Date:	**Monday, August 27, 2007**
Time:	**9:00 a.m.**
Where:	**Orange County Transportation Authority Headquarters** **600 South Main Street, First Floor - Conference Room 154** **Orange, California 92868**

OCTA

AGENDA

ACTIONS

Orange County Transportation Authority Board Meeting
OCTA Headquarters
First Floor - Room 154, 600 South Main Street
Orange, California
Monday, August 27, 2007, at 9:00 a.m.

REVISED

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA Clerk of the Board, telephone (714) 560-5676, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

Invocation
Director Green

Pledge of Allegiance
Director Moorlach

Agenda Descriptions
The agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Board of Directors may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

Public Comments on Agenda Items
Members of the public wishing to address the Board of Directors regarding any item appearing on the agenda may do so by completing a Speaker's Card and submitting it to the Clerk of the Board. Speakers will be recognized by the Chairman at the time the agenda item is to be considered. A speaker's comments shall be limited to three (3) minutes.

OCTA

AGENDA

ACTIONS

Special Matters

1. Presentation of Resolutions of Appreciation for Employees of the Month for August 2007

Present Orange County Transportation Authority Resolutions of Appreciation Nos. 2007-49, 2007-50, and 2007-51 to Esteban Ponce, Maintenance; Cozette Hanich, Administration; and David Hepp, Coach Operator, as Employees of the Month for August 2007.

2. Special Recognition for Thirty Years of Safe Driving

Presentation of an award to Coach Operator David Hepp for achieving thirty years of safe driving.

Consent Calendar (Items 3 through 18)

All matters on the Consent Calendar are to be approved in one motion unless a Board Member or a member of the public requests separate action on a specific item.

Orange County Transportation Authority Consent Calendar Matters

3. Approval of Minutes

Of the Orange County Transportation Authority and affiliated agencies' regular meeting of August 13, 2007.

4. Approval of Board Members' Travel Authorizations

Approval of travel authorizations for Chairman Carolyn Cavecche and Director Peter Buffa to travel to Washington, D.C., for meetings regarding Federal Legislative Advocacy and Consulting Services from September 4-7, 2007.

ACTIONS

5. Approval of Resolutions of Appreciation for Employees of the Month for August 2007

Adopt Orange County Transportation Authority Resolutions of Appreciation Nos. 2007-49, 2007-50, and 2007-51 to Esteban Ponce, Maintenance; Cozette Hanich, Administration; and David Hepp, Coach Operator, as Employees of the Month for August 2007.

6. Federal Legislative Status Report
Richard J. Bacigalupo

Overview

Congress has recessed for the summer and will return to session after Labor Day. This Federal Legislative Status Report provides a summary of actions to date on major federal legislation affecting the Orange County Transportation Authority.

Recommendation

Receive and file as an information item.

7. Transportation Enhancement Activities and Transportation Development Act 2007 Call for Projects
Ben Ku/Kia Mortazavi

Overview

The Orange County Transportation Authority awards federal Transportation Enhancement grants for transportation related projects that augment transportation facilities in Orange County. In March of 2007, the Board of Directors authorized the use of Transportation Development Act Article 3 funds for bicycle and pedestrian facilities projects. There is currently $13.5 million from these combined funding sources available for programming, and staff is requesting authorization to issue a call for projects for these programs.

ACTIONS

7. **(Continued)**

Recommendations

A. Approve the policy guidelines, application, and scoring criteria for the Transportation Enhancement activities and Transportation Development Act programs.

B. Direct staff to issue a call for Transportation Enhancement activities and Transportation Development Act projects in September 2007.

8. **Amendment to Agreement for Highways and Facilities Project Management Consultant Services**
Tom Bogard/Kia Mortazavi

Overview

On November 24, 2003, the Board of Directors approved an agreement with Hatch Mott MacDonald, in the amount of $3,600,000, to provide project management consultant services to manage the design and construction of transportation improvement projects. Hatch Mott MacDonald was retained in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendations

A. Authorize the Chief Executive Officer to execute Amendment No. 8 to Agreement C-3-0994 between the Orange County Transportation Authority and Hatch Mott MacDonald, in an amount not to exceed $516,000, for continued project management services for the Garden Grove Freeway (State Route 22) design build project and to extend the contract period to May 31, 2008.

B. Approve a fiscal year 2007-08 budget transfer of $407,000, from Account 0010-9084-F2212-AJT to Account 0010-7519-F7100-7RQ.

OCTA

AGENDA

ACTIONS

9. Status on Response to Grand Jury Rail Crossings Report
David Simpson/Ellen S. Burton

Overview

In May 2007, the Orange County Grand Jury issued a report on rail-highway grade crossing safety throughout Orange County. This report was sent to the Board of Directors upon release. With affected agency input complete, staff is currently working on a response to findings and recommendations contained in the report. A Board-approved response to the Grand Jury is due November 1, 2007.

