



## 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 June 8, 2021 6p.m. Taxpayer Oversight Committee meeting by clicking this [link](#).

Public comments may be submitted for the upcoming June 8, 2021 Taxpayer Oversight Committee meeting by emailing them to [publiccomments@octa.net](mailto: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. Annual Public Hearing**
  - A. Overview of Taxpayer Oversight Committee
  - B. Review of the 2020 Taxpayer Oversight Committee Actions
  - C. Annual Eligibility Review Subcommittee Report
  - D. Audit Subcommittee Report
  - E. Public Comments
  - F. Adjournment of Public Hearing
- 4. Approval of Minutes/Attendance Report for April 13, 2021**
- 5. Action Items**
  - A. 2021 Measure M Annual Hearing Follow-Up and Compliance Findings  
Chairman Frank Davies, Orange County Auditor Controller
  - B. M2 Quarterly Revenue & Expenditure Report (March 2021)  
Receive and File - Sean Murdock, Director, Finance and Administration
- 6. Presentation Items**
  - A. SR-55 Improvement Project Update (I-405 to I-5)  
Ross Lew, Senior Program Manager, Capital Programs  
Calina North, Principal Community Relations Specialist, Public Outreach
  - B. Measure M2 Quarterly Progress Report – Third Quarter  
Francesca Ching, Measure M Program Manager
- 7. Selection of Co-Chair**
- 8. Subcommittee Selection**
- 9. OCTA Staff Updates**
  - A. Comprehensive Transportation Funding Programs - 2021 Call for Projects  
Programming Recommendations  
Joseph Alcock, Section Manager, Planning
  - B. Measure M2 Ordinance No. 3 Amendment  
Adriann Cordoso, Department Manager, Planning
  - C. I-405 Update  
Nicci Wright, Principal Community Relations Specialist, Public Outreach
  - D. Staff Liaison Update  
Alice Rogan, Director, Marketing & Public Outreach
- 10. Committee Member Reports**
- 11. Adjournment**

*The next meeting will be held on August 10, 2021 at 5pm via teleconference.*

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**INFORMATION ITEMS**

<i>Staff Report Title</i>	<i>Board Meeting Date</i>
1. Interstate 405 Improvement Project Update	April 26, 2021
2. Coronavirus Update	May 10, 2021
3. Environmental Mitigation Program Endowment Fund Investment Report for March 31, 2021	May 24, 2021
4. Measure M2 Project U Senior Non-Emergency Medical Transportation Funding and Program Guidelines	May 24, 2021

**Measure M Taxpayer Oversight Committee**  
**Teleconference Site**  
**Orange County Transportation Authority**  
**550 S. Main Street, Orange CA, Room 07**  
**April 13, 2021 @ 5:00 p.m.**

**MEETING MINUTES**

**Committee Members Present:**

Frank Davies, Orange County Auditor-Controller, Chair  
Douglas P. Gillen, First District Representative  
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  
Douglas Anderson, Fifth District Representative  
Jeffery Kaplan, Fifth District Representative, Co-Chairman

**Committee Members Absent:**

Michael Pascual, Fourth District Representative

**Orange County Transportation Authority Staff Present:**

Jim Beil, Executive Director, Capital Programs  
Niall Barrett, Program Manager, Planning  
Christina Byrne, Department Manager, Public Outreach  
Fernando Chavarria, Community Relations Specialist, Public Outreach  
Francesca Ching, Measure M Program Manager  
Jared Hill, Community Relations Specialist  
Kia Mortazavi, Executive Director, Planning  
Sean Murdock, Finance and Administration Director  
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, said there were no public comments. She 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 February 9, 2021**

Chair Frank Davies asked if there are any corrections to the Minutes/Attendance Report for February 9, 2021.

*A motion was made by Harry Sloan, seconded by Joseph McCarthy and carried unanimously to approve the February 9, 2021 TOC Minutes and the Attendance Report.*

### **4. Action Items**

#### **A. Measure M2 Annual Eligibility Review (AER) Subcommittee Recommendations for Fiscal Year 2019-20 Expenditure Reports**

Harry Sloan said the Measure M2 Ordinance requires all local agencies in Orange County to annually satisfy their eligibility requirements in order to receive Measure M2 net revenues. The TOC is responsible for receiving and reviewing several of these requirements and relies on the TOC to review materials. The AER subcommittee reviewed the 2020 Measure M2 expenditure report for each local agency. The AER Subcommittee recommends the TOC affirm receipt and review of all 35 local agencies expenditure reports. Upon affirmation the expenditure reports will be forwarded to the OCTA Board of Directors Regional Planning and Highways Committee.

*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 Annual Eligibility Review Subcommittee Recommendations for Fiscal Year 2019-20 Expenditure Reports.*

### **5. Presentation Items**

#### **A. OC Streetcar Update**

Jim Beil provided an update on OC Streetcar construction and the vehicles. Jim talked about the upcoming milestones. He then provided pictures of the vehicle fabrication. He said Siemens is running just a bit behind on production, but it should not impact the schedule. Six of the eight vehicles are in the final stages of testing.

Christina Byrne provided an update on construction outreach. She said there has been door-to-door canvassing, many multi-lingual collateral materials distributed and there has been ongoing social media activity. Christina said staff continues to reach out to businesses to participate in the "Eat Shop Play" business support program. There are 47 businesses involved in the "Eat Shop Play" program to date, but more businesses are added monthly.

Jim Beil said last month staff went to the OCTA Board and they approved an interim supplemental contingency amount of \$15.68 million for the project and that is for an interim period through November 2021. Staff is also working with the Federal Transit Administration (FTA) to do an overall reassessment of remaining

project risks, schedule, and costs. Jim said this has been a very contentious construction contract. OCTA and the contractor are not in agreement on the impacts and responsibility for certain issues and delays encountered on the critical path schedule. OCTA's current forecast is that the revenue service date for the OC Streetcar is approximately July 2023. <The full presentation can be found on OCTA.net>

Committee Member Comments:

Larry Lang asked what the difference is in cost from the original amount forecasted. Jim said the project cost history is outlined in the staff report provided. The pre-construction estimate in May 2017 at 60% design was \$300 million. The construction contract was awarded in July 2018 at \$407.8 million. Now with the supplemental contingency of \$15.68 million, the budget is \$423 million. Larry said many of the added expenditures were unforeseeable. He asked if OCTA anticipates other surprises ahead. Jim said surprises are based on the accuracy of the risk assessment. The major risk early on was the volume of contaminated waste found in the PE Right-of-Way (ROW). It was much greater than assumed. He said unsuitable soil was found under the track bed that had to be over excavated. Then the extra utility work was unforeseen. OCTA believes many of the risks have been identified and dealt with, however, additional utility work can always pop-up. Jim said ground penetrating scans are being done prior to digging. He said OCTA has developed a toolbox of modified track bed designs that are a little bit shallower to deal with unforeseen utilities. Larry asked why the scans were not done before the design phase. Jim said OCTA was told ground penetrating scans would not give good results based on the soil conditions. He said OCTA is giving it a try, nonetheless. Larry asked if there is any insurance to cover the environmental damage of the spoiled soil. Jim said there is no insurance.

Mark Kizzar asked if the OC Streetcar was one of the projects committed to the taxpayers in Measure M2. Jim Beil said the OC Streetcar was funded from Measure M2 Project S, which is transit connections to Metrolink. He said cities were able to compete for the money in Project S. The City of Santa Ana in partnership with the City of Garden Grove submitted the concept as a project and Measure M funds were awarded to the cities to complete the environmental process. The cities also provided a partial funding match for this phase of work. OCTA was also able to secure a Federal Grant to help fund this project.

B. Next 10 Delivery Plan Update

Kia Mortazavi presented the M2 Next 10 Delivery Plan (Next 10 Plan) that was approved by the OCTA Board of Directors on April 12, 2020. The Next 10 Plan reassessed OCTA's ability to deliver on M2 given the current financial situation. Kia went over the purpose and work on the M2 delivery plans. He shared the many M2 accomplishments to date for each mode.

Kia shared the 2020 M2 sales tax revenue forecast of \$11.6 billion. He said the other components of M2 are scalable (or a percentage) of revenues received, but the freeway program has defined scopes. Particularly for the freeway program, costs have increased by \$244 million and \$747 million has been lost in revenue. In December, the OCTA Board considered delivery options and directed staff to continue all projects currently underway/committed. To provide another data point, the Board directed staff to wait until FY 2020-21 second quarter tax receipts were received to determine whether the long-term forecast would change. In February 2021, staff provided the Board an update on FY 2020-21 second quarter tax receipts which confirmed the fall forecast of \$11.6 billion.

In addition, OCTA has leveraged \$3.6 billion in external revenues to date. Kia talked about bonding assumptions, debt service and ending cash balances. He provided a chart showing all the freeway project schedules. Kia also provided an overview of the Next 10 Plan deliverables for Streets and Roads, Transit and Environmental Programs. For next steps, OCTA will inform the public/stakeholders, work with partners and continue to monitor risks and the changing environment. <The full presentation can be found on OCTA.net>

Committee Member Comments:

Harry Sloan asked if other streetcar projects would be eligible for M2 funds in the future. Kia Mortazavi replied that other streetcar projects would be eligible under Project S. Additionally, OCTA looks to leverage Federal Funds to help these types of projects come to fruition.

Mark Kizzar asked about the statistic of 87 percent completion of the M2 freeway program. Kia Mortazavi replied that there are 13 freeway projects and when you divide them into segments there are 30 freeway segments. He said 26 out of the 30 segments will be complete by 2030, therefore calculating to 87 percent of the freeway program being completed two-thirds of the way through the life of M2. Mark stated that the statistic is very impressive.

C. I-5 (SR-73 to El Toro Road – Project C) Update

Niall Barrett presented the I-5 South County Improvement Project. He said this project is part of Measure M2's Project C. He showed the project area and segments. Niall went over the project parameters, construction schedule, and showed photos/renderings of the project area. He showed the Pastoral Ranch Themed soundwalls for this project. OCTA worked closely with Caltrans and the cities to develop this theme. Niall talked about the project partners. He showed information on the Traffic Management Plan.

Logan Selleck provided information on the public outreach for the South County Improvement Project. He showed collateral materials used for proactive, virtual and multimedia activities. Logan provided contact information, websites, and

social media locations for the project. <The full presentation can be found on OCTA.net>

Committee Member Comments:

Chair Frank Davies asked about the status of the El Toro interchange. Niall Barrett said this is a separate project. The cities of Laguna Hills, Laguna Woods and Lake Forest are working with OCTA to come up with alternative designs that could potentially be incorporated into the environmental phase. OCTA continues to encourage cities to come up with a design that is mutually agreeable. OCTA hopes this alternative design study will be wrapped up in the next several months with a presentation to the OCTA Board of Directors in the summer.

D. Measure M2 Quarterly Progress Report (October-December 2020)

Francesca Ching presented the M2 Quarterly Progress Report for October through December 2020. Francesca provided program highlights for each component of Measure M2: Freeways, Streets and Roads, Transit, and Environmental. She said the Project Management Office continues to monitor the impacts of COVID-19, sales tax revenue receipts, market conditions, etc. <The full presentation can be found on OCTA.net>

**6. OCTA Staff Updates**

- A. Proposed Maintenance of Effort (MOE) Amendment to OCLTA Ordinance #3 – Kia Mortazavi said last year OCTA allowed cities some flexibility in adjusting their MOE due to the pandemic. This allowed cities to certify a proportional calculation of the MOE benchmark to their general fund revenue. Recently the OCTA Board agreed to extend the amendment for one more year for FY 2021-22. Everyone is optimistic for a recovery, but the pandemic is not quite over. Alice Rogan said this amendment requires a public hearing, which will be held on May 24, 2021. She said this does not require a vote of the TOC, only the OCTA Board of Directors since it does not affect the Transportation Investment Plan. Staff will come back to the TOC with the final action.
- B. Sales Tax Revenue – Sean Murdock provided an update on M2 sales tax collections through December 2020. He said OCTA receives sales tax two months in arrears. OCTA receives monthly advances, then in the second month following the end of a quarter OCTA receives a true-up payment to close-out the prior quarter. At the end of February, OCTA received the true-up payment for the quarter ending in December. Sean said the monthly advances OCTA has been receiving have not been a good indicator of how sales tax is performing and that waiting for the true-up payment is necessary to gauge what the quarter will finish at. He said the Measure M2 actuals through the second quarter of this fiscal year are \$161 million, which is down about 7.2% over the same period the prior year. Sean said this is comparing a Covid impacted year to a non-Covid impacted year. He said the good news is that OCTA is on track this year when actuals are

compared to the forecasted amount. Sean said the long-term forecast is that OCTA is on-track to collect \$11.6 billion over the life of the Measure M2 Program.

- C. I-405 Improvement Project (Project K) – Christina Byrne shared a presentation on the project. She went over the project location and key features. She said the project more than 55% complete. She showed pictures of some of the bridges within the project. The Talbert bridge is due to open at the end of April 2021. She said bridges at Bushard, McFadden and Slater are complete. OCTA expects to have 10 bridges complete by the spring of 2022. <The full presentation can be found on OCTA.net>
- D. Ordinance Compliance Matrix – Francesca Ching said recently OCTA staff completed and finalized the compliance matrix for calendar year 2020. The matrix has been provided to TOC members. She said this document shows that OCTA remains cognizant of the M2 promises made.
- E. M2 Performance Assessment – Francesca Ching said the Measure M2 Ordinance requires a performance assessment be performed every three years by an independent consultant. She said this is not a formal audit, but an evaluation of the efficiency, effectiveness, economy and program results of OCTA's delivery of Measure M2. Francesca said a procurement is currently underway for a consultant to provide the fifth performance assessment covering Fiscal Years 2019 – 2021. TOC Member Michael Pasqual has volunteered to sit on the evaluation committee for the procurement. She said the performance assessment contract remains on track to commence assessment efforts by July 2021.
- F. Upcoming Annual Hearing Overview – Alice Rogan said it is time for the Annual Public Hearing which will be held on June 8, 2021. The 30<sup>th</sup> Annual Public Hearing gives the TOC the opportunity to determine if OCTA has been proceeding in accordance with the Measure M2 Ordinance. Alice shared an outline of the meeting. The meeting will be at 6 pm versus the usual 5 pm time. Due to the pandemic and the virtual meeting format, comments need to be submitted ahead of time and will be forwarded to committee members prior to the meeting. The meeting is publicized ahead of time through newspapers, social media, etc.
- G. Staff Liaison– Alice Rogan said OCTA anticipates the committee meetings will continue to be held virtually through August 2021. The Orange County Grand Jurors Association is ready for the recruitment of new members for First, Second, Fourth and Fifth Supervisorial Districts. She encourages the TOC to let any qualified persons know about the recruitment. Applications are due May 2, 2021. Current TOC members may also reapply if an outgoing member.

## **7. Annual Eligibility Review (AER) Subcommittee Report**

Harry Sloan said the AER Subcommittee will meet next in September 2021. At that time, the subcommittee will receive and review fiscal year ending 2022 Measure M2 eligibility submittals. Upon completion of the subcommittee's review the findings will be submitted to the full TOC for consideration.

**8. Annual Audit Subcommittee Report**

Chair Frank Davies said the Audit Subcommittee met prior to this meeting and reviewed the results of agreed-upon procedure reports from selected jurisdictions ending June 30, 2020. Based on the Measure M2 audits reviewed in February 2021 the subcommittee believes OCTA is proceeding in accordance with Measure M2 Ordinance. The full TOC will make the final determination at the Annual Public Hearing on June 8, 2021. The subcommittee also reviewed changes to the agreed-upon procedures and selection of jurisdictions for the next audit. The subcommittee reviewed and agreed on the audit charter which outlines the subcommittee responsibilities. The subcommittee received a presentation on the Annual Ordinance Matrix.

**9. Environmental Oversight Committee (EOC) Report**

Dr. Pauline Merry said the EOC has not met, and she had no report at this time.

**10. Committee Member Reports**

There were no committee comments.

**11. Adjournment**

Chair Frank Davies adjourned the meeting and thanked staff for presentations and coordinating the meeting.

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

# 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		X		
						E						
Pauline Merry		X		X		E		X		X		
						T						
Joseph McCarthy		X		X		I		X		X		
						N						
Mark Kizzar		X		X		G		X		X		
Harry Sloan		X		X		C		X		X		
						A						
Tuan Nguyen		X		X		N		X		X		
						C						
Larry A. Lang		X		X		E		X		X		
						L						
Michael Pascual		X		X		L		X		*		
						E						
Jeffrey Kaplan		X		X		D		X		X		
Douglas Anderson		X		X				X		X		
Frank Davies		X		X				X		X		

### Absences Pending Approval

**Meeting Date**

April 13, 2021

**Name**

Michael Pascual

**Reason**

Family matter

# *Action Items*





**Measure M2**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**as of March 31, 2021**  
**(Unaudited)**

(\$ in thousands)	Quarter Ended Mar 31, 2021	Year to Date Mar 31, 2021	Period from Inception to Mar 31, 2021
		(A)	(B)
<b>Revenues:</b>			
Sales taxes	\$ 83,597	\$ 235,772	\$ 2,967,465
Other agencies' share of Measure M2 costs:			
Project related	3,471	27,202	755,043
Non-project related	-	-	454
Interest:			
Operating:			
Project related	941	2,674	4,834
Non-project related	2,948	11,059	95,579
Bond proceeds	3,251	7,680	81,456
Debt service	1	2	1,063
Commercial paper	-	-	393
Right-of-way leases	55	232	1,376
Proceeds on sale of assets held for resale	-	-	12,201
Donated assets held for resale			
Project related	-	-	2,071
Miscellaneous:			
Project related	-	-	311
Non-project related	-	-	100
Total revenues	<u>94,264</u>	<u>284,621</u>	<u>3,922,346</u>
<b>Expenditures:</b>			
Supplies and services:			
Sales tax administration fees	684	2,092	31,667
Professional services:			
Project related	7,905	16,643	427,995
Non-project related	899	2,307	32,977
Administration costs:			
Project related	2,561	7,680	91,190
Non-project related:			
Salaries and Benefits	1,274	2,700	30,607
Other	1,450	4,352	52,172
Other:			
Project related	60	131	5,311
Non-project related	102	130	5,149
Payments to local agencies:			
Project related	21,457	58,191	1,097,466
Capital outlay:			
Project related	46,134	171,117	1,458,158
Non-project related	-	-	31
Debt service:			
Principal payments on long-term debt	8,065	8,065	67,095
Interest on long-term debt and commercial paper	17,888	35,776	250,005
Total expenditures	<u>108,479</u>	<u>309,184</u>	<u>3,549,823</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,215)</u>	<u>(24,563)</u>	<u>372,523</u>
<b>Other financing sources (uses):</b>			
Transfers out:			
Project related	(17,375)	(78,048)	(306,353)
Transfers in:			
Project related	1,407	3,327	176,971
Bond proceeds	-	-	804,625
Payment to refunded bond escrow agent	-	-	(45,062)
Total other financing sources (uses)	(15,968)	(74,721)	630,181
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	<u>\$ (30,183)</u>	<u>\$ (99,284)</u>	<u>\$ 1,002,704</u>

**Measure M2**  
**Schedule of Calculations of Net Revenues and Net Bond Revenues (Debt Service)**  
**as of March 31, 2021**  
**(Unaudited)**

(\$ in thousands)	Quarter Ended Mar 31, 2021 (actual)	Year to Date Mar 31, 2021 (actual)	Period from Inception through Mar 31, 2021 (actual)	Period from April 1, 2021 through March 31, 2041 (forecast)	Total
	(C.1)	(D.1)	(E.1)	(F.1)	
<b>Revenues:</b>					
Sales taxes	\$ 83,597	\$ 235,772	\$ 2,967,465	\$ 8,649,744	\$ 11,617,209
Operating interest	2,948	11,059	95,579	179,202	274,781
Subtotal	<u>86,545</u>	<u>246,831</u>	<u>3,063,044</u>	<u>8,828,946</u>	<u>11,891,990</u>
Other agencies share of M2 costs	-	-	454	-	454
Miscellaneous	-	-	100	-	100
Total revenues	<u>86,545</u>	<u>246,831</u>	<u>3,063,598</u>	<u>8,828,946</u>	<u>11,892,544</u>
<b>Administrative expenditures:</b>					
Sales tax administration fees	684	2,092	31,667	92,133	123,800
Professional services	899	2,307	29,202	84,891	114,093
Administration costs:					
Salaries and Benefits	1,274	2,700	30,607	87,902	118,509
Other	1,450	4,352	52,172	152,133	204,305
Other	102	130	2,129	6,080	8,209
Capital outlay	-	-	31	-	31
Environmental cleanup	217	483	45,004	172,967	217,971
Total expenditures	<u>4,626</u>	<u>12,064</u>	<u>190,812</u>	<u>596,106</u>	<u>786,918</u>
Net revenues	<u>\$ 81,919</u>	<u>\$ 234,767</u>	<u>\$ 2,872,786</u>	<u>\$ 8,232,840</u>	<u>\$ 11,105,626</u>
	(C.2)	(D.2)	(E.2)	(F.2)	
<b>Bond revenues:</b>					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 804,625	\$ 572,988	\$ 1,377,613
Interest revenue from bond proceeds	3,251	7,680	81,456	88,163	169,619
Interest revenue from debt service funds	1	2	1,063	5,255	6,318
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>3,252</u>	<u>7,682</u>	<u>887,537</u>	<u>666,406</u>	<u>1,553,943</u>
<b>Financing expenditures and uses:</b>					
Professional services	-	-	3,775	2,005	5,780
Payment to refunded bond escrow	-	-	45,062	-	45,062
Bond debt principal	8,065	8,065	67,095	1,241,525	1,308,620
Bond debt and other interest expense	17,888	35,776	250,005	631,558	881,563
Other	-	-	3,020	-	3,020
Total financing expenditures and uses	<u>25,953</u>	<u>43,841</u>	<u>368,957</u>	<u>1,875,088</u>	<u>2,244,045</u>
Net bond revenues (debt service)	<u>\$ (22,701)</u>	<u>\$ (36,159)</u>	<u>\$ 518,580</u>	<u>\$ (1,208,682)</u>	<u>\$ (690,102)</u>

**Measure M2**  
**Schedule of Revenues and Expenditures Summary**  
**as of March 31, 2021**  
**(Unaudited)**

Project	Description	Net Revenues through Mar 31, 2021	Total Net Revenues	Expenditures through Mar 31, 2021	Reimbursements through Mar 31, 2021	Net M2 Cost
(G)	(H)	(I)	(J)	(K)	(L)	
	(\$ in thousands)					
<b>Freeways (43% of Net Revenues)</b>						
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 113,231	\$ 437,730	\$ 10,836	\$ 7,424	\$ 3,412
B	I-5 Santa Ana/SR-55 to El Toro	72,323	279,588	10,598	7,952	2,646
C	I-5 San Diego/South of El Toro	151,055	583,950	202,934	48,484	154,450
D	I-5 Santa Ana/San Diego Interchange Upgrades	62,159	240,286	2,531	527	2,004
E	SR-22 Garden Grove Freeway Access Improvements	28,910	111,761	5	-	5
F	SR-55 Costa Mesa Freeway Improvements	88,176	340,870	42,063	22,096	19,967
G	SR-57 Orange Freeway Improvements	62,325	240,938	51,420	12,429	38,991
H	SR-91 Improvements from I-5 to SR-57	33,728	130,388	34,961	824	34,137
I	SR-91 Improvements from SR-57 to SR-55	100,342	387,903	27,142	26,133	1,009
J	SR-91 Improvements from SR-55 to County Line	84,851	328,018	7,465	6,048	1,417
K	I-405 Improvements between I-605 to SR-55	258,456	999,141	874,010	129,281	744,729
L	I-405 Improvements between SR-55 to I-5	77,021	297,749	9,199	6,954	2,245
M	I-605 Freeway Access Improvements	4,818	18,627	2,349	24	2,325
N	All Freeway Service Patrol	36,138	139,701	6,052	-	6,052
	Freeway Mitigation	61,765	238,771	56,192	5,669	50,523
	Subtotal Projects	1,235,298	4,775,421	1,337,757	273,845	1,063,912
	Net (Bond Revenue)/Debt Service	-	-	63,651	-	63,651
	<b>Total Freeways</b>	<b>\$ 1,235,298</b>	<b>\$ 4,775,421</b>	<b>\$ 1,401,408</b>	<b>\$ 273,845</b>	<b>\$ 1,127,563</b>
	<b>%</b>					<b>44.0%</b>
<b>Street and Roads Projects (32% of Net Revenues)</b>						
O	Regional Capacity Program	\$ 287,283	\$ 1,110,576	\$ 784,143	\$ 506,783	\$ 277,360
P	Regional Traffic Signal Synchronization Program	114,908	444,211	77,791	8,524	69,267
Q	Local Fair Share Program	517,101	1,999,013	497,863	77	497,786
	Subtotal Projects	919,292	3,553,800	1,359,797	515,384	844,413
	Net (Bond Revenue)/Debt Service	-	-	70,698	-	70,698
	<b>Total Street and Roads Projects</b>	<b>\$ 919,292</b>	<b>\$ 3,553,800</b>	<b>\$ 1,430,495</b>	<b>\$ 515,384</b>	<b>\$ 915,111</b>
	<b>%</b>					<b>35.7%</b>

**Measure M2**  
**Schedule of Revenues and Expenditures Summary**  
**as of March 31, 2021**  
**(Unaudited)**

Project	Description	Net Revenues through Mar 31, 2021	Total Net Revenues	Expenditures through Mar 31, 2021	Reimbursements through Mar 31, 2021	Net M2 Cost
(G)	(H)	(I)	(J)	(K)	(L)	
(\$ in thousands)						
<b>Transit Projects (25% of Net Revenues)</b>						
R	High Frequency Metrolink Service	\$ 273,929	\$ 1,107,621	\$ 318,387	\$ 98,761	\$ 219,626
S	Transit Extensions to Metrolink	253,600	980,369	122,546	2,133	120,413
T	Metrolink Gateways	33,039	56,763	98,220	60,956	37,264
U	Expand Mobility Choices for Seniors and Persons with Disabilities	93,847	385,089	90,246	88	90,158
V	Community Based Transit/Circulators	57,441	222,054	13,394	1,322	12,072
W	Safe Transit Stops	6,340	24,509	1,122	26	1,096
	Subtotal Projects	718,196	2,776,405	643,915	163,286	480,629
	Net (Bond Revenue)/Debt Service	-	-	39,538	-	39,538
	<b>Total Transit Projects</b>	<b>\$ 718,196</b>	<b>\$ 2,776,405</b>	<b>\$ 683,453</b>	<b>\$ 163,286</b>	<b>\$ 520,167</b>
	<b>%</b>					<b>20.3%</b>

<b>Measure M2 Program</b>	<b>\$ 2,872,786</b>	<b>\$ 11,105,626</b>	<b>\$ 3,515,356</b>	<b>\$ 952,515</b>	<b>\$ 2,562,841</b>
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Project	Description	Revenues through Mar 31, 2021	Total Revenues	Expenditures through Mar 31, 2021	Reimbursements through Mar 31, 2021	Net M2 Cost
(G)	(H.1)	(I.1)	(J)	(K)	(L)	
(\$ in thousands)						
<b>Environmental Cleanup (2% of Revenues)</b>						
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 61,261	\$ 237,840	\$ 45,004	\$ 292	\$ 44,712
	Net (Bond Revenue)/Debt Service	-	-	-	-	-
	<b>Total Environmental Cleanup</b>	<b>\$ 61,261</b>	<b>\$ 237,840</b>	<b>\$ 45,004</b>	<b>\$ 292</b>	<b>\$ 44,712</b>
	<b>%</b>					<b>1.5%</b>

**Taxpayer Safeguards and Audits**

Collect Sales Taxes (1.5% of Sales Taxes)	\$ 44,512	\$ 174,258	\$ 31,667	\$ -	\$ 31,667
<b>%</b>					<b>1.1%</b>
Oversight and Annual Audits (1% of Revenues)	\$ 30,630	\$ 118,920	\$ 30,607	\$ -	\$ 30,607
<b>%</b>					<b>1.0%</b>

# *Presentation Items*





**June 7, 2021**

**To:** Executive Committee

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

**Subject:** Measure M2 Quarterly Progress Report for the Period of January 2021 Through March 2021

### **Overview**

Staff has prepared the Measure M2 quarterly progress report for the third quarter of fiscal year 2020-21, covering January 2021 through March 2021, as information for 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 nearly 70 percent, approved the Renewed Measure M Transportation Investment Plan (Plan) for the Measure M2 (M2) one-half-cent sales tax for transportation improvements. The Plan provides a 30-year 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 (M2 Ordinance) designates the Orange County Transportation Authority (OCTA) as responsible for administering the Plan and ensuring that OCTA's contract with the voters is followed.

