate in these sessions through a process established by OCTA. Currently, OCTA administers the SAR through OCFundtracker. OCTA's intent is to: 1) verify project

Chapter 11 – Environmental Cleanup Program (Project X)

Overview

The ECP, herein referred to as Project X, provides ~~for~~ M2 revenues to improve overall water quality in Orange County from transportation-generated pollution. Specifically, ~~the~~ OCTA's Ordinance No. 3 (Ordinance), dated July 24, 2006, provides that 2 percent (2%) of gross M2 revenues be dedicated to protecting Orange County beaches and waterways from the conveyance of urban runoff associated with transportation-generated pollution. Project X ensures that funds will be used on a countywide competitive basis to meet federal Clean Water Act standards for controlling transportation-generated pollution by funding nationally recognized Best Management Practices (BMPs).

As required by the Ordinance, an Environmental Cleanup Allocation Committee (ECAC), representing a broad cross-section of the water quality community, was formed in October 2007 to provide guidance on program design and funding. The goal of Project X is to fund projects on a countywide, competitive basis. This will assist the County of Orange and Orange County cities in reducing transportation-related water quality pollution by meeting Clean Water Act standards for local waterways and beaches.

Proposed projects must demonstrate a direct nexus (connection) to a reduction of transportation-related pollution as developed and defined by the ECAC in conformity with the Ordinance. All proposing agencies must demonstrate an understanding of how their proposed projects meet the following transportation pollution nexus definition:

- Transportation-related activities can be a contributor of pollutants and/or impairments to receiving waters via aerial deposition, storm, and non-storm water discharges. Transportation-related activities are associated with the operation, construction, and maintenance of public roads, highways, and other ground transportation systems.
- The conveyance of transportation-related pollutants to surface and groundwater can occur from precipitation, runoff, and leachate entering or discharging from public roads, highways, and other ground transportation systems via drainage systems, such as catch basins, curbs, gutters, ditches, manmade channels, retention basins, or storm drains. The quality and quantity of these discharges vary considerably and are affected by hydrology, geology, land use, season, and sequence and discharge of hydrologic events.
- Pollutant sources can encompass right-of-way, properties, facilities, and activities related to motor vehicles, highway maintenance, construction site runoff, maintenance facility runoff, illegal dumping, spills, and landscaping care. Pollutant categories include but are not limited to metals (such as copper, lead, and zinc), organic chemicals and compounds (hydrocarbons), pesticides, sediment, nutrients (nitrogen and phosphorus), litter, oxygen demanding substances (decaying

vegetation, animal waste, and other organic matter), groundwater dewatering discharges, and pathogenic material.

Project X funds are designed to supplement, not supplant, existing water quality programs. Proposed projects must improve and not replace existing pollution reduction efforts by an eligible party. Funds will be awarded to the most competitive projects with the highest benefit to water quality.

The intent of the Project X is to provide funding for water quality projects that do not replace existing transportation water quality expenditures. In other words, if a project has components which would replace features already in place or which would fulfill project specific mitigation, those components would not be eligible for funding consideration. Some upgrades and expansions may be eligible with appropriate supporting justification.

Proposed projects, which support compliance with the 2015 adopted Trash Provisions, are eligible for Project X funding provided the funds ~~would~~do not replace established and programmed funds and the funds are not applied to any mandated project design features or required mitigation measures.

The eligibility of the project and its components will be determined during the evaluation process. Contact Alfonso Hernandez at (714) 560-5363, or AHernandez@octa.net with questions.

Tier 1 Grant Program

Overview

The Tier 1 Grant Program is designed to mitigate the more visible forms of pollutants, such as litter and debris, which collect on ~~the~~ roadways and in the catch basins (storm drains) prior to being deposited in waterways and the ocean. It consists of grant funding for Orange County local governments to purchase equipment and upgrades for existing catch basins and other related BMPs (i.e., “street-scale” low flow diversion projects). Examples include screens, filters, and inserts for catch basins, as well as other devices designed to remove the above-mentioned pollutants. To date, [ten](#) Tier 1 calls for projects have been held. Through this process, many of the opportunities for street-scale BMPs have been fulfilled. Water quality projects, regardless of technology, are eligible for Tier 1 funding provided they have a verifiable benefit to water quality and fall within the maximum per project programming cap. The intent of this funding program is for project applicants to complete the work generally within one year from the letter agreement execution [date](#).

Tier 1 Project Types

Tier 1 projects funded in the past include the following types. A description of each project type is provided below:

- 1) Automatic Retractable Screen and other debris screens or inserts: screen or insert units prevent debris from entering the storm drain system.
- 2) Irrigation system retrofits to reduce runoff: these projects decrease runoff from highway medians by using more efficient irrigation systems and/or replacing existing landscape to reduce the amount of water used in irrigation.
- 3) Continuous Deflection Separator (CDS): CDS units screen, separate, and trap debris, sediment, oil, and grease from storm water runoff.
- 4) Linear Radial Gross Solid Removal Device (GSRD): GSRDs are certified full capture systems which efficiently remove large solids from runoff water flows.
- 5) Marina Trash Skimmer: these devices draw in floating debris, such as plastics, bottles, paper, oil sheen, and driftwood. The installation of marina trash skimmers will reduce the amount of trash and debris reaching the open ocean.
- 6) Bioswales and Bioretention systems: pollutants and sediments are captured and subsequently removed from stormwater runoff.
- 7) Trash Boom: a floating boom placed across a channel captures trash and debris that have reached flood channels from being further conveyed to downstream receiving waters.

Pre-Application Process

In order to ensure the best use of M2 funds and assist eligible jurisdictions with the Tier 1 Grant Program, applicants may engage in a pre-application process with OCTA staff in project planning, cost estimate development, and determination of likely projected competitiveness. Specific meeting times will be established once the call is initiated. After the call for projects deadline and submittal of the grant application, applicants will not be able to change the content of the application or scope of the project.

Eligible Applicants

Project X funds can be used to implement street and highway-related water quality improvement projects to assist Orange County cities and the County of Orange to meet federal Clean Water Act standards for urban runoff and State Water Resources Control Board requirements for trash capture. Applicants eligible for Project X funds include the 34 Orange County cities plus the County of Orange. Eligible applicants must meet the transportation requirements discussed in the M2 Ordinance.

Third parties, such as water and wastewater public entities, environmental resource organizations, nonprofit 501(c) environmental institutions, and homeowners' associations cannot act as the lead agency for a proposed project, however; these agencies can jointly apply with an Orange County city and/or the County of Orange.

Two or more agencies may participate in a project. If a joint application among agencies and/or third-party entities is submitted, a preliminary agreement with joint or third-party entities must be provided as part of the application. In order to meet Ordinance requirements, an eligible applicant must be the lead agency for the funding application. If a project includes more than one jurisdiction and is being submitted as a joint application, one agency shall act as lead agency and must provide a resolution of support from all joint applicants.

Each eligible jurisdiction must meet the eligibility criteria as set forth in Chapter 1 of these guidelines.

Project Programming

The Tier 1 Grant Program approach is designed to be consistent with Chapter 2 of these CTFP Guidelines regarding the provisions below:

- Program Consolidation
- Funding Projections
- Programming Adjustments
- Project Cost Escalation
- Programming Policies

- Schedule Change Requests
- Project Advancements
- Semi-Annual Review

Refer to Chapter 2 for explanations of the above provisions.

Funding Estimates

Approximately \$2.8 million is available for the 2021~~0~~ Tier 1 call for projects.

The maximum amount for the Tier 1 Grant Program is \$500,000 per project. The maximum amount that an eligible local agency can receive in this funding period is \$500,000.

Matching Funds

For the Tier 1 Grant Program, a minimum local match of 20 percent (20%) of the eligible project cost is required. The matching funds shall be provided as a cash contribution.

Retroactive expenditures cannot be credited towards the matching fund threshold [or project expenditures](#).

Overmatch

For the Tier 1 Grant Program, administering agencies may “overmatch” Project X projects; that is, additional cash match may be provided for the project. Applicants will receive additional points in the evaluation process for matching with cash above the minimum requirement. Proposals that exceed the 20 percent (20%) minimum funding match will be given an additional one-half point for every five percent (5%) over the minimum cash match (up to five bonus points).

Additionally, administering agencies must commit to cover any future cost overruns if the project is underfunded. Any work not eligible for Project X reimbursement must be funded by other means by the project applicant and cannot count as match. These non-eligible items should not be included in the cost estimate breakdown in the application.

Reimbursements

For the Tier 1 Grant Program, OCTA will release funds through two payments. The initial payment will constitute 75 percent (75%) of the contract award or programmed amount at contract award. OCTA will disburse the final payment, approximately 25 percent (25%) of eligible funds, after approval of the final report. Further information on reimbursements can be located within Chapter 9 of these Guidelines.

Scope Reductions/Modifications and Cost Savings

Any proposed scope modifications, such as a change in BMP device quantities and/or the adjustment of device locations of an approved project must be submitted to OCTA for review and approval in advance of the change to ensure consistency with Tier 1 Grant Program

requirements. The proposed modifications must mitigate the same pollutants, affect the same waterways, and meet all other provisions as stipulated in these guidelines.

If the proposed scope modification is approved by OCTA, any cost savings will be proportionally shared between OCTA and the grantee; for example, a reduction in Project X funds must be applied proportionally to maintain the approved local match percentage. All cost savings will be returned to the Tier 1 Grant Program for reallocation for subsequent calls for projects.

2021 Tier 1 Call for Projects

2021 Tier 1 Call for Projects applications must be received by OCTA **no later than 5:00 p.m. on Thursday, May 6, 2021**. Projects that do not award construction contracts by June 30, 2022 will not be considered. OCTA allocates funds on July 1 of each year. **Tier 1 projects are not eligible for delay requests**; please refer to Precept 17 for additional information. Funds will become available upon execution of a letter agreement.

After Tier 1 applications are reviewed by OCTA, an advisory panel will review and rank projects. Following a review by the ECAC, a recommended priority list of projects will be forwarded to the OCTA Board for approval in summer 2021. Funds allocated for projects are final once approved by the OCTA Board. No additional funds will be allocated to the project. Grantees are responsible for any costs exceeding the allocated amount.

Tier 1 Selection Criteria

OCTA will evaluate all proposals that meet the mandatory prerequisites based on competitive selection criteria (Exhibit 11-1) with the following categories:

- Project Need, Transportation Nexus, and Water Quality Benefits (15 points)
- Cost/Benefit (16 points)
- Pollutant Reduction Benefits (12 points)
- Effectiveness Against More Visible Forms of Pollutants (10 points)
- Justification for Project Devices Considered and Proposed (5 points)
- Proposed Device Performance Efficiency and/or Effectiveness (6 points)
- Project Readiness (6 points)
- Secondary attributes* (5 points)
- Methodology for Measuring Pollutant Reduction Before and After Implementation (10 points)
- Operations and Maintenance Plan (15 points)

**Note: Project elements which may qualify for points under the "secondary attributes" category do not need to be eligible expenditures. See Eligible Expenditures and Ineligible Expenditures sections for further information.*

Each proposal can receive a maximum of 100 points, exclusive of five bonus points for cash overmatch. See Exhibit 11-1 for scoring categories and point distribution.

Exhibit 11-1 (Tier 1 Scoring Criteria)

Scoring Criteria	Points Possible												
1. Describe the need for the selected BMP(s), including nexus to transportation pollutants, and detail the benefits to water quality the BMP(s) will achieve. (up to 15 Points)	15												
2. Cost/Benefit (Up to 16 points): Based on information provided by the applicant, a cost/benefit calculation will be conducted to compare the total project cost to the area of priority land uses treated by the proposed BMP(s). Applicant is required to provide ¹ : <ul style="list-style-type: none"> • Types(s) of BMP(s) proposed • Number of each BMP type • Total drainage area(s) contributing to each BMP type • Percent of drainage area(s) that is/are considered priority land uses (i.e., high density residential, industrial, commercial, mixed urban, public transportation stations) The applicant must also provide geospatial information (through ArcGIS and/or Google Earth) that identifies the drainage area(s) and BMP location(s) for the project.	16												
3. Pollutant Reduction Benefits: Based on treatment capacity and BMP type, project benefit will be calculated using the scoring equation: $(A \times 3) + (B \times 3) + (C \times 6) =$ (up to 12 points) ¹	12												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Line</th> <th style="width: 60%;">Factor</th> <th style="width: 30%;">Points Available</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">A</td> <td>Fractional percent of 1 year, 1-hour event flowrate discharging from priority land uses to the BMP(s)</td> <td style="text-align: center;">0 to 1</td> </tr> <tr> <td style="text-align: center;">B</td> <td>Fractional percent of 85th percentile, 24-hr design event that is treated by a low-impact development (LID) or treatment control BMP²</td> <td style="text-align: center;">0 to 1.5</td> </tr> <tr> <td style="text-align: center;">C</td> <td> BMP Multiplier: <ul style="list-style-type: none"> ▪ 1/3 point for high capacity systems ▪ 2/3 point for filters/biofilters ▪ 1 point for zero-discharge BMPs </td> <td style="text-align: center;">0 to 1</td> </tr> </tbody> </table>		Line	Factor	Points Available	A	Fractional percent of 1 year, 1-hour event flowrate discharging from priority land uses to the BMP(s)	0 to 1	B	Fractional percent of 85th percentile, 24-hr design event that is treated by a low-impact development (LID) or treatment control BMP ²	0 to 1.5	C	BMP Multiplier: <ul style="list-style-type: none"> ▪ 1/3 point for high capacity systems ▪ 2/3 point for filters/biofilters ▪ 1 point for zero-discharge BMPs 	0 to 1
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C	BMP Multiplier: <ul style="list-style-type: none"> ▪ 1/3 point for high capacity systems ▪ 2/3 point for filters/biofilters ▪ 1 point for zero-discharge BMPs 	0 to 1											
¹ Applicants are not expected to calculate the score for question 2 and question 3. OCTA's technical consultant will provide the analysis for these questions based on the application materials provided by the applicant.													
² Examples include high-capacity systems (i.e. hydrodynamic separators), filters/biofilters, or zero-discharge BMPs (i.e., retention/infiltration).													
4. How effective will the proposed project be in dealing with the more visible forms of pollutants, such as a litter and debris? (up to 10 points)	10												
5. What other BMP types were considered for this project? Why was the proposed BMP chosen? (5 points)	5												
6. Provide information on proposed BMP performance efficiency and/or effectiveness, including pollutant capture, storage capacity, flow capacity, etc. (up to 6 points)	6												
7. Project Readiness: The project schedule will be reviewed by the evaluation committee to determine when the proposed BMP will be operational following the OCTA Board of Directors approval. (up to 6 points):	6												
Less than 4 Months (6 points)	8 - 12 months (2 points)												
4 - 8 months (4 points)	More than 12 months (1 point)												

- | | |
|--|-----------|
| 8. Secondary Attributes: Will the proposed project provide any benefits beyond water quality improvement (i.e., water use efficiency, public awareness, flooding control, recreation, habitat, sustainability)? (up to 5 points) | 5 |
| 9. What is the methodology for measuring pollutant reduction before and after the BMP is implemented? How frequently will monitoring and performance assessment occur? (up to 10 points) | 10 |
| 10. Provide an O&M plan for the lifespan of the proposed project. Include schedule of inspections, cleaning, removal and disposal of pollutants, repairs, etc. (up to 15 points) | 15 |

100

- | | |
|--|----------|
| 11. BONUS: Are local matching funds in excess of the 20% minimum cash being proposed? If yes, at what percentage? (.5 point for each 5% cash overmatch, up to 5 points) | 5 |
|--|----------|

~~Note: overmatch bonus points can only be granted to projects with a cash match.~~

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Application Process

The following information, which is to be completed within the Tier 1 Grant Application Form, available electronically from OCTA, is required to evaluate and select projects. A checklist is included in the Tier 1 Grant Application Form to assist eligible agencies in assembling project proposals. The following project information will be necessary as part of the application process:

- Project Title
- Lead Agency Information
- Proposed Schedule
- Project Management
- Description and Scope of Proposed Project
- Integrated Regional Water Management Plan (IRWMP) identification (if applicable)
- Project Readiness
- Performance Metrics
- Detailed Project Estimate
- Minimum 20% Local Match (cash match only)
- Joint-Application (if applicable)

In addition to the completed Tier 1 Grant Application, the following documentation is required as part of the application process:

- Project design or concept drawings, including preliminary design calculations, of proposed BMPs.
- Precise maps to show tributary drainage area and proposed location(s) for BMP installation including geospatial information (through ArcGIS and/or Google Earth)
- Digital project site photos
- Preliminary agreements with joint and/or third-party entities if part of the funding application (if applicable)
- A city council resolution specific to each proposed project and funding commitment must be approved by the local jurisdiction's governing body prior to the Board approval of grant funds. A sample resolution is included as Exhibit 11-2. **Local agencies, at a minimum, must include items a-i.** The mechanism selected shall serve as a formal request for CTFP funds and states that matching funds will be provided by the agency. A final resolution authorizing [a](#) request for funding consideration with a commitment of local match funding must be provided with the project application. **If a draft copy of the resolution is provided, the local agency must also provide the date the resolution will be finalized by the local agency's governing body.** A final copy of the City Council approved resolution must be provided at least four (4) weeks **PRIOR** to the consideration of programming recommendations by OCTA's Board.