Recommendation

Receive and file as an information item.

10. Pre-Paid Fare Media Program Update
Stella Lin/Ellen S. Burton

Overview

The Orange County Transportation Authority pre-paid fare media program, commonly known as the Bus Pass Sales Program, has been reviewed to identify opportunities for improvements.

Recommendations

A. Direct staff to implement modifications to the Bus Pass Sales Program that includes a standardized pass sales agreement, adoption of 30-day payment terms, and establishment of a variable discount structure predicated on order quantities for all distributors.

B. Direct staff to explore fare collection options designed to integrate multiple systems and operators.

OCTA

AGENDA

ACTIONS

11. Customer Relations Report Fourth Quarter Fiscal Year 2006-07
Marlon Perry/Ellen S. Burton

Overview

The Customer Relations Report is submitted to the Orange County Transportation Authority Board of Directors on a quarterly basis. The report provides an overview of customer communications received during the prior period of April through June 2007, as well as an overview of the Customer Information Center contract which is administered by Customer Relations.

Recommendation

Receive and file as an information item.

12. Metrolink Weekends 2007 Market Segmentation Study
Stella Lin/Ellen S. Burton

Overview

In October 2005, the Orange County Transportation Authority Board of Directors approved a $385 million, five-year expansion plan for Orange County Metrolink service. As part of that plan, weekend service was launched in June 2006 on the Orange County Line and July 2006 on the Inland Empire-Orange County Line. In April 2007, a Metrolink Weekends Market Segmentation Study was conducted; this report provides an overview of the survey results.

Recommendation

Direct staff to develop and present the Metrolink Weekends Marketing Plan to the Legislative and Government Affairs/Public Communications Committee in September 2007.

ACTIONS

13. Amendment to Agreement for Armored Vehicle Service
Tom Wulf/James S. Kenan

Overview

On October 27, 2003, the Board of Directors approved an agreement with Los Angeles Federal Armored Services, Inc., in the amount of $683,000, to provide armored vehicle service. Los Angeles Federal Armored Services, Inc. was retained in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 5 to Agreement C-3-0878 between the Orange County Transportation Authority and Los Angeles Federal Armored Services, Inc., in an amount not to exceed $325,000, to exercise the second and final option year to provide armored vehicle services.

Orange County Local Transportation Authority Consent Calendar Matters

14. Santa Ana Freeway (Interstate 5) Gateway Project Update and Amendment to Cooperative Agreement with the California Department of Transportation for Right-of-Way Services
Charles Guess/Kia Mortazavi

Overview

In May 2006, the California Department of Transportation awarded a contract for the widening and reconstruction of the Santa Ana Freeway (Interstate 5) from the Riverside Freeway (State Route 91) to the Los Angeles County line. This report provides an update on the status of construction and requests an amendment to a cooperative agreement for utility relocation costs.

ACTIONS

14. (Continued)

Recommendations

A. Authorize the Chief Executive Officer to execute Amendment No. 3 to Cooperative Agreement C-4-1081 between the Orange County Transportation Authority and the California Department of Transportation, in an amount not to exceed $9,140,000, for utility relocation costs not included in the original agreement.

B. Authorize the use of up to $9,140,000 in Regional Surface Transportation Program funds to fund utility relocation as programming capacity permits.

C. Authorize staff to amend the State Transportation Improvement Program and the Regional Federal Transportation Improvement Program, and execute any necessary agreements to facilitate the programming action.

D. Authorize staff to update the cost estimate for the project to a new total of $335,828,000.

15. Euclid Street Signal Synchronization Demonstration Project Initial Results
Anup Kulkarni/Kia Mortazavi

Overview

The Orange County Transportation Authority has been working with local agencies on the Euclid Street Traffic Signal Synchronization Demonstration Project. This report provides a summary of the initial results from the project.

Committee Recommendations

A. Receive and file as an information item.

B. Direct staff to return with governance options for implementing the Renewed Measure M Regional Traffic Signal Synchronization Program.

ACTIONS

16. Measure M Quarterly Progress Report
Roger M. Lopez/Kia Mortazavi

Overview

Staff has prepared a Measure M progress report for the second quarter of 2007. This is a regular report that highlights the Measure M projects and programs currently under development.

Recommendation

Receive and file as an information item.

Orange County Transit District Consent Calendar Matters

17. Agreement for Radio Equipment, Installation, and Maintenance at the Santa Catalina Island Site
Lloyd Banta/Beth McCormick

Overview

The Orange County Transportation Authority uses an integrated transportation communication system as the communication link between central dispatch and fixed route buses. Installing a radio site on Santa Catalina Island will improve radio system coverage along the Orange County coastal area. A proposal was received in accordance with the Orange County Transportation Authority's fixed assets sole source procurement procedures for professional and technical services.