OCTA is committed to fulfilling the promises made in M2. This means not only completing the projects described in the Plan but also adhering to numerous specific requirements and high standards of quality called for in the measure, as identified in the M2 Ordinance. The M2 Ordinance requires that quarterly status reports regarding the major projects detailed in the Plan be brought to the OCTA Board of Directors (Board). The Board is also provided with individual project staff reports and overall reports on the status of various capital projects by the Capital Programs Division.



***Discussion***

This quarterly report reflects current activities and progress across all M2 programs for the period of January 1, 2021 through March 31, 2021 (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. Two areas are highlighted below.

**Market Conditions Forecast and Risk Analysis**

At the Boards' direction, OCTA contracts with two local economists to monitor and analyze key early warning indicators affecting the construction market. The information is incorporated in a cost pressure index model to identify potential cost risk factors on M2 project delivery. The results of the fall analysis were presented to the Board on November 9, 2020. The report identified that OCTA may experience a low inflation cost environment (ranging negative two percent to one percent) during 2021 and 2022, followed by a more normal inflation cost environment in 2023 (ranging two to six percent).

During the quarter, the consultant team completed an update of the cost pressure index model through March 2021. The spring report indicated that OCTA could potentially experience a low inflationary cost environment (ranging negative two percent to one percent) during 2021, a minimal cost inflation (one percent to two percent) in 2022, followed by a more increasing cost environment in 2023 (ranging from six percent to 11 percent). Cost pressures have increased slightly in the most recent data and are primarily attributed to the economy reopening. Staff will continue to monitor market conditions and will provide updates to the Board as appropriate.

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

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 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. On December 14, 2020, the Board directed staff to pursue a financially prudent course of action with a proactive stance on project delivery. Given the fluidity of current events,

the Board directed staff to review fiscal year (FY) 2020-21 second-quarter sales tax revenue actuals to provide an additional financial data point prior to updating the Next 10 Plan. At the March 8, 2021 Board meeting, staff presented an update on sales tax collections through December 2020. The sales tax receipts did not materially impact the short- or long-term sales tax forecasts and reconfirmed the October 2020 forecast of \$11.6 billion.

The 2020 Next 10 Plan was presented to the Board on April 12, 2021. The update incorporated the reconfirmed \$11.6 billion sales tax revenue forecast, revised project and program cash flows, and included the fall market conditions forecast and risk analysis report. As a result of OCTA's strategic planning to date, the 2020 Next 10 Plan continues to demonstrate that the Plan remains deliverable.

#### Progress Update

The following provides an overview of M2 accomplishments to date by mode, as well as highlights of activities that occurred during the third 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, 13 project segments are complete, four 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 State Route 73 (SR-73) to El Toro Road – An update on construction activities for all three segments of the I-5 between SR-73 and the El Toro Road Project was provided to the Regional Planning and Highways (RPH) Committee on March 1, 2021, and to the Board on March 8, 2021. All three segments are anticipated to complete construction by early 2025. (Project C and Project D)
- State Route 55 (SR-55) between Interstate 405 (I-405) and I-5 – In early December 2020, the California Transportation Commission awarded OCTA \$140 million in competitive SB 1 (Chapter 5, Statutes of 2017) Trade Corridor Enhancement Program and SB 1 Local Partnership Program-Competitive funding. This infusion of external funding helped reduce the draw on M2 funds, temper the need for

additional bonding, and allowed OCTA to keep other M2 freeway projects on schedule as part of the 2020 Next 10 Plan. On January 11, 2021, the Board adopted two resolutions to formally accept the \$140 million. (Project F)

- State Route 57 (SR-57) Northbound between Orangewood Avenue and Katella Avenue – On March 8, 2021, the Board approved the release of a request for proposals for the preparation of plans, specifications, and estimates. Proposals were due on April 5, 2021, with design efforts anticipated to begin in early 2022. (Project G)
- I-405 between SR-73 and Interstate 605 – A quarterly project update was provided to the RPH Committee on January 4, 2021, and to the Board on January 11, 2021. During the quarter, the first halves of the new Fairview Road and Westminster Boulevard overcrossing bridges opened to traffic in January and February 2021, respectively. The full bridges are anticipated to be completed early next year. (Project K)
- Freeway Service Patrol (FSP) – On March 8, 2021, the Board awarded contracts for FSP services serving six areas in Orange County. OCTA contracts with private tow service firms to provide FSP services that comply with standard operating guidelines developed by the California Highway Patrol and OCTA. Through these contracts, the tow service firms provide assistance to motorists whose vehicles have become disabled on Orange County freeways and remove congestion-causing debris from traffic lanes to reduce freeway congestion and collisions. (Project N)

### **Streets and Roads**

Since 2011, approximately \$912 million has been allocated to local jurisdictions for transportation improvements through the streets and roads competitive and formula funding programs. To date, 419 project phases have been allocated through the streets and roads competitive funding programs. Of the 419 project phases, 288 phases, equating to nearly 70 percent, have been completed. Additionally, M2 provided \$149 million, a portion of the \$668.7 million total project cost, to grade-separate seven streets and rail crossings, leveraging the majority of the funds (\$519.7 million) from local, state, and federal sources.

- Regional Capacity Program (RCP) and Regional Traffic Signal Synchronization Program (RTSSP) – During the quarter, staff reviewed the 2021 RCP and RTSSP call for projects (call) applications for eligibility, consistency, and adherence to guidelines and overall program objectives. Programming recommendations for 12 projects, totaling \$28.6 million, were presented to the RPH Committee on May 3, 2021, and to the Board on May 10, 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 (\$88.1 million<sup>1</sup> to date). Key transit project activities taking place this quarter, along with updates, are highlighted below.

- **Anaheim Canyon Metrolink Station Improvements** – On March 22, 2021, the Board awarded the construction contract. The recommended firm's bid is 14.5 percent above the engineer's estimate. The engineer's analysis of the bids concluded that the higher bid may be attributed to several factors including the difficulty of construction due to site constraints, construction near an active railroad track, and high steel prices. Construction began in April 2021 and is anticipated to be completed by the end of 2022. (Project R)
- **OC Streetcar** – A quarterly update was provided to the Transit Committee on January 14, 2021, and to the Board on January 25, 2021. The update included information on the status of construction activities, vehicle manufacturing, and delivery. (Project S)
- **Community-Based Transit Circulators Program** – A ridership report was provided to the Transit Committee on January 14, 2021, and to the Board on January 25, 2021. In addition, the Board approved program revisions to address impacts related to COVID-19 by modifying the program's minimum performance requirements and service parameters to allow for the re-establishment of services. The Board also approved an annual escalation of funding within the programmed grant amount to account for inflationary adjustment. (Project V)

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<sup>1</sup> 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.

## 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.

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 the inception of the program, which is the equivalent of filling nearly 78 football fields with one-foot deep of trash.

- The 11<sup>th</sup> Tier 1 call was released on February 8, 2021, in the amount of \$2.8 million. Applications were due on May 6, 2021, and programming recommendations are anticipated to be presented to the Board in late 2021. (Project X)

Additionally, the Board previously authorized \$55 million for the EMP to acquire conservation lands, fund habitat restoration projects, and develop the Natural Community Conservation Plan/Habitat Conservation Plan. OCTA has acquired more than 1,300 acres (Preserves) 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.

- On March 8, 2021, the Board approved a consultant to provide professional environmental support for the M2 EMP with various tasks related to freeway project permitting, the Preserves, and the restoration projects.

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. OCTA has made five deposits of approximately \$2.9 million annually into the endowment; 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. As of March 31, 2021, the balance of the endowment was just over \$18 million.

## Challenges

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

- The environmental phase of the I-5/El Toro Road Interchange Project was originally anticipated to be complete by the end of 2019; however, the lack of consensus on a project alternative has delayed the completion. Built into M2 is a promise that projects would be delivered in cooperation with local agencies. As such, efforts to reach a consensus have continued with the cities of Laguna Hills, Laguna Woods, and Lake Forest, the California Department of Transportation, and OCTA. In September 2020, an assessment was initiated to analyze all alternatives. The assessment is nearing completion and an update will be presented to the Board in the summer of 2021.
- The critical, complex right-of-way (ROW) activities for the SR-55 project between I-405 and I-5 are currently underway. These property rights are needed in order to advance the project into the construction phase and are being closely monitored as the target ROW certification date is August 2021.
- The OC Streetcar Project has faced many challenges, such as unforeseen utility conflicts and conditions, contaminated materials, construction quality control, and compliance, added oversight and approvals, and an extensive number of change requests. The project supplemental contingency has been drawn down more quickly than anticipated due to these challenges. On March 22, 2021, the Board approved an additional \$15.68 million for supplemental contingency funding. The Federal Transit Administration project management oversight consultant is performing a comprehensive project risk, cost, and schedule assessment, which is anticipated to be completed later this year.

From changes in sales tax revenue forecast and traffic patterns to transit ridership and administrative processes, the COVID-19 pandemic affected all elements of M2. To grant some flexibility and help local jurisdictions manage COVID-19 impacts, the Board has approved multiple adjustments, which are detailed in Attachment B.

While recent M2 sales tax forecast updates have been relatively optimistic, the extent of recovery to pre-pandemic revenue levels in FY 2021-22 remains unclear. To assist local jurisdictions with the transition back to the pre-pandemic maintenance of effort (MOE) benchmarks, on April 12, 2021, the Board directed staff to initiate an M2 Ordinance amendment. In June 2020, the Board amended the M2 Ordinance to revise MOE requirements for FY 2019-20 and FY 2020-21

in anticipation of near-term negative general fund revenue (GFR) growth due to COVID-19. 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 jurisdictions' MOE benchmark compared to GFR, as reported in the 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. On May 24, 2021, the Board amended the M2 Ordinance to extend the revised MOE requirement for FY 2020-21 through FY 2021-22.

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

### ***Summary***

As required by the M2 Ordinance, a quarterly report covering activities from January 2021 through March 2021, 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.

### ***Attachments***

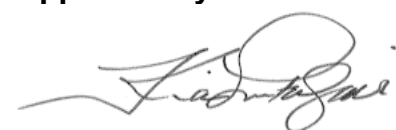
- A. Measure M2 Quarterly Progress Report, Third Quarter of Fiscal Year 2020-21, January 1, 2021 through March 31, 2021
- B. Measure M2 (M2) Adjustments Related to the Coronavirus (COVID-19) Pandemic

**Prepared by:**



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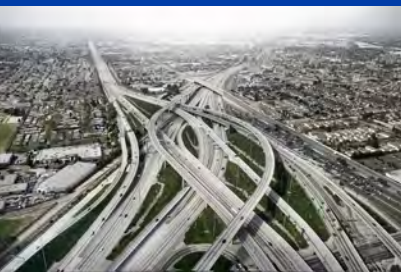


## MEASURE M2 QUARTERLY PROGRESS REPORT

Third Quarter of Fiscal Year 2020 – 21  
January 1, 2021 through March 31, 2021

### Third Quarter Highlights:

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







## MEASURE M2 PROGRESS REPORT

### SUMMARY

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

As required by the M2 Ordinance No. 3, a quarterly report covering activities from January 1, 2021, through March 31, 2021, is provided to update progress in implementing the Plan. On September 25, 2017, the Board of Directors (Board) approved externally rebranding M2 as OC Go to promote 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 installation of a debris separating baffle box, an advanced stormwater treatment system to capture trash, debris and other pollutants, in the City of Orange. This project is funded through the M2 Environmental Clean Up Program (Project X). The 11<sup>th</sup> Tier 1 call for projects was released in February 2021 to help improve overall water quality in Orange County from transportation-generated pollution.



## MEASURE M2 PROGRESS REPORT

### TABLE OF CONTENTS

Section	Project	Page
<a href="#">Common Abbreviations</a>		<a href="#">i</a>
<a href="#">Project Schedules</a>		<a href="#">iii</a>
<a href="#">M2 Delivery Risk Update</a>		<a href="#">1</a>
<a href="#">Next 10 Delivery Plan Update</a>		<a href="#">3</a>
<a href="#">Freeway Program (Projects A-N)</a>		<a href="#">8</a>
Interstate 5 (I-5) Projects	[A-D]	<a href="#">8</a>
State Route 22 (SR-22) Projects	[E]	<a href="#">12</a>
State Route 55 (SR-55) Projects	[F]	<a href="#">12</a>
State Route 57 (SR-57) Projects	[G]	<a href="#">13</a>
State Route 91 (SR-91) Projects	[H-J]	<a href="#">15</a>
Interstate 405 (I-405) Projects	[K-L]	<a href="#">18</a>
Interstate 605 (I-605) Projects	[M]	<a href="#">19</a>
Freeway Service Patrol	[N]	<a href="#">19</a>
<a href="#">Streets and Roads (Project O, P and Q)</a>		<a href="#">20</a>
Regional Capacity Program	[O]	<a href="#">20</a>
Regional Traffic Signal Synchronization Program	[P]	<a href="#">23</a>
Local Fair Share Program	[Q]	<a href="#">23</a>
<a href="#">Transit Programs (Projects R, S, T, U, V and W)</a>		<a href="#">25</a>
High Frequency Metrolink Service	[R]	<a href="#">25</a>
Transit Extensions to Metrolink	[S]	<a href="#">29</a>
Metrolink Gateways	[T]	<a href="#">30</a>
Expand Mobility Choices for Seniors and Persons with Disabilities	[U]	<a href="#">31</a>
Community Based Transit/Circulators	[V]	<a href="#">32</a>
Safe Transit Stops	[W]	<a href="#">33</a>
<a href="#">Environmental (Project X and Freeway Mitigation Program)</a>		<a href="#">34</a>
Environmental Cleanup	[X]	<a href="#">34</a>
Freeway Mitigation Program (part of Projects A - M)		<a href="#">34</a>
<a href="#">Program Management Office</a>		<a href="#">38</a>
<a href="#">M2 Financing and Schedule of Funding</a>		<a href="#">43</a>
<a href="#">Local Fair Share - M2 Funding by Agency</a>		<a href="#">51</a>
<a href="#">Capital Action Plan - Capital Project Status</a>		<a href="#">53</a>





## 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
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
Local Fair Share	LFS
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
Metrolink Service Expansion Program	MSEP
Notice to Proceed	NTP



## COMMON ABBREVIATIONS

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



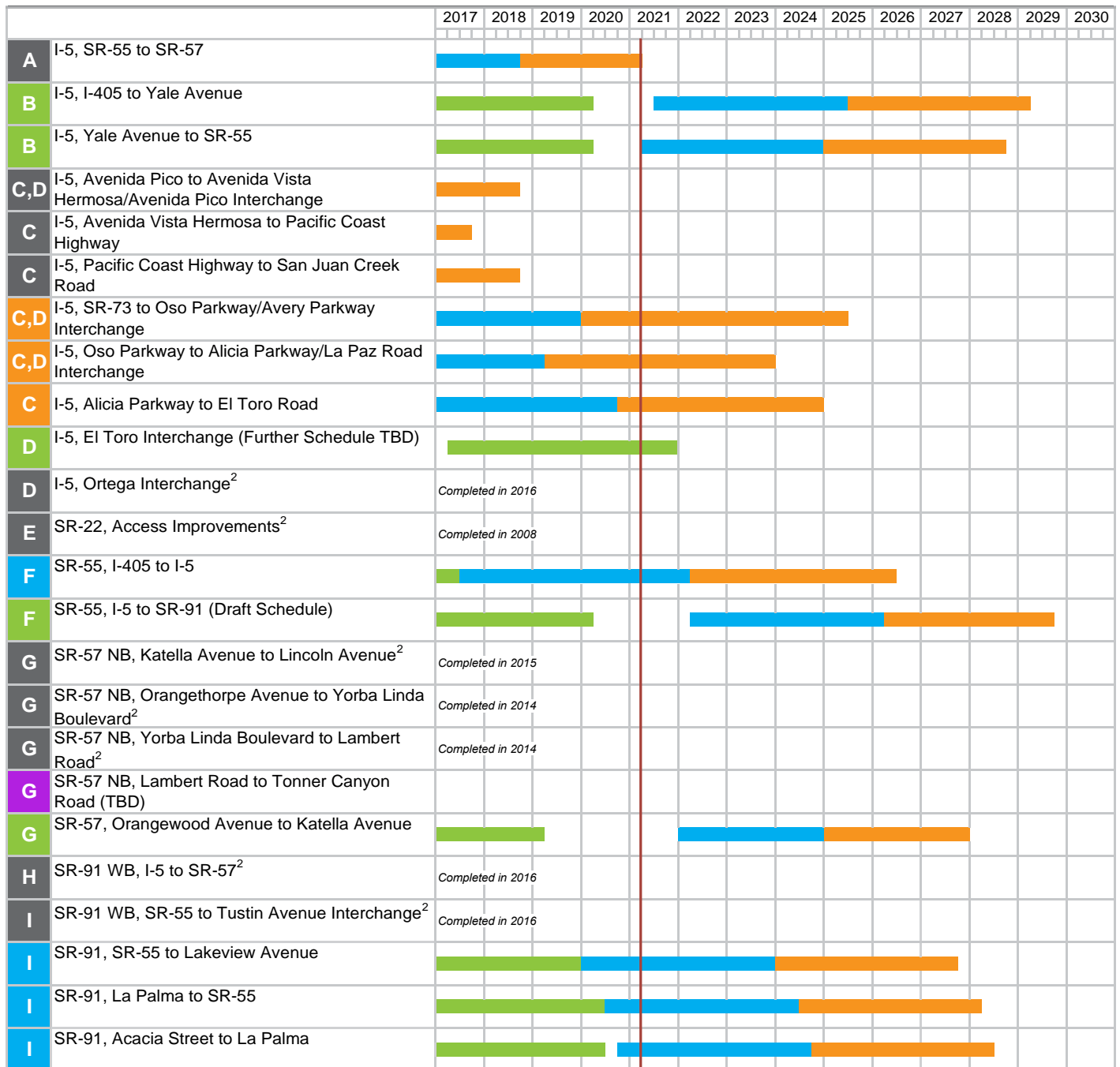
Design-Build



Construction



Complete



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

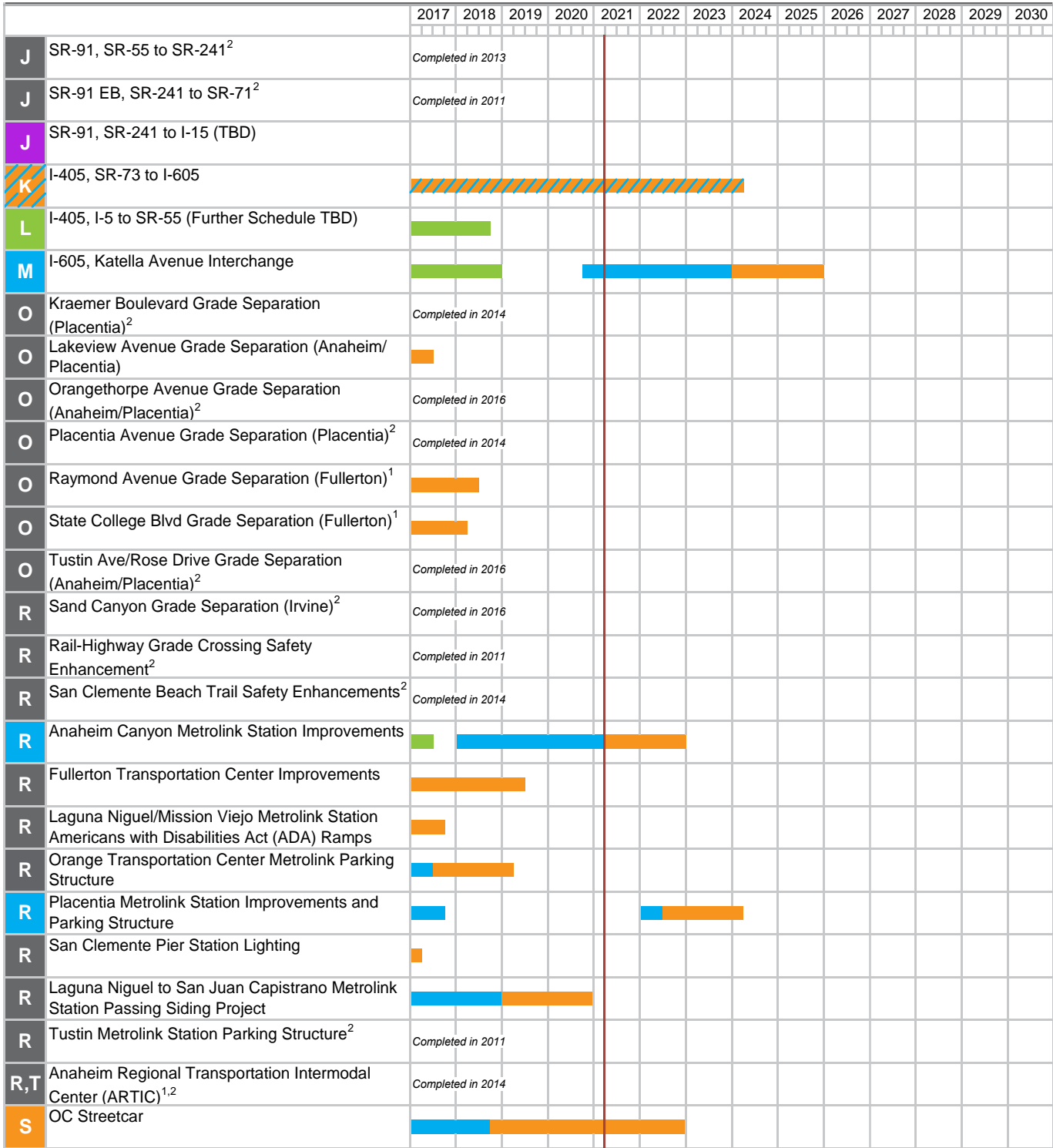
<sup>1</sup> Projects managed by local agencies

<sup>2</sup> For full project schedules, see <http://octa.net/About-OC-Go/Projects-and-Programs/#!/schedule>





## MEASURE M2 PROJECT SCHEDULES



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

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

<sup>2</sup> For full project schedules, see <http://octa.net/About-OC-Go/Projects-and-Programs/#!/schedule>



## MEASURE M2 PROGRESS REPORT

### M2 DELIVERY RISK UPDATE ▼

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

Delivery Risk		Explanation	Proposed Action
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 coronavirus (COVID-19) pandemic. If sales tax revenues continue to be lower than projects, this will further challenge delivery.	COVID-19 added risk to the M2 program sales tax revenue. The latest \$11.6 billion revenue forecast represents the lowest forecast since M2 inception.	On March 8, 2021, staff provided the Board an update on M2 sales tax revenue through the second quarter (December 2020). The update confirmed that the receipts aligned with the \$11.6 billion forecast; this forecast will be incorporated in the 2020 Next 10 Plan.
2	Inability to scale the M2 Freeway Program to available revenue and still deliver the M2 commitments.	The M2 Freeway Program includes set project scopes leaving limited flexibility in what is delivered.	OCTA will work closely with California Department of Transportation (Caltrans) to apply value engineering strategies on projects to manage costs.
3	Schedule and scope changes on critical capital projects impacting delivery and project costs.	Changes as a result of updated highway standards or issues identified in the field regularly impact scope, schedule, and costs.	OCTA will work closely with Caltrans and project contractors to limit changes in scope and schedule to a minimum.
4	Sustain Metrolink train service as an attractive alternative to driving in Orange County within the limits of available revenue.	Operational cost of Metrolink service continues to grow as the system ages, track-sharing arrangements with Burlington Northern Santa Fe (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 alleviated 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.



## MEASURE M2 PROGRESS REPORT

	Delivery Risk	Explanation	Proposed Action
5	Potential for an increasing cost environment as M2 capital projects are readied for construction.	The spring update of the Next 10 Plan Market and Conditions Forecast and Risk Analysis reflects a low cost environment in 2021, a minimal rise in inflation in 2022, and a return to a normal inflationary increase in 2023. The economic impacts from COVID-19 may cause this to change during the Next 10 Plan delivery years.	The Market Conditions Forecast and Risk Analysis report is updated biannually and provides a three-year look ahead. Highway project construction bids in the region have continued to reflect a favorable market with a high number of bidders and competitive bids priced below the engineer's estimates. Recent steel and lumber product material pricing has increased significantly due to demand, production capacity, and supply chain issues. OCTA will continue to monitor bid results and market conditions affecting project costs.
Resource			
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.	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 working with Caltrans to ensure resource needs are met.
7	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. In addition, in September 2020, OCTA initiated a project to review the organizational structure of the Operations Division.
Regulatory			
8	Changing federal and statewide 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 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.





## 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 Plan, providing guidance to staff on delivery of M2 projects and programs between 2017 and 2026. With four years of the Next 10 Plan completed to date, on December 14, 2020, the Board approved to shift the timeframe of four years to span fiscal year (FY) 2020-21 through FY 2029-30.

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 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.

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 remained consistent with the projections presented to the Board in October 2020 and that the total forecasted M2 sales tax revenues remained at \$11.6 billion.

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

The M2 Freeway Program is currently made up of 30 projects or project segments (projects). As of December 2020, 12 of the 30 projects have been completed. Deliverable 1 has been updated to include 14 of the 18 remaining projects to be delivered (or underway) within the shifted Next 10 Plan timeframe. In January 2021, the I-5 project between SR-55 and SR-57 was completed. The remaining 13 projects included in Deliverable 1 are in or nearing design and construction.



For more details, see [pages iii-iv](#) (Project Schedules) and the project updates contained in their respective sections.

Upcoming activities:

- I-5, I-405 to Yale Avenue - Award contract for design services
- SR-55, I-405 to I-5 - Award contract for construction management support services
- SR-55, I-5 to SR-91 - Release request for proposals (RFP) for design services
- SR-57, Orangewood Avenue to Katella Avenue - Release RFP for design services

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

The four remaining project segments (of the 30 total) are environmentally cleared or on track to be environmentally cleared by 2030, making them shelf-ready for further advancement. The remaining projects include Project D (I-5, El Toro Road Interchange), Project G (SR-57 Northbound from Lambert Road to Tonner Canyon Road), Project J (SR-91 between SR-241 and I-15), and Project L (I-405 between I-5 and SR-55). These projects will continue to be reevaluated annually as part of the Next 10 Plan review. The next review of the Next 10 Plan is anticipated in fall 2021. For more details, see [pages iii-iv](#) (Project Schedules) and the project updates contained in their respective sections.