OCTA will only be accepting electronic copies of completed application forms and supporting documentation. All application materials are to be submitted by the call for projects deadline to the following OCTA staff email:

Alfonso Hernandez
Orange County Transportation Authority
AHernandez@octa.net

There is no maximum length for proposals. All pages must be numbered, organized, and use the standard ~~and printed on~~ 8 1/2 x 11 format size for the application form pages in PDF format. Supporting documentation, such as ~~maps~~ and drawings can be included in the ~~on~~ 11 x 17 format size. ~~The original proposal should be left unbound for reproduction purposes. An unbound original and two copies (total of three) of the completed application form and supporting documentation are to be submitted, plus an electronic copy of the complete application materials.~~ Electronic application materials can be submitted via email as an attachment, via a link to an online storage device site, such as DropBox and/or OneDrive, or USB drive. CD/DVD files will not be accepted.

Note:

Applications are considered final once the electronic application has been submitted. OCTA will document the submittal date and time and download the files for storage and application review. Any applications that do not contain all required information and documentation will be disqualified. Revisions may be allowed if changes are made prior to the application deadline.

Exhibit 11-2 (Tier 1 Sample Resolution)

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL/BOARD OF THE CITY/COUNTY OF _____

AUTHORIZING AN APPLICATION FOR FUNDS FOR THE ENVIRONMENTAL CLEANUP, TIER 1 GRANT PROGRAM UNDER ORANGE COUNTY LOCAL TRANSPORTATION ORDINANCE NO. 3 FOR (PROJECT NAME).

- (a) WHEREAS, Orange County Local Transportation Ordinance No.3, dated July 24, 2006, and is known and cited as the Renewed Measure M Transportation Ordinance and Investment Plan makes funds available through the Environmental Cleanup Program to help protect Orange County beaches and waterways from transportation-generated pollution (urban runoff) and improve overall water quality.
 - (b) WHEREAS, the Environmental Cleanup, Tier 1 Grant Program consists of funding purchases and installation to catch basins with Best Management Practices, such as screens, filters, inserts, and other "street-scale" low flow diversion projects.
 - (c) WHEREAS, OCTA has established the procedures and criteria for reviewing proposals; and
 - (d) WHEREAS, (ADMINISTERING AGENCY) possesses authority to nominate water quality improvement projects that have a transportation pollution nexus to finance and construct the proposed project; and
 - (e) WHEREAS, by formal action the (GOVERNING BODY) authorizes the nomination of (PROJECT NAME), including all understanding and assurances contained therein, and authorizes the person identified as the official representative of the (ADMINISTERING AGENCY) to act in connection with the nomination and to provide such additional information as may be required; and
 - (f) WHEREAS, the (ADMINISTERING AGENCY) will maintain and operate the equipment acquired and installed; and
 - (g) WHEREAS, the (ADMINISTERING AGENCY) will give OCTA's representatives access to and the right to examine all records, books, papers or documents related to the funded Tier 1 Grant Project; and
 - (h) WHEREAS, the (ADMINISTERING AGENCY) will cause work on the project to be commenced within a reasonable time after receipt of notification from OCTA and that the project will be carried to completion with reasonable diligence; and
 - (i) WHEREAS, the (ADMINISTERING AGENCY) will comply where applicable with provisions of the California Environmental Quality Act, the National Environmental Policy Act, the American with Disabilities Act, and any other federal, state, and/or local laws, rules and/or regulations;
 - (j) WHEREAS, the (ADMINISTERING AGENCY) must include all projects funded by Net Revenues in the seven-year Capital Improvement Program as part of the Renewed Measure M Ordinance eligibility requirement.
 - (k) WHEREAS, the (ADMINISTERING AGENCY) authorizes a formal amendment to the seven-year Capital Improvement Program to add projects approved for funding upon approval from the Orange County Transportation Authority Board of Directors.
 - (l) WHEREAS, the City/County of _____ will provide a minimum of 20% in matching funds for the (PROJECT NAME) as required by the Orange County Comprehensive Transportation Funding Programs Guidelines.
- NOW, THEREFORE, BE IT RESOLVED that the City/County of _____ hereby authorizes (NAME OF AGENCY REPRESENTATIVE) as the official representative of the (ADMINISTERING AGENCY) to accept funds for the Environmental Cleanup, Tier 1 Grant Program for (PROJECT NAME).
- BE IT FURTHER RESOLVED that the City/County of _____ agrees to fund its share of the project costs and any additional costs over the identified programmed amount.

Eligible Expenditures

- Project X funds must be for capital improvements.
- ~~Construction management and project management cannot exceed 15 percent (15%) of total construction costs.~~ For construction management, project management and final design (for Project X Tier 1 projects only), combined costs cannot exceed 15 percent (15%) of total construction cost.
- Project X funds can only be used for facilities that are in public ownership for public use; however, water quality improvements on private property, which are connected to municipal separate storm sewer systems, are eligible. (For example, a homeowner association can apply for funding through an eligible agency if the proposed project is connected to a public facility.)
- Reducing volume of surface flows is an integral factor of improving water quality, therefore, projects that have water-saving features (i.e., drip systems) are eligible for funding considerations.

Ineligible Expenditures

- O&M costs are not eligible expenditures. O&M costs cannot be utilized as a source of matching funds.
- Project X funds are not to be used for planning but can be used for final design, subject to the restrictions above.
- Expenditures prior to the grantee executed letter agreement date cannot be considered eligible for funding or match.
- Landscaping installation and replacement are not eligible for funding consideration.
- Replacement of equipment funded with Project X funds that is still within its anticipated useful life (based on manufacturer's specifications).
- Capital equipment purchases related to regular on-going street maintenance efforts, including, but not limited to: trash receptacles, vacuum trucks and/or equipment, street sweepers, signage, etc.

Reporting and Reimbursement

A final report must be filed within 180 days of the project being completed with information as shown in Form 10-16. See Chapter 9 for the process and requirements regarding reimbursements and reporting for the Tier 1 Grant Program.

Additionally, an exception to Precept #36: Agencies may appeal to the ECAC and the OCTA Board on any issues that the agency and OCTA cannot resolve, as such are the reviewing and approving bodies, respectively, for this program.

Technical and/or Field Review

Once an agency submits a final report for a project, OCTA shall review the report for compliance with the CTFP guidelines and may conduct a field review. OCTA will use the project cost estimate forms submitted with the application and revised where appropriate, project accounting records and the final report as the primary items to conduct the review. Agencies must maintain separate records for projects (i.e., expenditures, interest) to ensure compliance. Only CTFP eligible items listed on a project's cost estimate form will be reimbursed. See Chapter 10 for independent audit requirements beyond the technical and/or field review.

Additional Information

Questions regarding these procedures and criteria should be directed to:

By mail:

Alfonso Hernandez
Orange County Transportation Authority
P.O. Box 14184
Orange, CA 92863-1584

Tel: (714) 560-5363

Fax: (714) 560-5794

In person:

Orange County Transportation Authority
600 South Main Street
Orange, CA 92863-1584

Via email:

AHernandez@octa.net



April 5, 2021

To: Regional Planning and Highways Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Revisions to the Measure M2 Eligibility Guidelines

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

Overview

The Orange County Transportation Authority's Ordinance No. 3 specifies requirements that local jurisdictions must satisfy in order to be eligible to receive Measure M2 net revenues. Measure M2 Eligibility Guidelines are used to assist local jurisdictions in navigating Measure M2 eligibility requirements and submittal processes. Proposed updates to the Measure M2 Eligibility Guidelines are presented for the Board of Directors' review and approval.

Recommendation

Approve proposed revisions to the Measure M2 Eligibility Guidelines.

Background

The Orange County Transportation Authority's (OCTA) Measure M2 (M2) Ordinance No. 3 specifies requirements that M2-defined local jurisdictions must satisfy in order to be eligible to receive net M2 revenues. To assist local jurisdictions with these requirements, OCTA regularly updates guideline documents, including the M2 Eligibility Guidelines (Eligibility Guidelines).

Staff has completed a review of the Eligibility Guidelines and is recommending approval of revisions (discussed below) in order to support local jurisdictions in meeting the M2 eligibility requirements. The recommended revisions incorporate feedback received during previous eligibility review cycles and also include updates to clarify and/or streamline M2 eligibility submittal and review processes. These guidelines are intended to assist local jurisdictions in completing required M2 eligibility processes, and it is the local jurisdiction's responsibility to ensure that they meet and satisfy all required M2 eligibility requirements each year.

Discussion

The recommended revisions to the guidelines for the current eligibility cycle include changes to Master Plan of Arterial Highways (MPAH) eligibility and submittal requirements, the sections relating to maintenance of effort (MOE) requirements, and timely use of funds tracking provisions for M2 formula programs.

Recommended changes to the MPAH eligibility and submittal requirements sections were developed in order to make them clearer, better align with M2 Ordinance requirements, and eliminate redundancy between the Eligibility Guidelines and other MPAH administrative documents and procedures. An addition was also made to the required council or Board of Supervisors' resolution now requiring local jurisdictions to affirm that they will bring forward requests to amend the MPAH in order to ensure that the MPAH and the jurisdiction's circulation element in their general plans are consistent.

In June 2020, OCTA approved an amendment to the M2 Ordinance to provide flexibility to the MOE requirement due to the economic impacts of the coronavirus (COVID-19). Due to continued COVID-19-related impacts, staff is recommending another M2 Ordinance amendment for fiscal year (FY) 2021-22. If approved, this amendment, which is on the same agenda as this item, will extend the local jurisdictions' agencies ability to meet their MOE requirements through either the MOE benchmark dollar amount (traditional process) or MOE expenditures as a proportional share compared to general fund revenues. Given this, the MOE sections in the guidelines' exhibits, appendices, and forms have been updated to reflect both current and proposed MOE benchmark requirements.

With regard to timely use of funds for M2 formula programs, an updated tracking system is recommended to better monitor the timely use of funds requirements. The objective for this recommended change is to make the tracking and reporting of the receipt and use of formula funds more consistent with how the jurisdictions typically track revenues with the annual expenditure report requirement.

The recommended amendments to the guidelines also include minor updates to the eligibility checklist and due dates, general wording modifications, expansion on certain concepts, clarification of submittal requirements, reordering of information, and technical updates/clarifications throughout the document, appendices, and reporting forms.

A summary of recommended revisions to the Eligibility Guidelines is provided in Attachment A, and a redlined version of proposed changes to the Eligibility Guidelines is provided in Attachment B.

Next Steps

Following Board of Directors' (Board) approval of the recommended Eligibility Guidelines revisions, OCTA will conduct a workshop (scheduled for April 15, 2021) to inform the jurisdictions of these changes and guide them through the process. Staff will also coordinate with all local agencies throughout the eligibility review process in order to facilitate timely submittal of required M2 eligibility components.

Staff will return to the Board to seek approval of M2 eligibility findings and recommendations through a two-phased process, with the first components (due in June 2021) being presented for Board consideration in December 2021, and the second component, M2 Expenditure Reports (due in December 2021), being presented in June 2022.

Summary

Recommended revisions to the Eligibility Guidelines are recommended to support and facilitate the initiation of the ongoing M2 eligibility review cycle. Upon Board approval of recommended Eligibility Guidelines revisions, the first phase of the M2 eligibility review cycle will commence.

Attachments

- A. Revisions to the Measure M2 Eligibility Guidelines
- B. Measure M2 Eligibility Guidelines, Fiscal Year 2021/2022

Prepared by:



Kelsey Imler
Associate Transportation Funding Analyst
(714) 560-5397

Approved by:



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

Revisions to the Measure M2 Eligibility Guidelines

Recommended Substantive Changes

- **Page 3** – Reorganized and clarified the Audits section in Chapter 1.
- **Page 5** – Updated deadlines in the eligibility requirements table consistent with eligibility requirements and deadlines discussed in Chapter 2.
- **Page 7** – Updated the Circulation Element/Master Plan of Arterial Highways (MPAH) consistency section to better reflect Measure M2 (M2) Ordinance requirements for eligibility.
- **Page 8** – Updated Exhibit 1 with the latest MPAH centerline mileage that is used to calculate local fair share payments.
- **Page 10** – Added a discussion of existing and proposed modifications to the fiscal year (FY) 2020-21 and 2021-22 maintenance of effort (MOE) benchmark requirement, due to the financial impacts of the coronavirus (COVID-19) pandemic.
- **Page 12** – Added a discussion of existing and proposed modifications to the FY 2020-21 and 2021-22 MOE benchmark requirement due to the financial impacts of the COVID-19 pandemic.
- **Page 15** – Reorganized and clarified the Mitigation Fee Program (MFP) verification section in Chapter 2. Added five-year expenditure report as an MFP supporting documentation option.
- **Page 18** – Clarified project final report requirements for cancelled projects.
- **Pages 18-19** – Updated language on how the timely use of funds requirement will be monitored for the Local Fair Share Program and Senior Mobility Program.
- **Pages 22-23** – Updated descriptions of the Taxpayer Oversight Committee and Annual Eligibility Review Subcommittee's roles with respect to M2 eligibility in order to make them more consistent with the M2 Ordinance and current practice.
- **Appendix C** – Added two optional questions to the Congestion Management Program (CMP) checklist related to the federal CMP process, per previous requests from the Southern California Association of Governments.

Revisions to the Measure M2 Eligibility Guidelines

- **Appendix D** – Marked currently not required eligibility submittals as not applicable. Added CMP projects to the Capital Improvement Program section. Reorganized the MFP and updated the resolution of MPAH consistency sections to make them more consistent with Chapter 2.
- **Appendix E** – Updated the language in the MPAH/MFP resolution to affirm that local jurisdictions will bring forward requests to amend the MPAH, when necessary, in order to ensure that the MPAH and the General Plan Circulation Element remain consistent.
- **Appendix F** – Updated FYs in the Pavement Management Plan submittal template.
- **Appendix G** – Modified checkbox on the signature page of the Expenditure Report to note the two potential options for meeting the FY 2020-21 MOE requirement. Also noted that excerpts from the local jurisdiction’s Comprehensive Annual Finance Report will be required to be submitted.
- **Appendix H** – Updated and simplified the Arterial Highway Mileage Change Report.
- **Appendix I** – Updated the MOE certification form to reflect proposed modification to the FY 2021-22 MOE benchmark requirement due to the financial impacts of the COVID-19 pandemic.



MEASURE M2 ELIGIBILITY GUIDELINES

FISCAL YEAR 2021 / 2022



ORANGE COUNTY TRANSPORTATION AUTHORITY



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Chapter 1 – Eligibility Overview

1.1 Introduction

On November 6, 1990, the voters in Orange County approved a ½-cent sales tax for transportation improvements known as Measure M. On November 7, 2006, voters approved a renewal of the original sales tax measure (M2) to continue the ½-cent sales tax for thirty years, beginning in 2011. Major improvement plans target Orange County freeways, streets and roads, transit and environmental programs.

The Measure M2 Ordinance, included as Appendix A, outlines the eligibility requirements that local jurisdictions must satisfy to receive M2 Net Revenues. The M2 Eligibility Guidelines (Eligibility Guidelines) provide the resources local jurisdictions need to remain eligible to participate in M2 funding programs. Guidelines for newly incorporated cities are outlined in Appendix B.

Net Revenues are generated from the transactions and use tax plus any interest or other earnings, after allowable deductions. Net Revenues may be allocated to local jurisdictions for a variety of programs and the Orange County Transportation Authority (OCTA) shall allocate the Net Revenues to freeways, environmental, transit, and streets and roads projects.

Freeway Projects

Orange County freeways will receive forty-three percent (43%) of Net Revenues. Relieving congestion on State Route 91 is the centerpiece of the freeway program. Other major projects include improving Interstate 5 (I-5) in south Orange County, Interstate 405 (I-405) in west Orange County and State Route 57 in North Orange County. Under the plan, major traffic chokepoints on almost every freeway will be improved.

Environmental Programs

To address any environmental impact of freeway improvements, five percent (5%) of the allocated freeway funds will be used for environmental mitigation programs. A Master Agreement between OCTA and state and federal resource jurisdictions will provide higher-value environmental benefits such as habitat protection, wildlife corridors and resource preservation in exchange for streamlined project approvals for the freeway program as a whole. Funds are also available under the Environmental Cleanup Program (ECP) to implement transportation-related water quality improvement projects.