Recommendations

A. Authorize the Chief Executive Officer to execute Agreement C-7-0764 between the Orange County Transportation Authority and M/A-COM, in an amount not to exceed $240,950, for the purchase and installation of radio equipment to be located on Santa Catalina Island.

B. Approve a budget amendment to the approved Orange County Transportation Authority Fiscal Year 2007-08 Budget for $240,950 to fund Agreement C-7-0764.

ACTIONS

18. Agreement for Maintenance of the Integrated Transportation Communication System Radio Service
Lloyd Banta/Beth McCormick

Overview

The Orange County Transportation Authority's fixed route transit fleet relies upon an integrated voice and data radio system for communication to dispatch. This radio system requires periodic preventive maintenance and repair. A proposal, within the approved budget, was received from the radio supplier and processed in accordance with the Orange County Transportation Authority's sole source procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-6-0567 between the Orange County Transportation Authority and M/A-COM, in an amount not to exceed $100,000, for radio repair and maintenance service for a one-year term with five one-year options.

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

19. State Legislative Status Report
Kristin Essner/P. Sue Zuhlke

Overview

Recently, the California Air Resources Board moved forward on measures to comply with deadlines under both the Global Warming Solutions Act of 2006 and federal national ambient air quality standards. Two of these measures include the adoption of an in-use, off-road, diesel vehicle regulation and the approval of discrete early action measures to reduce greenhouse gas emissions.

ACTIONS

19. (Continued)

Committee Recommendations

A. Receive and file the State Legislative Status Report as an information item.

B. Adopt an Oppose unless Amended position on SB 974 (Lowenthal, D-Long Beach) with the following amendments to be included:

1. Eliminate the air quality attainment requirement for the congestion relief funds;

2. Formula for equitable distribution defined in the bill outside of the California Transportation Commission process;

3. An ongoing updating of projects, as opposed to a one-time list of projects; and

4. Eliminate the requirement that funds be appropriated annually by the Legislature.

20. Rail-Highway Grade Crossing Enhancement Program Implementation Options
Darrell E. Johnson/Kia Mortazavi

Overview

On June 13, 2005, the Orange County Transportation Authority Board of Directors approved initial funding and implementation of the Rail-Highway Grade Crossing Enhancement Program. On August 13, 2007, the Orange County Transportation Authority Board of Directors approved the Renewed Measure M Early Action Plan, which called for the implementation of rail-highway grade crossing and quiet zone improvements at 53 at-grade rail-highway crossings in Orange County. Staff is providing a progress report and proposing an implementation method for Board of Directors consideration.

ACTIONS

20. (Continued)

Committee Recommendations

A. Approve the implementation strategy for a comprehensive rail-highway grade crossing enhancement program including additional improvements needed to meet Federal Railroad Administration standards for reduced sounding of locomotive horns.

B. Authorize the Chief Executive Officer to enter into a cooperative agreement with the Southern California Regional Rail Authority to act as lead agency to deliver design and construction of the rail-highway grade crossing enhancements and improvements needed to meet Federal Railroad Administration standards for reduced sounding of locomotive horns. Review with each city the implementation strategy for their crossings.

C. Continue with the current cost sharing formula of 88 percent provided by the Orange County Transportation Authority and 12 percent provided by the participating cities.

D. Approve a program budget of $60 million funded by $10 million in Commuter Urban Rail Endowment funds, $42.8 million in Renewed Measure M funds, and $7.2 million in local city funds.

E. Direct staff to work with Southern California Regional Rail Authority, the City of San Clemente, the Federal Railroad Administration, and the California Public Utilities Commission to determine the applicability of the final federal rule on the use of locomotive horns at rail-highway grade crossings to pedestrian-only crossings in the City of San Clemente.

F. Approve the contribution of $150,000 of Commuter Urban Rail Endowment funds for the development of rail-highway and pedestrian only grade crossings design criteria and procedures for the Southern California Regional Rail Authority system.

ACTIONS

21. Authority to Initiate the Right-of-Way Acquisition Process by Completing Appraisals of Real Property for the Metrolink Service Expansion Program
James Staudinger/Kia Mortazavi

Overview

The Orange County Transportation Authority is working toward a major rail service expansion, the Metrolink Service Expansion Program, which is expected to become operational in December 2009. Proposed projects at Fullerton, Laguna Niguel, and Irvine, which are consistent with the goals of the Metrolink Service Expansion Program, require the acquisition of some property rights from public and private parties, adjacent to existing Metrolink right-of-way. Acquisition of properties will be conducted in accordance with the Orange County Transportation Authority Board of Directors'-approved right-of-way policies and procedures.