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

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, approximately \$493.8 million in Local Fair Share (LFS) (Project Q) funds have been distributed to local jurisdictions.

On August 10, 2020, the Board authorized the 2021 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 May 2021. 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





## MEASURE M2 PROGRESS REPORT

### **4. Maintain Metrolink service and complete two 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.

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, which is down 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. The Next 10 Plan identified two projects to be completed by 2030: Anaheim Canyon Metrolink Station Improvement Project (construction contract was awarded in March 2021) and Placentia Metrolink Station (is ready to begin construction, however, it is contingent on a 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

### **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).**

#### OC Streetcar

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. Activities this quarter included construction of the maintenance and storage facility (MSF), utility relocation, hand digging of the overhead contact system (OCS) pole foundations, and track installation on Bristol Street in the City of Santa Ana. The first six vehicles are in static and dynamic testing and the remaining two vehicles are in various stages of production. Construction is anticipated to be completed in 2023. See [page 29](#) for more information.

#### 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. This quarter, the team completed the technical evaluation of the four bus alternatives and provided the draft evaluation report to OCTA for review. Staff reviewed the draft report and provided additional comments. The final evaluation report is anticipated to be completed in spring 2021.



## MEASURE M2 PROGRESS REPORT

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

Project U is comprised of three programs: the Senior Mobility Program (SMP), the Senior Non-Emergency Medical Transportation (SNEMT) Program, and the Fare Stabilization Program. Since 2011, these three programs have provided approximately \$88.1 million<sup>1</sup>. The SMP provides funding for local transportation services to participating cities in Orange County. Participating cities design and implement transit service that best fit 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. See [page 31](#) for more information.

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

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

Since inception, OCTA has approved 35 projects and ten planning studies totaling approximately \$52 million through four calls. The most recent Project V call was programmed by the 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, three services are active, with the remaining services suspended (or not initiated) as a result of the COVID-19 pandemic. As the State gradually reopens and social distancing requirements are lifted, local agencies have suggested that services may be reinitiated by mid-2021. During this quarter, the Board approved changes to the Project V program guidelines in order to better support these key community services in a post COVID-19 environment. Key revisions included modifying minimum performance standards and allowing for escalation in the subsidy per boarding and annual fiscal year funding caps.

Staff continues to work with local agencies through letters of interest requests, workshops, CTFP 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. For additional details and information on current program performance and service, see [page 32](#).

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

Through three calls, the Board has approved \$3.1 million to improve 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 the remaining 71 improvements funded through the second and third round call are in various stages of implementation. See [page 33](#) for more information.





## MEASURE M2 PROGRESS REPORT

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

The Freeway Environmental Mitigation Program includes seven conservation properties (Preserves) totaling more than 1,300 acres and 12 restoration projects covering about 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 M2 freeway improvement projects. The Conservation Plan also includes a streamlined process for coordination of streambed alteration agreements. In 2018, OCTA secured programmatic permits and assurances for federal and state clean water permitting requirements. Receipt of these permits 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. OCTA makes annual endowment deposits of approximately \$2.9 million. While the performance of the endowment fund will affect the time frame for full funding, current projections indicate that OCTA is on track to meet the target of \$46.2 million in FY 2027-28. As of March 31, 2021, the balance of the endowment was \$18,216,874. For more details, see the project updates on [page 34](#).

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

In May 2010, the Board approved a two-tier approach to 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.

The 11<sup>th</sup> Tier 1 call was released on February 8, 2021, in the amount of \$2.8 million. Applications are due on May 6, 2021, with programming recommendations anticipated to be presented to the Board in late 2021. Staff will continue to analyze revenues for future calls and is currently assessing the timing of a future Tier 2 call. For more details, see the project updates on [page 34](#).

#### Upcoming activities:

- Project X – Programming recommendation for the 11<sup>th</sup> Tier 1 call

## FREeways

### INTERSTATE 5 (I-5) PROJECTS ▼

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

**Status:** PROJECT COMPLETE

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



PROJECT A

**Summary:** This project added a second high-occupancy vehicle (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 and opened to traffic in August 2020. The project was officially completed on January 6, 2021 and plant establishment is anticipated to be complete in May 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.**

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

**Status:** Environmental Phase Complete; Design Proposals Under Review

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

PROJECT B

**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 in the City of Irvine. The RFP for consultant final design services was released on December 14, 2020 and closed on January 21, 2021. Staff is reviewing the proposals and will present a consultant recommendation to the Board in spring 2021. The design of this project is anticipated to begin in mid to late 2021.

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

**Status:** Environmental Phase Complete; Design Contract Awarded

**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 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. The design of this project is 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 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 a 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.

## FREWAYS

**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 - 34% 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. This quarter, the contractor completed removal of the easterly segment of the existing Avery Parkway bridge and began pile driving for the new segment of the bridge. The contractor continued work on several retaining walls in both northbound and southbound directions and began work on temporary ramp metering and fiber optic installation. 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 - 44% 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. This quarter, the contractor continued construction of several retaining walls in both directions, grading of slopes on northbound I-5, and completion of the new bridge deck structure for the northbound La Paz bridge on-ramp. In addition, the contractor began pile driving for the new northbound off-ramp bridge structure at La Paz Road over the railroad. Staff also continued coordination of the service contract with Southern California Regional Rail Authority (SCRRA)/Metrolink.

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

**Status:** Construction Underway - 3% Complete

**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 Laguna Hills, Laguna Woods, and Lake Forest. The improvements include extension of the second HOV lane between El Toro Road and Alicia Parkway in both northbound and southbound directions. The construction



## FREWAYS

contract was awarded on September 23, 2020 and the first working day was January 4, 2021. This quarter, the contractor completed clear and grub activities, relocated electrical facilities at various ramps and completed installation of temporary fiber optic facilities. Staff also continued coordination with Southern California Edison for the relocation of their existing facilities and with Caltrans on right-of-way (ROW) and utility relocations.

### PROJECT D

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

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

**Status:** PROJECT COMPLETE

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



**Summary:** 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 continued study of the alternatives for traffic, ROW, geometric and cost estimates. The City of Lake Forest also proposed a new alternative which would impact the southeast corner of the project study area. The draft final alternatives assessment was completed this quarter, however with the addition of the new alternative, a revised draft final alternatives assessment study is now anticipated to be completed in spring 2021.



## FREeways

### 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 - 99% 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 May 2021. Due to complex ROW challenges, ROW certification is anticipated to be completed by August 2021 with construction beginning in early 2022.

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. On January 11, 2021, the Board approved the revised estimate at completion of \$505 million which includes \$161.4 million in federal funds, \$80.9 million in M2 funds and \$80 million in state funds through the 2018 State Transportation Improvement Plan (STIP). In addition, Caltrans has committed \$42.7 million in State Highway Operation and Protection Program funds. During the quarter, the Board approved six resolutions of necessity and a cooperative agreement with SCRRA for construction support services.



## FREWAYS

**Segment:** SR-55, I-5 to SR-91

**Status:** Environmental Phase Complete

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

**Summary:** This project studied 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 I-5 and operational improvements between SR-22 and SR-91.

The environmental phase of the project was completed with the approval of the DSDD, the Final ED, and the Final Project Report on March 30, 2020. Release of the RFP for final design services is anticipated in mid to late 2021.

## STATE ROUTE 57 (SR-57) PROJECTS ▼

**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.

### PROJECT G



**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 Orange County/Los Angeles 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. 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.

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

**Status:** Environmental Phase Complete; RFP for Design Consultant Services Initiated

**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 Next 10 Plan to advance through construction. On March 8, 2021, the Board approved the final design cooperative agreement with Caltrans and released the RFP for consultant final design services. Proposals are due in spring 2021 and final design services are anticipated to begin in early 2022.



## FREWAYS

### 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 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 include realignment of the existing westbound SR-91 on- and off-ramps, addition of a new on-ramp from the Lakeview Avenue overcrossing bridge to connect directly to southbound SR-55, and construction of a barrier to separate westbound SR-91 from SR-55. With the proposed improvements, the existing Lakeview Avenue overcrossing bridge is anticipated to be replaced with a new bridge. The design of this project was initiated on March 30, 2020. This quarter, the design team submitted the 35 percent structures design which received approval at the type selection meeting, and continued work on geometric design and the 65 percent roadway design.

## FREeways

**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 work on geometric design, utility coordination, and obtaining the environmental permit for geotechnical borings.

**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 into the existing westbound SR-91 auxiliary lane west of State College Boulevard, and reconfiguring the westbound SR-91 to SR-57 connector to provide dedicated exits to SR-57. With the proposed improvements, the existing La Palma Avenue overcrossing bridge will be replaced with a new bridge. The design of this project was initiated on November 30, 2020. This quarter, the design team worked on obtaining permits, performing surveys, collecting existing information, and developing geometric design.

**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 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 were 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:** Riverside County Transportation Center's (RCTC) Design-Build - Initial Phase Complete on 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. In May 2020, the consultant team began work on the SR-91, SR-241 to SR-71 eastbound geometric and design alternatives analysis. The consultant conducted a value analysis workshop where various stakeholders provided feedback on conceptual alternatives. A final alternatives analysis report is anticipated to be completed by August 2021.

## FREeways

### INTERSTATE 405 (I-405) PROJECTS ▼

#### PROJECT K

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

**Status:** Design-Build Underway - 59% Complete

**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 and a second lane to be combined with the existing HOV lane to provide a dual express lanes facility, and also improve the local interchanges along the corridor from SR-73 to I-605.<sup>2</sup>

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 is under contract and working with OCTA and the design-builder. Construction on one-stage bridges (closed during 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 Harbor Boulevard and Santa Ana River 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 anticipated to be completed in early 2024.

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

**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 ED and final project report were completed in August 2018. To ensure coordination with other projects planned for construction and to avoid unreasonable impacts to the public, this project is currently scheduled to be constructed beyond the Next 10 Plan timeframe.





## FREEWAYS

### INTERSTATE 605 (I-605) PROJECTS ▼

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

**Status:** Design Phase Underway

**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 will include enhancements at the on- and off-ramps in addition to operational improvements on Katella Avenue at the I-605 Interchange. In addition, pedestrian and bicycle improvements will incorporate complete streets components, including enhanced safety for all modes of travel. The design of this project was initiated on December 28, 2020. This quarter, the design team worked on obtaining permits, performing surveys, collecting existing information, and developing geometric design.

### FREEWAY SERVICE PATROL ▼

**Status:** Service Ongoing

**Contact:** Cliff Thorne, Operations • (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 14,812 services<sup>3</sup>. Since June 2012, FSP has provided a total of 595,841<sup>3</sup> services on the Orange County freeway system.

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

## STREETS AND ROADS

### REGIONAL CAPACITY PROGRAM ▼

**Status:** 2021 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 due on October 22, 2020 and programming recommendations are anticipated to go to the Board for approval in May 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 continued work on 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 maintenance responsibilities to the cities and completed the one-year warranty in December 2015 with no issues or claims identified. Funding reimbursement and closeout have been completed.



## 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 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 maintenance 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 maintenance responsibilities to the cities and completed the one-year warranty in December 2015 with no issues or repairs identified. Funding reimbursement and closeout have been completed.



## 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 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 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 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 due on October 22, 2020 and programming recommendations are anticipated to go to the Board for approval in May 2021.

### LOCAL FAIR SHARE ▼

**Status:** Ongoing

**Contact:** Ben Torres, Finance • (714) 560-5692

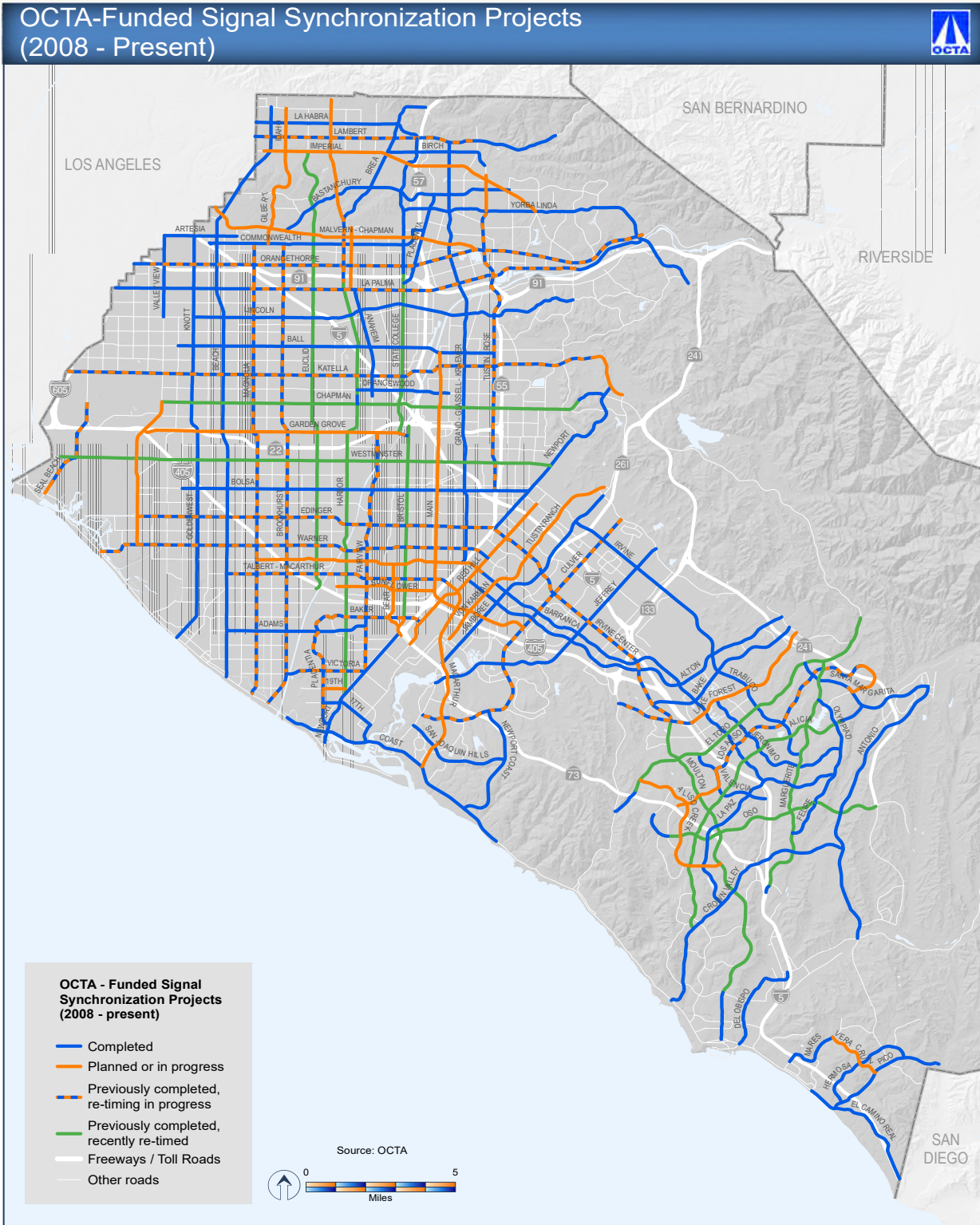
PROJECT Q

**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 LFS funds. On a monthly basis, 18 percent of net revenues are allocated to local agencies by formula. Since 2011, approximately \$493.8 million in LFS payments have been provided to local agencies as of the end of this quarter.

See [pages 51-52](#) for funding allocation by local agency.



# STREETS AND ROADS







## 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 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:** Dinah Minter, Operations • (714) 560-5740

**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.



## 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](#).

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### **Segment:** Anaheim Canyon Metrolink Station Improvements

**Status:** Construction Contract Awarded

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

**Summary:** This OCTA-led project will include the construction of a second main track and platform, lengthening of the existing platform, and improvement of pedestrian circulation. The project will also include the addition of benches, shade structures, and ticket vending machines. The project was advertised on October 26, 2020 and the Board awarded the contract on March 22, 2021. Construction of the project is anticipated to begin in April 2021 and completed 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. Construction began on March 12, 2019 and 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 Pending Execution.

**Contact:** Ross Lew, Rail • (714) 560-5775  
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 ROW, including completion of retaining walls to support bridge approaches and restoration of sidewalks and medians on Westminster Avenue. Work continued at the MSF including construction of on-site utilities, installation of the storm drainage infiltration basin, placement of slab concrete for both the main and the vehicle wash buildings, construction of the wheel-truing pit and the service and inspection pits, and installation of the perimeter block walls. The MSF construction has experienced some delays due to design of cathodic and stray current protection and procuring materials. Construction of westbound embedded track on Santa Ana Boulevard between Bristol Street and Raitt Street and between Parton Street and French Street in the City of Santa Ana are ongoing. 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.

All eight S700 vehicles are in various stages of production. 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. Dynamic testing is performed on the test track while 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 spring 2021. The vehicle manufacturer submitted a revised master schedule to reflect current progress of production and to propose a revised vehicle completion date which is currently under review. Staff coordinated with the operations and maintenance contractor on timing for the execution of the contract and the potential for a limited notice to proceed while the project completion date is being evaluated. Staff is also in negotiations regarding vehicle storage options to align the project infrastructure that is needed to accept and test the vehicles.





# TRANSIT

In March 2021, the Board approved the use of approximately \$15.7 million in additional funding to supplement the project contingency. Due to outstanding project risks and challenges encountered, a revised project cost and updated schedule is currently under review. Staff will present results of the FTA's risk analysis to the Board in late 2021 as well as propose recommendations for cost and schedule adjustments needed to complete the project.

- 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.

## METROLINK GATEWAYS ▾

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



## 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.



## TRANSIT

### 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 \$88.1 million<sup>4</sup> in Project U funding has been provided under M2.

<sup>4</sup>Payments are made every other month (January, March, May, July, September, and November). July payments are based on June accruals, and therefore counted as June payments. The amount totaled for one fiscal year quarter either covers one or two payments, depending on the months that fall within that quarter.

**Project:** Senior Mobility Program

**Status:** Ongoing

**Contact:** 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, more than \$25.5 million<sup>5</sup> and 2,477,000 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 \$924,000 was paid out to 29 of the 32 participating cities that are currently active. The remaining three cities have temporarily suspended services due to the COVID-19 pandemic.

<sup>5</sup>Only includes disbursed funds. On October 12, 2020, the Board approved a temporary exception to the SMP guidelines, which allows for OCTA to hold allocations in reserve for agencies with suspended services due to the COVID-19 pandemic. The funds will be held until the State lifts the State of Emergency or transportation services resume, whichever occurs first.

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

**Status:** Ongoing

**Contact:** 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, approximately \$27.6 million and 992,277 SNEMT boardings have been provided. This quarter, more than \$1 million in SNEMT funding was paid 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 \$1.5 million 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 1,600,000 program-related boardings recorded on fixed-route and ACCESS services, approximately \$464,000 was utilized. In early April 2020, in response to the COVID-19 pandemic, OCTA temporarily implemented rear-door boarding for passengers in an additional effort to reinforce social distancing and help ensure the health of coach operators and the public. In the latter half of September 2020, OCTA returned to front-door boarding on fixed-route services after installing protective shields. The senior and disabled boardings recorded are based off of pass sales and ACCESS boardings figures. Since inception of the program, more than \$35 million has been allocated and 122 million program-related boardings have been provided.

## COMMUNITY BASED TRANSIT/CIRCULATORS ▼

**Status:** Service Updates  
**Contact:** Joseph Alcock, Planning • (714) 560-5372

PROJECT V

**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, three are currently active; nine have been canceled (primarily due to low ridership); 20 are currently suspended (or not initiated) due to the COVID-19 pandemic, and three have been completed.

During this quarter, the Board approved changes to the Project V program guidelines in order to better support these key community services in a post COVID-19 environment. Key revisions included modifying minimum performance standards and allowing for escalation in the subsidy per boarding and annual fiscal year funding caps.





## 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 was released in February 2021 and funding recommendations to the Board are anticipated in fall 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.

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 2020 Silverado and Bond fires. The fire damage will result in an extension of the project timeline(s) in order to meet the restoration needs. It is estimated that these projects will take an additional three to four years in order to perform additional monitoring, weeding and plant seeding. OCTA will continue to coordinate with the Irvine Ranch Conservancy and the Wildlife Agencies to implement and monitor the restoration efforts. Status updates are included in the OCTA Conservation Plan annual reports and will be shared with the Board, Environmental Oversight Committee (EOC), and the public.

As part of the Conservation Plan requirement, an endowment has been established to pay for the long-term management of the Preserves. A review of the 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. In July 2020, OCTA made its fifth endowment deposit. Quarterly investment reports are provided to the Board, with the most recent one in March 2021. As of March 31, 2021, the endowment balance was \$18,216,874. The next report is anticipated to be presented to the Board in May 2021.

Staff will continue to oversee and provide endowment updates to the Finance and Administration Committee and the 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.



## ENVIRONMENTAL

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 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](http://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/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](http://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.





## PROGRAM MANAGEMENT

### PROGRAM MANAGEMENT OFFICE ▼

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

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

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### Market Conditions Forecast and Risk Analysis

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.

The 2020 fall analysis to the Board 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.

This quarter, the consultant team updated the forecasting model and shared with staff the findings. The economic recovery, as reflected in the data since the fall analysis, lead to an updated index which suggests a continued low inflationary cost environment (ranging from negative two percent to one percent) during 2021, a minimal cost inflation in 2022 (ranging from one percent to two percent), and returning to a more normal increasing cost environment in 2023 (ranging from six percent to 11 percent). The main factor for the return to a cost increase in 2023 is based on the anticipated economic recovery.





## PROGRAM MANAGEMENT

### 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. With four years of the Next 10 Plan completed to date, on December 14, 2020, the Board approved to shift the timeframe from FY 2016-17 through FY 2025-26 to FY 2020-21 through FY 2029-30. The PMO monitors the progress on the ten deliverables identified in the Next 10 Plan and provides status updates. See [pages 3-6](#).

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 latest adopted 2019 Next 10 Plan incorporates a sales tax revenue forecast of \$13.4 billion. On October 26, 2020, the final 2020 sales tax revenue forecast of \$11.6 billion was presented to the Board. This represents a year over year decline of \$1.8 billion and the lowest forecast since M2 inception. The decrease in the forecast is primarily due to the COVID-19 pandemic. To manage the impacts to M2, staff presented three options to the Board for discussion and feedback on December 14, 2020. 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. To provide an additional data point, the Board also directed staff to review the sales tax receipts through the second quarter of FY 2020-21 prior to presenting an updated Next 10 Plan.

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 remained consistent with the projections presented to the Board in October 2020 and that the total forecasted M2 sales tax revenues remained at \$11.6 billion. The updated Next 10 Plan incorporating the \$11.6 billion forecast is anticipated to be presented to the Board in April 2021.

### 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. The fifth assessment will cover the period between July 1, 2018 and June 30, 2021. Procurement efforts are currently underway 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, the 2020 update of the matrix was completed by the PMO in coordination with the responsible OCTA point of contact to ensure compliance and includes links to electronic documents verifying the response. The matrix will be shared with the Taxpayer Oversight Committee (TOC) at their next scheduled meeting on April 13, 2021 and is helpful to the TOC when determining OCTA's compliance with M2.

### 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, and 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 through December 2020 are anticipated to be completed in spring 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 a decline in statewide building permit issuance, increase in unemployment, increase in Orange County construction labor costs, and decline in 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.

## PROGRAM MANAGEMENT

During the quarter, the construction contract for the Anaheim Canyon Metrolink Station Improvements Project was awarded on March 22, 2021. The lowest, responsive, and responsible bid was 14.5 percent above the engineer's estimate. The engineer's analysis of the bids concluded that the higher bid may be attributed to difficulty of construction due to site constraints, access limitations, and construction near an active railroad track. In addition, specialized design of the shade structures and light poles to match the existing ones at the station, as well as higher steel prices, may also be attributed to the higher bid. Staff will continue to track the construction market and update the spreadsheet as appropriate.

### M2 Administrative Safeguards

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

Based on the original M2 revenue projections, OCTA expected to receive \$24.3 billion in M2 funds, with one percent of total revenues available to fund administrative salaries and benefits over the life of the program. As M2 revenue projections declined (currently \$11.6 billion or 52 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 March 2021 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 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 M2 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:

- 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 February 9, 2021 via teleconference.

At the February 9, 2021 meeting, the TOC voted unanimously to affirm that the TOC has received and filed the M2 Quarterly Revenue and Expenditure Report for December 2020. The committee received presentations on COVID-19, M2 Market Conditions Key Indicators Analysis and Forecast, I-405, SR-73 to I-605 project Funding and Schedule Update, and the Measure M2 Quarterly Progress Report for the period July to September 2020. The TOC also received staff updates on the M2 Community-Based Transit Circulators Program, I-405, SR-73 to I-605 project TIFIA Loan Reset, Measure M2 Environmental Mitigation Program, the OC Streetcar and the I-405 Improvement Project. The TOC will continue to meet via teleconference following the direction of the Board. The next meeting is scheduled to take place on April 13, 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,





## PROGRAM MANAGEMENT

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.