Transit Projects

Orange County's rail and bus service will receive twenty-five percent (25%) of Net Revenues. These funds will be used to add transit extensions to the Metrolink corridor, reduce bus fares for senior citizens and persons with disabilities, and establish local bus circulators.

Streets and Roads Projects

Orange County has more than 7,300 lane miles of streets and roads; many in need of repair and rehabilitation. This sales tax measure will allocate thirty-two percent (32%) of Net Revenues to streets and roads. These funds will help fix potholes, improve intersections, synchronize traffic signals countywide, and make the existing network of streets and roads safer and more efficient.

The allocation of thirty-two percent (32%) of the Net Revenues for Streets and Roads Projects shall be made as follows:

1. Ten percent (10%) of the Net Revenues shall be allocated to Project O, Regional Capacity Program (RCP).
2. Four percent (4%) of the Net Revenues shall be allocated to Project P, Regional Traffic Signal Synchronization Program (RTSSP).
3. Eighteen percent (18%) of the Net Revenues shall be allocated to Project Q, Local Fair Share (LFS) Program.

1.2 Competitive Funds

OCTA shall select projects through a competitive process for the RCP, RTSSP, various transit programs (Projects S, T, V, and W), and the ECP (Project X). The criteria for selecting these projects are included in the Comprehensive Transportation Funding Programs (CTFP) Guidelines, which are updated for each call for projects cycle. The process for calculating and distributing LFS funds are described in Section 1.3.

1.3 Local Fair Share (LFS) Funds

The LFS Program is a formula-based allocation provided to eligible jurisdictions for use on allowable transportation planning and implementation activities. It is intended to provide flexible funding to help jurisdictions keep up with the rising cost of repairing the aging street system. In addition, cities can use these funds for other local transportation needs such as residential street projects, traffic and pedestrian safety near schools, signal priority for emergency vehicles, etc. The LFS Program is funded through an eighteen percent (18%) allocation from Net Revenues and is distributed to eligible jurisdictions on a formula basis as determined by the following:

- Fifty percent (50%) is divided between eligible jurisdictions based upon the ratio of the jurisdiction's population to the County's total population, each from the previous calendar year.
- Twenty-five percent (25%) is divided between eligible jurisdictions based upon the ratio of the jurisdiction's existing Master Plan of Arterial Highways (MPAH) centerline miles to the total MPAH centerline miles within the County as determined annually by OCTA.
- Twenty-five percent (25%) is divided between eligible jurisdictions based upon the ratio of the jurisdiction's total taxable sales to the total taxable sales for the County, each from the previous calendar year.
- OCTA contracts with three universities (Chapman University; University of California, Los Angeles; and California State University, Fullerton) to provide a long-range forecast of taxable sales to forecast M2 revenues for the purposes of planning projects and program expenditures. In the past, OCTA has taken an average of the three university taxable sales projections to develop a long-range forecast of taxable sales. On March 28, 2016, as part of the FY 2016-17 budget development process, the Board approved a new sales tax forecast methodology. The new methodology included a more conservative approach by utilizing a five-year forecast from MuniServices, Inc. The resulting revenue estimates are used for programming of competitive funds and as a guide for local jurisdiction planning within their respective Capital Improvement Programs (CIPs).

1.4 Eligibility Requirements for Net Revenues

Every year, OCTA determines if a local jurisdiction is eligible to receive M2 Net Revenues. A local jurisdiction must satisfy certain requirements as outlined in the Ordinance. Specifically, a jurisdiction must:

- Comply with the conditions and requirements of the Orange County Congestion Management Program (CMP)
- Establish a policy which requires new development to pay its fair share of transportation-related improvements associated with their new development
- Adopt and maintain a General Plan Circulation Element consistent with the MPAH
- Adopt and update a Capital Improvement Program (CIP)
- Participate in Traffic Forums
- Adopt and maintain a Local Signal Synchronization Plan (LSSP)
- Adopt and update biennially a Pavement Management Plan (PMP)
- Adopt and provide an annual Expenditure Report to OCTA
- Provide OCTA with a Project Final Report within six months following completion of a project funded with Net Revenues
- Agree to expend Net Revenues received through M2 within three years of receipt
- Satisfy Maintenance of Effort (MOE) requirements
- Agree that Net Revenues shall not be used to supplant developer funding
- Consider, as part of the eligible jurisdiction's General Plan, land use and planning strategies that accommodate transit and non-motorized transportation

1.5 Audits

Local jurisdictions are responsible for meeting eligibility requirements and applicable laws regarding the use of public funds. Many eligibility requirements involve self-certification by local jurisdictions. Eligibility requirements are subject to audit. Audits shall be conducted by the OCTA Internal Audit Department or other authorized agent either through a regular annual process or on a schedule to be determined by the OCTA Board. Failure to submit to an audit in a timely manner may result in loss of future funding. Audit findings may result in an ineligibility determination and/or other sanctions. Please see Chapter 4 for more information regarding ineligibility and non-compliance consequences.

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Chapter 2 – Eligibility Requirements

The annual eligibility process relies upon a variety of reporting methods to verify local jurisdiction [adherence to M2 eligibility requirements](#). Most methods leverage tools routinely used in the public planning process while others require certification forms or specialized reports. Templates, forms, and report formats are included as appendices to these guidelines and are available in electronic format. The table below summarizes certification frequency and documentation requirements.

Compliance Category	Schedule	Documentation
Capital Improvement Program (CIP)	Annual Next submittal is due June 30, 2021 .	<ul style="list-style-type: none"> Electronic (online) and hard copy of OC Fundtracker CIP Report City Council/Board of Supervisors approval by July 31, 2021.
Circulation Element/MPAH Consistency	Odd numbered years Next submittal is due June 30, 2021 .	<ul style="list-style-type: none"> Resolution (Appendix E) Circulation Element Exhibit Arterial Highway Mileage Change Report (Appendix H) Certify that the Circulation Element is consistent with MPAH in the Eligibility Checklist (Appendix D)
Congestion Management Program (CMP)	Odd numbered years Next submittal is due June 30, 2021 .	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D Include projects to address deficient intersections in CIP (if applicable) CMP Checklist (Appendix C)
Expenditure Report	Annual – six months after end of fiscal year Next submittal is due December 31, 2021 .	<ul style="list-style-type: none"> Expenditure Report and resolution (Appendix G)
Local Signal Synchronization Plan (LSSP)	Every three years Next submittal is due June 30, 2023	<ul style="list-style-type: none"> Copy of plan Resolution (Appendix E)
Maintenance of Effort (MOE)	Annual Next submittal is due June 30, 2021 .	<ul style="list-style-type: none"> MOE Certification form (Appendix I) signed by Finance Director or equivalent designee that meets/exceeds MOE Benchmark in Exhibit 2 Budget excerpts and fund key
Mitigation Fee Program (MFP)	Odd numbered years Next submittal is due June 30, 2021 . ¹	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D Supporting documentation Resolution (Appendix E)
No Supplanting Existing Commitments	Annual Next submittal is due June 30, 2021 .	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D
Pavement Management Plan (PMP)	Every two years Next submittal for odd year jurisdictions is due June 30, 2021 . Refer to Exhibit 3 to determine the required PMP submittal schedule.	<ul style="list-style-type: none"> PMP Submittal Template (Appendix F) with PMP Certification form signed by Public Works Director or City Engineer Pavement report and street listings Adoption - Resolution (Appendix E) or City Council/Board of Supervisors approved adoption recommendation
Project Final Report	Within 6 months of project completion	<ul style="list-style-type: none"> Final Report
Timely Expenditure of Funds	Annual Next submittal is due June 30, 2021 .	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D
Traffic Forums	Annual Next submittal is due June 30, 2021 .	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D
Transit/Non-motorized Transportation in General Plan	Annual Next submittal is due June 30, 2021 .	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D Letter outlining land use planning strategies that accommodate transit and active transportation Excerpts of policies from the land use section of the General Plan

¹ Jurisdictions must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their mitigation program and/or nexus study regardless of eligibility submittal schedule.

2.1 Capital Improvement Program (CIP)

A CIP is a multi-year funding plan to implement capital transportation projects and/or programs including, but not limited to, capacity, safety, operations, maintenance, and rehabilitation projects. For purposes of eligibility, the Ordinance specifies that each jurisdiction must prepare a CIP. The annual seven-year CIP updates are required to enable timely review of eligible use of funds. The CIP shall include all capital transportation projects, such as projects funded by Net Revenues (i.e. ECP, RTSSP, RCP, other M2 Competitive Programs, and LFS projects) and transportation projects required to demonstrate compliance with signal synchronization, pavement management, and CMP requirements (See section 2.3 for the CIP's relevance to the CMP).

Projects funded by M2 Net Revenues include:

Project Description	Project
Freeway Projects	A-M
Regional Capacity Program (RCP)	O
Regional Traffic Signal Synchronization Program (RTSSP)	P
Local Fair Share Program (LFS)	Q
High Frequency Metrolink Service	R
Transit Extensions to Metrolink	S
Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	T
Community Based Transit/Circulators	V
Safe Transit Stops	W
Environmental Cleanup Program (ECP) – Water Quality	X

Each eligible jurisdiction must include projects in their CIP that are needed to meet and maintain the adopted Traffic Level of Service and Performance Standards. The CIP shall also include all projects proposed to receive M2 funding. Local jurisdictions are encouraged, but not required, to include all transportation related projects regardless of M2 funding participation.

If M2 funding needed for a project is not reflected on the current CIP, an amended CIP should be adopted with contract award prior to expending funds. The revised CIP should be submitted to OCTA in hard copy format with evidence of council approval.

Submittal Frequency: Minimum annual or as needed to add M2 projects that are not reflected on the current CIP. Next submittal is due by June 30, 2021. Final CIP adoption due by July 31, 2021.

City Council/Board of Supervisors approval: Required

Documentation Method: Each jurisdiction must submit an electronic (online) and hard copy of its CIP with evidence of City Council/Board of Supervisors approval. OCTA provides a web-based database on OC Fundtracker that is used countywide for reporting approved CIP information. A separate CIP User's Manual has been developed to assist local jurisdictions with the preparation of the seven-year CIP.

The CIP User's Manual is available for download at <https://www.octa.net/OCGoEligibility>.

2.2 Circulation Element/MPAH Consistency

M2 funding eligibility requires that each jurisdiction must adopt and maintain a Circulation Element within the jurisdiction's General Plan that is consistent with the OCTA MPAH. The MPAH is the OCTA plan which identifies the ultimate number of through lanes for arterial streets and designating traffic signal synchronization street routes in Orange County.

Every two years, each local jurisdiction must submit a resolution adopted by their governing body confirming that: the circulation element of their General Plan is in conformance with the MPAH; no unilateral reductions in through lanes have been made during the reporting period; and affirming that it will bring forward requests to amend the MPAH, when necessary, to ensure that the General Plan circulation element remains consistent with the MPAH.

Local jurisdictions shall be determined ineligible to participate in M2 programs if they do not submit the required materials below or if through an audit, it is determined that the jurisdiction did not administer the Circulation Element of its General Plan, consistent with the MPAH disclosures identified in the resolution. Exceptions may be considered subject to appropriate documentation.

Submittal Frequency: Odd years - Next submittal is due by June 30, 2021.

City Council/Board of Supervisors approval: Required (Appendix E)

Documentation Method: Each jurisdiction must provide the following every odd numbered year:

- Eligibility Checklist (Appendix D) confirmation that the local jurisdiction's Circulation Element is in conformance with the MPAH.
- A copy of the most current Circulation Element Exhibit biennially showing all arterial highways and their individual arterial designations. Any proposed changes and/or requests for changes to the MPAH should also be included.
- Resolution adopted by the governing body of the local jurisdiction.
- The Arterial Highway Mileage Change Report (Appendix H). Changes are in actual (newly built or annexed existing facilities) MPAH centerline miles since the previous MPAH Consistency Review are to be reported to the nearest 0.01 mile, excluding State highways. Data should be current as of April 30 of the reporting year. Exhibit 1 lists the current MPAH centerline miles by jurisdiction that is used to calculate Local Fair Share.

OCTA shall review the materials submitted and determine whether the local jurisdictions' submittals satisfy M2 Eligibility requirements. However, it is ultimately each local jurisdictions' responsibility for ensuring that their Circulation Element is consistent with the MPAH.

Exhibit 1: MPAH Centerline Miles

As of August ~~20~~, 2020

Local Jurisdiction	Centerline Mileage
Aliso Viejo	<u>14.85</u>
Anaheim	<u>148.90</u>
Brea	<u>20.57</u>
Buena Park	<u>34.44</u>
Costa Mesa	<u>49.33</u>
County of Orange	<u>60.83</u>
Cypress	<u>24.93</u>
Dana Point	<u>20.16</u>
Fountain Valley	<u>35.50</u>
Fullerton	<u>62.18</u>
Garden Grove	<u>63.78</u>
Huntington Beach	<u>92.32</u>
Irvine	<u>138.05</u>
La Habra	<u>17.13</u>
La Palma	<u>7.23</u>
Laguna Beach ²	<u>14.01</u>
Laguna Hills	<u>20.73</u>
Laguna Niguel	<u>35.94</u>
Laguna Woods	<u>5.77</u>
Lake Forest	<u>38.03</u>
Los Alamitos	<u>6.44</u>
Mission Viejo	<u>43.77</u>
Newport Beach	<u>48.92</u>
Orange	<u>85.03</u>
Placentia	<u>25.01</u>
Rancho Santa Margarita	<u>18.20</u>
San Clemente	<u>25.57</u>
San Juan Capistrano	<u>18.88</u>
Santa Ana	<u>100.15</u>
Seal Beach	<u>12.24</u>
Stanton	<u>9.48</u>
Tustin	<u>41.71</u>
Villa Park	<u>3.49</u>
Westminster	<u>35.75</u>
Yorba Linda	<u>32.67</u>
	<u>1,411.98</u>

² Laguna Beach credited with State Highway mileage by agreement of the TAC.

2.3 Congestion Management Program (CMP)

With the passage of Proposition 111 Gas Tax increase in June 1990, urbanized areas of California were required to adopt a CMP. OCTA was designated as the County's Congestion Management Agency (CMA), and as such, is responsible for the development, monitoring, and biennial updating of Orange County's CMP. Orange County's CMP is a countywide program established in 1992 to support regional mobility and air quality objectives by reducing traffic congestion, providing a mechanism for coordinating land use and development decisions that support the regional economy, and determining gas tax eligibility. Required elements of the County's CMP include traffic level of service (LOS) standards, performance measures, travel demand assessment methods and strategies, land use analysis programs, and Capital Improvement Programs. Each jurisdiction must comply with the following conditions and requirements of the Orange County CMP pursuant to the provisions of Government Code Section 65089 to be considered eligible for both gas tax revenues and M2 funding:

- Level of Service – Highways and roadways designated by OCTA must operate at an established LOS of no less than LOS "E" (unless the LOS from the baseline CMP dataset was lower).
- Deficiency Plans – Any CMP intersections that do not comply with the LOS standards must have a deficiency plan prepared by the responsible local jurisdiction that identifies the cause and necessary improvements for meeting LOS standards (certain exceptions apply).
- Land Use Analysis – Jurisdictions must analyze the impacts of land use decisions on the transportation system, using a designated methodology, consistent with the CMP Traffic Impact Analysis guidelines. The analysis must also include estimated cost to mitigate associated impacts.
- Modeling and Data Consistency – A jurisdiction utilizing a local area model for traffic impact analysis must conform to the Orange County Sub-Area Modeling guidelines, prepared by OCTA.
- CIP – Jurisdictions must submit an adopted seven-year CIP that includes projects to maintain or improve the LOS on CMP facilities or adjacent facilities.

Submittal Frequency: Odd years - Next submittal is due by June 30, 2021.

City Council/Board of Supervisors approval: Not Required

Documentation Method: The CMP checklist, as shown in Appendix C, must be submitted to demonstrate compliance with CMP requirements. If a deficient intersection is identified, the jurisdiction must include a project in their CIP to address the issue or develop a deficiency plan. OCTA will use the M2 CIP prepared by each local jurisdiction as the default CMP CIP rather than require a separate submittal. Projects intended to address CMP deficiencies should be clearly identified in the project description within the CIP. Appendix C is available for download at <https://www.octa.net/OCGoEligibility>.

2.4 Expenditure Report

The Expenditure Report is a detailed financial report that tracks financial activity for M2 and other improvement revenue sources. Each jurisdiction must adopt an annual Expenditure Report to account for M2 funds, developer/traffic impact fees, and funds expended by the jurisdiction that satisfy the MOE requirements. This report is used to validate eligible uses of funds and to report actual MOE expenditures.