Recommendation

Authorize the Orange County Transportation Authority to initiate the right-of-way acquisition process by completing appraisals of the appropriate interests in real property, which are necessary for the facility improvements at Fullerton, Laguna Niguel, and Irvine, which further the objectives of the Metrolink Service Expansion Program.

Other Matters

22. California Department of Transportation High-Occupancy Vehicle Lanes Update
James Pinheiro, Caltrans

23. Public Comments

At this time, members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three (3) minutes per speaker, unless different time limits are set by the Chairman subject to the approval of the Board of Directors.

OCTA

AGENDA

ACTIONS

24. Chief Executive Officer's Report

25. Directors' Reports

26. Closed Session

Pursuant to Government Code Section 54956.9(b).

27. Adjournment

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on September 10, 2007,** at the OCTA Headquarters.

3.

Minutes of the Meeting of the
Orange County Transportation Authority
Orange County Service Authority for Freeway Emergencies
Orange County Local Transportation Authority
Orange County Transit District
Board of Directors
August 13, 2007

Call to Order

The August 13, 2007, regular meeting of the Orange County Transportation Authority and affiliated agencies was called to order by Chairman Cavecche at 9:03 a.m. at the Orange County Transportation Authority Headquarters, Orange, California.

Roll Call

Directors Present:	Carolyn Cavecche, Chairman Jerry Amante Patricia Bates Arthur C. Brown Peter Buffa Bill Campbell Richard Dixon Paul Glaab Cathy Green Allan Mansoor John Moorlach Janet Nguyen Curt Pringle Miguel Pulido Mark Rosen Gregory T. Winterbottom Jim Beil, Caltrans District 12 attended on behalf of Cindy Quon, Governor's Ex-Officio Member
Also Present:	Arthur T. Leahy, Chief Executive Officer Paul C. Taylor, Deputy Chief Executive Officer Wendy Knowles, Clerk of the Board Laurena Weinert, Assistant Clerk of the Board Kennard R. Smart, Jr., General Counsel Members of the Press and the General Public
Directors Absent:	Chris Norby, Vice Chair Cindy Quon, Governor's Ex-Officio Member

Invocation

Director Pringle gave the invocation.

Pledge of Allegiance

Director Brown led the Board and audience in the Pledge of Allegiance.

Public Comments on Agenda Items

Chairman Cavecche announced that members of the public who wished to address the Board of Directors regarding any item appearing on the agenda would be allowed to do so by completing a Speaker's Card and submitting it to the Clerk of the Board.

Special Matters

1. **Presentation of Resolution of Appreciation for Employee of the Month for July 2007**

   Chairman Cavecche presented a Orange County Transportation Authority Resolution of Appreciation No. 2007-45 to Blanca Ibarra, Administration, as Employee of the Month for July 2007.

Consent Calendar (Items 2 through 18)

Chairman Cavecche announced that members of the public who wished to address the Board of Directors regarding any item appearing on the agenda would be allowed to do so by completing a Speaker's Card and submitting it to the Clerk of the Board.

Orange County Transportation Authority Consent Calendar Matters

2. **Approval of Board Member Travel Request**

   A motion was made by Director Campbell, seconded by Director Buffa, and declared passed by those present, to approve travel for Director Art Brown to travel from October 30 through November 4, 2007, to attend the 2007 Rail Volution Conference in Miami, Florida.

   Director Nguyen was not present for this vote.

3. Approval of Minutes

A motion was made by Director Campbell, seconded by Director Buffa, and declared passed by those present, to approve the minutes of the Orange County Transportation Authority and affiliated agencies' regular meeting of July 23, 2007.

Director Nguyen was not present for this vote.

4. Approval of Resolution of Appreciation for Employee of the Month for July 2007

A motion was made by Director Campbell, seconded by Director Buffa, and declared passed by those present, to adopt Orange County Transportation Authority Resolution of Appreciation No. 2007-45 to Blanca Ibarra, Administration, as Employee of the Month for July 2007.

Director Nguyen was not present for this vote.

5. Fiscal Year 2006-07 Internal Audit Plan, Fourth Quarter Update

A motion was made by Director Campbell, seconded by Director Buffa, and declared passed by those present, to receive and file the fourth quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2006-07 Internal Audit Plan.

Director Nguyen was not present for this vote.

6. Draft Fiscal Year 2007-08 Internal Audit Plan

A motion was made by Director Campbell, seconded by Director Buffa, and declared passed by those present, to:

A. Approve the Draft Fiscal Year 2007-08 Internal Audit Plan.

B. Direct the Internal Audit Manager to provide quarterly updates on the Internal Audit Plan.

Director Nguyen was not present for this vote.

7. **Triennial Performance Audit Improvement Recommendations for Internal Audit**

A motion was made by Director Campbell, seconded by Director Buffa, and declared passed by those present, to:

A. Direct Internal Audit to implement the improvement recommendations as modified in management's responses to improvement recommendations.