## 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.

## PROGRAM MANAGEMENT

Furthermore, the COVID-19 pandemic was 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 0.7 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 March 31, 2021 (Unaudited) Schedule 1

(\$ in thousands)	Quarter Ended Mar 31, 2021	Year to Date Mar 31, 2021	Period from Inception to Mar 31, 2021
		(A)	(B)
<b>Revenues:</b>			
Sales taxes	\$ 83,597	\$ 235,772	\$ 2,967,465
Other agencies' share of Measure M2 costs:			
Project related	3,471	27,202	755,043
Non-project related	-	-	454
Interest:			
Operating:			
Project related	941	2,674	4,834
Non-project related	2,948	11,059	95,579
Bond proceeds	3,251	7,680	81,456
Debt service	1	2	1,063
Commercial paper	-	-	393
Right-of-way leases	55	232	1,376
Proceeds on sale of assets held for resale	-	-	12,201
Donated assets held for resale			
Project related	-	-	2,071
Miscellaneous:			
Project related	-	-	311
Non-project related	-	-	100
Total revenues	<u>94,264</u>	<u>284,621</u>	<u>3,922,346</u>
<b>Expenditures:</b>			
Supplies and services:			
Sales tax administration fees	684	2,092	31,667
Professional services:			
Project related	7,905	16,643	427,995
Non-project related	899	2,307	32,977
Administration costs:			
Project related	2,561	7,680	91,190
Non-project related:			
Salaries and Benefits	1,274	2,700	30,607
Other	1,450	4,352	52,172
Other:			
Project related	60	131	5,311
Non-project related	102	130	5,149
Payments to local agencies:			
Project related	21,457	58,191	1,097,466
Capital outlay:			
Project related	46,134	171,117	1,458,158
Non-project related	-	-	31
Debt service:			
Principal payments on long-term debt	8,065	8,065	67,095
Interest on long-term debt and commercial paper	17,888	35,776	250,005
Total expenditures	<u>108,479</u>	<u>309,184</u>	<u>3,549,823</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,215)</u>	<u>(24,563)</u>	<u>372,523</u>
<b>Other financing sources (uses):</b>			
Transfers out:			
Project related	(17,375)	(78,048)	(306,353)
Transfers in:			
Project related	1,407	3,327	176,971
Bond proceeds	-	-	804,625
Payment to refunded bond escrow agent	-	-	(45,062)
Total other financing sources (uses)	(15,968)	(74,721)	630,181
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	<u>\$ (30,183)</u>	<u>\$ (99,284)</u>	<u>\$ 1,002,704</u>

## FINANCING

### Schedule of Revenues, Expenditures and Changes in Fund Balance as of March 31, 2021 (Unaudited) Schedule 2

(\$ in thousands)	Quarter Ended Mar 31, 2021 (actual)	Year to Date Mar 31, 2021 (actual)	Period from Inception through Mar 31, 2021 (actual)	Period from April 1, 2021 through March 31, 2041 (forecast)	Total
		(C.1)	(D.1)	(E.1)	(F.1)
<b>Revenues:</b>					
Sales taxes	\$ 83,597	\$ 235,772	\$ 2,967,465	\$ 8,649,744	\$ 11,617,209
Operating interest	2,948	11,059	95,579	179,202	274,781
Subtotal	<u>86,545</u>	<u>246,831</u>	<u>3,063,044</u>	<u>8,828,946</u>	<u>11,891,990</u>
Other agencies share of M2 costs	-	-	454	-	454
Miscellaneous	-	-	100	-	100
Total revenues	<u>86,545</u>	<u>246,831</u>	<u>3,063,598</u>	<u>8,828,946</u>	<u>11,892,544</u>
<b>Administrative expenditures:</b>					
Sales tax administration fees	684	2,092	31,667	92,133	123,800
Professional services	899	2,307	29,202	84,891	114,093
Administration costs:					
Salaries and Benefits	1,274	2,700	30,607	87,902	118,509
Other	1,450	4,352	52,172	152,133	204,305
Other	102	130	2,129	6,080	8,209
Capital outlay	-	-	31	-	31
Environmental cleanup	217	483	45,004	172,967	217,971
Total expenditures	<u>4,626</u>	<u>12,064</u>	<u>190,812</u>	<u>596,106</u>	<u>786,918</u>
Net revenues	<u>\$ 81,919</u>	<u>\$ 234,767</u>	<u>\$ 2,872,786</u>	<u>\$ 8,232,840</u>	<u>\$ 11,105,626</u>
		(C.2)	(D.2)	(E.2)	(F.2)
<b>Bond revenues:</b>					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 804,625	\$ 572,988	\$ 1,377,613
Interest revenue from bond proceeds	3,251	7,680	81,456	88,163	169,619
Interest revenue from debt service funds	1	2	1,063	5,255	6,318
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>3,252</u>	<u>7,682</u>	<u>887,537</u>	<u>666,406</u>	<u>1,553,943</u>
<b>Financing expenditures and uses:</b>					
Professional services	-	-	3,775	2,005	5,780
Payment to refunded bond escrow	-	-	45,062	-	45,062
Bond debt principal	8,065	8,065	67,095	1,241,525	1,308,620
Bond debt and other interest expense	17,888	35,776	250,005	631,558	881,563
Other	-	-	3,020	-	3,020
Total financing expenditures and uses	<u>25,953</u>	<u>43,841</u>	<u>368,957</u>	<u>1,875,088</u>	<u>2,244,045</u>
Net bond revenues (debt service)	<u>\$ (22,701)</u>	<u>\$ (36,159)</u>	<u>\$ 518,580</u>	<u>\$ (1,208,682)</u>	<u>\$ (690,102)</u>



## FINANCING

### Schedule of Revenues, Expenditures and Changes in Fund Balance as of March 31, 2021 (Unaudited) Schedule 3

Project	Description	Net Revenues through Mar 31, 2021	Total Net Revenues
(G)		(H)	(I)
(\$ in thousands)			
<b>Freeways (43% of Net Revenues)</b>			
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 113,231	\$ 437,730
B	I-5 Santa Ana/SR-55 to El Toro	72,323	279,588
C	I-5 San Diego/South of El Toro	151,055	583,950
D	I-5 Santa Ana/San Diego Interchange Upgrades	62,159	240,286
E	SR-22 Garden Grove Freeway Access Improvements	28,910	111,761
F	SR-55 Costa Mesa Freeway Improvements	88,176	340,870
G	SR-57 Orange Freeway Improvements	62,325	240,938
H	SR-91 Improvements from I-5 to SR-57	33,728	130,388
I	SR-91 Improvements from SR-57 to SR-55	100,342	387,903
J	SR-91 Improvements from SR-55 to County Line	84,851	328,018
K	I-405 Improvements between I-605 to SR-55	258,456	999,141
L	I-405 Improvements between SR-55 to I-5	77,021	297,749
M	I-605 Freeway Access Improvements	4,818	18,627
N	All Freeway Service Patrol	36,138	139,701
	Freeway Mitigation	61,765	238,771
Subtotal Projects		1,235,298	4,775,421
Net (Bond Revenue)/Debt Service		-	-
<b>Total Freeways</b>		<b>\$ 1,235,298</b>	<b>\$ 4,775,421</b>
<b>%</b>			
<b>Street and Roads Projects (32% of Net Revenues)</b>			
O	Regional Capacity Program	\$ 287,283	\$ 1,110,576
P	Regional Traffic Signal Synchronization Program	114,908	444,211
Q	Local Fair Share Program	517,101	1,999,013
Subtotal Projects		919,292	3,553,800
Net (Bond Revenue)/Debt Service		-	-
<b>Total Street and Roads Projects</b>		<b>\$ 919,292</b>	<b>\$ 3,553,800</b>
<b>%</b>			

## FINANCING

### Schedule of Revenues, Expenditures and Changes in Fund Balance as of March 31, 2021 (Unaudited) Schedule 3

Expenditures through Mar 31, 2021 (J)	Reimbursements through Mar 31, 2021 (K)	Net M2 Cost (L)
\$ 10,836	\$ 7,424	\$ 3,412
10,598	7,952	2,646
202,934	48,484	154,450
2,531	527	2,004
5	-	5
42,063	22,096	19,967
51,420	12,429	38,991
34,961	824	34,137
27,142	26,133	1,009
7,465	6,048	1,417
874,010	129,281	744,729
9,199	6,954	2,245
2,349	24	2,325
6,052	-	6,052
56,192	5,669	50,523
1,337,757	273,845	1,063,912
63,651	-	63,651
\$ 1,401,408	\$ 273,845	\$ 1,127,563
		44.0%
\$ 784,143	\$ 506,783	\$ 277,360
77,791	8,524	69,267
497,863	77	497,786
1,359,797	515,384	844,413
70,698	-	70,698
\$ 1,430,495	\$ 515,384	\$ 915,111
		35.7%

## FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of  
**March 31, 2021 (Unaudited)**  
Schedule 3

Project	Description	Net Revenues through Mar 31, 2021	Total Net Revenues
	(G)	(H)	(I)
	(\$ in thousands)		
<b>Transit Projects (25% of Net Revenues)</b>			
R	High Frequency Metrolink Service	\$ 273,929	\$ 1,107,621
S	Transit Extensions to Metrolink	253,600	980,369
T	Metrolink Gateways	33,039	56,763
U	Expand Mobility Choices for Seniors and Persons with Disabilities	93,847	385,089
V	Community Based Transit/Circulators	57,441	222,054
W	Safe Transit Stops	6,340	24,509
	Subtotal Projects	718,196	2,776,405
	Net (Bond Revenue)/Debt Service	-	-
	<b>Total Transit Projects</b>	<b>\$ 718,196</b>	<b>\$ 2,776,405</b>
	%		
<b>Environmental Cleanup (2% of Revenues)</b>			
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 61,261	\$ 237,840
	Net (Bond Revenue)/Debt Service	-	-
	<b>Total Environmental Cleanup</b>	<b>\$ 61,261</b>	<b>\$ 237,840</b>
	%		
<b>Taxpayer Safeguards and Audits</b>			
	Collect Sales Taxes (1.5% of Sales Taxes)	\$ 44,512	\$ 174,258
	%		
	Oversight and Annual Audits (1% of Revenues)	\$ 30,630	\$ 118,920
	%		

## FINANCING

### Schedule of Revenues, Expenditures and Changes in Fund Balance as of March 31, 2021 (Unaudited) Schedule 3

Expenditures through Mar 31, 2021 (J)	Reimbursements through Mar 31, 2021 (K)	Net M2 Cost (L)
318,387	\$ 98,761	\$ 219,626
122,546	2,133	120,413
98,220	60,956	37,264
90,246	88	90,158
13,394	1,322	12,072
1,122	26	1,096
643,915	163,286	480,629
39,538	-	39,538
683,453	\$ 163,286	\$ 520,167
		20.3%
45,004	\$ 292	\$ 44,712
-	-	-
45,004	\$ 292	\$ 44,712
		1.5%
31,667	\$ -	\$ 31,667
		1.1%
30,607	\$ -	\$ 30,607
		1.0%



## LOCAL FAIR SHARE

M2 Funds		
ENTITY	3RD QUARTER FY 2020-21	FUNDS TO DATE
ALISO VIEJO	\$226,484	\$6,207,543
ANAHEIM	\$1,970,962	\$51,551,051
BREA	\$325,732	\$8,921,497
BUENA PARK	\$484,973	\$13,856,188
COSTA MESA	\$838,104	\$22,742,272
CYPRESS	\$293,391	\$8,200,999
DANA POINT	\$191,890	\$5,190,382
FOUNTAIN VALLEY	\$345,372	\$9,653,135
FULLERTON	\$734,156	\$20,248,320
GARDEN GROVE	\$841,504	\$23,157,867
HUNTINGTON BEACH	\$1,095,900	\$30,288,404
IRVINE	\$1,630,959	\$42,419,598
LAGUNA BEACH	\$139,739	\$3,964,544
LAGUNA HILLS	\$188,390	\$5,297,278
LAGUNA NIGUEL	\$368,895	\$10,353,696
LAGUNA WOODS	\$70,080	\$1,978,628
LA HABRA	\$299,501	\$8,202,927
LAKE FOREST	\$454,307	\$12,357,748

## LOCAL FAIR SHARE

M2 Funds		
ENTITY	3RD QUARTER FY 2020-21	FUNDS TO DATE
LA PALMA	\$79,566	\$2,527,316
LOS ALAMITOS	\$71,182	\$2,017,435
MISSION VIEJO	\$514,658	\$14,529,945
NEWPORT BEACH	\$619,993	\$17,133,395
ORANGE	\$948,539	\$25,702,421
PLACENTIA	\$264,954	\$7,155,415
RANCHO SANTA MARGARITA	\$236,447	\$6,588,712
SAN CLEMENTE	\$322,366	\$8,771,997
SAN JUAN CAPISTRANO	\$213,771	\$5,904,773
SANTA ANA	\$1,559,376	\$43,269,932
SEAL BEACH	\$133,682	\$3,878,020
STANTON	\$165,932	\$4,641,955
TUSTIN	\$511,506	\$13,947,681
VILLA PARK	\$28,909	\$811,302
WESTMINSTER	\$473,122	\$13,299,225
YORBA LINDA	\$344,461	\$9,372,490
COUNTY UNINCORPORATED	\$1,180,105	\$29,647,985
<b>TOTAL M2 FUNDS</b>	<b>\$18,168,912</b>	<b>\$493,792,078</b>

## CAPITAL ACTION PLAN

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**Bold = Forecasted/Actual**

Capital Projects	Cost	Schedule			
	Baseline/Forecast	Plan/Forecast			
	(millions)	Begin Environmental	Begin Design	Award Contract	Complete Construction
<b>Freeway Projects:</b>					
I-5, SR-55 to SR-57	\$38.1	Jul-11	Jun-15	Dec-17	Apr-21
Project A	\$39.7	<b>Jun-11</b>	<b>Jun-15</b>	<b>Nov-18</b>	<b>Jan-21</b>
I-5, I-405 to Yale Avenue	\$230.5	May-14	TBD	TBD	TBD
Project B	\$230.5	<b>May-14</b>	Sep-21	Jul-25	Jan-29
I-5, Yale Avenue to SR-55	\$200.4	May-14	TBD	TBD	TBD
Project B	\$200.4	<b>May-14</b>	Apr-21	Feb-25	Sep-28
I-5, Pico to Vista Hermosa	\$113.0	Jun-09	Jun-11	Dec-14	Aug-18
Project C	\$83.6	<b>Jun-09</b>	<b>Jun-11</b>	<b>Dec-14</b>	<b>Aug-18</b>
I-5, Vista Hermosa to Pacific Coast Highway	\$75.6	Jun-09	Jun-11	Dec-13	Mar-17
Project C	\$75.2	<b>Jun-09</b>	<b>Jun-11</b>	<b>Jun-14</b>	<b>Jul-17</b>
I-5, Pacific Coast Highway to San Juan Creek Road	\$70.7	Jun-09	Jun-11	Oct-13	Sep-16
Project C	\$74.3	<b>Jun-09</b>	<b>Jun-11</b>	<b>Dec-13</b>	<b>Jul-18</b>
I-5, SR-73 to Oso Parkway	\$151.9	Sep-11	Mar-15	Dec-18	Apr-25
Project C & D	\$195.8	<b>Oct-11</b>	<b>Mar-15</b>	<b>Dec-19</b>	<b>Apr-25</b>
I-5, Oso Parkway to Alicia Parkway	\$196.2	Sep-11	Nov-14	Jun-18	Nov-23
Project C & D	\$203.1	<b>Oct-11</b>	<b>Nov-14</b>	<b>Mar-19</b>	<b>Dec-23</b>
I-5, Alicia Parkway to El Toro Road	\$133.6	Sep-11	Mar-15	May-19	Oct-24
Project C	\$165.9	<b>Oct-11</b>	<b>Mar-15</b>	<b>Sep-20</b>	<b>Oct-24</b>
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/El Toro Road Interchange	TBD	Apr-17	TBD	TBD	TBD
Project D <b>Cost/Schedule Risk</b>	TBD	<b>Apr-17</b>	TBD	TBD	TBD

\*Status through March 2021. For detailed project information, please refer to the individual project section within this report.



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Capital Projects	Cost Baseline/Forecast	Schedule Plan/Forecast			
	(millions)	Begin Environmental	Begin Design	Award Contract	Complete Construction
I-5, I-5/Ortega Interchange	\$90.9	Sep-05	Jan-09	Aug-12	Sep-15
Project D	\$79.8	<b>Sep-05</b>	<b>Jan-09</b>	<b>Aug-12</b>	<b>Jan-16</b>
I-5, I-5/Ortega Interchange (Landscape)	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	<b>Jan-14</b>	<b>Sep-15</b>	<b>Sep-16</b>
SR-55, I-405 to I-5	\$410.9	Feb-11	Sep-17	Jul-21	Aug-25
Project F <b>Cost/Schedule Risk</b>	\$503.2	<b>May-11</b>	<b>Sep-17</b>	<b>Apr-22</b>	<b>Apr-26</b>
SR-55, I-5 to SR-91	TBD	Dec-16	TBD	TBD	TBD
Project F	\$131.3	<b>Dec-16</b>	May-22	May-26	Jul-29
SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue	\$71.8	Apr-16	TBD	TBD	TBD
Project G	\$71.8	<b>Apr-16</b>	Jan-22	Mar-25	Oct-27
SR-57 (NB), Katella Avenue to Lincoln Avenue	\$78.7	Apr-08	Jul-08	Aug-11	Sep-14
Project G	\$38.0	<b>Apr-08</b>	<b>Aug-08</b>	<b>Oct-11</b>	<b>Apr-15</b>
SR-57 (NB), Katella Avenue to Lincoln Avenue (Landscape)	N/A	N/A	N/A	N/A	N/A
Project G	N/A	N/A	<b>May-09</b>	<b>Sep-17</b>	<b>Jun-18</b>
SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard	\$80.2	Aug-05	Feb-08	Oct-10	May-14
Project G	\$52.3	<b>Aug-05</b>	<b>Feb-08</b>	<b>Oct-10</b>	<b>Nov-14</b>
SR-57 (NB), Yorba Linda Boulevard to Lambert Road	\$79.3	Aug-05	Feb-08	Oct-10	Sep-14
Project G	\$54.1	<b>Aug-05</b>	<b>Feb-08</b>	<b>Oct-10</b>	<b>May-14</b>
SR-57 (NB), Orangethorpe Avenue to Lambert Road (Landscape)	N/A	N/A	N/A	N/A	N/A
Project G	N/A	N/A	<b>Oct-14</b>	<b>Feb-18</b>	<b>Apr-19</b>
SR-57 (NB), Lambert Road to Tonner Canyon	TBD	TBD	TBD	TBD	TBD
Project G	TBD	Sep-22	TBD	TBD	TBD

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Capital Projects	Cost	Schedule			
	Baseline/Forecast	Plan/Forecast			
	(millions)	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	<b>Jul-07</b>	<b>Mar-10</b>	<b>Jan-13</b>	<b>Jun-16</b>
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	<b>Nov-14</b>	<b>Mar-17</b>	<b>Nov-17</b>
SR-91, SR-55 to Lakeview Avenue (Segment 1)	\$100.9	Jan-15	Mar-20	Feb-24	Sep-27
Project I	\$100.9	<b>Jan-15</b>	<b>Mar-20</b>	<b>Feb-24</b>	<b>Sep-27</b>
SR-91, La Palma Avenue to SR-55 (Segment 2)	\$208.4	Jan-15	Jun-20	Jul-24	Mar-28
Project I	\$208.4	<b>Jan-15</b>	<b>Jun-20</b>	<b>Jul-24</b>	<b>Mar-28</b>
SR-91, Acacia Street to La Palma Ave (Segment 3)	\$116.2	Jan-15	TBD	TBD	TBD
Project I	\$116.2	<b>Jan-15</b>	<b>Nov-20</b>	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	<b>Jul-08</b>	<b>Jun-11</b>	<b>Oct-13</b>	<b>Jul-16</b>
SR-91, SR-55 to SR-241	\$128.4	Jul-07	Jun-09	Sep-11	Dec-12
Project J	\$79.7	<b>Jul-07</b>	<b>Apr-09</b>	<b>May-11</b>	<b>Mar-13</b>
SR-91, SR-55 to SR-241 (Landscape)	N/A	N/A	N/A	N/A	N/A
Project J	N/A	N/A	<b>May-12</b>	<b>Oct-13</b>	<b>Feb-15</b>
SR-91 Eastbound, SR-241 to SR-71	\$104.5	Mar-05	Jul-07	Jul-09	Nov-10
Project J	\$57.8	<b>Mar-05</b>	<b>Jul-07</b>	<b>Aug-09</b>	<b>Jan-11</b>
I-405, SR-55 to I-605 (Design-Build)	\$2,080.2	Mar-09	Mar-14	Nov-16	Feb-24
Project K	\$2,080.2	<b>Mar-09</b>	<b>Mar-14</b>	<b>Nov-16</b>	<b>Feb-24</b>
I-405, I-5 to SR-55	TBD	Dec-14	TBD	TBD	TBD
Project L	TBD	<b>Dec-14</b>	TBD	TBD	TBD

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Green = Forecast milestone meets or exceeds plan

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

Red = Forecast milestone is over three months later than plan

Non-bolded = Planned/Baseline

**Bold = Forecasted/Actual**

Capital Projects	Cost	Schedule			
	Baseline/Forecast	Plan/Forecast			
	(millions)	Begin Environmental	Begin Design	Award Contract	Complete Construction
I-605, I-605/Katella Interchange	\$29.0	Aug-16	TBD	Feb-24	Nov-25
Project M	\$29.0	<b>Aug-16</b>	<b>Dec-20</b>	<b>Feb-24</b>	<b>Nov-25</b>
<b>Grade Separation Projects:</b>					
Kraemer Boulevard Railroad Grade Separation	\$70.4	Jan-01	Jan-09	Aug-11	Oct-14
Project O	\$63.8	<b>Jan-01</b>	<b>Feb-09</b>	<b>Sep-11</b>	<b>Dec-14</b>
Lakeview Avenue Railroad Grade Separation	\$70.2	Jan-01	Feb-09	May-13	Mar-17
Project O	\$110.7	<b>Jan-01</b>	<b>Feb-09</b>	<b>Nov-13</b>	<b>Jun-17</b>
Orangethorpe Avenue Railroad Grade Separation	\$117.4	Jan-01	Feb-09	May-12	Sep-16
Project O	\$105.9	<b>Jan-01</b>	<b>Feb-09</b>	<b>Jan-13</b>	<b>Oct-16</b>
Placentia Avenue Railroad Grade Separation	\$78.2	Jan-01	Jan-09	Jun-11	Nov-14
Project O	\$64.5	<b>Jan-01</b>	<b>Jan-09</b>	<b>Jul-11</b>	<b>Dec-14</b>
Raymond Avenue Railroad Grade Separation	\$77.2	Feb-09	Mar-10	May-13	Aug-18
Project O	\$126.2	<b>Feb-09</b>	<b>Mar-10</b>	<b>Feb-14</b>	<b>May-18</b>
State College Boulevard Railroad Grade Separation (Fullerton)	\$73.6	Dec-08	Jul-06	May-13	May-18
Project O	\$99.6	<b>Dec-08</b>	<b>Jul-06</b>	<b>Feb-14</b>	<b>Mar-18</b>
Tustin Avenue/Rose Drive Railroad Grade Separation	\$103.0	Jan-01	Feb-09	Aug-12	May-16
Project O	\$96.6	<b>Jan-01</b>	<b>Feb-09</b>	<b>Feb-13</b>	<b>Oct-16</b>
<b>Rail and Station Projects:</b>					
Sand Canyon Avenue Railroad Grade Separation	\$55.6	N/A	Jan-04	Feb-11	May-14
Project R	\$61.9	N/A	<b>Jan-04</b>	<b>Feb-11</b>	<b>Jan-16</b>

\*Status through March 2021. For detailed project information, please refer to the individual project section within this report.

# CAPITAL ACTION PLAN



Grey = Milestone achieved

Green = Forecast milestone meets or exceeds plan

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

Red = Forecast milestone is over three months later than plan

Non-bolded = Planned/Baseline

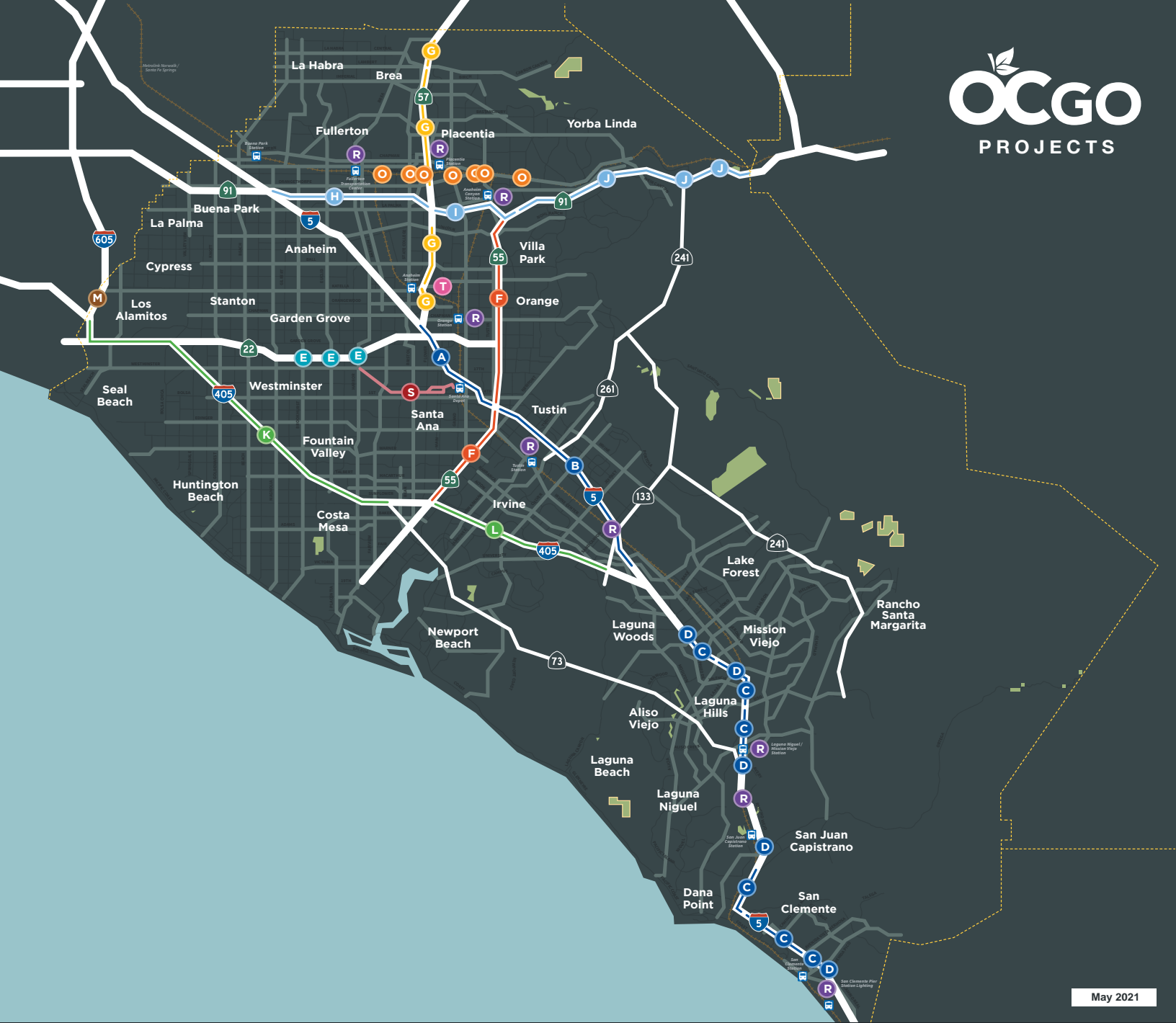
**Bold = Forecasted/Actual**

Capital Projects	Cost	Schedule			
	Baseline/Forecast	Plan/Forecast			
	(millions)	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	<b>Jan-08</b>	<b>Jan-08</b>	<b>Aug-09</b>	<b>Dec-11</b>
San Clemente Beach Trail Safety Enhancements	\$6.0	Sep-10	Feb-12	Oct-12	Jan-14
Project R	\$5.0	<b>Sep-10</b>	<b>Feb-12</b>	<b>May-13</b>	<b>Mar-14</b>
San Juan Capistrano Passing Siding	\$25.3	Aug-11	Mar-15	Dec-16	Feb-21
	\$36.4	<b>Aug-11</b>	<b>Mar-15</b>	<b>Mar-19</b>	<b>Nov-20</b>
Placentia Metrolink Station and Parking Structure	\$34.8	Jan-03	Oct-08	TBD	TBD
Project R <b>Cost/Schedule Risk</b>	\$40.1	<b>Jan-03</b>	<b>Oct-08</b>	Jun-22	Jan-24
Orange County Maintenance Facility	TBD	Apr-20	TBD	TBD	TBD
Project R	TBD	<b>Apr-20</b>	TBD	TBD	TBD
Anaheim Canyon Station	\$27.9	Jan-16	Mar-19	Nov-19	Mar-21
	\$34.2	<b>Jan-16</b>	<b>Mar-18</b>	<b>Mar-21</b>	Oct-22
Orange Station Parking Expansion	\$33.2	Dec-09	Nov-10	Nov-16	Feb-19
	\$30.9	<b>Dec-09</b>	<b>Nov-10</b>	<b>Jun-17</b>	<b>Feb-19</b>
Fullerton Transportation Center - Elevator Upgrades	\$3.5	N/A	Jan-12	Sep-14	Mar-17
	\$4.2	N/A	<b>Jan-12</b>	<b>Apr-15</b>	<b>May-19</b>
Laguna Niguel/Mission Viejo Station ADA Ramps	\$3.5	Jul-13	Jul-13	Jan-15	Apr-17
	\$5.0	<b>Jul-13</b>	<b>Jul-13</b>	<b>Oct-15</b>	<b>Sep-17</b>
Anaheim Regional Transportation Intermodal Center	\$227.4	Apr-09	Jun-09	Jul-12	Nov-14
Project R & T	\$232.2	<b>Apr-09</b>	<b>Jun-09</b>	<b>Sep-12</b>	<b>Dec-14</b>
OC Streetcar	\$424.4	Aug-09	Feb-16	Aug-18	Dec-21
Project S <b>Cost/Schedule Risk</b>	\$440.0	<b>Aug-09</b>	<b>Feb-16</b>	<b>Sep-18</b>	Oct-22

\*Status through March 2021. For detailed project information, please refer to the individual project section within this report.