- Report required within six months of jurisdiction's end of fiscal year.
- Report to include all Net Revenue, fund balances, and interest earned. If interest earnings are negative, an explanation should be included to explain why.
- Reported expenditures shall be identified by activity type (i.e. construction, maintenance/operations, indirect and/or overhead) and funding source for each M2 program and/or project.

Please note, the MOE requirement has been modified for FY 2020-21 and 2021-22³ due to the ongoing financial impacts of the COVID-19 pandemic. Local jurisdictions can meet either 1) the traditional MOE benchmark dollar amount, or 2) an MOE target that is based on the percent of the MOE benchmark value to General Fund Revenues (GFRs) (see column C of Exhibit 2). This approach allows the MOE amount to float with fluctuations in local jurisdiction GFR levels while upholding the intent of the M2 Ordinance to use M2 revenues as supplemental funding. Local jurisdictions are expected to monitor GFRs as they come in throughout the year and adjust their use of GFRs for street and roads proposes to either meet the approved MOE benchmark dollar value or the proportionate (percent) share of GFRs.

Submittal Frequency: Annual – Within 6 months of the end of the fiscal year. The deadline is December 31, 2021.

City Council/Board of Supervisors approval: Required (Appendix G)

Documentation Method: The Expenditure Report signed by the jurisdiction's Finance Director and City Council/Board of Supervisors resolution attesting to the adoption is required. The Expenditure Report is self-certified by the jurisdiction and OCTA's review is to check for consistency with M2 disbursements only. Further, OCTA's receipt of the Expenditure Report does not constitute or confirm OCTA's acceptance or approval of reporting in the Expenditure Report itself, which is ultimately subject to audit review. The Expenditure Report template, instructions, and resolution are provided in Appendix G. Appendix G is available for download at <https://www.octa.net/OCGoEligibility>.

³ Modification of the MOE requirement due to COVID-19 for FY 2021-22 is subject to OCTA Board approval of an M2 Ordinance amendment. If the OCTA Board does not approve extending the special COVID-19 modification through FY 2021-22, the modification would only extend through FY 2020-21. If the OCTA Board does approve the modification, it would only extend through FY 2021-22. It is expected that in future fiscal years, the MOE requirement will be based solely on the traditional MOE benchmark.

2.5 Local Signal Synchronization Plan (LSSP)

The LSSP⁴ is a three-year plan identifying traffic signal synchronization, street routes and traffic signals to be improved in eligible jurisdictions. The LSSP shall be consistent with the Regional Traffic Signal Synchronization Master Plan (RTSSMP). The LSSP will outline the costs associated with the identified improvements, funding and phasing of capital, and the operations and maintenance of the street routes and traffic signals. Inter-jurisdictional planning of traffic signal synchronization is also a component of the LSSP. Local jurisdictions must update LSSPs every three years and include a performance assessment which compares the information in the current report to prior cycle activities.

Submittal Frequency: Every 3 years – Next LSSP update submittal is due by June 30, 2023.

City Council/Board of Supervisors approval: Required

Documentation Method: Local jurisdictions must ensure that their LSSP is in conformance with the Regional Traffic Signal Synchronization Master Plan (RTSSMP). LSSPs must be updated and adopted every three years starting June 30, 2014. At a minimum, a Public Works Director must sign the LSSP Consistency Review Checklist. A separate document prepared by OCTA, "Guidelines for the Preparation of Local Signal Synchronization Plans," provides additional detail for jurisdiction submittal and is available for download at <https://www.octa.net/OCGoEligibility>.

⁴ A local match reduction of ten percent (10%) is provided for competitive grant applications submitted through the Regional Capacity Program (Project O) if the local jurisdiction has adopted a LSSP consistent with the RTSSMP.

2.6 Maintenance of Effort (MOE)

The MOE Certification is a financial reporting document, which provides annual certification of planned/budgeted maintenance, construction and indirect/other transportation related expenditures and the comparison to the annual MOE Benchmark Requirements for the fiscal year. Each jurisdiction must provide annual certification to OCTA that it will meet MOE requirements of Section 6 of the Ordinance. MOE applies to street and road transportation-related discretionary expenditures using General Fund Revenues (GFRs) or other non-transportation discretionary funds by local jurisdictions. Eligible expenditures are outlined in the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties," consistent with Article XIX of the State Constitution, and are subject to audit.

The MOE requirement has been modified for FY 2020-21 and 2021-22⁵ due to the financial impacts of the COVID-19 pandemic. Local jurisdictions have the option to certify to meet MOE benchmark requirement through one of the following options: 1) the traditional MOE benchmark dollar amount (shown in column A of Exhibit 2); or 2) an MOE target that is based on the percent of the MOE benchmark value to GFRs (see column C of Exhibit 2). This approach allows the MOE amount to adjust with fluctuations in local jurisdiction GFR levels while upholding the intent of the M2 Ordinance to use M2 revenues as supplemental funding. **Local jurisdictions are expected to monitor GFRs as they come in throughout the year and adjust their use of GFRs for street and roads proposes to either meet the approved MOE benchmark dollar value or the proportionate (percent) share of GFRs.**

MOE Certification Process

M2 funds may be used to supplement, not replace, existing local revenues being used for transportation improvements and programs. A local jurisdiction cannot redirect discretionary funding, such as general fund revenues, currently being used for transportation purposes to other uses and replace the redirected funds with M2 revenues.

Each jurisdiction is required to maintain a minimum level of local streets and roads expenditures to conform to the MOE requirement. The original minimum level of expenditures was based upon an average of General Fund expenditures for local street maintenance and construction over the period from Fiscal Year 1985-86 through Fiscal Year 1989-90. The expenditure information was obtained from the Orange County Transportation Commission's (OCTC's) Annual Report data collection sheets. The established benchmark was reported in constant dollars and was not adjusted for inflation. Note: Annexation of land into an existing jurisdiction does not affect the MOE.

Per the Ordinance, the MOE benchmark must be adjusted in 2014 and every three years thereafter based upon Caltrans' Construction Cost Index (CCI) for the preceding three calendar years, provided that the CCI-based adjustment cannot exceed growth rate in General Fund revenues during the update period. The current MOE benchmark is reflected in Exhibit 2. The next MOE benchmark adjustment will be effective July 1, 2023.

⁵ Modification of the MOE requirement due to COVID-19 for FY 2021-22 is subject to OCTA Board approval of an M2 Ordinance amendment. If the OCTA Board does not approve extending the special COVID-19 modification through FY 2021-22, the modification would only extend through FY 2020-21. If the OCTA Board does approve the modification, it would only extend through FY 2021-22. It is expected that in future fiscal years, the MOE requirement will be based solely on the traditional MOE benchmark.

Submittal Frequency: Annual - Next MOE submittal is due June 30, 2021.

City Council/Board of Supervisors approval: Not Required

Documentation Method: An MOE Certification form must be completed, signed by the jurisdiction's finance director and submitted on an annual basis. The form is included in the Eligibility Guidelines as Appendix I and is available for download at <https://www.octa.net/OCGoEligibility>.

In addition, excerpts from the jurisdiction's annual budget showing referenced MOE expenditures and dedication of funds shall be included in the annual submittal to substantiate planned relevant discretionary fund expenditures, such as General Funds. MOE expenditures should be budgeted carefully, with clear focus upon benefits to local streets and roads, which can withstand periodic expenditure audit processes. **Jurisdictions are encouraged to submit MOE eligible expenditures higher than their MOE benchmark, so that should certain expenses be ruled ineligible during an MOE audit, the local jurisdiction still has sufficient MOE expenditures to demonstrate continued achievement of the MOE benchmark.**

Any California State Constitution Article XIX street and road eligible expenditure may be "counted" in a local jurisdiction's annual calculation of MOE if the activity is supported (funded) by a local jurisdiction's discretionary funds (e.g. General Fund). This is similar to how MOE is defined in the Gas Tax Guidelines related to the use of Road Maintenance and Rehabilitation Program funds. The California State Controller also provides useful information on Article XIX and Streets and Highways Code eligible expenditures. These guidelines do not replace statutory or legal authority, but explain the general information found in California Constitution Article XIX and the Streets and Highways Code. Additional expenditures spent in support of streets and roads may also be eligible for MOE, subject to providing acceptable justification.

It is the local jurisdiction's responsibility to ensure that both the certified budgeted and the actual expenditures reported through the expenditure report are MOE eligible street and road expenditures. **OCTA's review and receipt of the MOE Certification form does not constitute or confirm OCTA's acceptance or approval of the MOE expenditures provided in the MOE Certification form.**

Exhibit 2: MOE Benchmark by Local Jurisdiction

Local Jurisdiction	(A) MOE Benchmark	(B) GFR ⁶	(C) MOE Benchmark as a % of GFR
Aliso Viejo	\$538,604	\$20,264,249	2.66%
Anaheim	\$11,725,957	\$412,996,000	2.84%
Brea	\$838,243	\$65,445,918	1.28%
Buena Park	\$4,184,754	\$70,242,813	5.96%
Costa Mesa	\$8,607,340	\$143,753,298	5.99%
County of Orange	N/A	N/A	N/A
Cypress	\$3,607,878	\$36,691,594	9.83%
Dana Point	\$1,510,094	\$41,545,825	3.63%
Fountain Valley	\$1,564,638	\$61,380,673	2.55%
Fullerton	\$4,413,567	\$100,526,519	4.39%
Garden Grove	\$3,938,473	\$129,838,910	3.03%
Huntington Beach	\$5,921,206	\$236,631,000	2.50%
Irvine	\$8,001,915	\$221,961,000	3.61%
La Habra	\$1,737,300	\$48,583,838	3.58%
La Palma	\$201,688	\$12,057,831	1.67%
Laguna Beach	\$1,806,353	\$88,020,317	2.05%
Laguna Hills	\$331,579	\$22,047,533	1.50%
Laguna Niguel	\$908,566	\$43,809,474	2.07%
Laguna Woods	\$104,578	\$6,351,788	1.65%
Lake Forest	\$226,678	\$54,795,849	0.41%
Los Alamitos	\$182,250	\$14,165,860	1.29%
Mission Viejo	\$2,864,895	\$63,356,854	4.52%
Newport Beach	\$12,547,102	\$229,812,594	5.46%
Orange	3,392,885	\$124,241,260	2.73%
Placentia	\$770,006	\$35,796,833	2.15%
Rancho Santa Margarita	\$428,337	\$19,137,375	2.24%
San Clemente	\$1,316,842	\$65,789,926	2.00%
San Juan Capistrano	\$492,518	\$36,522,274	1.35%
Santa Ana	\$9,040,904	\$275,532,227	3.28%
Seal Beach	\$642,598	\$35,500,962	1.81%
Stanton	\$285,869	\$23,951,047	1.19%
Tustin	\$1,697,045	\$67,924,240	2.50%
Villa Park	\$373,104	\$3,722,258	10.02%
Westminster	\$1,805,546	\$66,489,760	2.72%
Yorba Linda	\$2,608,191	\$38,335,027	6.80%
Totals	\$98,617,504	\$2,917,222,926	

FY - Fiscal year

MOE - Maintenance of effort

GFR - General fund revenue

N/A - Not Applicable

⁶ General Fund Revenues derived from local jurisdictions' FY 2018-19 Comprehensive Annual Financial Reports.

2.7 Mitigation Fee Program (MFP)

The MFP is a locally established fee program, which assesses fees used to mitigate effects of new development on transportation infrastructure. Appropriate mitigation measures, including payment of fees, construction of improvements, or any combination thereof, will be determined through an established and documented process by each jurisdiction.

Each eligible jurisdiction must assess traffic impacts of new development and require new development to pay a fair share of necessary transportation improvements attributable to the new development. To ensure eligibility, each jurisdiction must have a clearly defined mitigation fee program.

Submittal Frequency: Odd years - Next MFP submittal is due by June 30, 2021.⁷

City Council/Board of Supervisors approval: Required (Appendix E)

Documentation Method: In addition to the City Council/Board of Supervisors approved resolution (Appendix E), the eligibility submittal should include one or more of the following supporting documents: a copy of the nexus study improvement list, a current fee schedule, a 5-Year Expenditure Report, or the process methodology. Where mitigation measures, including fair share contributions and construction of direct impact improvements are used in lieu of an AB1600 compliant Nexus Study fee program, each jurisdiction shall provide a council resolution adopting the mitigation policy.

At such time that a jurisdiction updates their mitigation fee program and/or nexus study, they must submit their updated program and revised fee schedule or process methodology for the following review cycle. In addition, an MFP resolution must be submitted biennially to reaffirm that council concurs with the existing MFP. It is the local jurisdiction's responsibility to ensure fee programs and mitigation measures are updated periodically and meet the infrastructure needs of their community.

2.8 No Supplanting of Developer Commitments

Eligible jurisdictions must ensure that M2 funding will not be used to supplant existing or future development funding commitments for transportation projects. Development must be required to continue paying their fair share for new transportation improvements that are necessary because of the new traffic their project(s) create.

- Development must continue to pay their fair share for needed infrastructure improvements and transportation projects
- Net revenues must not supplant development funding or contributions which have been or will be committed to transportation projects through payment of fees in a defined program, fair share contribution, Community Facilities District (CFD) financing, or other dedicated contribution to a specific transportation improvement

Submittal Frequency: Annual - Next submittal is due by June 30, 2021.

City Council/Board of Supervisors approval: Not Required

Documentation Method: Each jurisdiction must document within the Eligibility Checklist (Appendix D) that there has been no supplanting of developer commitments for transportation projects as

⁷ Jurisdictions must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their mitigation program and/or nexus study on an even year. Annual cost adjustments should be reported but do not constitute an "update" on the Eligibility Checklist (Appendix D).

outlined in the Ordinance. Appendix D is available for download at <https://www.octa.net/OCGoEligibility>.

2.9 Pavement Management Plan (PMP)

A PMP⁸ is a plan to manage the preservation, rehabilitation, and maintenance of paved roads by analyzing pavement life cycles, assessing overall system performance costs, and determining alternative strategies and costs necessary to improve paved roads. MicroPaver or StreetSaver will be used for countywide consistency. The software must be consistent with the latest version of ASTM Standard D6433.

Each jurisdiction must biennially adopt and update a PMP consistent with the specific requirements outlined in the Ordinance, and issue, using a common format (Appendix F) approved by OCTA, a report regarding the status of road pavement conditions and implementation of the PMP including, but not limited to, the following elements:

- The current status of pavement roads
- A seven-year plan for road maintenance and rehabilitation, including projects, funding, and unfunded backlog of pavement needs
- Projected pavement conditions resulting from improvements
- Alternative strategies and estimated costs to improve road pavement conditions

The Countywide PMP Guidelines have been prepared by OCTA to assist local jurisdictions with the PMP submittal. Local jurisdictions should refer to the guidelines for additional PMP submittal criteria. The Countywide PMP Guidelines can be downloaded from OCTA's Eligibility webpage: <https://www.octa.net/OCGoEligibility>.

Submittal Frequency: Every two years - 14 local jurisdictions submit PMP updates in odd years (i.e. June 30, 2021) and 21 local jurisdictions submit PMP updates in even years (i.e. June 30, 2022). Refer to Exhibit 3 to determine the local jurisdiction's required PMP submittal schedule.

City Council/Board of Supervisors approval: Required (Appendix E)

Documentation Method: To establish eligibility, each jurisdiction must complete and submit the adopted PMP Submittal Template (Appendix F). The adoption must be approved by the City Council/Board of Supervisors as a staff report recommendation or through a resolution. A sample resolution is provided in Appendix E. The PMP certification form included in the template must be signed by the Public Works Director or City Engineer. These appendices are available for download at <https://www.octa.net/OCGoEligibility>.

The Executive Summary should include a brief overview of the PMP highlighting issues that have developed between review cycles and provide additional information regarding projects funded through the program. At a minimum, the Executive Summary should include Pavement Condition Index (PCI) reports, Projected PCI, and Alternative Funding Levels.

⁸ The Regional Capacity Program (RCP) Project O includes an incentive for successful PMP implementation. A local match reduction of ten percent (10%) is provided for competitive grant applications submitted through the RCP, if the jurisdiction either has measurable improvement of paved road conditions during the previous reporting period as determined through the countywide pavement management rating standards, or has road pavement conditions during the previous reporting period which are within the highest twenty percent (20%) of the scale for road pavement conditions in conformance with the Ordinance, defined as a PCI of 75 or higher, otherwise defined as in "good condition".