B. Direct Internal Audit to further investigate facts and circumstances underlying improvement recommendations 16, 17, 19, 22, 23, 26, 27, and 28.

Director Nguyen was not present for this vote.

8. **Cooperative Agreement with the Southern California Regional Disparity Study Consortium**

A motion was made by Director Campbell, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to execute Cooperative Agreement C-7-1007 between the Orange County Transportation Authority, the Los Angeles Metropolitan Transportation Authority, San Diego Association of Governments, and Southern California Regional Rail Authority, in an amount not to exceed $100,000, for a legally defensible disparity study of the transportation contracting industry in Southern California.

9. **Agreement for Maintenance Services for Landscape Improvement Projects Along the Former Pacific Electric Railroad Right-of-Way**

A motion was made by Director Campbell, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement C-7-0517 between the Orange County Transportation Authority and U.P. Landscape Maintenance, Inc., in an amount not to exceed $143,000, for maintenance services for landscape improvements along the former Pacific Electric Railroad right-of-way.

Director Nguyen was not present for this vote.

10. **Cooperative Agreements with the Cities of Laguna Hills, Lake Forest, and Yorba Linda for the Go Local Program**

A motion was made by Director Campbell, seconded by Director Buffa, and declared passed by those present, to:

A. Authorize the Chief Executive Officer to execute Cooperative Agreement C-7-0939 between the Orange County Transportation Authority and the City of Laguna Hills, in an amount not to exceed $100,000, to assess the need for transit connections to Metrolink.

10. (Continued)

B. Authorize the Chief Executive Officer to execute Cooperative Agreement C-7-0993 between the Orange County Transportation Authority and the City of Lake Forest, in an amount not to exceed $100,000, to collaborate with neighboring cities to identify multiple opportunities to improve transit connections to Metrolink.

C. Authorize the Chief Executive Officer to execute Cooperative Agreement C-7-0970 between the Orange County Transportation Authority and the City of Yorba Linda, in an amount not to exceed $100,000, to participate in a study to refine the 2005 North Orange County Transit Study to focus on Metrolink connections.

11. Orangeline Magnetic Levitation Project

This item was continued to a future meeting.

12. Approval to Release Request for Proposals for Northbound Orange Freeway (State Route 57) Improvements Between Katella Avenue and Lincoln Avenue

A. Approve the proposed evaluation criteria and weightings.

B. Approve the release of Request for Proposals 7-0938 for environmental and final design consulting services for northbound Orange Freeway (State Route 57) improvements between Katella Avenue and Lincoln Avenue.

Director Nguyen was not present for this vote.

13. Metrolink Ridership and On-Time Performance Report

A motion was made by Director Campbell, seconded by Director Buffa, and declared passed by those present, to receive and file as an information item.

Director Nguyen was not present for this vote.

14. Smart Street Program Status Report

A motion was made by Director Campbell, seconded by Director Buffa, and declared passed by those present, to receive and file as an information item.

Director Nguyen was not present for this vote.

15. Santa Ana Second Main Track Project Update and Request for Additional Funding

A motion was made by Director Campbell, seconded by Director Buffa, and declared passed by those present, to:

A. Authorize the use of $715,000 of additional Commuter Urban Rail Endowment funds for completion of the Santa Ana Second Main Track project, increasing the total project cost to $27,187,000, and amend the Orange County Transportation Authority's Fiscal Year 2007-08 Budget to reflect the increase.

B. Direct staff to continue working with the City of Santa Ana and the Southern California Regional Rail Authority to address the construction of a replacement block wall on the east side of the railroad tracks.

Director Nguyen was not present for this vote.

16. Excess Liability Insurance Renewal

A motion was made by Director Campbell, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to issue Purchase Order A03247, in an amount not to exceed $600,000, to Marsh Risk and Insurance Services, Inc., for the purchase of excess liability insurance for the period of November 01, 2007, to October 31, 2008.

Director Nguyen was not present for this vote.

17. Agreement to Ciber, Inc. for Human Resource and Payroll Software Upgrade

A motion was made by Director Campbell, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement C-7-0776 between the Orange County Transportation Authority and Ciber, Inc., in an amount not to exceed $758,422, to complete the upgrade and implementation of two new software modules.

Director Nguyen was not present for this vote.

Orange County Transit District Consent Calendar Matters

18. ACCESS Performance Measurements Update

This item was pulled by staff, and Erin Rogers, Manager of Community Transportation Services stated the correct language in the staff report should be that staff will continue to report monthly for the next 90 days, and at the end of that time period, the Board would provide direction on the frequency of the reports.

Director Moorlach requested staff provide the documents that were used to assimilate information in this update regarding the on-time performance by Veolia

Chairman Cavecche requested staff provide an update on taxi service used in conjunction with paratransit service and how the taxi company feels the venture is working out.