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May 2021

## FREEWAY IMPROVEMENT PROGRAM (A-N)

### Interstate 5 (I-5) Projects

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

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

- E** SR-22 Access Improvements

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

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

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

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

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

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

### Interstate 405 (I-405) Projects

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

### Interstate 605 (I-605) Projects

- M** I-605 Katella Interchange Improvements

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

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

## STREETS & ROADS (O-Q)

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

## TRANSIT PROJECTS (R-W)

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

## OTHER PROJECTS NOT SHOWN

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

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

## Measure M2 (M2) Adjustments Related to the Coronavirus (COVID-19) Pandemic

Board Date	Title	Board Action	Reason
May 22, 2020	M2 Senior Mobility Program (SMP) Temporary Guideline Requirement Suspension	Approved a temporary suspension effective June 1, 2020 to May 31, 2021, of the SMP guideline requirement related to procuring third-party contracted transportation service using a competitive bidding process.	A transportation provider notified six cities that they would be discontinuing all services in Orange County, effective May 31, 2020, due to unforeseen circumstances and concerns related to the COVID-19 pandemic. The short notice left several local jurisdictions with little time to competitively procure another third-party service provider.
June 22, 2020	Amendment to M2 Ordinance No. 3 (M2 Ordinance)	Amended the M2 Ordinance to revise the maintenance of effort (MOE) requirements for fiscal year (FY) 2019-20 and FY 2020-21.	Local jurisdictions are required to meet specific requirements in order to receive M2 revenues, one of which is related to MOE. MOE is the amount local jurisdictions spend in discretionary non-transportation funds for streets and roads purposes. The intent is to ensure that M2 revenues do not supplant funding for streets and roads that a local jurisdiction was spending prior to M2. To address the anticipated near-term negative growth in general fund revenues, OCTA amended the M2 Ordinance as it relates to the MOE requirements for FY 2019-20 and FY 2020-21.
August 10, 2020	Comprehensive Transportation Funding Programs (CTFP) Semi-Annual Review (SAR) - March 2020	Approved requested project adjustments to the CTFP projects and Local Fair Share (LFS) funds and exempted certain CTFP and M2 Eligibility Guidelines to incorporate these adjustments.	The March 2020 process reviewed the status of M2 grant-funded projects and provided an opportunity for local agencies to update project information and request project modifications. In this cycle, 36 of the 77 project adjustment requests were attributed to COVID-19-related impacts.

## Measure M2 (M2) Adjustments Related to the Coronavirus (COVID-19) Pandemic

Board Date	Title	Board Action	Reason
October 12, 2020	M2 SMP Temporary Guideline Exceptions	Approved SMP guideline exceptions related to meal delivery service and held funds in reserve for local agencies with suspended services.	To continue providing services to seniors, several agencies were providing meal delivery in lieu of transporting seniors to their nutrition programs. The SMP Guidelines detail the types of senior transportation trips that are eligible for funding through the SMP. In addition, the M2 Ordinance requires that M2 net revenues be expended within three years of receipt. To provide flexibility and relief, the Board approved temporary exceptions to the SMP Guidelines to allow local agencies to continue delivering meals and held funds in reserve for local agencies that suspended their SMP services.
December 14, 2020	CTFP SAR - September 2020	Approved adjustments to CTFP projects, LFS and SMP funds, and approved cooperative agreement amendments for all active Project V services to extend grant terms for up to 24 months.	The September 2020 SAR process reviewed the status of M2 grant-funded projects and provided an opportunity for local agencies to update project information and request project modifications. In this review cycle, 40 of the 64 project adjustment requests were attributed to COVID-19-related impacts.
January 25, 2021	M2 Community-Based Transit Circulators Program Project V Ridership Report and Proposed Program Revisions	Approved Project V program revisions related to the impacts of COVID-19.	Project V services are required to adhere to established minimum performance standards. Under the current guidelines, funds are subject to cancellation if a service continues to perform below minimum performance standards. The Project V Program 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.
May 24, 2021	Amendment to M2 Ordinance	Amended the M2 Ordinance to revise the MOE requirements for FY 2021-22.	To assist local jurisdictions with the transition back to the pre-pandemic MOE benchmarks, the revised MOE requirement was extended through FY 2021-22.

# Measure M2 Quarterly Progress Report for the Period of January 2021 Through March 2021





- Highlights successes and challenges of M2 Program activities
- Reports progress on Next 10 Plan deliverables
- Provides budget and schedule information
- Includes revenue and expenditure actuals, in addition to local allocations



## ENVIRONMENTAL



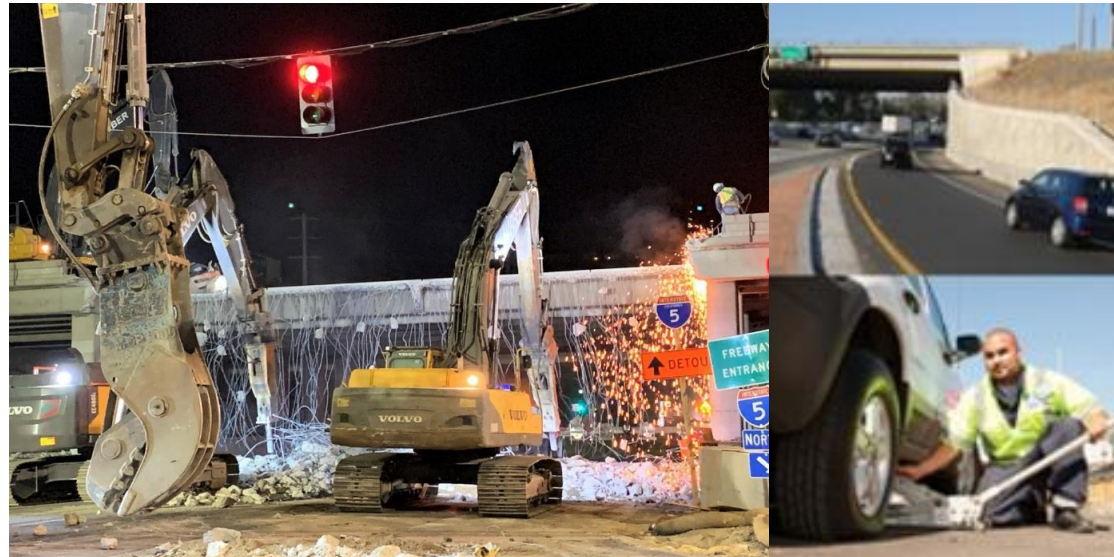
A total of 5% of OC Go Freeway Program funds is allocated to the Freeway Environmental Mitigation Program



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

# Program Highlights - Freeways

- 13 segments complete
- 4 segments in construction
- 5 segments in final design
- 8 segments under project development
- 595,841 Freeway Service Patrol motorist assists/lane clearances



# 3<sup>rd</sup> Quarter Freeway Highlights

- I-5, SR-73 to El Toro Road – All segments under construction
- SR-55, I-405 to I-5 – OCTA awarded \$140 million of state funding
- SR-57 Northbound, Orangewood Avenue to Katella Avenue – RFP for final design issued
- I-405, SR-73 to I-605 – First halves of Fairview Avenue and Westminster Boulevard overcrossing bridges opened to traffic
- Freeway Service Patrol – Awarded tow service contracts



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

OCTA – Orange County Transportation Authority  
RFP – Request for proposals  
I-605 – Interstate 605

# Program Highlights – Street and Roads

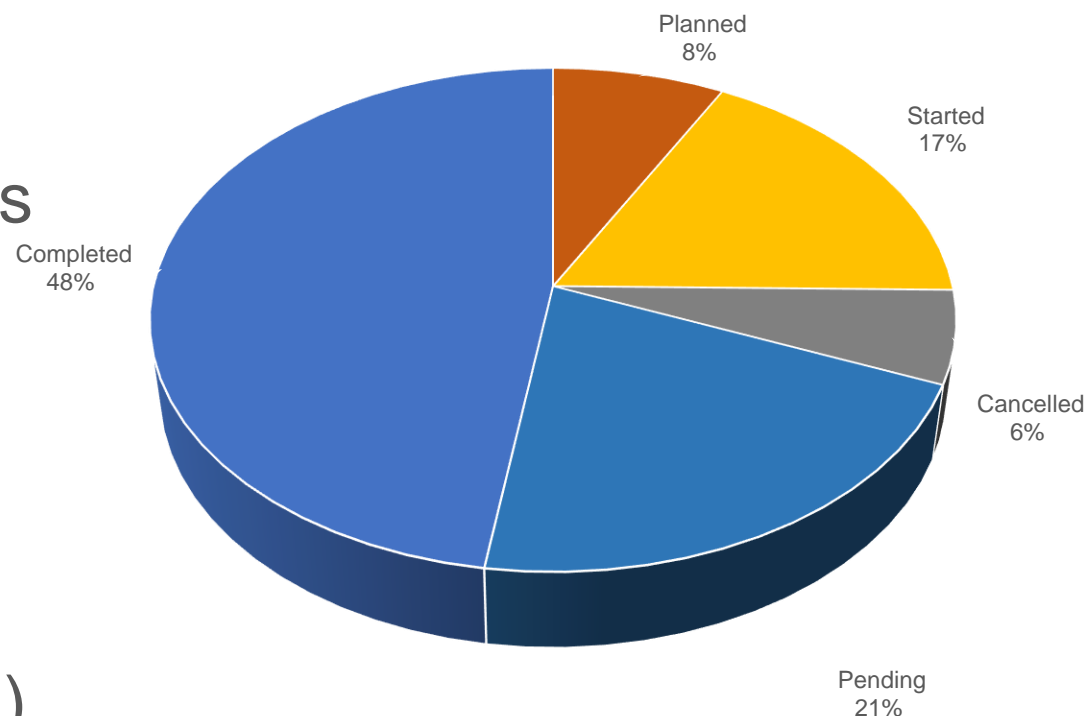
Approximately \$912 million provided to local jurisdictions to date:

- Over \$493 million in flexible funding
- 143 street capacity improvement projects
- 117 signal synchronization projects

3<sup>rd</sup> Quarter Highlights:

- Review of Project O and Project P applications for 2021 call for projects (call)

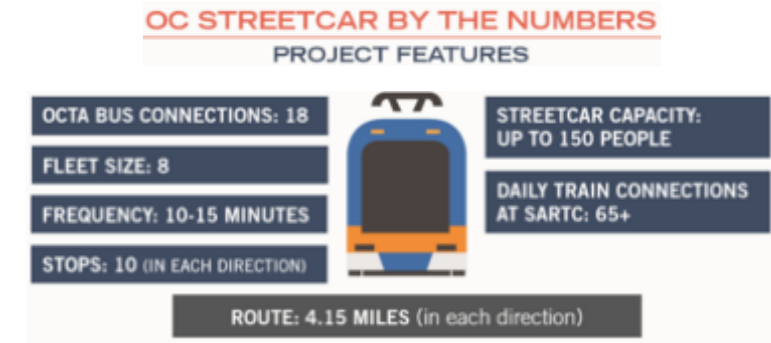
Measure M2 Streets & Roads Program Status





# Program Highlights - Transit

- Funding for Metrolink service in OC
- Station and grade crossing safety improvements
- OC Streetcar underway
- 26 community-based transit/circulators
- Customer amenities at 114 transit stops
- \$88.1 million allocated to expand mobility choices for seniors and persons with disabilities



# 3<sup>rd</sup> Quarter Transit Highlights

- Anaheim Canyon Metrolink Station Improvements - Construction contract awarded
- OC Streetcar - Project progress update
- Community-Based Transit Circulators - Revisions to program guidelines



# Program Highlights - Environmental

## Environmental Cleanup Program

- Over \$51 million allocated for 196 water quality projects
  - 33 million gallons of trash captured

## Freeway Environmental Mitigation Program

- Preserved 1,300 acres of open space and restored 350 acres of habitat
- Streamlined biological and water quality permitting for freeway projects
- Established endowment to protect mitigation properties





- Released \$2.8 million Environmental Cleanup Program Tier 1 call





- Monitor Measure M2 Program Risks and Challenges
  - COVID-19
  - Capital projects
  - Sales Tax Revenue / Next 10 Delivery Plan
  - Market Conditions Key Indicators
- Triennial Performance Assessment



- Status of Next 10 Delivery Plan progress
- Success and challenges of Measure M2 implementation
- Resource for information on all aspects of Measure M2 Transportation Investment Plan
- Transparent and fulfills Ordinance No. 3 requirements
- Available to the public via the OCTA website:  
[https://www.octa.net/About-OC-Go/OC-Go-\(2011-2041\)/Documents-and-Reports/](https://www.octa.net/About-OC-Go/OC-Go-(2011-2041)/Documents-and-Reports/)



# *Staff Update Items*







## COMMITTEE TRANSMITTAL

**May 10, 2021**

**To:** Members of the Board of Directors

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

**Subject:** Comprehensive Transportation Funding Programs – 2021 Call for Projects Programming Recommendations

### Regional Planning and Highways Committee Meeting of May 3, 2021

**Present:** Directors Bartlett, Chaffee, Delgleize, Harper, Hernandez, Muller, Murphy, and Sarmiento

**Absent:** None

### **Committee Vote**

Following the roll call vote, this item was declared passed 8-0 by the Members present.

### **Committee Recommendations**

- A. Approve the award of \$20.2 million in 2021 Measure M2 Regional Capacity Program (Project O) funds to nine projects.
- B. Approve the award of \$8.5 million in 2021 Measure M2 Regional Traffic Signal Synchronization Program (Project P) funds to three projects.



**May 3, 2021**

**To:** Regional Planning and Highways Committee

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

**Subject:** Comprehensive Transportation Funding Programs – 2021 Call for Projects Programming Recommendations

**Overview**

The Orange County Transportation Authority issued the 2021 annual Measure M2 Comprehensive Transportation Funding Programs, Regional Capacity Program, and Regional Traffic Signal Synchronization Program call for projects in August 2020. This call for projects made available up to \$30 million in Measure M2 competitive grant funding for regional roadway capacity and signal synchronization projects countywide. A list of projects recommended for funding is presented for Board of Directors' review and approval.

**Recommendations**

- A. Approve the award of \$20.2 million in 2021 Measure M2 Regional Capacity Program (Project O) funds to nine projects.
- B. Approve the award of \$8.5 million in 2021 Measure M2 Regional Traffic Signal Synchronization Program (Project P) funds to three projects.

**Background**

The Regional Capacity Program (RCP) (Project O) is the Measure M2 (M2) competitive funding program through which the Orange County Transportation Authority (OCTA) supports streets and roads capital projects to relieve congestion. The Regional Traffic Signal Synchronization Program (RTSSP) (Project P) is the M2 competitive program, which provides funding for signal synchronization projects.

Both programs are included in the Comprehensive Transportation Funding Programs (CTFP). The CTFP allocates funds through an annual competitive call for projects (call) based on a common set of guidelines and scoring criteria.

The CTFP Guidelines (Guidelines) are developed in collaboration with OCTA's Technical Advisory Committee (TAC), which includes representatives from all of Orange County's 34 cities and the County of Orange, collectively referred to as local jurisdictions, and are ultimately approved by the OCTA Board of Directors (Board). The Guidelines for the 2021 call were approved by the Board on August 10, 2020. At that meeting, the Board also authorized the issuance of the current call, making available up to \$30 million in M2 competitive funds available to support regional roadway capacity and signal synchronization projects throughout Orange County.

### ***Discussion***

#### **RCP**

OCTA received 12 applications requesting a total of \$27.2 million in RCP funds (Attachment A). Applications were reviewed for eligibility, consistency, adherence to the Guidelines, and compliance with M2 Program objectives. Applications were evaluated and ranked based on the scoring criteria identified in the approved program Guidelines. During the review process, staff worked with local jurisdictions to address technical issues, such as corrections to the applications, scope clarifications, and refinement of final project funding requests.

Based upon these reviews, one application was deemed ineligible to compete due to low traffic count volumes, and two applications from one local jurisdiction were withdrawn from consideration. All the remaining applications were deemed to be competitive and are recommended for funding. A summary of these recommendations is included in Attachment B. In total, the recommendation includes \$20.2 million (with inflationary adjustments as appropriate) in M2 funding commitments to support nine RCP project applications in the cities of Garden Grove, Irvine, Orange, Santa Ana, Yorba Linda, and the County of Orange.

Of the nine recommended projects, five will provide arterial capacity improvement benefits with engineering, right-of-way, and/or construction phase allocations, and four will provide intersection capacity enhancements with engineering and construction phase allocations. Implementation of these projects is anticipated to produce congestion-reducing benefits while also enhancing the arterial system overall, all of which are consistent with the goals outlined in the Guidelines.

**RTSSP**

OCTA received six applications through the RTSSP requesting a total of \$15.2 million in funding. Attachment A includes a summary of each of the six applications. All RTSSP applications were reviewed for eligibility, consistency, adherence to the guidelines, and overall program objectives. Staff worked with the local jurisdictions to address technical issues primarily related to construction unit cost refinements as well as project scope clarifications. Attachment C includes proposed programming recommendations per the 2021 Guidelines.

The recommended program of projects will provide \$8.5 million in programming to support three RTSSP projects. This is slightly higher than the Board's authorized funding amount of \$8 million. However, this higher programming amount provides funding to include three well-scoring projects without requiring any reduction to scope to meet the available M2 budget. Together, these projects will improve regional throughput on three key arterial roadways in the cities of Irvine, Lake Forest, and Santa Ana, as well as in several immediately adjacent communities.

Three other RTSSP applications could not be funded due to funding availability. These projects were deemed to be competitive and are encouraged to reapply in the next (or a future) call.

Finally, the table below provides a summary of the total proposed funding recommendations for the 2021 CTFP call.

2021 CTFP Call Summary (\$ in millions)			
	RCP	RTSSP	Total
Number of Applications Received	12	6	18
Funding Request	\$27.2	\$15.2	\$42.4
Number of Recommended Applications	9	3	12
Amount Recommended for Approval (escalated as appropriate)	\$20.2	\$8.5	\$28.7

These recommendations are consistent with the 2021 Guidelines approved by the Board and were approved by both the OCTA Technical Steering Committee and TAC in March 2021.

**Next Steps**

With Board approval of these recommendations, staff will initiate the execution of letter agreements between OCTA and appropriate local jurisdictions. Once



these agreements are executed, awarded local jurisdictions can proceed and will be authorized to seek M2 reimbursement for their respective eligible project costs.

***Summary***

Proposed programming recommendations for the M2 2021 RCP and RTSSP calls have been developed. Funding for 12 projects, totaling \$28.7 million in M2 funds is proposed, and Board approval of these recommendations is requested.

***Attachments***

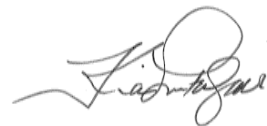
- A. 2021 Measure M2 Call for Projects - Applications Received
- B. 2021 Measure M2 Regional Capacity Program Call for Projects, Programming Recommendations
- C. 2021 Measure M2 Regional Transportation Signal Synchronization Program Call for Projects - Programming Recommendations

**Prepared by:**



Alfonso Hernandez  
Transportation Funding Analyst, Senior  
(714) 560-5363

**Approved by:**



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

## 2021 Measure M2 Call for Projects - Applications Received

2021 Regional Capacity (Project O) Submitted Applications							
Agency	Project	Fund	Phase	Match Rate	Match	Total M2 Request	Total Cost
Anaheim	Lincoln Avenue Street Widening (East Street to Evergreen Street)	ACE	C	25%	\$ 1,754,865	\$ 5,264,595	\$ 7,019,460
Brea	Kraemer Boulevard/Imperial Highway Intersection Multimodal Improvements	ICE	ENG	26%	\$ 75,000	\$ 215,000	\$ 290,000
Brea	SR-90 at SR-57 Southbound On-Ramp Project		ENG	50%	\$ 150,000	\$ 150,000	\$ 300,000
Garden Grove	Euclid Avenue-Westminster Boulevard Intersection Improvement Project	ICE	C	35%	\$ 550,594	\$ 1,022,531	\$ 1,573,125
Irvine	Jeffrey Road at Barranca Parkway Intersection Improvements	ICE	ENG	25%	\$ 62,500	\$ 187,500	\$ 250,000
Orange, City	Cannon Street Widening - Santiago Canyon Road to Serrano Avenue	ACE	ENG	25%	\$ 206,250	\$ 618,750	\$ 825,000
Orange, County	Los Patrones Parkway Extension	ACE	ENG	25%	\$ 625,000	\$ 1,875,000	\$ 2,500,000
Santa Ana	Bristol Street and Memory Lane Intersection Improvement	ICE	C	25%	\$ 351,050	\$ 1,052,950	\$ 1,404,000
Santa Ana	Fairview Street Improvements (19th Street to 16th Street)	ACE	ROW, C	79%	\$ 21,453,750	\$ 5,609,250	\$ 27,063,000
Santa Ana	Warner Avenue Improvements (Oak Street to Grand Avenue)	ACE	C	25%	\$ 3,500,500	\$ 10,501,500	\$ 14,002,000
Yorba Linda	Lakeview Avenue Widening (Bastanchury Road to Oriente Drive)	ACE	C	25%	\$ 163,961	\$ 491,884	\$ 655,845
Yorba Linda	Yorba Linda Boulevard Widening Project (Imperial Highway and Lakeview Avenue)	ICE	ENG	50%	\$ 229,379	\$ 229,379	\$ 458,758
<b>REQUESTED TOTALS</b>					<b>\$ 29,122,849</b>	<b>\$ 27,218,339</b>	<b>\$ 56,341,188</b>

2021 Regional Traffic Signal Synchronization Program (Project P) Submitted Applications							
Agency	Project	Fund	Signals	Match Rate	Match	Total M2 Request	Total Cost
Irvine	Alton Parkway RTSSP	RTSSP	50	20%	\$ 782,341	\$ 3,129,362	\$ 3,911,703
Laguna Niguel	Crown Valley Parkway - Pacific Coast Highway RTSSP	RTSSP	45	20%	\$ 657,216	\$ 2,628,866	\$ 3,286,082
Lake Forest	Portola Parkway/Santa Margarita Parkway TSSP	RTSSP	31	20%	\$ 564,070	\$ 2,256,278	\$ 2,820,348
Lake Forest	Rockfield Boulevard	RTSSP	12	20%	\$ 178,928	\$ 715,711	\$ 894,639
Santa Ana	First Street/Bolsa Avenue Regional Traffic Signal Synchronization	RTSSP	55	20%	\$ 757,920	\$ 3,031,680	\$ 3,789,600
Yorba Linda	Yorba Linda Boulevard Weir Canyon Road Corridor	RTSSP	47	20%	\$ 863,230	\$ 3,452,920	\$ 4,316,150
<b>REQUESTED TOTALS</b>					<b>\$ 3,803,704</b>	<b>\$ 15,214,818</b>	<b>\$ 19,018,522</b>

### Acronyms:

ACE - Arterial Capacity Enhancements  
C - Construction  
ICE - Intersection Capacity Enhancements  
ENG - Engineering  
FAST - Freeway Arterial/Streets Transitions  
M2 - Measure M2  
ROW - Right-of-Way  
RTSSP - Regional Traffic Signal Synchronization Program  
SR-57 - State Route 57  
SR-90 - State Route 90  
TSSP - Traffic Signal Synchronization Program

**2021 Measure M2 Regional Capacity Program Call for Projects  
Programming Recommendations**

Agency	Fiscal Year	Project	Score	Fund	M2 Amount Engineering	M2 Amount ROW	M2 Amount Construction*	Total M2 Amount	Match	Totals	Match Rate
Santa Ana	21/22	Fairview Street Improvements (9th Street to 16th Street)	70	ACE	\$ -	\$ 1,937,250	\$ -	\$ 1,937,250	\$ 645,750	\$ 2,583,000	25%
	22/23				\$ -	\$ -	\$ 3,721,590	\$ 3,721,590	\$ 21,089,012	\$ 24,810,603	85%
Santa Ana	21/22	Warner Avenue Improvements- (Oak Street to Grand Avenue)	64	ACE	\$ -	\$ -	\$ 9,076,305	\$ 9,076,305	\$ 3,025,435	\$ 12,101,740	25%
Orange, City	21/22	Cannon Street Widening - Santiago Canyon Road to Serrano Avenue	62	ACE	\$ 618,750	\$ -	\$ -	\$ 618,750	\$ 206,250	\$ 825,000	25%
Garden Grove	21/22	Euclid-Westminster Intersection Improvement Project	54	ICE	\$ -	\$ -	\$ 1,022,531	\$ 1,022,531	\$ 550,594	\$ 1,573,125	35%
Santa Ana	21/22	Bristol Street at Memory Lane Intersection Improvement	49	ICE	\$ -	\$ -	\$ 1,012,500	\$ 1,012,500	\$ 337,500	\$ 1,350,000	25%
Yorba Linda	21/22	Yorba Linda Boulevard Widening Project (Imperial Highway to Lakeview Avenue)	46	ICE	\$ 229,378	\$ -	\$ -	\$ 229,378	\$ 229,379	\$ 458,757	50%
Orange, County	21/22	Los Patrones Parkway Extension	41	ACE	\$ 1,875,000	\$ -	\$ -	\$ 1,875,000	\$ 625,000	\$ 2,500,000	25%
Yorba Linda <sup>1</sup>	21/22	Lakeview Avenue Widening (Bastanchury Road to Oriente Drive)	38	ACE	\$ -	\$ -	\$ 479,462	\$ 479,462	\$ 159,831	\$ 639,293	25%
Irvine <sup>1</sup>	21/22	Jeffrey Road at Barranca Parkway Intersection Improvements	33	ICE	\$ 75,000	\$ -	\$ -	\$ 75,000	\$ 25,000	\$ 100,000	25%
	22/23				\$ 112,500	\$ -	\$ -	\$ 112,500	\$ 37,500	\$ 150,000	25%
		PROGRAMMING TOTALS			\$ 2,910,628	\$ 1,937,250	\$ 15,312,388	\$ 20,160,266	\$ 26,931,251	\$ 47,091,518	

**UNFUNDED (Ineligible - Does Not Meet Project O Eligibility Requirements Based Upon Current Traffic Counts)**

Agency	Fiscal Year	Project	Score	Fund	M2 Amount - Engineering	M2 Amount - ROW*	M2 Amount - Construction*	Total M2 Amount	Match	Totals	Match Rate
Anaheim	21/22	Lincoln Avenue Street Widening (East Street to Evergreen Street)	N/A	ACE	\$ -	\$ -	\$ 4,350,419	\$ 4,350,419	\$ 2,347,822	\$ 6,698,241	35%
<b>UNFUNDED TOTALS</b>					\$ -	\$ -	\$ 4,350,419	\$ 4,350,419	\$ 2,347,822	\$ 6,698,241	

<sup>1</sup> These projects are considered conditionally eligible based upon their level of service (LOS) being below LOS D, but above .71. Per the Comprehensive Transportation Funding Programs Guidelines, if it is determined that additional programming capacity exists after all eligible projects with LOS D have been funded, consideration of projects with a minimum LOS .71 may be undertaken.