Exhibit 3: Submittal Schedule for Periodic Components

Local Jurisdiction	Updated PMP	CMP	MPAH Consistency	MFP ⁹	Project Final Reports	LSSP
Aliso Viejo	Even Year	Odd Years (Next submittal is due by June 30, 2021)	Odd Years (Next submittal is due by June 30, 2021)	Odd Years (Next submittal is due by June 30, 2021)	Within 6 months of project completion	Every 3 years (Next submittal is due June 30, <u>2023</u>)
Anaheim	Odd Year					
Brea	Odd Year					
Buena Park	Even Year					
Costa Mesa	Even Year					
County of Orange	Odd Year					
Cypress	Odd Year					
Dana Point	Odd Year					
Fountain Valley	Even Year					
Fullerton	Even Year					
Garden Grove	Even Year					
Huntington Beach	Even Year					
Irvine	Odd Year					
La Habra	Odd Year					
La Palma	Even Year					
Laguna Beach	Even Year					
Laguna Hills	Even Year					
Laguna Niguel	Even Year					
Laguna Woods	Even Year					
Lake Forest	Odd Year					
Los Alamitos	Odd Year					
Mission Viejo	Even Year					
Newport Beach	Odd Year					
Orange	Even Year					
Placentia	Even Year					
Rancho Santa Margarita	Even Year					
San Clemente	Odd Year					
San Juan Capistrano	Odd Year					
Santa Ana	Even Year					
Seal Beach	Even Year					
Stanton	Odd Year					
Tustin	Odd Year					
Villa Park	Even Year					
Westminster	Even Year					
Yorba Linda	Even Year					

⁹ Jurisdictions must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their mitigation program and/or nexus study regardless of allocated submittal schedule.

2.10 Project Final Report

Each jurisdiction must provide OCTA a project final report within six months following completion of a project funded with Net Revenues. Final report formats follow the template used by the CTFP. The CTFP Guidelines define the term "project phase completion" as the date all final third-party contractor invoices have been paid and any pending litigation has been adjudicated either for the engineering phase or for the right-of-way phase, and all liens/claims have been settled for the construction phase. The date of project phase completion will begin the 180-day requirement for the submission of a project final report as required by the Ordinance. Projects that have been cancelled are not required to submit a project final report but may be asked to submit a certification of cancellation form.

City Council/Board of Supervisors approval: Not Required

Documentation Method: To establish eligibility, a jurisdiction must submit a copy of the CTFP Project Final Report for each project utilizing Net Revenues. Each Final Report must be individually submitted to OCTA within six months of the completion of a project funded by Net Revenues, regardless of the eligibility review cycle. For the purposes of reporting non-project work (indirect and/or overhead, maintenance, repair, and other non-project related costs) funded by LFS funds, the annual Expenditure Report shall satisfy reporting requirements. If LFS funds are used for capital projects, the local jurisdiction shall also include a list of those funds and/or other M2 funds in the Project Final Report.

2.11 Time Limit for Use of Net Revenues

The timely expenditure of funds is a policy which must be adopted by each local jurisdiction to ensure Net Revenues are expended and accounted for within 3 years. The local jurisdiction must certify that the receipt and use of all M2 funds received will adhere to the time limits for use as outlined in the Ordinance.

Competitive Programs

- Jurisdictions must agree that Net Revenues for RCP projects and/or Regional Traffic Signal Synchronization Program (RTSSP) projects shall be encumbered by the end of the fiscal year for which Net Revenues are programmed. Jurisdictions can request a delay through the Semi-Annual Review process. Refer to the CTFP Guidelines for additional information regarding encumbrance deadlines and delay requests.
- Local jurisdictions are generally required to expend funds within 36 months from the date of encumbrance for CTFP projects. Jurisdictions can request timely use of funds extensions through the Semi-Annual Review process. Refer to the CTFP Guidelines for additional information regarding expenditure deadlines and extension requests.

Local Fair Share (LFS)

- Net Revenues received by local jurisdictions through the LFS program shall be expended or encumbered within three years of receipt. For review purposes, OCTA will track expenditures based on the fiscal year of receipt plus two additional fiscal years. Fiscal year means July 1 through June 30. For example, funds received in March 2021, if tracked by fiscal year, should be spent by June 30, 2023. An extension may be granted but is limited to a total of five years from the date of receipt of funds. Because OCTA and local jurisdictions may not track the date of receipt, then the OCTA Board may authorize an extension of two additional fiscal years. Requests for extensions shall be submitted prior to expiration and may be considered

by the OCTA Board through the semi-annual review process. Requests for extension must include a plan of expenditure.

- Expired funds including interest earned and related revenues must be returned to OCTA. These funds shall be returned for redistribution within the same source program.
- Use of LFS revenues for bonding (including debt service) shall be limited to 25% of the jurisdiction's annual LFS revenues. Bonding or loan must clearly support work that is otherwise eligible for LFS funds. The Board may consider an exception to the percentage limitation policy on a case-by-case basis.

Interest Derived from Net Revenues

- Interest from any M2 competitive funding program and LFS must be held in separate accounts.
- Local M2 interest proceeds must be spent by the local jurisdiction on transportation activities consistent with LFS eligible transportation activities.
- Interest revenues must be expended within 3 years of the fiscal year of receipt.
- ~~Interest may be accumulated for substantive projects where necessary, with prior OCTA approval, provided that the account balance does not exceed aggregate LFS payments received in the preceding three (3) years of reporting period.~~
- All interest accumulated at the conclusion of M2 is to be expended within three years of the program sunset date (March 31, 2041).

Submittal Frequency: Annual - Next submittal is due by June 30, 2021.

City Council/Board of Supervisors approval: Required if an extension is requested.

Documentation Method: Each jurisdiction must document within the Eligibility Checklist (Appendix D) confirmation that the jurisdiction complies with the timely use of Net Revenues throughout the year as outlined in the Ordinance. Net Revenue and Interest balances are reported on the annual Expenditure Report.

2.12 Traffic Forums

Traffic Forums are working group sessions that include local jurisdictions and OCTA. Traffic forums provide a venue for local jurisdictions to discuss general traffic and transportation issues, traffic circulation between participating jurisdictions, the coordination of specific projects, and the overall RTSSP. Each jurisdiction must participate in Traffic Forums on an annual basis to ensure eligibility.

Submittal Frequency: Annual - Next submittal is due by June 30, 2021.

City Council/Board of Supervisors approval: Not Required

Documentation Method: Each jurisdiction must document within the Eligibility Checklist (Appendix D) evidence of its annual participation in a Traffic Forum.

2.13 Transit/Non-motorized Transportation in General Plan

As part of the eligible jurisdiction's land use section of the General Plan, the jurisdiction must consider land use planning strategies that accommodate transit and non-motorized transportation. Multi-modal options are vital to a comprehensive transportation network. General Plans should include policies and language that demonstrate a thoughtful approach toward land use planning that encourages and facilitates mobility options.

Submittal Frequency: Annual - Next submittal is due by June 30, 2021.

City Council/Board of Supervisors approval: Not Required

Documentation Method: Each jurisdiction must document within the Eligibility Checklist (Appendix D) that it considers, as part of the land use section of the General Plan, land use planning strategies that accommodate transit and non-motorized transportation. A letter outlining the approach to land use planning strategies or policies that accommodate transit and non-motorized transportation should be provided with supporting General Plan excerpts. Policy summaries that directly tie land use planning to alternative modes are required.

These may include:

- Pedestrian friendly neighborhoods
- Transit Oriented Development (TOD)
- Transportation Demand Management (TDM) programs
- Mixed-use development

Chapter 3 - Eligibility Determination

3.1 Submittal Review Process

The Eligibility submittal process has two distinct phases.

First Phase

In the first phase, local jurisdictions submit the eligibility checklist, CIP, MOE Certification and land use planning strategies considered in the General Plan on an annual basis. In addition, the PMP, CMP, MFP, and adoption of the Circulation Element for MPAH consistency are due on a biennial basis. The LSSP is due every three years. The periodic submittal schedule of the eligibility requirements is included in Exhibit 3. The applicable eligibility components for a given year must be submitted to OCTA by June 30 (except the Expenditure Report).

To assist in the initiation of the eligibility process, OCTA hosts eligibility workshops attended by local jurisdictions to prepare for the June 30 submittal date. The workshops outline any changes and provide instructions as to the requirements of the current fiscal year's eligibility cycle. Eligibility package development begins for most local jurisdictions in April and concludes with submittal to OCTA by the June 30 deadline each year.

Second Phase

The second phase includes the submittal of the Expenditure Report, which is due six months following the end of the local jurisdiction's fiscal year per the Ordinance. All local jurisdictions must submit their Expenditure Report annually by December 31. OCTA staff typically holds a workshop in July/August to go over the eligibility requirements for submitting an Expenditure Report that is compliant with the Ordinance. The OCTA Finance department reviews Expenditure Reports. However, OCTA's receipt and review of Expenditure Reports does not constitute or confirm OCTA's acceptance or approval of the reporting provided in the Expenditure Report itself, which is ultimately subject to audit review.

3.2 Approval Process

Annual eligibility determinations are based upon satisfactory submittal of the required documentation of eligibility outlined in the Ordinance and further described in Chapter 2 of these guidelines. OCTA and/or its representatives perform an administrative review of the data to determine eligibility compliance for M2 funds. Once all eligibility submittals have been received, the applicable submittals must be prepared for [affirmation of receipt and](#) review by the Taxpayer Oversight Committee (TOC).

TOC

M2 established the TOC to provide an enhanced level of accountability for expenditure of Net Revenues under the Ordinance. The TOC is an independent citizens' committee established for overseeing compliance with the Ordinance and ensuring that safeguards are in place to protect the integrity of the overall program. TOC responsibilities include:

- Approval of any amendment to the Ordinance proposed by OCTA which changes the funding categories, programs or discrete projects identified for improvements in the Funding Plan.
- Receive and review select documentation establishing annual eligibility by jurisdictions including the CMP, MFP, Expenditure Report, LSSP, and PMP.
- Verification that the OCTA is proceeding in accordance with the M2 Plan and is meeting the performance standards outlined in the Ordinance.

The TOC designates the Annual Eligibility Review (AER) subcommittee to first receive and review the required eligibility components for each local jurisdiction on an annual basis. The AER subcommittee affirms that it has completed its receipt and review process annually to the TOC.

In addition, OCTA staff will review items that do not directly require TOC receipt and review and confirm acceptance. After TOC and OCTA's review of all eligibility requirements, OCTA staff will prepare eligibility recommendations for the OCTA Board of Directors (Board). The OCTA Regional Planning and Highways Committee reviews the item prior to being considered by the full Board. The Board will make a final determination as to whether or not a local jurisdiction remains eligible for M2 funding on an annual basis.

Chapter 4 – Failure to Meet Eligibility Requirements

4.1 Non-Compliance Consequences

M2 extends a legacy of successful public funding investment in transportation throughout Orange County. The eligibility process includes a review of required compliance components to ensure that programs and funding guidelines are met as defined by Ordinance. The State Controller’s “Guidelines Relating to Gas Tax Expenditures for Cities and Counties”, provides useful information regarding the use of revenues for streets and roads purposes, consistent with Article XIX of the State Constitution. These guidelines are used by OCTA to determine eligibility for MOE expenditures. In addition, other non-Article XIX transportation expenditures may be eligible for certain M2 programs. Local jurisdictions should contact OCTA’s M2 Program Management Office for specific questions on eligible and ineligible expenditures.

OCTA routinely conducts an audit of local jurisdictions’ annual eligibility materials and financial records. Full cooperation is expected to complete the process in a timely manner. Failure to adhere to eligibility compliance components may result in Board action to suspend M2 funds until satisfactory compliance is achieved. For example, failure to meet MOE or other M2 requirements could result in suspension of all M2 formula and competitive grant payments and may prevent approval of awards until specific deficiencies are corrected.

The M2 Ordinance also includes provisions related to misspent M2 funds. For the purposes of this section, “misspent” means misappropriation of public funds, pursuant to state law. If the Board determines that a local jurisdiction has misspent M2 funds, then those funds must be fully re-paid, and the Board may deem that jurisdiction ineligible to receive M2 funds for a period of five (5) years.

4.2 Board Process Related to Ineligibility

Eligibility review and determination is a multi-step process, which relies upon an objective review of information by OCTA staff. Actions related to ineligibility are made by the Board.

4.3 For Additional Information

The Eligibility Guidelines have been developed to assist local jurisdictions located throughout Orange County to understand and continue to implement all eligibility requirements to receive M2 funding. The Guidelines provide general summary information regarding all eligibility requirements as well as a comprehensive summary of all responsibilities and actions for which a local jurisdiction must follow to continue their eligibility.

Please contact the following OCTA staff when seeking additional information or clarification regarding any of the Eligibility Guidelines:

Kelsey Imler

Transportation Funding Analyst

(714) 560-5397

kimler@octa.net

Or

Joe Alcock

Section Manager

(714) 560-5372

JAlcock@octa.net

Appendices:

Appendix A: Ordinance

The Ordinance can be found on the Eligibility Website:
<https://www.octa.net/OCGoEligibility>

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Appendix B: Eligibility for New Cities

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Eligibility for New Cities

Eligibility for Fair Share Funds - New Cities

At the time of incorporation, a new city may adopt current practices previously established by the County of Orange, which have already established eligibility under current M2. As new cities mature, they will adopt their own general plan and growth strategies.

To provide for this transition period, the OCTA Board of Directors (Board) has previously adopted the following new city eligibility process for Fair Share funds:

- A new city may, at its discretion, adopt the approved PMP of the predecessor governing body as its own, providing these policies are fully enforced.
- Prior to incorporation, the proposed new city must work with OCTA and the Local Agency Formation Commission (LAFCO) to identify the variables used in the LFS funds calculation (population, taxable sales, and MPAH mileage). Preliminary data must be identified prior to the date of incorporation.
- The new city will begin accruing LFS funds as of the date of incorporation.
- OCTA will reserve the accrued funds for the new city, pending the determination of eligibility by the Board within one year of the date of incorporation.
- For the new city to receive the reserved accrued funds, OCTA must receive all necessary elements of the eligibility package, complete the necessary review and approval of the package, and the Board must determine the new city eligible to receive M2 funds within one year of the date of incorporation. OCTA recommends the city submit its eligibility package within six months of incorporation to allow sufficient time for OCTA review and approval processes.
- Upon determination of eligibility by the Board, the new city will receive its first LFS payment including the reserved accrued funds, on the first regular payment cycle following the eligibility determination.
- The first LFS payment will be adjusted to reflect final calculation (population, taxable sales, and MPAH miles) as determined through the new city eligibility process.
- In the event a new city is determined to be ineligible to receive LFS funds by the Board, the reserved accrued funds and interest on the funds, shall be distributed to the eligible local jurisdictions on a pro-rata basis, until such time that the new city attains eligibility.
- Such new city will begin to accrue funds as of the first day of the first regular accrual period following its determination of eligibility by the Board and receive its first LFS payment on the corresponding regular payment cycle.

Eligibility for Competitive Funds-New Cities

In addition to the new city eligibility process for LFS funds, the Board has adopted the following process for eligibility for competitive funds:

- A new city may apply for competitive funding upon the date of incorporation, however, may not be awarded competitive funding until the new city has been determined eligible to receive LFS funds by the Board, as described above.
- A new city must include an adopted PMP that is consistent with countywide pavement condition assessment standards (Arterial Highway Rehabilitation Program), a General Plan Circulation Element consistent with the MPAH, and a City Council resolution attesting that no unilateral reduction in lanes have been made on any MPAH arterials in its eligibility package for review and approval by the Board.

- Applications for competitive funding by new cities will be considered until such time in the process of the competitive funding program that projects are ranked for award. If the new city has not been determined eligible by the Board by the time projects are ranked for award, any application by the new city for competitive funding will be withdrawn from further consideration. OCTA staff will work with the new city to revise the schedule specific to its time of incorporation in relation to the current competitive funding program process.

New Cities – MOE

M2 requires the development of a method to apply the MOE to new cities without five years of streets and roads data, including cities incorporated during the thirty years the tax is in effect. New cities unable to meet this requirement may use the appeals process to establish a benchmark number that more accurately reflects network needs. A phase-in period of two years has been established for new cities to achieve the approved MOE expenditure requirement.

The approved method uses the following formula to calculate the MOE for new cities:

$$\frac{\text{Total countywide MOE benchmark}}{\text{Total countywide population}} = \text{Per capita expenditure}$$

$$\text{Per capita expenditure X city population} = \text{MOE benchmark for the city}$$

Appeals Process

New cities may appeal the formula benchmark determination above where there is a dispute regarding the city population. OCTA shall use the most recent Census or figures from the State of California Department of Finance. Appeals will be submitted first to the TAC and then to the Board for final determination.