A motion was made by Director Campbell, seconded by Director Buffa, and declared passed by those present, to:

A. Receive and file as an information item.

B. Report every 30 days for 90 days to the Board, then the Board will direct staff as to the frequency of future reports.

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

19. State Legislative Status Report

Chief Executive Officer (CEO), Arthur T. Leahy, stated that SB 974, regarding container fees, will be discussed under this report.

Director Bates requested that SB 974 be returned to the Legislative and Government Affairs Committee, due to the last Committee meeting having been canceled and did not have the opportunity to adequately vet this bill.

Wendy Villa, Manager of State Relations, provided a brief update on the budget for California and state legislative issues.

Discussion followed, and a motion was made by Director Bates, seconded by Director Rosen, and declared passed by those present, to return SB 974 to the Legislative and Government Affairs Committee for discussion.

Orange County Local Transportation Authority Regular Calendar Matters

20. Final Renewed Measure M Early Action Plan

Monte Ward, Director of Special Projects, presented this item and fielded questions from the Board regarding the Early Action Plan.

Director Campbell requested that a listing of Renewed M2 projects, as presented to the Transportation 2020 Committee, be provided to Board Members.

Director Pringle called upon Caltrans' Deputy District Director of Operations, James Pinheiro, to report to the Transportation 2020 Committee as to what is being done by Caltrans in response to the advancement of projects so that the Board can be assured Caltrans is ready, also.

Mr. Pinheiro stated that Caltrans will prepare a response to the Transportation 2020 Committee and will continue to work with OCTA on the projects identified.

A motion was made by Director Pulido, seconded by Director Campbell, and declared passed by those present, to:

A. Adopt the Final Renewed Measure M Early Action Plan as shown on the attached item to this report, "Final Renewed Measure M Early Action Plan".

B. Initiate the process to amend the Measure M Expenditure Plan to:

   1. Modify the description of the Orange Freeway (State Route 57) project, consistent with Project G in the Renewed Measure M Transportation Investment Plan, and increase the funding allocation by $22 million.

   2. Expand the limits of the Garden Grove Freeway (State Route 22) project to include the West County Connection improvements and increase the funding allocation by $10 million.

C. Set a date of September 24, 2007, for a public hearing and Board of Directors action to approve proposed amendments to the Measure M Expenditure Plan.

D. Authorize funding of expenditures for Renewed Measure M projects in the period from November 8, 2006 to June 30, 2007, using proceeds from the Orange County Unified Transportation Trust fund, to be reimbursed with interest when Renewed Measure M funds become available in 2011.

20. (Continued)

E. Direct staff to develop a detailed plan of finance to meet the anticipated cash flow requirements of the Early Action Plan in accordance with the financing policy guidelines on page 6-7 of the Renewed Measure M Early Action Plan and return for review and approval within 90 days.

F. Direct staff to report quarterly on progress in implementing the Early Action Plan; seek and recommend opportunities to improve project delivery times; and annually review and make recommendations on opportunities to add or substitute projects in the Early Action Plan based upon progress made.

21. Renewed Measure M Budget Amendment

Discussion of this budget amendment was held as part of discussion Item 20, above.

A motion was made by Director Pulido, seconded by Director Campbell, and declared passed by those present, to:

A. Amend the Orange County Transportation Authority Fiscal Year 2007-08 Salaries and Benefits Budget by $1,124,081, and the Orange County Transportation Authority staffing plan to 1,972 positions to accommodate the addition of 11 new staff positions to support various programs and projects related to the Renewed Measure M Early Action Plan.

B. Amend the Orange County Transportation Authority Fiscal Year 2007-08 Services and Supplies Budget by $12,678,500, to accommodate the initial resource needs to support various programs and projects related to the Renewed Measure M Early Action Plan.

C. Amend the Orange County Transportation Authority Fiscal Year 2007-08 Capital and Fixed Assets Budget by $6,350,000, to begin construction and right-of-way activities for 53 Grade Crossings (Project R – High Frequency Metrolink Service) and improvements on the Orange Freeway (Project G).

Other Matters

22. Citizens Advisory Committee Composition

In response to a request by Director Brown, Tami Warren, Community Relations Officer, presented an overview of this Committee's composition and invited comments by Board Members. A roster of current members was provided.

Director Brown stated that he feels that this committee should be comprised of citizens, rather than elected officials.

22. (Continued)

Discussion followed and Director Winterbottom inquired if this Board could change the Committee's by-laws. General Counsel, Kennard R. Smart, Jr., responded that the Committee's by-laws are adopted by that Committee, though the OCTA Board may make a recommendation for the Committee to consider.

A motion was made by Director Moorlach, seconded by Director Winterbottom, and declared passed by those present, to not forward a recommendation to change the composition of the Committee.