Acronyms:

ACE - Arterial Capacity Enhancements  
ICE - Intersection Capacity Enhancements  
Measure M2 - M2  
ROW - Right-of-Way  
N/A - Not Applicable

\*Includes escalation amounts for applicable construction projects - rate of 3.1% for applicable projects programmed in fiscal year 2022-23.

**2021 Measure M2 Regional Transportation Signal Synchronization Program Call for Projects - Programming Recommendations**

Agency	Fiscal Year	Project Title	Score	M2 Amount - Primary Implementation	M2 Amount - Operations & Maintenance	Total M2 Amount	Match	Total	Match Rate
Lake Forest	21/22	Portola Parkway/Santa Margarita Parkway TSSP	75	\$ 2,138,998	\$ 163,200	\$ 2,302,198	\$ 575,550	\$ 2,877,748	20%
Santa Ana	21/22	First Street/ Bolsa Avenue Regional Traffic Signal Synchronization	71	\$ 2,972,712	\$ 124,800	\$ 3,097,512	\$ 774,378	\$ 3,871,890	20%
Irvine	21/22	Alton Parkway RTSSP	67	\$ 2,819,350	\$ 218,880	\$ 3,038,230	\$ 759,557	\$ 3,797,787	20%
<b>TOTALS</b>				\$ 7,931,060	\$ 506,880	\$ 8,437,940	\$ 2,109,485	\$ 10,547,425	

**UNFUNDED (Eligible Projects Exceeding Total Amount Available for Call for Projects)**

Agency	Fiscal Year	Project Title	Score	M2 Amount - Primary Implementation	M2 Amount - Operations & Maintenance	Total M2 Amount	Match	Total	Match Rate
Laguna Niguel	21/22	Crown Valley Parkway - Pacific Coast Highway RTSSP	65	\$ 2,698,512	\$ 142,760	\$ 2,841,272	\$ 710,318	\$ 3,551,590	20%
Yorba Linda	21/22	Yorba Linda Boulevard Weir Canyon Road Corridor	62	\$ 3,337,000	\$ 161,280	\$ 3,498,280	\$ 874,570	\$ 4,372,850	20%
Lake Forest	21/22	Rockfield Boulevard	26	\$ 679,879	\$ 28,800	\$ 708,679	\$ 177,170	\$ 885,849	20%
<b>TOTALS</b>				\$ 6,715,391	\$ 332,840	\$ 7,048,231	\$ 1,762,058	\$ 8,810,289	

Acronyms:

TSSP - Traffic Signal Synchronization Program

RTSSP - Regional Traffic Signal Synchronization Program


Measure M2 - M2





**May 24, 2021**

**To:** Members of the Board of Directors

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

**Subject:** Public Hearing to Amend the Orange County Local Transportation Authority Measure M2 Ordinance No. 3

### **Overview**

On April 12, 2021, the Board of Directors directed staff to initiate the process to amend Orange County Local Transportation Authority Measure M2 Ordinance No. 3. The amendment will extend the temporary change to the maintenance of effort requirements for an additional year through fiscal year 2021-22 to assist local jurisdictions with the transition back to the pre-pandemic maintenance of effort benchmarks. The amendment process calls for a public hearing before the adoption of the proposed amendment.

### **Recommendations**

- A. Amend the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 to extend the fiscal year 2020-21 revised maintenance of effort requirements through fiscal year 2021-22 to assist local jurisdictions with the transition back to the pre-pandemic maintenance of effort benchmarks.
- B. Direct staff to provide written notice of the amendment to local jurisdictions.

### **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.

Annually, 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 spending prior to M2. This MOE requirement is tied to the state law that authorizes local sales tax measures.

The M2 Ordinance allows for amendments for unforeseen circumstances, which is noted and further discussed in Section 12 of the M2 Ordinance (Attachment A). Specific procedures for amendments were established by the Board of Directors (Board) with the original Measure M and have continued with M2. Under the current circumstances, amendments to the M2 Ordinance require a two-thirds vote from the Board, as well as a public hearing and notification process.

In June 2020, the Board approved an amendment to the M2 Ordinance to revise MOE requirements for fiscal year (FY) 2019-20 and FY 2020-21 in anticipation of near-term negative GFR 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.

While the financial impacts of the COVID-19 pandemic appear to be subsiding, local jurisdictions may continue to have challenges balancing near-term financial obligations, including meeting the MOE requirement.

### ***Discussion***

While recent M2 sales tax revenue forecast updates are relatively optimistic, the extent of recovery to pre-pandemic revenue levels in FY 2021-22 remains unclear. Accordingly, the local jurisdictions may be challenged with satisfying the MOE requirement for FY 2021-22 without some flexibility from OCTA. The amendment will allow local jurisdictions to certify an MOE based on a proportional amount of their FY 2021-22 budget. The proportion is calculated using the local jurisdiction's MOE benchmark relative to their FY 2018-19 GFR.

Section 6 of the M2 Ordinance and Section III of Attachment B to the M2 Ordinance outlines the requirements that local jurisdictions must meet to receive M2 revenues. This includes the submittal of 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.

The timing for these required submittals will not be affected by the proposed M2 Ordinance amendment.

#### Notification Process

On April 12, 2021, staff presented the proposed amendment (Attachment B) and the Board directed staff to notify the public and schedule a public hearing in accordance with the M2 amendment procedures. The required notification to Orange County city councils and the Board of Supervisors was distributed the week of April 12, 2021 (Attachment C). Notices were also published in the Orange County Register (April 18, 2021), Excelsior (April 16, 2021), and Nguoi Viet (April 16, 2021) (Attachment D). OCTA staff also presented information on the proposed amendment to the M2 Taxpayer Oversight Committee on April 13, 2021 and to the Technical Advisory Committee on April 28, 2021.

The M2 Ordinance amendment is intended to create a balanced countywide policy for all jurisdictions. Generally, local jurisdictions and key stakeholders are supportive of the amendment. As of the writing of this staff report, OCTA has not received any other notable comments regarding to the proposed amendment. If the Board approves the amendment, a notification letter will be sent to local jurisdictions (Attachment E), and the amendment will become effective in 45 days.

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 to assist with the transition back to the MOE benchmark requirement. The MOE benchmark as well as the MOE proportional calculation for each city is included as Attachment F. This MOE proportional calculation option is not expected to be extended further, and the MOE will revert to the benchmark in FY 2022-23.

***Summary***

On April 12, 2021, the Board directed staff to initiate the process to amend the M2 Ordinance. The amendment will modify the MOE requirements for FY 2021-22 while upholding the legislative intent of the M2 Ordinance. The proposed amendment is presented for input and approval.

***Attachments***

- A. Process to Amend the Renewed Measure M Transportation Investment Plan and Ordinance No. 3 Language Excerpt, Pages 6-7
- B. Proposed Orange County Local Transportation Authority Ordinance No. 3, Maintenance of Effort Requirements Excerpt, Section 6, Page 3
- C. Letter to Orange County Mayors, From Andrew Do, Chairman, Dated April 13, 2021
- D. California Newspaper Service Bureau, Daily Journal Corporation
- E. Draft Letter to Orange County Mayors/Supervisors, From Andrew Do, Chairman, Dated May 24, 2021
- F. FY 2021-22 MOE Benchmark by Local Jurisdiction

**Prepared by:**



Adriann Cardoso  
Department Manager,  
Capital Programming  
(714) 560-5915

**Prepared by:**



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

**Approved by:**



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



**PROCESS TO AMEND THE  
RENEWED MEASURE M TRANSPORTATION INVESTMENT PLAN  
AND ORDINANCE NO. 3 LANGUAGE EXCERPT  
Pages 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.

**ATTACHMENT B**

**Proposed Orange County Local Transportation Authority  
Ordinance No. 3  
Maintenance of Effort Requirements Excerpt  
Section 6, Page 3**

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**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, FY 2020-21, and FY 2021-22 to meet original MOE levels.

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## AFFILIATED AGENCIES

Orange County  
Transit District

Local Transportation  
Authority

Service Authority for  
Freeway Emergencies

Consolidated Transportation  
Service Agency

Congestion Management  
Agency

April 13, 2021

Dear Orange County Mayors:

On April 12, 2021, the Orange County Transportation Authority (OCTA) Board of Directors (Board) directed staff to initiate the process to amend the Orange County Measure M2 (M2) Ordinance No. 3 (Ordinance) due to the coronavirus (COVID-19) pandemic. The OCTA Board previously approved an M2 Ordinance amendment in June 2020 to the maintenance of effort (MOE) requirement for fiscal year (FY) 2019-20 and FY 2020-21 to provide flexibility for local jurisdictions. The amendment being initiated will extend the revised MOE requirement for FY 2020-21 into FY 2021-22.

OCTA is committed to upholding the intent of the M2 Ordinance and the promises to the voters. One of the M2 Ordinance requirements for local jurisdictions to receive net M2 funding pertains to MOE. MOE is a minimum level of spending of local discretionary or general fund revenues for streets and roads purposes. The intent is to ensure M2 revenues are used to supplement and not supplant existing revenues.

OCTA recognizes that local jurisdictions may continue to experience uncertainties in general fund revenues due to COVID-19, which could impact their ability to meet the MOE requirement. Through this amendment, OCTA will continue to balance the responsibility to uphold commitments to the taxpayers while providing flexibility to local jurisdictions.

The M2 Ordinance allows for amendments due to unforeseen circumstances. The process calls for a notification to local jurisdictions, a public review period, and approval by two-thirds vote from the Board. This amendment will be considered at a public hearing scheduled for the May 24, 2021, OCTA Board meeting. An excerpt of the M2 Ordinance with the proposed amendment language is enclosed for your review. The public review period for the proposed amendment is now open and the OCTA Board is seeking your comments.

The public is invited to submit written comments with respect to the amendment on or before Wednesday, May 19, 2021. Written comments may be addressed to OCTA Clerk of the Board:

April 13, 2021  
Page 2

Andrea West  
Interim Clerk of the Board  
Orange County Transportation Authority  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584  
Telephone (714) 560-5676  
or  
boardofdirectors@octa.net

The April 12, 2021 staff report and public hearing notice is available on the OCTA website:

<https://octa.net/About-OCTA/Board-Calendar/NOTICE-OF-PUBLIC-HEARING-M2-Ordinance-Amendment-2021/>

If you have any questions or would like to submit your comments directly, please contact Kia Mortazavi, Executive Director, Planning, at (714) 560-5741 or [kmortazavi@octa.net](mailto:kmortazavi@octa.net).

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew Do", with a large, stylized initial "A".

Andrew Do  
Chairman

AD:ac  
Attachment

c: Board of Directors  
Executive Staff  
Members, Orange County City Councils  
Orange County City Managers  
Members, Measure M Taxpayer Oversight Committee



**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.

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Sara Meisenheimer  
 OCTA/CLERK OF THE BOARD  
 550 S MAIN ST PO BOX 14184  
 ORANGE, CA 92863-1584

CNS 3460666

## COPY OF NOTICE

Notice Type: HRG NOTICE OF HEARING

Ad Description: Orange County Transportation Authority Amendment of the  
 Orange County Local Transportation Authority Ordinance  
 No. 3

To the right is a copy of the notice you sent to us for publication in the  
 ORANGE COUNTY REGISTER. Please read this notice carefully and call us  
 with any corrections. The Proof of Publication will be filed with the County  
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 date(s) for this notice is (are):

04/18/2021

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NOTICE OF  
PUBLIC HEARING

RE: ORANGE  
 COUNTY  
 TRANSPORTATION  
 AUTHORITY  
 AMENDMENT OF  
 THE ORANGE  
 COUNTY LOCAL  
 TRANSPORTATION  
 AUTHORITY  
 ORDINANCE NO. 3  
 LIMITED  
 AMENDMENT TO  
 MAINTENANCE  
 OF EFFORT  
 REQUIREMENT

NOTICE IS  
 HEREBY GIVEN  
 that the Orange  
 County  
 Transportation  
 Authority (OCTA)  
 Board of Directors  
 will hold a public  
 hearing at their  
 regular meeting at  
 9:00 a.m. on May 24,  
 2021. The public  
 hearing shall be for  
 the purpose of  
 considering an  
 amendment to the  
 Orange County  
 Local  
 Transportation  
 Authority Ordinance  
 No. 3 as a result of  
 the coronavirus  
 (COVID-19)  
 pandemic. The  
 amendment  
 proposes a limited  
 change to the  
 maintenance of  
 effort requirement  
 provision related to  
 local jurisdictions.

A copy of the  
 proposed M2  
 Ordinance  
 amendment is  
 available on the  
 Orange County  
 Transportation  
 Authority Web site  
 through the  
 following link:  
[https://octa.net/pdf/Proposed\\_M2\\_Ordinance\\_Amendment\\_FY2021-22.pdf?n=2021](https://octa.net/pdf/Proposed_M2_Ordinance_Amendment_FY2021-22.pdf?n=2021)

On March 12, 2020  
 and March 18, 2020,  
 Governor Gavin  
 Newsom enacted  
 Executive Orders N-  
 25-20 and N-29-20  
 authorizing a local  
 legislative body to  
 hold public meetings  
 via teleconference  
 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 COVID-19.

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

Instead, members of  
 the public can listen  
 to AUDIO live  
 streaming of the  
 public hearing via  
 the below link:  
<http://www.octa.net/About-OCTA/Who-We-Are/Board-of-Directors/Live-and-Archived-Audio/>

ALL INTERESTED  
 PARTIES are  
 invited to submit  
 written comments  
 with respect to the  
 amendment by 4:00  
 PM on Wednesday,  
 May 19, 2021.  
 Written comments  
 may be addressed to  
 OCTA's Clerk of the  
 Board:

Andrea West  
 Interim Clerk of the  
 Board  
 Orange County  
 Transportation  
 Authority  
 550 South Main  
 Street  
 P.O. Box 14184  
 Orange, CA 92863-  
 1584  
 Telephone (714) 560-  
 5676  
 or  
[boardofdirectors@octa.net](mailto:boardofdirectors@octa.net)

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OCTA/CLERK OF THE BOARD  
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ORANGE, CA 92863-1584

### COPY OF NOTICE

Notice Type: HRG NOTICE OF HEARING  
Ad Description: Orange County Transportation Authority Amendment of the Orange County Local Transportation Authority Ordinance No. 3

To the right is a copy of the notice you sent to us for publication in the EXCELSIOR. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

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CNS 3460667

#### NOTIFICACION DE AUDIENCIA PUBLICA

ASUNTO: AUTORIDAD DE TRANSPORTE DEL  
CONDADO DE ORANGE  
ENMIENDA DE LA ORDENANZA No. 3  
DE LA AUTORIDAD LOCAL DE TRANSPORTE DEL  
CONDADO DE ORANGE  
ENMIENDA LIMITADA AL MANTENIMIENTO DEL  
REQUISITO DE ESFUERZO

POR LA PRESENTE SE DA AVISO que la Junta de Directores de la Autoridad de Transporte del Condado de Orange (OCTA) celebrará una audiencia pública en su reunión regular a las 9:00 a.m. el 24 de mayo de 2021. La audiencia pública será con el propósito de considerar una enmienda a la Ordenanza No. 3 de la Autoridad Local de Transporte del Condado de Orange como resultado de la pandemia del coronavirus (COVID-19). La enmienda propone un cambio limitado en el mantenimiento de la disposición de requisitos de esfuerzo relacionada con las jurisdicciones locales.

Una copia de la enmienda propuesta de la Ordenanza M2 está disponible en el sitio web de la Autoridad de Transporte del Condado de Orange a través del siguiente enlace: [https://octa.net/pdf/ProposedM2\\_Ordinance\\_Amendment\\_FY2021-22.pdf?n=2021](https://octa.net/pdf/ProposedM2_Ordinance_Amendment_FY2021-22.pdf?n=2021)

El 12 de marzo, 2020 y 18 de marzo de 2020, el Gobernador Gavin Newsom promulgó las Ordenes Ejecutivas N-25-20 y N-29-20 autorizando a un órgano legislativo local a celebrar reuniones públicas por vía telefónica y hacer accesibles las reuniones públicas telefónica o electrónicamente a todos los miembros del público para promover el distanciamiento social debido al Estado de Emergencia estatal y local resultante de la amenaza de COVID-19.

De conformidad con la Orden Ejecutiva N-29-20, y con el fin de garantizar la seguridad de la Junta de Directores y del personal de OCTA, y con el fin de limitar el riesgo de COVID-19, no se permitirá la participación presencial en las reuniones públicas de la Junta de Directores de OCTA durante el período de tiempo cubierto por las órdenes ejecutivas mencionadas anteriormente.

En su lugar, los miembros del público pueden escuchar audio transmisión en vivo de la audiencia pública a través del siguiente enlace:  
<http://www.octa.net/About-OCTA/Who-We-Are/Board-of-Directors/Live-and-Archived-Audio/>

Se invita a TODAS las PARTES INTERESADAS a presentar observaciones escritas con respecto a la enmienda antes de las 4:00 PM del miércoles, 19 de mayo de 2021. Las observaciones escritas pueden dirigirse a la Secretario de la Junta de OCTA:

Andrea West  
Interim Clerk of the Board  
Orange County Transportation Authority  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584  
Teléfono (714) 560-5676  
o  
[boardofdirectors@octa.net](mailto:boardofdirectors@octa.net)

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Sara Meisenheimer  
OCTA/CLERK OF THE BOARD  
550 S MAIN ST PO BOX 14184  
ORANGE, CA 92863-1584

### COPY OF NOTICE

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Ad Description: Orange County Transportation Authority Amendment of the  
Orange County Local Transportation Authority Ordinance  
No. 3

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QUẬN CAM  
SỬA ĐỔI SẮC LỆNH CỦA ĐƯƠNG  
CỤC VẬN CHUYỂN TẠI  
ĐỊA PHƯƠNG QUẬN CAM SỐ. 3  
SỬA ĐỔI CÓ HẠN CHẾ ĐỂ DUY TRÌ  
YÊU CẦU NỖ LỰC

CNS-3460668#  
NGUOI VIET

XIN THÔNG BÁO ĐÂY LÀ Ban Giám  
đốc Đường Cục Vận Chuyển Quận  
Cam (OCTA) sẽ tổ chức một buổi điều  
trần công khai tại cuộc họp thường kỳ  
của họ lúc 9:00 sáng ngày 24 tháng 5  
năm 2021. Buổi điều trần công khai sẽ  
nhằm mục đích xem xét sửa đổi Sắc  
lệnh số 3 của Đường Cục Vận Chuyển  
Quận Cam do hậu quả của đại dịch  
coronavirus (COVID-19). Bản sửa đổi  
đề xuất một thay đổi hạn chế đối với  
việc duy trì điều khoản yêu cầu nỗ lực  
liên quan đến các khu vực pháp lý địa  
phương.

Bản sao của đề xuất sửa đổi Sắc lệnh  
M2 hiện có trên trang web của Đường  
Cục Vận Chuyển Quận Cam qua liên  
kết  
sau: [https://octa.net/pdf/Proposed\\_M2\\_Ordinance\\_Amendment\\_FY2021-22.pdf?n=2021](https://octa.net/pdf/Proposed_M2_Ordinance_Amendment_FY2021-22.pdf?n=2021)

Vào ngày 12 tháng 3 năm 2020 và ngày  
18 tháng 3 năm 2020, Thống đốc Gavin  
Newsom đã ban hành Sắc lệnh hành  
pháp N-25-20 và N-29-20 cho phép cơ  
quan lập pháp địa phương tổ chức các  
cuộc họp công khai qua hội nghị từ xa  
và làm cho các cuộc họp công khai có  
thể truy cập được bằng điện thoại hoặc  
điện tử cho tất cả các thành viên của  
cộng chúng để thúc đẩy giãn cách xã  
hội do tình trạng khẩn cấp của tiểu bang  
và địa phương do mối đe dọa từ  
COVID-19.

Theo Lệnh Điều Hành N-29-20, và để  
đảm bảo an toàn cho Ban Giám đốc và  
nhân viên của OCTA, và vì mục đích  
hạn chế rủi ro COVID-19, sự tham gia  
trực tiếp tại các cuộc họp công khai của  
Ban Giám đốc OCTA sẽ không được  
phép trong khoảng thời gian được đề  
cập bởi các Lệnh điều hành nêu trên.

Thay vào đó, các thành viên của cộng  
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mời gửi ý kiến bằng văn bản liên quan  
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nhận xét bằng văn bản có thể được gửi  
tới Thư ký Hội đồng quản trị của OCTA:

Andrea West  
Interim Clerk of the Board  
Orange County Transportation Authority  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584  
Điện thoại (714) 560-5676  
hoặc  
[boardofdirectors@octa.net](mailto:boardofdirectors@octa.net)

4/16/21



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## **ATTACHMENT E**

# **DRAFT**

May 24, 2021

Dear Orange County Mayors/Supervisors:

On May 24, 2021, the Orange County Transportation Authority (OCTA) Board of Directors (Board) held a public hearing and approved an amendment to the Measure M2 (M2) Orange County Local Transportation Authority Ordinance No. 3 (M2 Ordinance). This action amends the maintenance of effort (MOE) requirements while balancing the responsibility to uphold promises to the taxpayers with the need for flexibility for local agencies to address economic uncertainties related to the coronavirus (COVID-19) pandemic.

OCTA is committed to upholding the intent of the M2 Ordinance and the promises to the voters. One of the M2 Ordinance requirements for local jurisdictions to receive net M2 funding pertains to MOE. MOE is a minimum level of spending of local discretionary or general fund revenues for streets and roads purposes. The intent is to ensure M2 revenues are used to supplement and not supplant existing revenues.

In accordance with the M2 Ordinance, on April 13, 2021, each city council in Orange County and the Board of Supervisors were notified of the amendment plan and provided a copy of the proposed language. The Board also notified the public and held a public hearing at the May 24, 2021 Board meeting. With the Board's approval of the amendment, the language change is effective July 8, 2021.

A copy of the revised page from the M2 Ordinance as a result of the amendment is enclosed for your reference.

M2 has been a critical element of Orange County's efforts to fund a broad range of needed transportation projects. Through our partnerships with the cities, the County of Orange, the California Department of Transportation, and other agencies, OCTA has been successful in keeping our commitments made to the voters. Your continued support and active involvement in the delivery of M2 is appreciated.

#### *AFFILIATED AGENCIES*

*Orange County  
Transit District*

*Local Transportation  
Authority*

*Service Authority for  
Freeway Emergencies*

*Consolidated Transportation  
Service Agency*

*Congestion Management  
Agency*

Orange County Mayors/Supervisors  
May 24, 2021  
Page 2

Should your agency have any comments or questions on this amendment, please contact Kia Mortazavi, Executive Director, Planning, at (714) 560-5741 or [kmortazavi@octa.net](mailto:kmortazavi@octa.net).

Sincerely,

Andrew Do  
Chairman

AD:ac  
Attachment

c: Board of Directors  
Executive Staff  
Members, Orange County City Councils  
Orange County City Managers  
Members, Measure M Taxpayers Oversight Committee  
Ryan Chamberlain, California Department of Transportation District 12

**Orange County Local Transportation Authority Ordinance No. 3  
Maintenance of Effort Requirements Excerpt**

**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, [FY 2020-21](#), [and FY 2021-22](#) to meet original MOE levels.

Deleted: and



## FY 2021-22 MOE Benchmark by Local Jurisdiction

Local Jurisdiction	(A) MOE Benchmark <sup>1</sup>	(B) GFR <sup>2</sup>	(A/B) 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%
<b>Totals</b>	<b>\$98,617,504</b>	<b>\$2,917,222,926</b>	

Board - Board of Directors

FY - Fiscal year

N/A - Not applicable

MOE - Maintenance of effort

GFR - General fund revenue

<sup>1</sup> FY 2021-22 MOE Benchmarks were taken from the Board-approved staff report on April 12, 2021.<sup>2</sup> GFRs derived from local jurisdictions' FY 2018-19 Comprehensive Annual Financial Reports.

# *Information Items*





## COMMITTEE TRANSMITTAL

**April 26, 2021**

**To:** Members of the Board of Directors

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

**Subject:** Interstate 405 Improvement Project Update

Regional Planning and Highways Committee Meeting of April 5, 2021

**Present:** Directors Bartlett, Chaffee, Delgleize, Harper, Hernandez, Murphy, and Sarmiento

**Absent:** Director Muller

### **Committee Vote**

Following the discussion, no action was taken on this receive and file information item.

### **Staff Recommendation**

Receive and file as an information item.





***April 5, 2021***

**To:** Regional Planning and Highways Committee

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

**Subject:** Interstate 405 Improvement Project Update

### ***Overview***

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

### ***Recommendation***

Receive and file as an information item.

### ***Background***

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

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

***Discussion***

A number of activities are ongoing as the construction work continues to advance. The following provides a more detailed status of Project activities.

**Financing and TIFIA Loan**

In July 2017, OCTA executed a TIFIA loan agreement with the USDOT for up to approximately \$629 million. Pursuant to the terms identified in the loan agreement, OCTA staff submits periodic reimbursement requisitions to the USDOT Build America Bureau (Bureau) and Federal Highway Administration. OCTA has received two TIFIA loan disbursements amounting to approximately \$287 million.

In October 2020, OCTA staff received Board approval to pursue a reset of the interest rate on the TIFIA loan. OCTA has applied, and is currently working with the Bureau, to reset the 2.91 percent interest rate on the 2017 TIFIA loan. If successful, the current interest rate of 2.91 percent could be reduced, resulting in substantial debt service savings. Based on the estimated timeline provided by the Bureau, OCTA is targeting a financial close for the new TIFIA loan in April of this year.

**Tolling Contracts**

On February 26, 2018, the Board selected Kapsch TrafficCom USA, Inc., (Kapsch) to provide toll lanes system integration services for design, installation, operation, and maintenance of the electronic toll and traffic management (ETTM) system on both the 405 and 91 Express Lanes. Kapsch is currently under contract and is working closely with the design-builder to deliver fully functional express lanes upon opening in 2023. Kapsch has received approval for the ETTM infrastructure final design to be used for the 405 Express Lanes, including equipment types and configurations. Kapsch continues to review the design-builder's plans and construction activities and has provided input on requirements for the Toll Operations Center (TOC) improvements. The TOC will be located at OCTA's Santa Ana Bus Base and will be staffed by Kapsch for 405 Express Lanes operations.

OCTA staff developed a request for proposals for the back-office system and customer service center operations for the 405 Express Lanes. The Board approved its release in June 2020, and a preferred vendor will be recommended to the Board for approval in late 2021. Also, later this year, OCTA staff will be presenting the Board options for a future customer service center and roadway services location. OCTA staff is currently evaluating various buy versus lease options and will be seeking Board direction on a future site to locate these services. This location is separate from the TOC location as it needs to be readily accessible to the public for customer service purposes.

## Design

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

## Right-of-Way (ROW) Acquisition

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

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

## Utility Relocations

There are currently 132 utilities that require relocation to accommodate the Project. OCTA is coordinating with 22 impacted utility owners to identify and resolve conflicts and relocation issues. To date, OCTA has executed 85 percent of the necessary utility relocation agreements and is in the process of finalizing the remaining utility agreements. There are several remaining potential utility relocation risks, including various Southern California Edison (SCE) facilities for which staff continues to develop and implement mitigation plans, as utilities are a shared risk between OCTA and OC405. Many critical utility relocations that had once been considered to pose some risk, such as facilities owned by Frontier Communications, Chevron USA, Crimson Pipeline, and SCE have been successfully completed. Additionally, a major Southern California Gas (SCG) pipeline relocation within the United States Navy property that posed a significant risk to the Project schedule has been successfully completed on schedule.