Appendix C: Congestion Management Program Checklist

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APPENDIX C

Congestion Management Program (CMP)

Jurisdiction: _____

CMP Monitoring Checklist: Level of Service (LOS)					
CMP Checklist		YES	NO	N/A	
1.	Check "Yes" if either of the following apply: <ul style="list-style-type: none"> There are no CMP intersections in your jurisdiction. Factoring out statutorily-exempt activities¹, all CMP intersections within your jurisdiction are operating at LOS E (or the baseline level, if worse than E) or better. 	<input type="checkbox"/>	<input type="checkbox"/>		
NOTE: ONLY THOSE AGENCIES THAT CHECKED "NO" FOR QUESTION 1 NEED TO ANSWER THE REMAINING QUESTIONS.					
2.	If any, please list those intersections that are not operating at the CMP LOS standards. <ul style="list-style-type: none"> _____ _____ _____ 			<input type="checkbox"/>	
3.	Will deficient intersections, if any, be improved by mitigation measures to be implemented in the next 18 months or improvements programmed in the first year of any recent funding program (i.e. local jurisdiction CIP, Measure M CIP)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	a. If not, has a deficiency plan been developed for each intersection that will be operating below the CMP LOS standards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Additional Comments:					

¹The following activities are statutorily-exempt from deficiency determinations: interregional travel, traffic generated by the provision of low and very low income housing, construction rehabilitation or maintenance of facilities that impact the system, freeway ramp metering, traffic signal coordination by the state or multi-jurisdictional agencies, traffic generated by high-density residential development within 1/4 mile of a fixed-rail passenger station, traffic generated by mixed-use residential development within 1/4 mile of a fixed-rail passenger station.



APPENDIX C

Congestion Management Program (CMP)

CMP Monitoring Checklist: Deficiency Plans				
CMP Checklist		YES	NO	N/A
1.	Check "Yes" if either of the following apply: <ul style="list-style-type: none"> There are no CMP intersections in your jurisdiction. Factoring out statutorily-exempt activities², all CMP Highway System (CMPHS) intersections within your jurisdiction are operating at LOS E (or the baseline level, if worse than E) or better. 	<input type="checkbox"/>	<input type="checkbox"/>	
NOTE: ONLY THOSE AGENCIES THAT CHECKED "NO" FOR QUESTION 1 NEED TO ANSWER THE REMAINING QUESTIONS.				
2.	If any, please list those intersections that are not operating at the CMP LOS standards. <ul style="list-style-type: none"> _____ _____ _____ 			<input type="checkbox"/>
3.	Are there improvements to bring these intersections to the CMP LOS standard scheduled for completion during the next 18 months or programmed in the first year of the CIP?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NOTE: ONLY THOSE AGENCIES THAT CHECKED "NO" FOR QUESTION 3 NEED TO ANSWER THE REMAINING QUESTIONS.				
4.	Has a deficiency plan or a schedule for preparing a deficiency plan been submitted to OCTA?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Does the deficiency plan fulfill the following statutory requirements? :			
	a. Include an analysis of the causes of the deficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	b. Include a list of improvements necessary to maintain minimum LOS standards on the CMPHS and the estimated costs of the improvements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	c. Include a list of improvements, programs, or actions and estimates of their costs, which will improve LOS on the CMPHS and improve air quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	i. Do the improvements, programs, or actions meet the criteria established by South Coast Air Quality Management District (SCAQMD) (see the CMP Preparation Manual)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

²The following activities are statutorily-exempt from deficiency determinations: interregional travel, traffic generated by the provision of low and very low income housing, construction rehabilitation or maintenance of facilities that impact the system, freeway ramp metering, traffic signal coordination by the state or multi-jurisdictional agencies, traffic generated by high-density residential development within 1/4 mile of a fixed-rail passenger station, traffic generated by mixed-use residential development within 1/4 mile of a fixed-rail passenger station.



APPENDIX C

Congestion Management Program (CMP)

CMP Monitoring Checklist: Land Use Coordination				
CMP Checklist		YES	NO	N/A
1.	Have you maintained the CMP traffic impact analysis (TIA) process you selected for the previous CMP?	<input type="checkbox"/>	<input type="checkbox"/>	
	a. If not, have you submitted the revised TIA approach and methodology to OCTA for review and approval?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Did any development projects require a CMP TIA during this CMP cycle? ³	<input type="checkbox"/>	<input type="checkbox"/>	
NOTE: ONLY THOSE AGENCIES THAT CHECKED "YES" FOR QUESTION 2 NEED TO ANSWER THE REMAINING QUESTIONS.				
3.	If so, how many?	_____		
4.	Please list any CMPHS links & intersections that were projected to not meet the CMP LOS standards (indicate whether any are outside of your jurisdiction). • _____ • _____ • _____			<input type="checkbox"/>
	a. Were mitigation measures and costs identified for each and included in your seven-year CIP?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	b. If any impacted links & intersections were outside your jurisdiction, did your jurisdiction coordinate with other jurisdictions to develop a mitigation strategy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	If a local traffic model was/will be used, did you follow the data and modeling consistency requirements as described in the CMP Preparation Manual (available online at http://www.octa.net/pdf/cmpprepmanual.pdf)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Additional Comments:				

³Exemptions include: any development generating less than 2,400 daily trips, any development generating less than 1,600 daily trips (if it directly accesses a CMP highway), final tract and parcel maps, issuance of building permits, issuance of certificate of use and occupancy, and minor modifications to approved developments where the location and intensity of project uses have been approved through previous and separate local government actions prior to January 1, 1992.



APPENDIX C

Congestion Management Program (CMP)

OPTIONAL - CMP Monitoring Checklist: Federal Congestion Management

<u>CMP Checklist</u>		<u>YES</u>	<u>NO</u>	<u>N/A</u>
<u>1.</u>	<u>Does any federally funded project in the CIP result in a significant increase in single occupant vehicle (SOV) capacity?</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>NOTE: ONLY THOSE AGENCIES THAT CHECKED "YES" FOR QUESTION 2 NEED TO ANSWER THE REMAINING QUESTION.</u>				
<u>2.</u>	<u>If so, was the project developed as part of the federal Congestion Management Process, in other words, was there an appropriate analysis of reasonable travel demand reduction and operational strategies?</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Additional Comments:</u>				
<u>I certify that the information contained in this checklist is true.</u>				
_____		_____	_____	_____
<u>Name (Print)</u>		<u>Title</u>	<u>Signature</u>	<u>Date</u>

Appendix D: Eligibility Checklist

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APPENDIX D

Eligibility Checklist

Jurisdiction:	
----------------------	--

Capital Improvement Program (CIP)		YES	NO
1.	Did you submit your draft or adopted Measure M2 (M2) seven-year CIP to OCTA by June 30?	<input type="checkbox"/>	<input type="checkbox"/>
	a. Did you utilize the required OCTA CIP database?	<input type="checkbox"/>	<input type="checkbox"/>
	b. Have you included projects required to demonstrate compliance with signal synchronization, pavement maintenance, the Congestion Management Program , and environmental clean-up commitments?	<input type="checkbox"/>	<input type="checkbox"/>
	c. Are there any non-transportation related projects included in your M2 CIP?	<input type="checkbox"/>	<input type="checkbox"/>
	d. Did you include all projects that are partially, fully, or potentially funded by M2 Net Revenues?	<input type="checkbox"/>	<input type="checkbox"/>
	e. The City Council/Board of Supervisors approval date* to adopt the final 7-Year CIP is: _____ *Must be prior to July 31		
Maintenance of Effort (MOE)		YES	NO
2.	Did you submit the MOE certification form (Appendix I) to OCTA by June 30?	<input type="checkbox"/>	<input type="checkbox"/>
	a. Did you provide supporting budget documentation?	<input type="checkbox"/>	<input type="checkbox"/>
	b. Has the MOE Reporting form been signed by the Finance Director or appropriate designee?	<input type="checkbox"/>	<input type="checkbox"/>
Pavement Management Plan (PMP)		YES	NO
3.	Are you required to submit a PMP update to OCTA for this eligibility cycle? Refer to Exhibit 3 for PMP submittal schedule.	<input type="checkbox"/>	<input type="checkbox"/>
	a. If yes, did you use the current PMP Submittal Template (Appendix F)?	<input type="checkbox"/>	<input type="checkbox"/>
	b. If yes, is the adopted PMP consistent with the OCTA Countywide Pavement Management Plan?	<input type="checkbox"/>	<input type="checkbox"/>
4.	If you answered "no" to question 3, did you submit a PMP Update to OCTA through the previous eligibility cycle by June 30?	<input type="checkbox"/>	<input type="checkbox"/>
Resolution of Master Plan of Arterial Highways (MPAH) Consistency		YES	NO
5.	Did you submit a resolution indicating conformance with the MPAH?	<input type="checkbox"/>	<input type="checkbox"/>
	a. Have you enclosed an exhibit showing roadway designations that represent your most current circulation element?	<input type="checkbox"/>	<input type="checkbox"/>
6.	If the requirement is not due as part of the current cycle, has there been an update to the circulation element since the last report period? If yes, include a copy of the latest circulation element.	<input type="checkbox"/> N/A	<input type="checkbox"/> N/A
Local Signal Synchronization Plan (LSSP)		YES	NO
7.	Did you adopt and submit an update to the LSSP as part of the current cycle?	<input type="checkbox"/> N/A	<input type="checkbox"/> N/A
	a. Is your LSSP consistent with the Regional Traffic Signal Synchronization Master Plan?	<input type="checkbox"/> N/A	<input type="checkbox"/> N/A



APPENDIX D

Eligibility Checklist

Time Limits for Use of Net Revenues		YES	NO
8.	Has your jurisdiction complied with the three-year time limit for the use of Net Revenues over the last year per the requirements outlined in the Ordinance?	<input type="checkbox"/>	<input type="checkbox"/>
	a. If no, has a time extension been requested through the semi-annual review process for funds subject to expiration?	<input type="checkbox"/>	<input type="checkbox"/>
Supplanting of Developer Commitments		YES	NO
9.	Has your jurisdiction ensured they have not supplanted developer commitments for transportation projects and funding with M2 funds?	<input type="checkbox"/>	<input type="checkbox"/>
Mitigation Fee Program (MFP)		YES	NO
10.	Does your jurisdiction currently have a defined development impact MFP in place?	<input type="checkbox"/>	<input type="checkbox"/>
11.	<u>Has your jurisdiction submitted a City Council/Board of Supervisors approved resolution (Appendix E)?</u>	<input type="checkbox"/>	<input type="checkbox"/>
12.	<u>Has your jurisdiction submitted one or more of the supporting documents outlined in chapter 2.7 of the Eligibility Guidelines?</u>	<input type="checkbox"/>	<input type="checkbox"/>
	a. Have you included a copy of your current impact fee schedule; or	<input type="checkbox"/>	<input type="checkbox"/>
	b. Have you provided OCTA with a copy of your mitigation fee nexus study; or	<input type="checkbox"/>	<input type="checkbox"/>
	c. Have you provided OCTA with a copy of your City Council/Board of Supervisors resolution approving the MFP?	<input type="checkbox"/>	<input type="checkbox"/>
Planning Strategies		YES	NO
13.	Does your jurisdiction consider as part of its General Plan, land use planning strategies that accommodate transit and non-motorized transportation?	<input type="checkbox"/>	<input type="checkbox"/>
14.	Have you provided a letter identifying land use planning strategies that accommodate transit and non-motorized transportation consideration in the General Plan?	<input type="checkbox"/>	<input type="checkbox"/>
Traffic Forums		YES	NO
15.	Did representatives of your jurisdiction participate in the regional traffic forum(s)?	<input type="checkbox"/>	<input type="checkbox"/>
	a. If you answered yes, provide date(s) of attendance: _____		
Congestion Management Program (CMP)		YES	NO
16.	Has your jurisdiction completed the required CMP checklist? (Appendix C)	<input type="checkbox"/>	<input type="checkbox"/>

Name (Print)

Signature

Date

Appendix E: Resolutions

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**[SAMPLE RESOLUTION FOR MPAH CIRCULATION ELEMENT CONSISTENCY AND
MITIGATION FEE PROGRAMS]**

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____
_____ CONCERNING THE STATUS AND UPDATE OF THE CIRCULATION ELEMENT, AND
MITIGATION FEE PROGRAM FOR THE MEASURE M (M2) PROGRAM

WHEREAS, the City/County of _____ desires to maintain and
improve the streets within its jurisdiction, including those arterials contained in the Master Plan of
Arterial Highways (MPAH) and

WHEREAS, the City/County of _____ has endorsed a definition of
and process for, determining consistency of the City's/County's Traffic Circulation Plan with the MPAH,
and

WHEREAS, the City/County has adopted a General Plan Circulation Element which does not
preclude implementation of the MPAH within its jurisdiction, and

WHEREAS, the City/County is required to adopt a resolution biennially informing the Orange
County Transportation Authority (OCTA) that the City/County's Circulation Element is in conformance
with the MPAH and whether any changes to any arterial highways of said Circulation Element have been
adopted by the City/County during Fiscal Years (FY) 2019-20 and FY 2020-21, and

WHEREAS, the City/County is required to send biennially to the OCTA all recommended changes
to the City/County Circulation Element and the MPAH for the purposes of re-qualifying for participation
in the Comprehensive Transportation Funding Programs;

WHEREAS, the City/County is required to adopt a resolution biennially certifying that the
City/County has an existing Mitigation Fee Program that assesses traffic impacts of new development
and requires new development to pay a fair share of necessary transportation improvements
attributable to the new development; and

NOW, THEREFORE, BE IT RESOLVED that the City Council/Board of Supervisors for the
City/County of _____, does hereby inform OCTA that:

a) The arterial highway portion of the City/County Circulation Element of the
City/County is in conformance with the MPAH.

b) The City/County attests that no unilateral reduction in through lanes has been made on
any MPAH arterials during FY 2019-20 and FY 2020-21.

b)c) The City/County affirms that it will bring forward requests to amend the MPAH, when
necessary, in order to ensure that the MPAH and the General Plan Circulation Element remain
consistent.

e)d) The City/County reaffirms that Council concurs with the existing Mitigation Fee Program.

PASSED, APPROVED AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].

[RESOLUTION FOR LOCAL SIGNAL SYNCHRONIZATION PLAN UPDATE]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____
_____ CONCERNING THE UPDATE OF THE LOCAL SIGNAL SYNCHRONIZATION PLAN FOR THE
MEASURE M (M2) PROGRAM.

WHEREAS, the Orange County Transportation Authority has developed the Regional Traffic Signal Synchronization Master Plan to identify traffic signal synchronization street routes and traffic signals within and across jurisdictional boundaries, and defines the means of implementing the Regional Traffic Signal Synchronization Program; and

WHEREAS, the Regional Traffic Signal Synchronization Program requires that local jurisdictions adopt a Local Signal Synchronization Plan consistent with the Regional Traffic Signal Synchronization Master Plan as a key component of local jurisdictions' efforts to synchronizing traffic signals across local jurisdictions' boundaries; and

WHEREAS, the Local Signal Synchronization Plan must be updated by June 30, 2023 to continue to be eligible to receive Net Revenues as part of Measure M2;

NOW, THEREFORE, BE IT RESOLVED that the City Council/Board of Supervisors for the City/County of _____, does hereby inform OCTA that:

- a) The City/County adopts and maintains a Local Signal Synchronization Plan which includes goals that are consistent with those outlined as part of the Regional Signal Synchronization Master Plan, including signal synchronization across jurisdictions.
- b) The Local Signal Synchronization Plan identifies traffic signal synchronization street routes, including all elements of the Regional Signal Synchronization Network located within the City/County.
- c) The Local Signal Synchronization Plan includes the traffic signal inventory for all traffic signal synchronization street routes.
- d) The Local Signal Synchronization Plan includes a three-year plan showing capital, operations, and maintenance of signal synchronization along the traffic signal synchronization street routes and traffic signals.
- e) The Local Signal Synchronization Plan includes an update on the status and performance of traffic signal synchronization activities.
- f) The Local Signal Synchronization Plan includes a discussion on the review and revision, as may be necessary, on the timing of traffic signals on the traffic signal synchronization street routes.

PASSED, APPROVED AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].

[RESOLUTION FOR PAVEMENT MANAGEMENT PLAN ADOPTION]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____ CONCERNING THE STATUS AND UPDATE OF THE PAVEMENT MANAGEMENT PLAN FOR THE MEASURE M2 (M2) PROGRAM

WHEREAS, the local jurisdiction is required to meet eligibility requirements and submit eligibility verification packages to Orange County Transportation Authority (OCTA) in order to remain eligible to receive M2 funds.

WHEREAS, the local jurisdiction is required to adopt and update a Pavement Management Plan (PMP), using the required format, regarding the status of road pavement conditions and implementation of the PMP on a biennial basis; and

WHEREAS, the local jurisdiction is required to provide a plan that manages the preservation, rehabilitation, and maintenance of paved roads by analyzing pavement life cycles, assessing overall system performance costs, and determining alternative strategies and costs necessary to improve paved roads.