Director Moorlach amended his motion to suggest to the Committee that the first sentence in the "Affiliation" paragraph be removed, which reads: "Members may not use their OCTA Citizens Advisory Committee affiliation to represent personal or constituency opinions." Director Pulido, having seconded the initial motion, agreed to this amendment.

23. Organizational Readiness and Capacity Assessment

CEO, Arthur T. Leahy, provided opening comments on this upcoming assessment and stated that its purpose would be to evaluate the organization for its readiness and capacity, resource allocation, and to develop an independent review. Mr. Leahy advised the Board that Paul C. Taylor, Deputy CEO, is leading this effort, along with a consultant, and invited Mr. Taylor to address the Board.

Mr. Taylor stated that the focus of the work will be on the four core business units of OCTA:

√ Provision of transit services
√ Planning and programming of transportation improvements
√ Delivery of highway projects
√ Delivery of transit projects

Mr. Taylor stated that the other Divisions are functions that enable those core functions to take place, and they will also be looked at through the assessment process. The work will focus on the performance against objectives that are set for each unit, a peer review component, a look at how the organization is structured to achieve goals and to adjust to changes as they arise, and what levels of resources are appropriate.

Mr. Taylor stated that the expected results of this effort would be an evaluation of OCTA's capacity and readiness and recommendations as to how to improve OCTA's ability to achieve strategic objectives and adjust rapidly to changes.

OCTA will be requesting proposals from consulting firms in the near future; the Board will make the final selection of that consultant. It is anticipated that the work will be completed by early 2008.

23. (Continued

Director Moorlach inquired as to what consultants are being considered, and Mr. Taylor responded that proven experts in highway and transit project delivery will be solicited. Mr. Taylor stated that the Santa Clara Valley Transportation Authority recently had a similar analysis done, and Director Moorlach requested a copy of that report.

Director Moorlach stated that he hoped this will differ from the recent Triennial Audit, and Mr. Leahy stated that it will differ, in that management issues and staff resources will be assessed. Mr. Taylor also confirmed that this effort has been budgeted.

24. Anaheim Regional Transportation Intermodal Center Public-Private Partnership

John Stainback, President/CEO of Stainback Public/Private Real Estate, provided a presentation on the public/private financing of transportation centers, including objectives, potential approaches, state and local funding programs, and other funding options.

Director Pringle expressed his appreciation to the Board Members for considering what may be a model for transportation and stating that he feels the region needs to be entrepreneurial in the development of such a transportation center.

25. 35th Birthday Celebration

Stella Lin, Manager of Marketing, provided a presentation on the celebration and promotional plans to showcase the milestone of the Authority reaching its 35th birthday.

A motion was made by Director Campbell, seconded by Director Brown, and declared passed by those present, to offer 35-cent rides on Friday, August 31, and promotional free rides for the month of September on specially-wrapped buses as part of the birthday celebration.

26. Update on Garden Grove Freeway (State Route 22) Design-Build Project Completion

Tom Bogard, Director of Highway Project Delivery, provided a verbal update to the Board and introduced David Smith, Principal, Granite-Myers-Rados (GMR), who provided further update information on the project.

Mr. Smith reported that GMR is still on-track with the project for completing project completion activities by the end of August 2007. Mr. Smith also provided a list of all items that would account for project completion.

26. (Continued)

Director Rosen asked if any rubberized asphalt has been put onto the freeway, and Mr. Smith replied that the inside shoulders of the main line which have been done are rubberized asphalt, and the overlay for the sound mitigation has not been performed yet. Engineering details and Caltrans' approval are pending.

Directors Pringle and Rosen requested staff provide status and timeline for State Route 22 Freeway scope changes not yet executed, including rubberized asphalt.

27. Public Comments

At this time, Chairman Cavecche stated that members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action would be taken on off-agenda items unless authorized by law.

There were no public comments offered at this time.

28. Chief Executive Officer's Report

Chief Executive Officer, Arthur T. Leahy, reported that:

√ A briefing would be held with Congressman Knollenberg on August 14

√ A public hearing on the State Route 91 would be held next week

Mr. Leahy introduced Lacy Kelly, new Executive Director of the Orange County Division of the League of California Cities. Ms. Kelly invited Board Members and staff to share any ideas on how the League can assist the OCTA.

29. Directors' Reports

Director Nguyen thanked Darrell Johnson for his assistance with a recent "Go Local" program presentation.

Director Winterbottom expressed his appreciation for staff's work at the recent Orange County Fair and asked if the numbers of riders who used the fair bus service could be provided, and information regarding the recovery of ridership since the labor strike.

Director Campbell reported that the County Board of Supervisors voted to allocate $10 million of their Proposition 40 funds for this coming fiscal year to be shared with their city partners. This will be done on a per-capita/grant grant basis, with a maintenance of effort requirement so that these funds are additive, not replacement.