However, a new conflict along a different section of the same existing SCG gas line near Bolsa Chica Road was recently identified as a conflict by the design-builder, and it has been determined that this portion of the existing facility cannot be protected in place and requires relocation. OCTA is taking an active role in coordinating this relocation with both the design-builder and SCG to allow construction activities at this location to continue, and to mitigate any potential risks to the Project schedule.

### Construction

OC405 began construction on March 6, 2018. Initial construction activities included restriping portions of the freeway and setting up concrete barriers on the outside of the freeway to protect work areas for activities such as tree removals and grading. These initial construction activities are complete. Clearing and grubbing, including tree and ground cover removal, and rough grading activities are also substantially complete at this time.

Significant roadway construction activities, including installation of drainage systems, retaining walls and soundwalls, and paving operations began in earnest in 2019, and will continue through the end of the Project. Construction at Oceanview Channel, Greenville-Banning Channel, and East Valley Channel, three major drainage facilities that cross under the freeway, is well underway. Additionally, over half of the retaining walls and soundwalls needed for the Project are currently under construction or complete. A majority of the walls needed for the Project are anticipated to be complete by the end of 2021.

After the opening of the Slater Avenue overcrossing bridge in the fall of 2019, demolition and construction activities commenced on Bushard Street and Talbert Avenue. The Bushard Street overcrossing bridge was completed and opened to traffic in October 2020. The Talbert Avenue overcrossing bridge construction is nearing completion, and the bridge is anticipated to be opened to traffic in April of this year. Construction on the McFadden Avenue overcrossing bridge also was completed, and the bridge was opened to traffic in October 2020. The Edinger Avenue and Edwards Street overcrossing bridges began construction in the second half of 2020. The Edwards Street overcrossing bridge is anticipated to be opened to traffic late this year. The Edinger Avenue overcrossing bridge is anticipated to be opened to traffic early next year. Slater Avenue, Bushard Street, Talbert Avenue, Edinger Avenue, McFadden Avenue, and Edwards Street are all one-stage bridges, which means the bridges are closed to traffic on both sides of I-405 during demolition and reconstruction.

Significant bridge construction also continued at the Fairview Road, Brookhurst Street, Magnolia Street, Bolsa Avenue, Goldenwest Street, Westminster Boulevard, and Bolsa Chica Road overcrossing bridges. These are two-stage bridges, which means traffic is being maintained on the remaining



portion of the bridge while the first half of the new bridge is constructed. The first half of the new Magnolia Street overcrossing bridge opened last year, and the full bridge is anticipated to be the first two-stage bridge to be opened to traffic early this summer. Similarly, the first halves of the new Goldenwest Street and Bolsa Chica Road overcrossing bridges opened last summer, and the full bridges are anticipated to be opened early next year. The first halves of the new Fairview Road and Westminster Boulevard overcrossing bridges opened in the last few months, and the full bridges are anticipated to be opened early next year. The first half of the Bolsa Avenue overcrossing bridge is anticipated to be opened this summer, and the full bridge is anticipated to be opened later next year. Construction on the first half of the Brookhurst Street overcrossing bridge began late last year.

This past quarter, the widening of existing freeway bridges continued over Harbor Boulevard, Santa Ana River, Beach Boulevard, Bolsa overhead railroad crossing, and an old United States Navy railroad crossing.

Lastly, the Heil pedestrian overcrossing bridge was demolished last fall and a new pedestrian overcrossing is under construction at this location, and is anticipated to open to pedestrian traffic later this year.

Looking ahead, the remainder of 2021 will remain busy related to bridge, wall, and pavement construction.

### Project Challenges

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

- Oversight and approvals from many different agencies and third parties
- Cost and availability of construction resources in this active construction market
- Dispute resolution and change management
- Minimizing impacts and disruptions to the public
- Timely performance of third-party utility work
- Project schedule impacts and mitigations

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

OCTA has worked closely with its partners and OC405 to mitigate schedule delays when identified. Significant schedule mitigations have been implemented

during the course of construction. These include expediting construction of several key bridges and extended overnight and daytime freeway lane closures to take advantage of the significantly reduced traffic volumes on the freeway last spring related to the coronavirus (COVID-19) pandemic. The objectives of the schedule mitigations are to minimize schedule delay impacts while balancing the minimization of traffic impacts.

### **Risks Remaining**

Many of the Project risks have been realized during the design phase and the first half of construction and have since been retired. However, there are risks that remain for the second half of construction moving forward. The COVID-19 pandemic continues to be a risk as the effects and duration of the pandemic remain unknown. OCTA, its partners, and OC405 remain vigilant in taking the appropriate safety measures to minimize impacts to the workforce and construction progress. Additional archaeological discoveries also continue to be a risk as excavation in certain areas of the Project will take place in the next year. OCTA has taken a proactive approach with the appropriate stakeholders to minimize impacts if there are future discoveries. The timely relocation of utilities is always a risk and the team will remain very focused on these efforts. Lastly, the coordination near the end of the Project when Kapsch will be installing and testing the tolling equipment, at the same time OC405 will be completing construction, is key to remaining on schedule. Coordination efforts to plan for this timeframe at the end of the Project are ongoing and have been effective to date.

### **Project Cost and Schedule**

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

### **Public Outreach**

In the last several months, the OCTA Outreach team has conducted six virtual meetings with community members along the Project corridor, as well as with key stakeholders such as OCTA's Diverse Community Leaders Group. An average of 100 people participate in each of the virtual meetings, double the average number of participants at past in-person meetings. The Outreach team will continue to utilize virtual meetings, with a phone-in option for those who do not have online access, as a crucial tool to extend the reach of Project communications.

Virtual meetings allow the team to hold more meetings more frequently, providing opportunities to engage the larger community regarding major activities like bridge demolition, as well as connect with smaller groups to provide construction status updates.

From December 1, 2020 to February 28, 2021, the team received an average of about 90 comments and questions per month from the public, a decrease from the monthly average for 2020. The calls and emails focus on construction activities, bridge and interchange design, maintenance inquiries, and schedule questions.

During this three-month period, there was a 50 percent increase in the use of the Project's interactive map of closures and detours, as traffic volume picked up. Meanwhile, the team continues to utilize proven communication methods, distributing an average of approximately 40,000 flyers each month, and sending out an average of 35 email alerts. Social media and location-based advertising, which deliver short, relevant messages about upcoming activities to mobile devices in specific geographic areas, continue to be cost-effective methods to reach a broad audience. These tools encourage new subscribers to join the Project email database.

In the next three months, the team has another five neighborhood meetings planned to discuss major activities at Ward Street, Bolsa Avenue, and Warner Avenue, and to provide status updates on work at Beach Boulevard and Edwards Street. In addition, the team will hold several focused presentations with smaller groups of residents and business owners to discuss activities occurring adjacent to the groups' properties and businesses.

The team also is focusing on additional strategies to reach diverse and disadvantaged communities throughout the Project corridor. The core element of this effort is partnering with several community-based groups and faith-based organizations that serve the County's diverse populations. These partnerships will be the foundation for additional proactive, culturally sensitive outreach to notify these communities about construction activities and impacts.

Meanwhile, the team will continue coordinating closely with residents living along the freeway whose properties are directly impacted by construction activities such as wall and bridge construction. In the last three months, the team has facilitated more than 60 pre- and post-construction surveys and worked with another 60 property owners who have temporary construction easements. These sensitive activities require a significant level of coordination between the OCTA Outreach and ROW teams and the contractor to ensure easement conditions are met and residents' concerns are addressed.

Next month, the second half of the Magnolia Street bridge is anticipated to open to traffic. This will be the first two-stage bridge on the Project to fully open, and the Outreach team is working on plans to commemorate the milestone.

---

**Summary**

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

**Attachment**

None.

**Prepared by:**



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

**Approved by:**



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

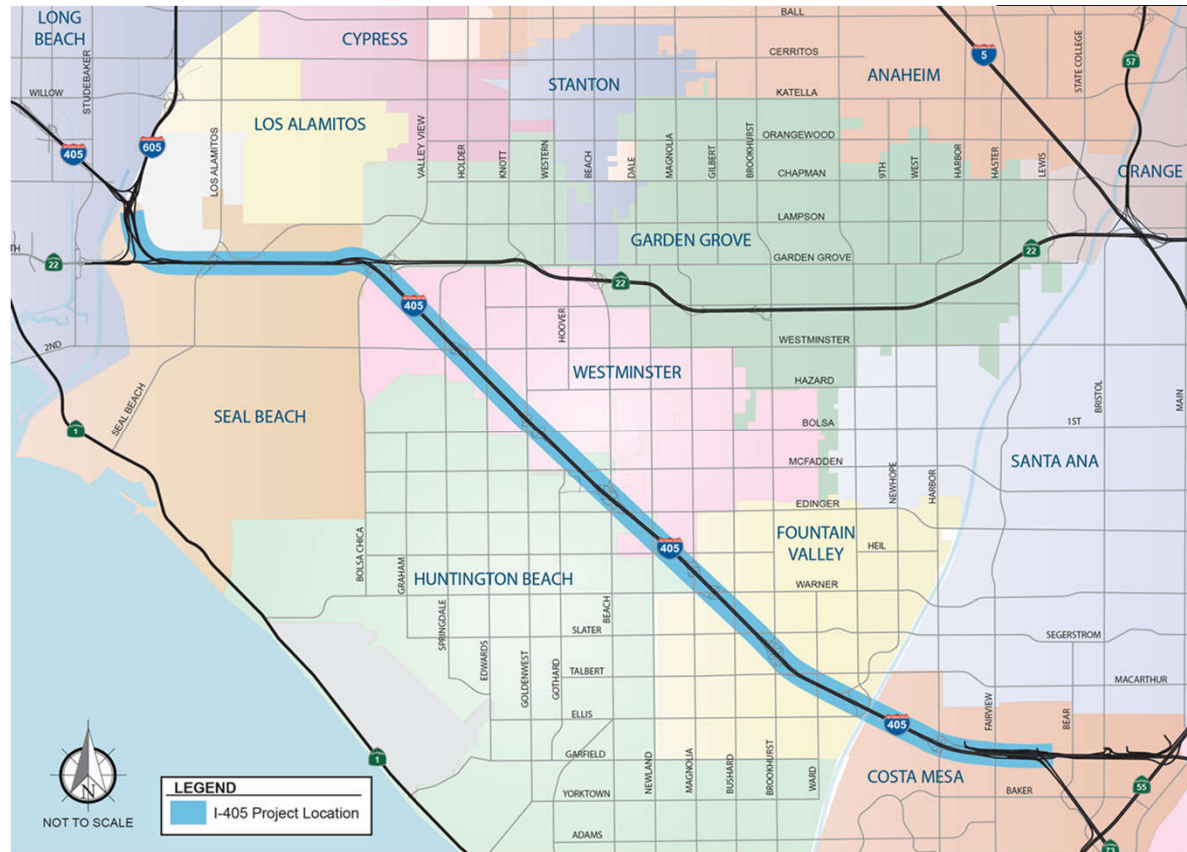


# Interstate 405 Improvement Project Update





# Project Location and Key Features



# Background



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

\* Transportation Infrastructure Finance and Innovation Act

# Project Update



## General

- Over 55 percent complete with project
- TIFIA interest rate reset

## Design and Right-of-Way Possession

- Substantially complete with both design and right-of-way possession

## Construction

- Three bridge replacements complete
- Most of the retaining walls and soundwalls needed for the project will be completed in 2021
- Over 1,000 workers involved in the project each working day



# Construction Update

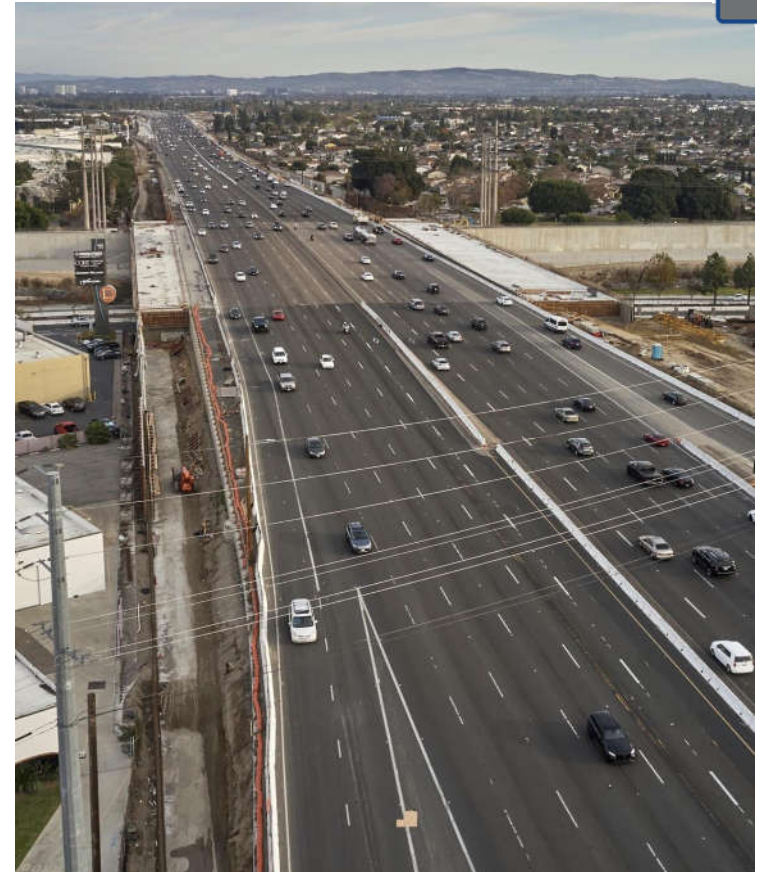


**Slater Avenue, Bushard Street, and McFadden Avenue bridges complete**

# Construction Update



**Fairview Road bridge construction**



**Santa Ana River bridge construction**



# Construction Update



**Talbert Avenue bridge construction**



**Magnolia Street bridge construction**



# Construction Update



**Heil Avenue pedestrian overcrossing construction**



**Edinger Avenue bridge construction**

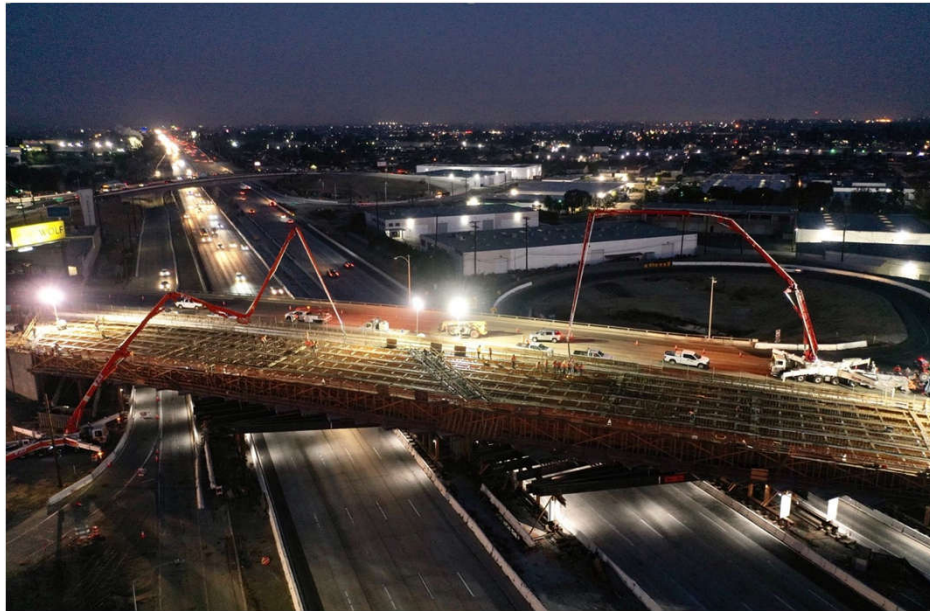


# Construction Update



**Beach Boulevard construction**

# Construction Update



**Bolsa Avenue bridge construction**



**Goldenwest Street bridge construction**



# Construction Update



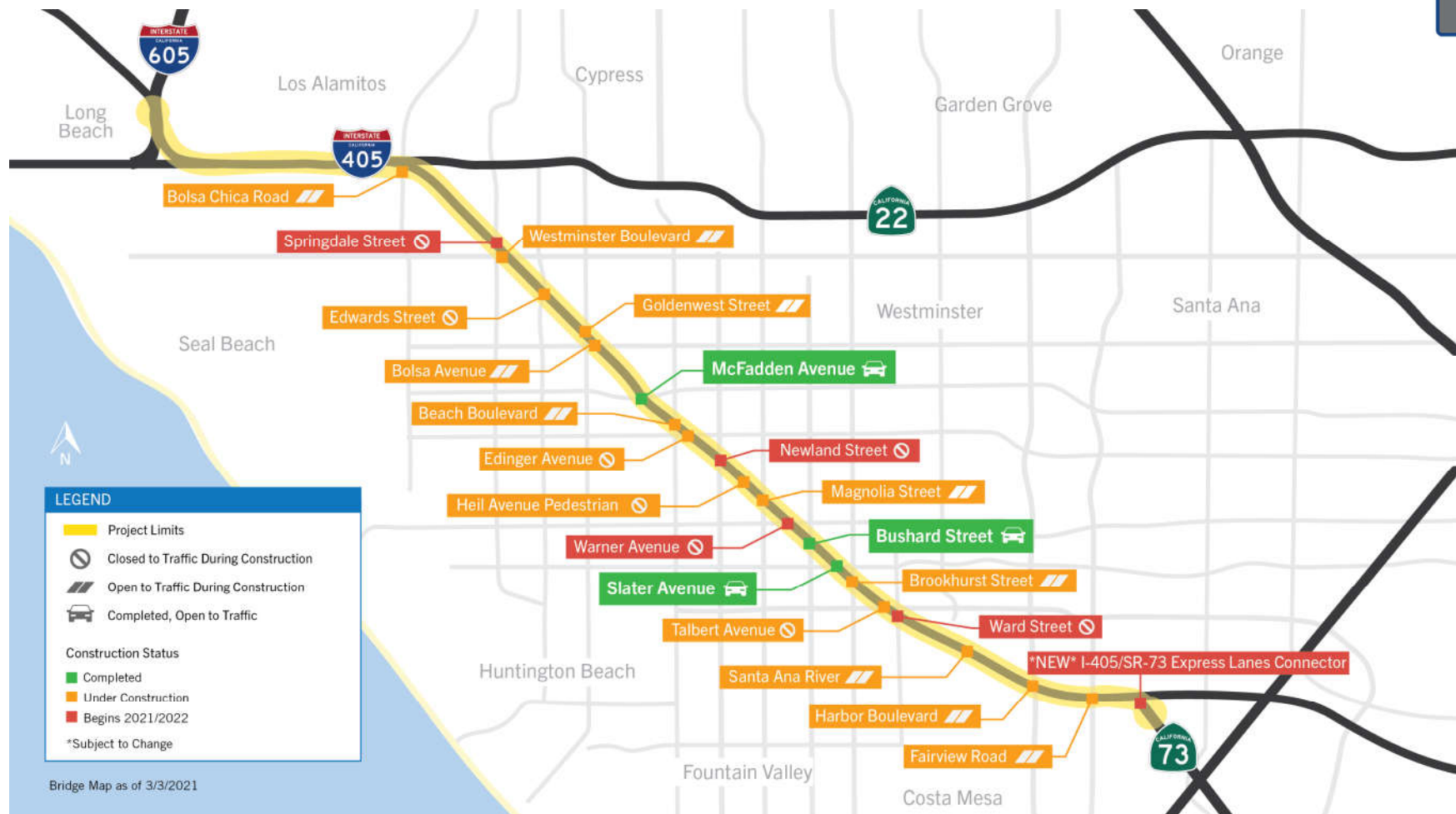
**Edwards Street bridge construction**



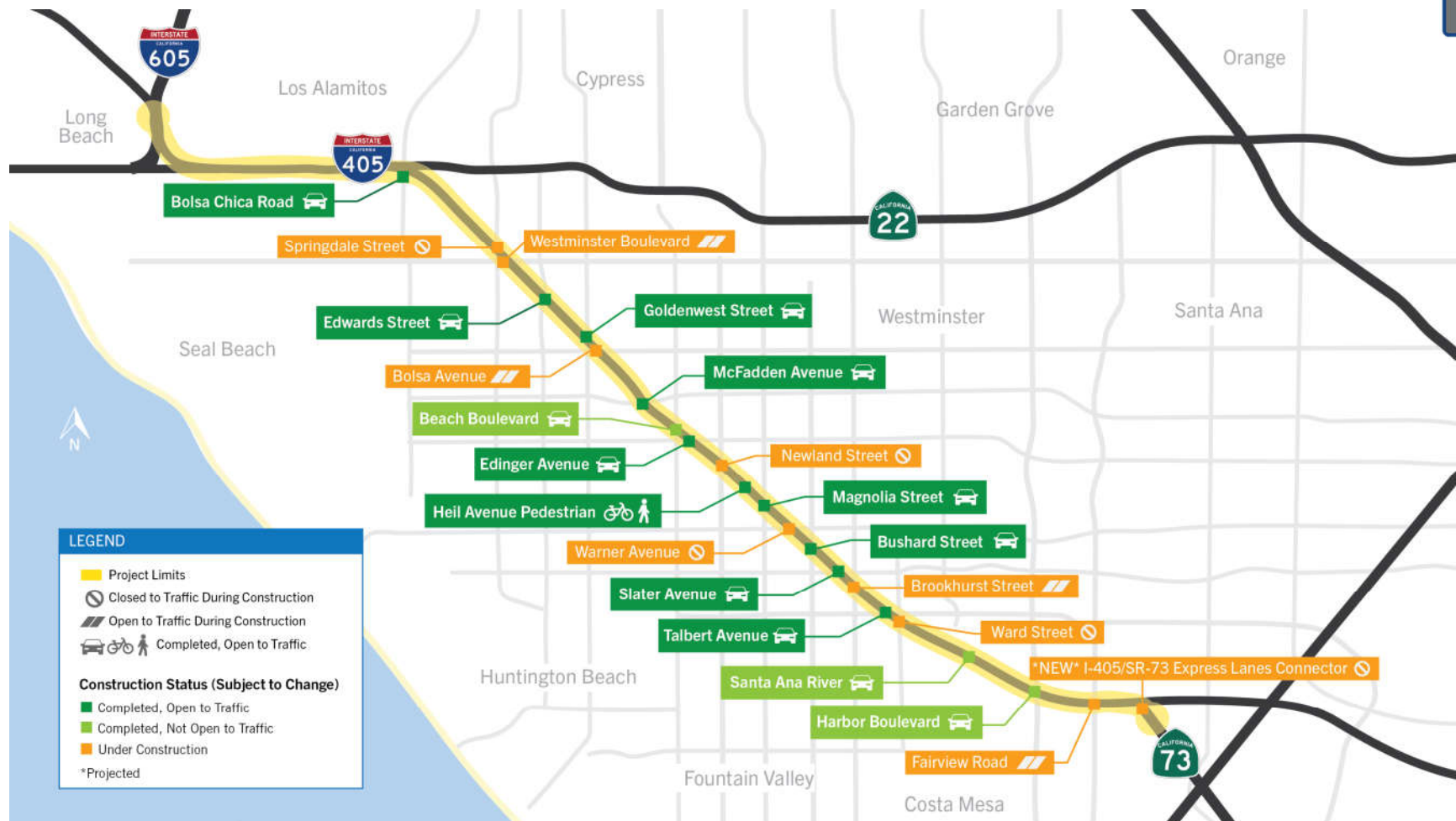
**Bolsa Chica Road bridge construction**



# Bridge Construction Map – Today



# Bridge Construction Map – Spring 2022



# Major Risks Remaining



- Additional archaeological discoveries
- Coronavirus (COVID-19)
- Utility relocation delays
- Design-builder/toll lanes system integrator coordination

# Outreach Metrics



Category	Monthly Average December 2020 to February 2021	Monthly Average 2020
Public Comments, Questions	87	143
Social Media Reach	205,449	233,645
Construction Alerts	35 alerts (31 percent open rate)	21 alerts (29 percent open rate)
Interactive Map Users	1,579	1,049
Location-Based Advertising	210,929 impressions	298,468 impressions
Flyers	39,350	39,568

# Upcoming Outreach



- Virtual neighborhood meetings
  - Ward Street
  - Bolsa Avenue
  - Warner Avenue
  - Beach Boulevard
  - Edwards Street
- Major activity notifications
  - Bridge demolition and pile driving
  - Extended ramp closures
- Key stakeholders
  - Diverse/disadvantaged communities
  - First responders
  - School districts, OC Fair, and Event Center
- Milestones
  - Magnolia Street bridge completion

**CONSTRUCTION ALERT**  
Fairview Road Bridge Partial Demolition

**WHAT**  
Crews shifted traffic to the new side of the Fairview bridge over I-405 on Friday, Feb. 12, in anticipation of partial demolition.  
Demolition activities have begun and the second half of the bridge will be demolished over two nights, under full freeway closures. Additional nighttime demolition will occur for several weeks under freeway lane closures. Some daytime demolition also is anticipated.  
*Please be advised that this work may be loud.*

**WHERE**  
Fairview bridge over northbound (NB) and southbound (SB) I-405, in Costa Mesa.

**WHEN**  
Night One  
• NB full closure from 10 p.m. Saturday, Feb. 20, to 6 a.m. Sunday, Feb. 21  
• NB lane reduction from 8 a.m. to 9 a.m. Sunday, Feb. 21  
• SB full closure from 10 p.m. Saturday, Feb. 20, to 9 a.m. Sunday, Feb. 21  
Fairview between McCormack Lane and South Coast Drive also will be closed for this work. However, residential access will be maintained.  
Night Two  
• Saturday, Feb. 27  
• The outreach team will provide more information including the detour information in the coming days.  
Detours: [octa.net/405map](http://octa.net/405map)  
Note: Dates and times may change due to unforeseen operational factors or inclement weather.

**WHY**  
Several bridges are being replaced as part of the freeway widening.  
Sign up for project-wide and bridge-specific construction alert at [bit.ly/405map](http://bit.ly/405map)

**FOR MORE INFORMATION**  
PROJECT HELP LINE: 888-405-8884  
PROJECT EMAIL: [405improvement@octa.net](mailto:405improvement@octa.net)  
PROJECT WEBSITE: [www.405improvement.com](http://www.405improvement.com)  
PROJECT PHONE: 888-405-8884  
PROJECT FAX: 949-440-0994  
PROJECT VIDEO: [www.405improvement.com/video](http://www.405improvement.com/video)  
PROJECT SOCIAL MEDIA: [www.facebook.com/405improvement](https://www.facebook.com/405improvement)  
PROJECT BLOG: [www.405improvement.com/blog](http://www.405improvement.com/blog)  
PROJECT PRESS: [www.405improvement.com/press](http://www.405improvement.com/press)  
PROJECT CONTACT: [405improvement@octa.net](mailto:405improvement@octa.net)



**CONSTRUCTION ALERT**

For more information about this project, please contact the 405 Community Outreach Team at [405community@octa.net](mailto:405community@octa.net) or 888-405-8884, or visit [www.405improvement.com](http://www.405improvement.com).

Si prefieren recibir información en español, por favor llámenos al número 888-405-8884. Si usted quiere recibir información en español, por favor llámenos al número 888-405-8884.

Click here to view construction activities on the interactive map.

**REMINDER! Fairview Road Bridge Partial Demolition**

405 Improvement Project | Fairview Road Bridge and Northbound (NB) I-405 Closures and Detours  
Cierre y desvío de la carretera Fairview Road y I-405 en dirección norte  
Đóng cửa đường Fairview và các làn xe chạy ngược chiều đường I-405

Waze logo and map showing the project area.