NOW, THEREFORE, BE IT RESOLVED that the City Council/Board of Supervisors for the City/County of _____ does hereby inform OCTA that:

- a) The PMP is in conformance with the PMP Submittal Template provided in the Countywide Pavement Management Plan Guidelines.
- b) The City/County hereby adopts a PMP and has provided an updated PMP report, using the required format, to OCTA.
- c) The Public Works Director, City Engineer or designee is authorized to sign the PMP certification form.

PASSED, APPROVED, AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].

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Appendix F: PMP Submittal Template



Agency

Pavement Management Plan

Prepared by: [Author name]
Submitted to OCTA: [Date]



Agency Submittal Table of Contents

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I. Pavement Management Plan Certification

The City/County of *Type Here* certifies that it has a Pavement Management Plan in conformance with the criteria stated in the Orange County Transportation Authority Ordinance No. 3. This ordinance requires that a Pavement Management Plan be in place and maintained to qualify for allocation of revenues generated from renewed Measure M2.

The plan was developed by *Type here** using *Type here*, a pavement management system, confirming to American Society of Testing and Materials (ASTM) Standard D6433, and contains, at a minimum, the following elements:

- Inventory of MPAH and local routes reviewed and updated biennially. The last update of the inventory was completed on *Month, Year* for Arterial (MPAH) streets and *Month, Month* for local streets.
- Assessment of pavement condition for all routes in the system, updated biennially. The last field review of pavement condition was completed on *Month, Year*.
- Percentage of all sections of pavement needing:
 - Preventative Maintenance: *Type here*%
 - Rehabilitation: *Type here*%
 - Reconstruction: *Type here*%
- Budget needs for Preventative Maintenance, Rehabilitation, and/or Reconstruction of deficient sections of pavement for:
 - Current biennial period \$*Type here*
 - Following biennial period \$*Type here*
- Funds budgeted or available for Preventative Maintenance, Rehabilitation, and/or Reconstruction:
 - Current biennial period \$*Type here*
 - Following biennial period \$*Type here*
- Backlog by year of unfunded pavement rehabilitation, restoration, and reconstruction needs.
- The Pavement Management Plan is consistent with countywide pavement condition assessment standards as described in the OCTA Countywide Pavement Management Plan Guidelines adopted by the OCTA Board of Directors.

*An electronic copy of the Pavement Management Plan (with Micro Paver or StreetSaver compatible files) has been, or will be, submitted with the certification statement.

A copy of this certification is being provided to the Orange County Transportation Authority.

Submitted by:

Click here to enter text.
Name (Print)

Click here to enter text.
Jurisdiction

Signed

Click here to enter a date.
Date

Click here to enter text.
Title (Public Works Director and/or City Engineer)



II. Executive Summary

Click here to enter text.



III. Background (Optional)

Click here to enter text.



IV. Current Pavement Conditions (PCI)

Current Network PCI	Current MPAH PCI	Current Local PCI
Click here to enter	Click here to enter	Click here to enter

V. Projected Pavement Conditions (PCI)

Should be by projected PCI by year under existing or expected funding levels for next seven fiscal years (“Today” is before June 30, ~~2020~~2021).

Fiscal Year	Current Funding	Entire Network PCI	MPAH	Local
Today	Click here to enter			
2020 <u>2021-2122</u>	Click here to enter			
2021 <u>2022-2223</u>	Click here to enter			
2022 <u>2023-2324</u>	Click here to enter			
2023 <u>2024-2425</u>	Click here to enter			
2024 <u>2025-2526</u>	Click here to enter			
2025 <u>2026-2627</u>	Click here to enter			
2026 <u>2027-2728</u>	Click here to enter			



VI. Alternative Funding Levels

Maintain Existing Average Network PCI

Fiscal Year	Maintain Funding	Entire Network PCI	MPAH	Local
Today	Click here to enter			
<u>2021-22</u>2020-21	Click here to enter			
<u>2022-23</u>2021-22	Click here to enter			
<u>2023-24</u>2022-23	Click here to enter			
<u>2024-25</u>2023-24	Click here to enter			
<u>2025-26</u>2024-25	Click here to enter			
<u>2026-27</u>2025-26	Click here to enter			
<u>2027-28</u>2026-27	Click here to enter			

Improve Average Network PCI

Fiscal Year	Current Funding	Entire Network PCI	MPAH	Local
Today	Click here to enter			
<u>2021-22</u>2020-21	Click here to enter			
<u>2022-23</u>2021-22	Click here to enter			
<u>2023-24</u>2022-23	Click here to enter			
<u>2024-25</u>2023-24	Click here to enter			
<u>2025-26</u>2024-25	Click here to enter			
<u>2026-27</u>2025-26	Click here to enter			
<u>2027-28</u>2026-27	Click here to enter			



VII. Current and Projected Backlog by Year of Pavement Maintenance Needs

Fiscal Year	Current Funding Backlog	Maintain PCI Backlog	Increase PCI Backlog
Current	Click here to enter	Click here to enter	Click here to enter
2021-22 2020-21	Click here to enter	Click here to enter	Click here to enter
2022-23 2021-22	Click here to enter	Click here to enter	Click here to enter
2023-24 2022-23	Click here to enter	Click here to enter	Click here to enter
2024-25 2023-24	Click here to enter	Click here to enter	Click here to enter
2025-26 2024-25	Click here to enter	Click here to enter	Click here to enter
2026-27 2025-26	Click here to enter	Click here to enter	Click here to enter
2027-28 2026-27	Click here to enter	Click here to enter	Click here to enter

VIII. Centerline Mileage

Entire Pavement Network	MPAH	Local Roads
Click here to enter	Click here to enter	Click here to enter



IX. Percentage of Network in Each of Five Condition Categories Based on Centerline Miles

Condition Category	PCI Range	Network	Percent Area of Total Pavement	Area of Pavement (sf)	Percent Centerline Mileage of Network	Centerline Mileage of Network
Very Good	86-100	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Good	75-85	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Fair	60-74	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Poor	41-59	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Very Poor	0-40	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter



X. Reduction in Local Match

A local agency match reduction of 10% of the eligible cost for projects submitted for consideration of funding through the Comprehensive Transportation Funding Programs (CTFP) call for projects is available if the local agency either:

- a. Shows measurable improvement of paved road conditions during the previous reporting period defined as an overall weighted (by area) average system improvement of one Pavement Condition Index (PCI) point with no reduction in the overall weighted (by area) average PCI in the Master Plan of Arterial Highways (MPAH) or local street categories;

or

- b. Have road pavement conditions during the previous reporting period, within the highest 20% of the scale for road pavement conditions in conformance with OCTA Ordinance No. 3, defined as a PCI of 75 or higher, otherwise defined as in “good condition”.

If applicable, please use the space below to justify the local agency’s eligibility for a reduction in Local Match based on the statement above.

[Click here to enter text.](#)



XI. Appendix A – Seven-Year Road Maintenance and Rehabilitation Plan Based on Current *or* Expected Funding Level

The seven-year plan for road maintenance and rehabilitation should be based on current and projected budget. Street sections selected for treatment should be identified here. Specific data to be submitted should follow the format below:

MPAH								
	Limits of Work							
Street Name	From	To	Length of Segment	Width of Segment	Pavement Area	Type of Treatment	Cost of Treatment	Year of Treatment

LOCAL								
	Limits of Work							
Street Name	From	To	Length of Segment	Width of Segment	Pavement Area	Type of Treatment	Cost of Treatment	Year of Treatment

Please attach the seven-year road maintenance and rehabilitation plan, following the above template, after this sheet. The plan should be labeled Appendix A.



XII. Appendix B – Complete Listing of Current Street Conditions

A complete listing of current pavement conditions should be included in this report. Specific data to be submitted should follow the format below:

MPAH						
Street Name	From	To	Width of Segment	Area	Current PCI	Most Recent Inspection Date

LOCAL						
Street Name	From	To	Width of Segment	Area	Current PCI	Most Recent Inspection Date

Please attach the complete street listing, following the above template, after this sheet. The pages should be labeled Appendix B.



XIII. Appendix C – Quality Assurance/Quality Control Plan

Introduction

When performing data collection in any field, the need for quality control is paramount as it is essential for accurate planning, analysis and design. This is particularly true for collecting pavement distress data for a pavement management system.

The Quality Assurance/Quality Control (QA/QC) Plan establishes minimum quality standards for performance and procedures for updates of the pavement management system.

If applicable, utilize the space below to include information on the agency’s QA/QC policies:

Click here to enter text.

Objectives

This document constitutes a formal QA/QC Plan for the City/County. It was prepared on *Select date* and last revised on *Select date*.

Specifically, it is intended for the *Year Applicable* Pavement Management Plan Update. The focus is on the collection of network-level pavement distress data (defined by National Cooperative Highway Research Program (NCHRP) Synthesis 401 Quality Management of Pavement Data Collection, as “Network-level data collection involves collection of large quantities of pavement condition data, which is often converted to individual condition indices or aggregated into composite condition indices.”)

This document also addresses the QA/QC plan requirements of the Orange County Transportation Authority (OCTA)’s “Countywide Pavement Management Plan Guidelines” (section 2.4), adopted in May 2010.

Structure of QA/QC Plan

The following components are addressed in this QA/QC Plan:

- Condition survey procedures used
- Accuracy required for data collection
- Inspector qualifications and experience
- Safety



Condition Survey Procedures

The governing document in performing condition surveys for the *Enter agency name* is ASTM D6433 “Standard Practice for Roads and Parking Lots Pavement Condition Index (PCI) Surveys.” Both asphalt concrete (AC) and Portland cement concrete (PCC) pavements are included in this protocol. The following distresses are collected for each pavement type.

Asphalt Concrete AC Pavements

1. Alligator (fatigue) cracking
2. Bleeding
3. Block cracking
4. Bumps and sags
5. Corrugation
6. Depression
7. Edge cracking
8. Joint reflection cracking
9. Lane/Shoulder drop off
10. Longitudinal & Transverse cracking
11. Patching and utility cut patching
12. Polished aggregate
13. Potholes
14. Railroad crossing
15. Rutting
16. Shoving
17. Slippage cracking
18. Swell
19. Weathering
20. Raveling

Portland Cement Concrete (Jointed)

1. Blowup/buckling
2. Corner breaks
3. Divided slab
4. Durability (“D”) cracking
5. Faulting
6. Joint seal damage
7. Lane/shoulder drop off
8. Linear cracking
9. Patching (large) and utility cuts
10. Patching (small)
11. Polished aggregate
12. Popouts
13. Pumping
14. Punchout
15. Railroad crossing
16. Scaling, map cracking and crazing
17. Shrinkage cracks
18. Spalling (corner)
19. Spalling (joint)

Any exceptions to the above procedures are discussed before any surveys are performed. They are documented in the paragraphs below.

[Note to agency: these are usually related to distresses or situations that are not covered in the manuals. Examples include roller check marks or edge cracking on streets with no curbs and gutters. Others include the raveling of surface seals or the use of open-graded asphalt concrete mixes where the surface appears to have large voids present. Any modifications must be documented and included in this document. Photos are extremely helpful.]

All surveys are performed as *Indicate type of surveys – walking, windshield, semi-automated etc. surveys, and a minimum 10% sampling rate is utilized. Field crews are typically composed of [Click here to enter field crew information](#) (Typically a one-person crew on residential streets and some collectors, and up to two-person crews for major arterials, depending on traffic volumes and speeds. Edit as appropriate).* The safety of field personnel is paramount in all instances.



The sample unit selected must be representative of the entire pavement section. This assumes that the section is homogenous; if it is not homogeneous, then the section must be split according to the criteria agreed upon by the agency. Typically, the criteria used are:

- Pavement condition
- Construction age, if known
- Maintenance history, if known
- Traffic volumes (or functional classification as a surrogate)
- Surface types (e.g. asphalt concrete or Portland cement concrete)
- Geometric elements (e.g. widths)

Any modifications to the section inventory data are documented in the pavement management report.

A sample unit must be between $2,500 \pm 1,000$ square feet in conformance with ASTM D6433 protocols. Typical sample unit dimensions are 100 feet long by the width of the street. Streets that are wider than 40 feet wide will have shorter lengths (generally 50 feet) or if they are divided by a raised median, separate sample units will be taken in each direction.

Any pavement areas that are not representative of the section will be noted and surveyed as an additional sample unit.

Accuracy Required for Data Collection

The accuracy required for data collection has two components, both of which are further described in the following paragraphs.

- Re-inspections
- PCI comparisons with past surveys

Random and Systematic Re-Inspections

Random Re-inspections

Random re-inspections will include a representative selection across the following categories:

- Functional classes (i.e. MPAH, locals);
- Surface types (e.g. asphalt concrete or Portland cement concrete);
- Pavement conditions (e.g. good, fair, poor);
- Inspectors;
- Geographical areas, if applicable.

Systematic Re-inspections

For systematic re-inspections, this could be due to noticed trends such as specific treatment types (e.g. open-graded mixes), a specific inspector or geographical area. In such cases, more than 5% will be re-inspected.



Acceptability Criteria

At the time of re-inspection, the actual distresses will be re-inspected and verified, and any corrections made, if necessary. Distress types and severities must be the same and re-measured quantities within ±10% of the original measured quantity.

If corrections are required on more than 10% of the re-inspected sample unit, then an additional 5% will be re-inspected. This will continue until more than 95% of the re-inspected sections meet the acceptability criteria.

PCI Comparison with Past Surveys

As another level of quality control, the new PCIs are compared with the previous PCIs. If they differ by more than ±10 PCI points, these sections are automatically flagged for further investigation.

If PCI Increases 10 points

The section is investigated to see if a maintenance and rehabilitation event has occurred since the last survey, but has not been recorded. Typically, it may include activities such as:

- Crack sealing activities – changes medium or high severity cracking to low severity
- Patching activities – alligator cracking that has been removed and patched, so that the resultant PCI is increased.
- Surface seals
- Overlay
- Others

Therefore, an up to date maintenance and rehabilitation history file in the pavement management database is desirable, both for historical accuracy as well as to provide additional quality control.

If PCI decreases 10 points

The section is checked to see if the average deterioration rate (usually 3 to 4 points per year) is exceeded. If the drop in PCI is within range of what is acceptable, no further action is required. If the drop is more than the acceptable range, a re-inspection will be performed. The default performance curves in the pavement management software form the basis for what is acceptable.

Inspector’s Qualifications and Experience

The [Enter agency here](#) inspectors have attended formal training on pavement condition distress surveys. This training was conducted prior to performing any work using the ASTM D6433 protocols, consistent with OCTA’s requirements.

Inspector Name	Date of ASTM D6433 Training	Training Conducted By:
Click here to enter	Click here to enter	Click here to enter
Click here to enter	Click here to enter	Click here to enter
Click here to enter	Click here to enter	Click here to enter
Click here to enter	Click here to enter	Click here to enter

Resumes of the technicians utilized on this project are included as an attachment.



Safety Procedures

The *Enter agency here* administers a health and safety program in compliance with the Cal Occupational Safety and Health Administration (OSHA) Title VIII, Section 3203. The program is documented in *Enter document name here*.

Generally, the safety procedures include (Edit as applicable to agency):

- Inspectors to wear Class 2 or 3 safety vest at all times;
- Flashing beacon on all vehicles utilized for surveys; and
- Stopped vehicles to be parked at locations away from moving traffic (e.g. nearby parking, shoulders, etc.).
- *Enter safety protocol here*

On streets where there is a high volume of traffic or high speeds, additional measures may be necessary, such as:

- Surveys to occur during off-peak periods or on weekends;
- Additional inspector to watch out for traffic; and
- Traffic flaggers in extreme cases.

Attachment – Appendix C: Resumes of Field Inspectors

---End of QA/QC Plan---



XIV. Appendix D – Pavement Management Data Files

The Pavement Management data files shall be submitted to OCTA in spreadsheet format. This must include the following information:

- Street name and limits for all public streets
- Street identifiers (Branch ID, Section ID)
- Direction (if applicable)
- Beginning and ending of each section
- Length, widths, and true areas
- Functional Classification (MPAH, Local)
- Number of travel lanes
- PCI and date of inspection
- Type of recommended treatment
- Cost of recommended treatment

The Pavement Management data files are attached here on a CD/flash drive, or included as Appendix D

XV. Appendix E – GIS Maps – Current Conditions (Optional)

If included, attach and label Appendix E.

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Appendix G: M2 Expenditure Report Template, Instructions & Resolution

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Measure M2 Expenditure Report Template

Schedule 1: Summary Statement of Beginning and Ending Balances

Lines 1 – 12: Balances at Beginning of Fiscal Year

Report all fund balances and interest intended for transportation purposes at the beginning of the fiscal year. These balances should be classified by funding source as illustrated in the table below. To provide for continuity of reporting, the beginning balances of any restricted funds must agree with the ending balances of such funds as shown in the prior year's report.

Project	Description
A-M	Freeway Projects
O	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Environmental Cleanup Program (Water Quality)
Other	Please provide description for other categories

Line 13: Balances at Beginning of Fiscal Year - TOTAL

Sum of Lines 1 – 12 in the "Amount" and "Interest" columns

Line 14: Monies Made Available During Fiscal Year

Report total available monies (revenues) from Schedule 2, Line 13 in the "Amount" and "Interest" columns

Line 15: Total Monies Available

Sum of Lines 13 - 14 in the "Amount" and "Interest" columns

Line 16: Expenditures During Fiscal Year

Report total available monies (revenues) from Schedule 2, Line 26 in the "Amount" and "Interest" columns

Lines 17 - 28: Balances at End of Fiscal Year

Report by funding source all fund balances and interest for transportation purposes at the end of the fiscal year. To provide for continuity of reporting, the beginning balances of the fund sources in next year's report must agree with the ending balances of such funds as shown in this year's report (or otherwise reconciled).

**M2 Expenditure Report
Fiscal Year Ended June 30, 20____
Beginning and Ending Balances**

Description	Line No.	Amount	Interest
Balances at Beginning of Fiscal Year			
A-M Freeway Projects	1		
O Regional Capacity Program (RCP)	2		
P Regional Traffic Signal Synchronization Program (RTSSP)	3		
Q Local Fair Share	4		
R High Frequency Metrolink Service	5		
S Transit Extensions to Metrolink	6		
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7		
U Senior Mobility Program or Senior Non-Emergency Medical Program	8		
V Community Based Transit/Circulators	9		
W Safe Transit Stops	10		
X Environmental Cleanup Program (Water Quality)	11		
Other*	12		
Balances at Beginning of the Fiscal Year (Sum Lines 1 to 12)	13		
Monies Made Available During Fiscal Year	14		
Total Monies Available (Sum Lines 13 & 14)	15		
Expenditures During Fiscal Year	16		
Balances at End of Fiscal Year			
A-M Freeway Projects	17		
O Regional Capacity Program (RCP)	18		
P Regional Traffic Signal Synchronization Program (RTSSP)	19		
Q Local Fair Share	20		
R High Frequency Metrolink Service	21		
S Transit Extensions to Metrolink	22		
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	23		
U Senior Mobility Program or Senior Non-Emergency Medical Program	24		
V Community Based Transit/Circulators	25		
W Safe Transit Stops	26		
X Environmental Cleanup Program (Water Quality)	27		
Other*	28		

* Please provide a specific description

Measure M2 Expenditure Report

Schedule 2: Summary Statement of Sources and Uses

Lines 1 - 12: Report the Following Revenue Sources and Interest on the Appropriate Line

Project	Description
A-M	Freeway Projects
O	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Environmental Cleanup Program (Water Quality)
Other	Please provide description for other categories

Line 13: Total Revenues

Sum of Lines 1 - 12 (should match Total in Schedule 1, Line 14 in the "Amount" and "Interest" columns)

Lines 14 - 25: Report the Following Expenditures on the Appropriate Line

Project	Description
A-M	Freeway Projects
O	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Environmental Cleanup Program (Water Quality)
Other	Please provide description for other categories

Line 26: Total Expenditures

Sum of Lines 14 - 25 (Should match Total in Schedule 1, Line 16 in the "Amount" and "Interest" columns)

Line 27: Total Balance

Subtract Line 26 from Line 13 in the "Amount" and "Interest" columns

City/County of: _____

Schedule 2

**M2 Expenditure Report
Fiscal Year Ended June 30, 20____
Sources and Uses**

	Description	Line No.	Amount	Interest
	Revenues:			
A-M	Freeway Projects	1		
O	Regional Capacity Program (RCP)	2		
P	Regional Traffic Signal Synchronization Program (RTSSP)	3		
Q	Local Fair Share	4		
R	High Frequency Metrolink Service	5		
S	Transit Extensions to Metrolink	6		
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	8		
V	Community Based Transit/Circulators	9		
W	Safe Transit Stops	10		
X	Environmental Cleanup Program (Water Quality)	11		
	Other*	12		
	TOTAL REVENUES: (Sum Lines 1 to 12)	13	\$	\$
	Expenditures:			
A-M	Freeway Projects	14		
O	Regional Capacity Program	15		
P	Regional Traffic Signal Synchronization Program	16		
Q	Local Fair Share	17		
R	High Frequency Metrolink Service	18		
S	Transit Extensions to Metrolink	19		
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	20		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	21		
V	Community Based Transit/Circulators	22		
W	Safe Transit Stops	23		
X	Environmental Cleanup Program (Water Quality)	24		
	Other*	25		
	TOTAL EXPENDITURES: (Sum Lines 14 to 25)	26	\$	\$
	TOTAL BALANCE (Subtract line 26 from 13)	27	\$	\$

* Please provide a specific description

Measure M2 Expenditure Report Template Instructions

Schedule 3: Summary Statement of Detailed Use of Funds

Line 1: Indirect and/or Overhead

This line covers local jurisdiction costs that cannot be readily identified to a specific project. The costs listed in this line item represent an equitable share of expenditures for activities not directly allocated to right-of-way, construction, or other categories. Allocations must be based on a reasonable, documented methodology.

This includes, but is not limited to:

Payroll	General accounting/finance
Personnel	Departmental accounts/finance
Purchasing/Procurement	Facilities
Advertising	Data processing
Legal costs	Top management
General government	Bids

Lines 2 - 7: Construction

Construction expenditures include the following:

- Projects developing new streets, bridges, lighting facilities, storm drains, etc., in locations that formerly had no such facilities, or projects departing to such an extent from existing alignment and grade that no material salvage value is realized from the old facilities.
- Additions and betterments to the street system and its rights-of-way, including grade separations and urban extensions.
- Any work that materially increases the service life of the original project.
- Resurfacing to a thickness greater than one inch.
- Resurfacing to a thickness less than one inch if the project has been certified by a lead jurisdiction as construction.
- Construction of traffic islands and other traffic safety devices.
- Transit facilities including, but not limited to, bus stops, shelters, and maintenance facilities.
- Streetscape including original landscaping, tree planting, and similar work.
- Acquisition and installation of street lighting facilities, traffic signals, and/or street signs (only when such signs are installed in connection with developing new streets).
- Planning, environmental, or design related to construction.
- Salaries and expenses of employees in connection with construction (direct costs).

Line 8: Total Construction

Sum of Lines 2 - 7

Line 9: Right-of-Way Acquisition

Right-of-way expenditures include the following:

- The acquisition of land or interest for use as a right-of-way in connection with the city's street system; the amount reported should include the cost of acquisition of any improvements situated on the real property at the date of its acquisition by the city.
- The cost of removing, demolishing, moving, resetting, and altering buildings or other structures that obstruct the right-of-way.
- The court costs of condemnation proceedings.

- Title searches and reports.
- Salaries and expenses of employees and right-of-way agents in connection with the acquisition of rights-of-way (direct costs).
- Severance damage to property sustained due to the city's street projects.
- All other costs of acquiring rights-of-way free and clear of all physical obstructions and legal encumbrances.

Line 10: Total Construction and Right-of-Way

Sum of Lines 8-9

Line 11 - 15: Maintenance / Operations

Maintenance expenditures include the following:

- The preservation and keeping of rights-of-way, street structures, and facilities in the safe and usable condition, to which they have been improved or constructed, but not reconstruction or other improvements.
- General utility services such as roadside planting, tree trimming, street cleaning, snow removal, and general weed control.
- Repairs or other work necessitated by damage to street structures or facilities resulting from storms, slides, settlements, or other causes unless it has been determined by the city engineer that such work is properly classified as construction.
- Maintenance of traffic signal equipment, coordination and timing on the city streets, as well as the city's share of such expenditures covering traffic signals situated at intersections of city streets and state highways within the incorporated area of the city.
- Salaries and expenses of employees in connection with maintenance and/or operations (direct costs).

Line 16: Total Maintenance

Sum of Lines 11 - 15

Line 17: Other

Please provide description for other categories. For example: transit, Senior Mobility Program, water quality, transit operations such as vehicle leases and other related operating expenses, etc. This category is not applicable to the MOE column as MOE expenditures would fall into the categories listed above.

Line 18: Grand Totals

Sum of Lines 1, 10, 16, and 17

Line 19: Finance Director Confirmation

Finance Director initials to confirm understanding of MOE.

City/County of: _____

Schedule 3

**M2 Expenditure Report
Fiscal Year Ended June 30, 20____
Streets and Roads Detailed Use of Funds**

Type of Expenditure	Line Item	MOE	Developer / Impact Fee ⁺	O	O Interest	P	P Interest	Q	Q Interest	X	X Interest	Other M2 ²	Other M2 Interest	Other*	TOTAL
Indirect and/or Overhead	1														\$
Construction & Right-of-Way															
New Street Construction	2														\$
Street Reconstruction	3														\$
Signals, Safety Devices, & Street Lights	4														\$
Pedestrian Ways & Bike paths	5														\$
Storm Drains	6														\$
Storm Damage	7														\$
Total Construction¹	8														\$
Right of Way Acquisition	9														\$
Total Construction & Right-of-Way	10														\$
Maintenance															
Patching	11														\$
Overlay & Sealing	12														\$
Street Lights & Traffic Signals	13														\$
Storm Damage	14														\$
Other Street Purpose Maintenance	15														\$
Total Maintenance¹	16														\$
Other	17														\$
GRAND TOTALS (Sum Lines 1, 10, 16, 17)	18	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Finance Director Confirmation	19	Any California State Constitution Article XIX streets and road eligible expenditure may be "counted" in local jurisdictions' calculation of MOE if the activity is supported (funded) by a local jurisdictions' discretionary funds (e.g. general fund). The California State Controller also provides useful information on Article XIX and the Streets and Highways Code eligible expenditures in its "Guidelines Relating to Gas Tax Expenditures for Cities and Counties". I have reviewed and am aware of these guidelines and their applicability in calculating and reporting on Maintenance of Effort expenditures. Finance Director initial: _____													

¹ Includes direct charges for staff time

+ Transportation related only

² Other M2 includes A-M, R, S, T, U, V, and W

* Please provide a specific description

Measure M2 Expenditure Report Template Instructions

Schedule 4: Summary Statement of Local Fair Share Project List

List the project titles and brief description (maximum of two sentences) for all projects that utilized any portion of Measure M2 (M2) Local Fair Share funding. Please include the total amount of **M2 Local Fair Share** funds only that were expended.

City/County of: _____

Signature Page

**M2 Expenditure Report
Fiscal Year Ended June 30, 20____**

I hereby certify that:

- All the information attached herein and included in schedules 1 through 4 is true and accurate to the best of my knowledge;
- The interest earned on Net Revenues allocated pursuant to the Ordinance shall be expended only for those purposes for which the Net Revenues were allocated;
- The City/County of _____ is aware of the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties", which is a guide for determining MOE Expenditures for M2 Eligibility purposes;
- The City/County's Expenditure Report is in compliance with direction provided in the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties;" and
- The City/County of _____ has expended in this fiscal year an amount of local discretionary funds for streets and roads purposes at least equal to one ~~the~~ of the level of its maintenance of effort requirements below¹⁰:

A) The City/County met the existing FY 2020-21 MOE benchmark dollar amount.

B) The City/County met a proportional MOE benchmark amount of FY 2020-21 General Funds Revenues that is at least equal to the percent listed in column C of Exhibit 2 in the M2 Eligibility Guidelines.

Director of Finance (Print Name)

Date

Signature

¹⁰ An actual General Fund Revenue excerpt from a jurisdiction's Comprehensive Annual Finance Report (CAFR) must be provided as backup documentation.

[EXPENDITURE REPORT RESOLUTION]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____ CONCERNING THE MEASURE M2 (M2) EXPENDITURE REPORT FOR THE CITY/COUNTY OF _____.

WHEREAS, local jurisdictions are required to meet eligibility requirements and submit eligibility verification packages to the Orange County Transportation Authority (OCTA) in order to remain eligible to receive M2 funds; and

WHEREAS, local jurisdictions are required to adopt an annual M2 Expenditure Report as part of one of the eligibility requirements; and

WHEREAS, local jurisdictions are required to account for Net Revenues, developer/traffic impact fees, and funds expended by the local jurisdiction in the M2 Expenditure Report that satisfy the Maintenance of Effort requirements; and

WHEREAS, the M2 Expenditure Report shall include all Net Revenue fund balances, interest earned and expenditures identified by type and program or project; and

WHEREAS, the M2 Expenditure Report must be adopted and submitted to the OCTA each year within six months of the end of the local jurisdiction's fiscal year to be eligible to receive Net Revenues as part of M2.

NOW, THEREFORE, BE IT RESOLVED that the City Council/Board of Supervisors for the City/County of _____ does hereby inform OCTA that:

- a) The M2 Expenditure Report is in conformance with the template provided in the Measure M2 Eligibility Guidelines and accounts for Net Revenues including interest earned, expenditures during the fiscal year, and balances at the end of fiscal year.
- b) The M2 Expenditure Report is hereby adopted by the City/County of _____.
- c) The City/County of _____ Finance Director is hereby authorized to sign and submit the M2 Expenditure Report to OCTA for the fiscal year ending _____.

PASSED, APPROVED, AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].

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Appendix H: Arterial Highway Mileage Change Report

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Appendix I: Maintenance of Effort Certification Form

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APPENDIX I

Maintenance of Effort (MOE) Certification Form

Jurisdiction: _____

Type of GENERAL FUND Transportation Expenditures:

Please complete and attach supporting budget documentation for each line item listed below.

MAINTENANCE	Total Expenditure
Subtotal Maintenance	\$

CONSTRUCTION	Total Expenditure
Subtotal Construction	\$

INDIRECT / OTHER	Total Expenditure
Subtotal Indirect / Other	\$

Total General Fund Transportation Expenditures	\$
(Less Total MOE Exclusions ¹)	\$
MOE Expenditures	\$
MOE Benchmark Requirement²	\$
(Shortfall)/Surplus	\$

Certification:

I hereby certify that:

The City/County of _____ is aware of the State Controller’s “Guidelines Relating to Gas Tax Expenditures for Cities and Counties”, which is a guide for determining MOE Expenditures for Measure M2 Eligibility purposes and;

The City/County of _____’s MOE Certification Form is in compliance with direction provided in the State Controller’s “Guidelines Relating to Gas Tax Expenditures for Cities and Counties” and;

The City/County of _____ certifies that the budgeted MOE expenditures meet the fiscal year (FY) 2021-22 MOE benchmark requirement through one of the options below:

A) The budgeted MOE expenditures meet the **MOE benchmark dollar value consistent with column A of Exhibit 2 in the M2 Eligibility Guidelines.**

B) The **budgeted MOE expenditures** meet **an MOE % of general fund revenues of the City’s FY 2021-22 budget, consistent with column C of Exhibit 2 in the M2 Eligibility Guidelines.**

Finance Director Signature

Finance Director (Print Name)

Date

¹ Funding sources include Measure M, federal, state, redevelopment, and bond financing.

² Please refer to Exhibit 2 in the M2 Eligibility Guidelines for the City’s MOE benchmark requirement. The MOE benchmark requirement is anticipated to be modified due to financial impacts of the COVID-19 pandemic, contingent on OCTA Board approval of an M2 Ordinance amendment.

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Appendix J: Acronyms

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APPENDIX J

Acronyms

Acronym	Description
AHRP	Arterial Highway Rehabilitation Program
<u>AER</u>	<u>Annual Eligibility Review (Subcommittee)</u>
CCI	Construction Cost Index
CFD	Community Facilities District
CIP	Capital Improvement Program
CMP	Congestion Management Program
CTFP	Comprehensive Transportation Funding Programs
ECP	Environmental Cleanup Program (Project X)
LAFCO	Local Agency Formation Commission
LOS	Level of Service
LSSP	Local Signal Synchronization Plan
<u>MFP</u>	<u>Mitigation Fee Program</u>
MOE	Maintenance of Effort
MPAH	Master Plan of Arterial Highways
OCTA	Orange County Transportation Authority
OCTC	Orange County Transportation Commission
PCI	Pavement Condition Index
PMP	Pavement Management Plan
RCP	Regional Capacity Program (Project O)
RTSSMP	Regional Traffic Signal Synchronization Master Plan (Project P)
SCAQMD	South Coast Air Quality Management District
TAC	Technical Advisory Committee
TDM	Traffic Demand Management
TOC	Taxpayer Oversight Committee
TOD	Transit Oriented Development
TSC	Technical Steering Committee

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