## MEMORANDUM

May 10, 2021

To: Members of the Board of Directors

From: Darrell E. Johnson, Chief Executive Officer 

Subject: **Item 4 – Coronavirus Update**

The Orange County Transportation Authority (OCTA) continues to take the necessary actions in response to the coronavirus (COVID-19) pandemic. The primary objective remains to provide safe, reliable, essential transportation services and deliver capital projects while implementing health and safety practices to help reduce the spread of COVID-19 and increase vaccination access for employees and the public.

The following is the monthly informational update on OCTA services, activities, and responses to the COVID-19 pandemic since the report presented to the Board of Directors (Board) at the April 12, 2021 meeting:

### **Return to the Workplace Efforts**

- With Orange County's move to the Orange Tier in the State's Blueprint for a Safer Economy, and remaining at that level for several weeks, additional employees began returning to the Orange administration building on May 3, 2021 consistent with OCTA's Return to the Workplace Plan.
- With additional safety measures in place and following all guidelines put into place by the California Division of Occupational Health and Safety (Cal/OSHA), employees are returning to the administration building at up to 25 percent capacity per floor.
- OCTA leadership continues to review how the State's recent announcement of plans to move beyond the Blueprint for a Safer Economy as soon as June 15, 2021 would affect OCTA operations and plans for additional employees to return to the workplace.
- OCTA will continue to take a thoughtful and measured approach that follows state guidance and prioritizes the health and safety of employees and the public.

### **Employee Case Counts**

- Since last reported, two OCTA employees and one contractor employee have tested positive for COVID-19. To date, 406 OCTA employees or contractor employees have tested positive.
- Staff continues to conduct contact tracing to identify potential exposure.

### **Vaccines Status and Return to the Workplace Efforts**

- Many OCTA employees have received the COVID-19 vaccine now that any person 16 years and older became eligible as of April 15, 2021.
- OCTA employees have been notified through communications from the CEO and other internal means of this eligibility and are encouraged to get the vaccine for their own health and the health of fellow employees and the community.
- Employees were provided information on all available options to seek a vaccination including the County's Othena system, through the state's My Turn website, pharmacies, and their healthcare providers.
- OCTA is offering an incentive to employees who choose to receive the COVID-19 vaccine.
- To date, OCTA has approved 468 vaccine incentive requests from employees who chose to receive the COVID-19 vaccine.

### **Ridership and Masks**

- Fixed-route ridership averaged 61,508 weekday boardings in April, which is a 7.8 percent increase from the average weekday ridership of 57,182 in March.
- ACCESS paratransit ridership averaged 1,186 in April, which is a 10.5 percent increase from the average weekday trips of 1,073 in March.
- To date, more than one million disposable face coverings have been distributed on board OC Buses.

### **Planning**

- Staff continues to closely monitor Measure M2 programs and assist local agencies as needed.

### **Finance**

- Staff is working work with its regional transportation partners to facilitate the distribution of funding from the President's recently signed \$1.9 trillion economic stimulus package that provides \$30.5 billion in emergency transit funding.
- COVID-19-related costs are being carefully tracked for reimbursement through federal supplemental funding. To date, \$75.3 million has been

drawn down, which includes costs associated with coach operator salaries and benefits, administrative labor, cleaning, and sanitization supplies. Another drawdown is expected in in June 2021.

### **Government Relations**

- Staff continues to work with the California Transit Association to support proposals in the Governor's January state budget, which would extend flexibilities for transit agencies related to the Transportation Development Act, including an extended exemption from farebox recovery requirements. This will allow transit agencies more flexibility in their efforts to restore transit service post-pandemic. It is expected that any agreed upon changes will be integrated within the final state budget in June 2021.
- Staff continues to monitor any changes in state or federal guidance related to COVID-19 to adjust OCTA operations accordingly.

### **External Affairs**

- Multilingual communications about safety while riding OC Bus were sent to senior centers and other organizations preparing to reopen, outlining OCTA's safety measures and requirements.
- Staff continues to provide language and outreach assistance for the Welcome-Back Campaign development, the OC Streetcar Eat Shop Play campaign, and stakeholder engagement for the Interstate 405 Improvement Project.
- Staff continues to rely on electronic and phone notifications for most construction project outreach efforts. In addition, bilingual notices were delivered to residents and businesses to highlight specific activities near homes and businesses.

### **Capital Projects**

- Staff continues to monitor and evaluate any potential impacts to project delivery and construction and ensure that proper health and safety practices are in place at all job sites and contractor facilities.

### **Security and Emergency Preparedness**

- Staff continues to support OCTA's response to the COVID-19 pandemic through participation in local government meetings and supporting OCTA management through the continued activation of the Emergency Operation Center.

**Information Systems**

- Staff continues to support employees who are remote working while assisting employees who have returned to the workplace as of May 3, 2021. Additional staff was onsite to ensure a smooth transition for employees.

**Public Information Office**

- Staff continues working with all OCTA departments and divisions to coordinate the agency's overall messaging and communications efforts responding to the COVID-19 pandemic.
- Staff worked with the CEO to hold a virtual CEO Connection on April 29, 2021, so employees could receive updates and ask questions related to the Return to the Workplace efforts, vaccinations, and other topics. More than 300 employees participated.

**General Services**

- Staff remains on-site to provide employees supplies as needed, facilitate deliveries, printing, and coordinating with building maintenance on any issues that arise.
- Staff continues to monitor usage of the OCTA Store during modified hours to ensure customer demand is adequately served while allowing for employee and customer safety through social distancing.

**Clerk of the Board**

- Clerk of the Board staff continues to implement Board and committee meetings via teleconference as allowed under current state orders.
- 103 Board and committee meetings have been conducted via teleconference/videoconference.
- Staff continues to prepare, post, and provide agendas to the Board and public.

DEJ:jz

c: Executive Staff



## COMMITTEE TRANSMITTAL

**May 24, 2021**

**To:** Members of the Board of Directors

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

**Subject:** Environmental Mitigation Program Endowment Fund Investment Report for March 31, 2021

### Finance and Administration Committee Meeting of May 12, 2021

**Present:** Directors Foley, Goodell, Harper, Hennessey, Hernandez, Jones, and Muller

**Absent:** None

### **Committee Vote**

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

Director Foley was not present to vote on this item.

### **Committee Recommendation**


Receive and file as an information item.





**May 12, 2021**

**To:** Finance and Administration Committee

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

**Subject:** Environmental Mitigation Program Endowment Fund Investment Report for March 31, 2021

### **Overview**

The Orange County Transportation Authority has developed a Natural Community Conservation Plan/Habitat Conservation Plan, acquired conservation properties, and funded habitat restoration projects to mitigate the impacts of Measure M2 freeway programs. The California Community Foundation manages the non-wasting endowment required to fund the long-term management of the conservation properties. Each quarter, the California Community Foundation publishes a comprehensive report detailing the composition of the pool and its performance.

### **Recommendation**

Receive and file as an information item.

### **Background**

On September 26, 2016, the Board of Directors approved the selection of the California Community Foundation (CCF) as an endowment fund manager for the Measure M2 Freeway Environmental Mitigation Program. Annually, approximately \$2.9 million will be 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. As of March 31, 2021, the Orange County Transportation Authority (OCTA) has made five deposits to the CCF Endowment Pool, each in the amount of \$2,877,000.

***Discussion***

Per Attachment A, as of March 31, 2021, total pool assets in the CCF Endowment Pool were \$1.31 billion. Total foundation assets were \$2.4 billion. Performance for the CCF Endowment Pool was slightly below the benchmark in the short-term horizon of up to three years and exceeded the benchmark in the long-term five- to ten-year horizon. Based on the CCF's performance to date, OCTA remains on track to meet the endowment target of \$46.2 million in fiscal year (FY) 2028.

Per Attachment B, the balance as of March 31, 2021, was \$18,216,87. The balance is above the FY 2021 target of \$16,323,789, reflecting continued economic recovery from the sharp declines earlier in 2020. Equity markets surged higher during the quarter driven by the impacts of monetary and fiscal stimulus, as well as progress on the coronavirus, including optimism on vaccines and early movement towards opening the economy. The CCF's Endowment Pool portfolio is well diversified, with various asset classes that can handle changes in market volatility.

***Summary***

The Orange County Transportation Authority is submitting a copy of the California Community Foundation Investment Report to the Board of Directors. The report is for the quarter ending March 31, 2021.

***Attachments***

- A. California Community Foundation Endowment Pool, March 31, 2021
- B. California Community Foundation Fund Statement, OCTA – Measure M2 Environmental Mitigation Program Fund (V398), 1/1/2021 – 3/31/2021

**Prepared by:**



Robert Davis  
Department Manager,  
Treasury and Public Finance  
714-560-5675

**Approved by:**



Andrew Oftelie  
Chief Financial Officer  
Finance and Administration  
714-560-5649

The Endowment Pool returned 1.6% for the month of March 2021, 20 basis points behind its benchmark. For the trailing year, the pool returned 33.2%, 350 basis behind its benchmark.

## Total Pool Assets

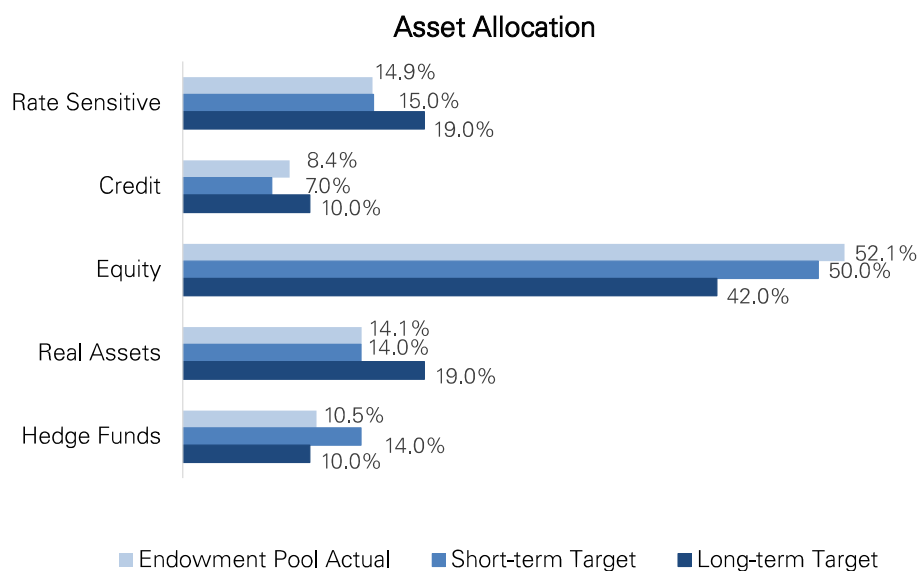
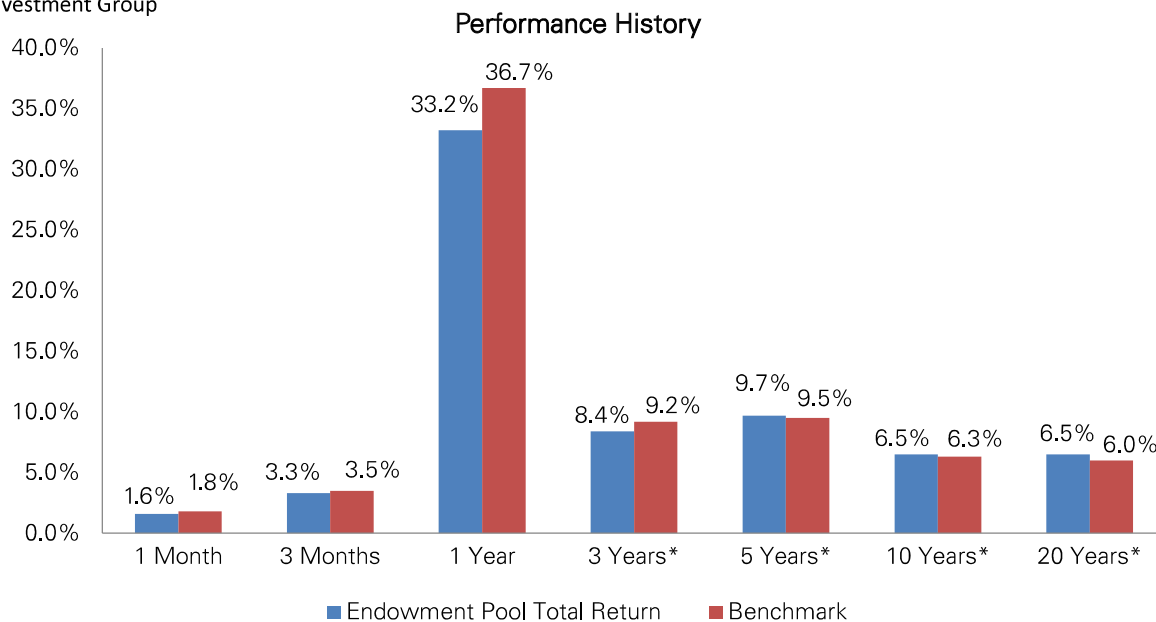
\$1.31 billion (Endowment Pool), \$2.40 billion (total foundation assets) as of March 31, 2021.

## Pool Objective

Preserve the real (i.e., inflation-adjusted) purchasing power of the investment pool net of annual distributions for grants and expenses. An additional objective is to provide a relatively predictable, stable stream of distributions for grants and expenses that keep pace with inflation over time.

## Investment Consultant

Meketa Investment Group



\*Represents annualized returns.

1) Investment expense ratio approximates 0.64%, excluding fund manager incentive fees.

2) Investment performance is presented net of investment expenses, including fund manager incentive fees.

3) Total Fund Benchmark is a combination of: 48% MSCI ACWI - 2% Cambridge PE Index 1-Qtr Lag / 14% HFR FOF / 5% ODCE - 5% S&P Global Large Mid NR - 4% S&P Global Infrastructure / 9% Barc Agg. - 3% Barc 1-5 Yr. Gov/Cr - 3% Barc 0-5 Yr. US Treasury TIPs / 2% Barc High Yield - 2% S&P/LSTA Leveraged Loan - 3% JP Morgan EMBI Global Diversified.

4) Short-term target allocation is over 1-4 years, long-term target allocation is over 4-9 years.

Updated 4/22/2021



## ATTACHMENT B

**Fund Name** OCTA - Measure M2 Environmental Mitigation Program Fund  
**Fund Start Date** 2/28/2017  
**Investment Pool(s)** Endowment Pool

### FUND STATEMENT

#### OCTA - Measure M2 Environmental Mitigation Program Fund (V398)

1/1/2021 - 3/31/2021

#### Fund Summary

	Report Period 1/1/2021 - 3/31/2021	Calendar YTD 1/1/2021 - 3/31/2021
<b>Opening Fund Balance</b>	\$17,664,005.59	\$17,664,005.59
Contributions	0.00	0.00
Investment Activity, net	596,466.33	596,466.33
Administration & Grant Management Fees	(43,597.46)	(43,597.46)
Net Changes to Fund	552,868.87	552,868.87
<b>Ending Balance</b>	<b>\$18,216,874.46</b>	<b>\$18,216,874.46</b>

#### Investment Pool Performance as of 3/31/2021

	This Qtr.	1-Year	3-Years	5-Years	10-Years
<b>Endowment Pool</b>	3.3%	33.2%	8.4%	9.7%	6.5%
<b>Social Impact Endowment Pool</b>	2.6%	35.9%	12.3%	10.9%	7.9%
<b>Conservative Balanced Pool</b>	1.6%	17.9%	7.5%	6.5%	n/a
<b>Short Duration Bond Pool</b>	-0.6%	1.8%	3.6%	2.3%	n/a
<b>Capital Preservation Pool</b>	0.0%	0.7%	1.6%	1.2%	0.7%

**Endowment Pool** - invested for long-term growth and appreciation while providing a relatively predictable stream of distributions that keeps pace with inflation over time. The target asset allocation is 50% equities, 14% hedge funds, 22% fixed income and 14% real assets. Investment management fees are 66 basis points.

**Social Impact Endowment Pool** - invested in a diversified pool aiming for capital growth for long-term grantmaking; underlying instruments undergo rigorous environmental and social analysis, with an asset allocation of approximately 60%-75% equities and 25%-40% fixed income. Investment management fees are 68 basis points.

**Conservative Balanced Pool** - designed to aim for moderate growth and to offer diversified exposure to the U.S. equity market and to investment grade fixed income with maturities from one to five years and an asset allocation of 70% fixed income and 30% equities investments. Investment management fees are 9 basis points.

**Short Duration Bond Pool** - invested to offer diversified exposure to investment grade fixed income with maturities from one to five years for the purposes of grants over a near-term one to four year horizon. Investment management fees are 5 basis points.

**Capital Preservation Pool** - designed to preserve principal and provide liquidity for present grantmaking needs through investment in short-term fixed income and cash instruments. Investment management fees are 10 basis points.



## COMMITTEE TRANSMITTAL

**May 24, 2021**

**To:** Members of the Board of Directors

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

**Subject:** Measure M2 Project U Senior Non-Emergency Medical Transportation Funding and Program Guidelines

### Transit Committee Meeting of May 13, 2021

**Present:** Directors Chaffee, Do, Jones, Nguyen, Shaw, and Sidhu  
**Absent:** Director Sarmiento

### **Committee Vote**

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

### **Committee Recommendations**

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-1-3446 with the County of Orange to continue providing funding for the Senior Non-Emergency Medical Transportation program.
- B. Adopt the revised Measure M2 Project U Senior Non-Emergency Medical Transportation Funding Guidelines.





**May 13, 2021**

**To:** Transit Committee

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

**Subject:** Measure M2 Project U Senior Non-Emergency Medical Transportation Funding and Program Guidelines

### **Overview**

Under Measure M2, Project U allocates funding to programs which expand mobility choices for seniors and persons with disabilities. As part of Project U, one percent of the net Measure M2 revenues are specifically designated to supplement the County of Orange Senior Non-Emergency Medical Transportation program. The current cooperative agreement with the County of Orange expires June 30, 2021. Board of Directors' approval is requested for a new agreement and revised program guidelines to continue to provide these non-emergency medical transportation services.

### **Recommendations**

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-1-3446 with the County of Orange to continue providing funding for the Senior Non-Emergency Medical Transportation program.
- B. Adopt the revised Measure M2 Project U Senior Non-Emergency Medical Transportation Funding Guidelines.

### **Background**

In 2003, the County of Orange (County) Office on Aging established the Senior Non-Emergency Medical Transportation (SNEMT) program supported with Tobacco Settlement Revenue (TSR) funds. Using two transportation contractors, non-emergency medical transportation services provide seniors with trips to doctor and dental appointments, chemotherapy, dialysis, and pharmacy visits. Measure M2 (M2) includes funding for three programs under Project U to support the growing transportation needs of seniors and persons with disabilities. As part of Project U, one percent of M2 net revenues is designated to support the County's SNEMT program. M2 funding is intended to

supplement existing TSR revenue. As a result, the M2 Ordinance No. 3 stipulates that the County is required to allocate funds to the SNEMT program at the same percentage of TSR funding that was allocated in November 2006. This represents a 5.27 percent allocation of total TSR funding. The County has consistently met this requirement. As of June 30, 2020, the County has contributed more than \$14.5 million in TSR funding to the program. With an additional \$25.4 million in M2 funding provided to support the program, the SNEMT program has provided more than 940,720 trips since 2011.

The cooperative agreement between OCTA and the County establishes SNEMT Guidelines (Guidelines) and outlines the distribution of program funds and reporting requirements. The Guidelines were adopted by the Board of Directors (Board) on February 14, 2011, with the latest revision adopted by the Board on May 9, 2016.

### ***Discussion***

The current cooperative agreement with the County will expire on June 30, 2021. In order to continue providing M2 funding to support the SNEMT program, a new agreement (Attachment A) is required. The proposed agreement will continue funding for five years with one, five-year option term.

In addition, revisions to the Guidelines (Attachment B) are needed to modify the conditions under which trip prioritization may be implemented. Section 6.0 in the Service Guidelines currently reflect that the County may initiate trip prioritization if actual expenditures exceed, or are within 25 percent of, the amount of available program funding. This percentage is incorrect, and staff requests the revision to reflect the correct percentage threshold at which trip prioritization may be initiated to 75 percent. Since 2011, the Office of Aging has not initiated trip prioritization, but staff requests the agreement continue to allow for the provision.

OCTA staff continues to work in close collaboration with the County to help meet the growing needs for safe, reliable, and affordable senior transportation service alternatives in Orange County.

### **Fiscal Impact**

Funding to cover the SNEMT program cooperative agreement with the County will be evaluated annually. In doing so, the amount will be budgeted annually as part of the budget, Account No. 0017-7831-TU003-TQK, and will be funded with local M2 funds.

***Summary***

Staff is seeking Board of Directors' approval for a new cooperative agreement to continue Measure M2 funding to assist the County of Orange in the operation of the Senior Non-Emergency Medical Transportation Program. In addition, revisions to the program guidelines have been developed to address the annual distribution of these funds and the required reporting procedures and need to be revised to reflect the new trip prioritization threshold.

***Attachments***

- A. M2 Project U, Senior Non-Emergency Medical Transportation Funding Guidelines, May 2021
- B. Projected Available Measure M2 Revenues, Senior Non-Emergency Medical Transportation (SNEMT)

**Prepared by:**



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Joanne Jacobsen  
Senior Community Transportation  
Coordinator  
714-560-5660



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Beth McCormick  
Executive Director, Bus Operations  
(714) 560-5964

**Approved by:**



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Jennifer L. Bergener  
Chief Operating Officer, Operations/  
Deputy Chief Executive Officer  
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Pia Veasapen  
Director, Contracts Administration and  
Materials Management  
(714) 560-5619



## **M2 Project U**

### **Senior Non-Emergency Medical Transportation Funding Guidelines**

May 2021

#### **1.0 Overview**

The Measure M2 (M2) Project U – Senior Non-Emergency Medical Transportation (SNEMT) program provides funding to support the Orange County Office on Aging program, which provides non-emergency medical transportation service for seniors such as trips to doctor and dental appointments, therapy, dialysis, and pharmacy visits. The SNEMT program funding was established to continue and expand the existing program, which has been funded with Tobacco Settlement Revenue (TSR) funds since 2003. The County Office on Aging administers the program, which is operated through contract service providers.

The purpose of these guidelines is to provide procedures that assist in the administration of funding for the SNEMT program. The Orange County Transportation Authority (OCTA) is responsible for ensuring the provisions outlined out in these guidelines are followed.

#### **2.0 Objectives**

- To enhance the existing Orange County (County) SNEMT program.
- To sustain the SNEMT program by providing funds which augment declining TSR revenue.
- To provide non-emergency medical transportation for seniors as an alternative to OCTA ACCESS paratransit service.

#### **3.0 Eligibility Requirements & Maintenance of Effort**

The County must satisfy all M2 eligibility criteria to receive the formula allocation for this program.

The maintenance of effort requirement, as specified in the M2 Ordinance No. 3, indicates that the County shall continue to fund program services in an annual amount equal to the same percentage of the total annual TSR funds received by the County as of November 2006. In fiscal year 2006-07, the TSR percentage allocated to the program was 5.27 percent of the overall TSR received by the County.



The County is required to enter into a cooperative agreement with OCTA to provide senior non-emergency medical transportation and to adhere to strict funding guidelines required by the M2 Ordinance No. 3.

#### **4.0 Annual Maintenance of Effort Verification**

The County must submit to OCTA an annual verification of the SNEMT program budget with supporting documentation to confirm the allocation of at least 5.27 percent of TSR funding to the program as required by the M2 Ordinance.

Annual documentation submitted to OCTA should confirm budgeted TSR funding for the current fiscal year and actual TSR funding for the prior fiscal year.

#### **5.0 Funding Allocation Method & Distribution**

Funding for the SNEMT program is identified as no less than the TSR funds annually expended and no greater than one percent of M2 net sales tax revenues plus accrued interest. Funding allocations are based on actual sales tax receipts. Funding will be distributed on a bimonthly basis and must be expended within three years of receipt. OCTA may grant an extension beyond the three-year limitation; however, an extension may not exceed five years from the date of the initial funding allocation. The County must submit a justification letter requesting an extension beyond the three-year limitation for review and approval by OCTA at least 90 days prior to the end of the third year from the date of receipt of funds. Requests for an extension must include a plan of expenditure.

SNEMT program earned interest must be spent on transportation activities consistent with SNEMT program eligible expenses. Interest revenues must be expended within three years of receipt.

In the event the time limits for use of program funds are not satisfied, any retained SNEMT program funds, including interest, shall be returned to OCTA.

#### **6.0 Service Guidelines**

SNEMT program services are limited to non-emergency medical trips available to individuals 60 years of age and older.

The County is responsible for establishing program guidelines, operational policies, and administering and monitoring the provision of program services.

The County may initiate trip prioritization if actual expenditures exceed, or are within 75 percent of, the amount of TSR and M2 funding dedicated to the program (Attachment A). Trip prioritization refers to the ability of the County to limit trips to





life sustaining trips including chemotherapy and dialysis. Trips not considered life sustaining will occur only after all life sustaining trips have been provided.

## **7.0 Eligible Expenses**

The County shall ensure M2 funds and earned interest are used exclusively for eligible direct program-related expenses, which may include contract service providers, staff time, SNEMT program supplies and materials, marketing materials and community outreach. The County shall ensure all SNEMT program costs are fair and reasonable. Administrative costs are allowed and considered eligible SNEMT program expenses consistent with the County's approved cost allocation plan. All SNEMT program expenses are subject to audit.

## **8.0 Program Revenue**

The County must ensure their service contractors maintain adequate procedures for collecting and reporting program revenue, including fees, donations and cash fares.

## **9.0 Reporting**

The County is required to submit quarterly reports using a reporting template provided by OCTA. The County shall also be required to maintain supporting documentation, as specified by OCTA, to substantiate quarterly reporting data. Required reporting data may include, but is not limited to, the following:

- Quarterly TSR-Funded Trips
- Quarterly M2-Funded Trips
- Total Quarterly Trips
- Cumulative Total Trips
- Quarterly Program Operating Cost
- Quarterly OCTA Contribution
- Quarterly County Contribution
- Cumulative OCTA Contribution
- Cumulative County Contribution
- Program Monitoring Activities

Reports are due within 45 days from the end of each quarter. Failure to meet the established reporting deadline for two consecutive quarters during the fiscal year may result in a reduction of funding and/or other sanctions to be determined.



## **10.0 Audits & Inspection of Records**

M2 funding is subject to audit. The County shall maintain program documentation and records for a period of no less than five years, including documentation evidencing the County's oversight and monitoring of contractors providing services under the SNEMT program. The SNEMT program documents and records, including but not limited to, contractor invoices, payroll records, trip sheets, and other program-related expenses, which shall be available for review by OCTA SNEMT program funding administrators, auditors, and authorized agents upon request. The County must follow established accounting requirements and applicable laws regarding the use of public funds. Failure to submit to an audit in a timely manner may result in loss of future funding. Misuse or misrepresentation of M2 funding will require remediation which may include repayment, reduction in overall allocation, and/or other sanctions to be determined by the OCTA Board of Directors. Audits shall be conducted by the OCTA Internal Audit Department, or other authorized agent, as determined by OCTA.



Projected Available Measure M2 Revenues  
*Senior Non-Emergency Medical Transportation (SNEMT)*

Program	Available Funding					Total
	2022	2023	2024	2025	2026	
Senior Non-Emergency Medical Transportation	\$3,012,009	\$3,103,766	\$3,203,629	\$3,288,008	\$3,409,012	\$16,016,424