29. (Continued)

Director Moorlach inquired if there are plans for grade separations on Santa Ana Boulevard at the train station. Mr. Leahy responded that double-tracking is being done in that area now, and staff will be looking at those issues on a long-term basis. He also advised there is some Measure M money which has not been allocated yet for grade separations, and could be considered as part. Director Moorlach requested that this receive priority if possible.

Chairman Cavecche mentioned that the City of Santa Ana should be part of these discussions. Director Moorlach requested a listing of status on grade separations projects for the County be provided.

Director Amante asked General Counsel if he is looking into getting a report on the analysis of the previously-discussed impact of the interstate commerce clause and a possible position the federal government may take on this idea. Also of what happens with the charging of goods movement. General Counsel, Kennard R. Smart, Jr., stated that he has not commenced that study. He stated that people on both sides have studied the issue and are ready to move forward.

Chairman Cavecche congratulated staff on a "job well-done" at the Orange County fair and informed Members that the District Leadership Breakfasts will be resuming and encouraged those who can to attend.

30. Closed Session

A Closed Session was held pursuant to Government Code Section 54957.6 to meet with Orange County Transportation Authority designated representative Marva Phillips regarding collective bargaining agreement negotiations with the Teamsters Local 952 representing the maintenance employees.

General Counsel advised the Board that a report out of Closed Session was not anticipated.

Directors Bates, Glaab, Norby, Pringle, and Pulido were not present for this portion of the meeting.

Director Winterbottom recused himself from the Closed Session.

31. Adjournment

The meeting adjourned at 12:07 p.m. Chairman Cavecche announced that the next regularly scheduled meeting of the Board will be held at **9:00 a.m. on August 27, 2007,** at the OCTA Headquarters.

ATTEST

Wendy Knowles
Clerk of the Board

Carolyn V. Cavecche
OCTA Chairman

4.

OUT-OF-STATE TRAVEL

Board Member Only - Travel Authorization/Request For Payment

Attach copy of the **Travel Worksheet**, **Registration Forms**, and other pertinent documentation for this claim. Travel **will not** be processed until all information is received.

CONFERENCE/SEMINAR INFORMATION

Name: Carolyn Cavecche **Job Title:** Chairman of the Board

Department: Board of Directors **Destination:** Washington, D.C.

Program Name: Federal Legislative Advocacy and Consulting Services

Description/Justification: As part of the procurement process, the Orange County Transportation Authority (OCTA) will be conducting interviews with 13 firms for Federal Legislative Advocacy and Consulting Services (RFP 7-0949). Interviews will take place at the offices of Thompson Coburn, LLP in Washington DC. The duration of each interview will be 1 hour per firm. Two days are required to conduct interviews with all 13 firms. Interviews will include questions for each firm as they relate to (1) the scope of work and (2) their proposals.

COMMENTS

Other- Airport parking and ground transportation
Meal Rate- $64- $3 = $61 per day

Conference/Seminar Date:	**Departure Date:**	9/4/07	☐ **Mail** ☐ **Hand Carry**
Payment Due Date:	**Return Date:**	9/7/07	**Course Hours:**

ESTIMATED EXPENDITURES

Transportation	$362.30
Meals	$244.00
Lodging	$585.00
Registration	$0.00
Other	$75.00
Total	$1,266.30

APPROVALS

Please Initial:

RV — Finance*

8/17/07 — Date

* Funds are available for this travel request.

Please Sign:

Clerk of the Board — Date

ACCOUNTING CODES

Org. Key: 1460	**Object:** 7655	**Job Key:** A0001	**JL:** GK6

Ref #: **August 2007**	**Board Date:** August 27, 2007	**T/A #:** FY 07/08 - 66

OUT-OF-STATE TRAVEL

Board Member Only - Travel Authorization/Request For Payment

Attach copy of the **Travel Worksheet**, **Registration Forms**, and other pertinent documentation for this claim. Travel **will not** be processed until all information is received.

CONFERENCE/SEMINAR INFORMATION

Name: Peter Buffa **Job Title:** Board Member

Department: Board of Directors **Destination:** Washington, D.C.

Program Name: Federal Legislative Advocacy and Consulting Services

Description/Justification: As part of the procurement process, the Orange County Transportation Authority will be conducting interviews with 13 firms for Federal Legislative Advocacy and Consulting Services (RFP 7-0949). Interviews will take place at the offices of Thompson Coburn, LLP in Washington DC. The duration of each interview will be 1 hour per firm. Two days are required to conduct interviews with all 13 firms. Interviews will include questions for each firm as they relate to (1) the scope of work and (2) their proposals.

COMMENTS

Other- Airport parking and ground transportation
Meal Rate- $64- $3 = $61 per day

Conference/Seminar Date:	**Departure Date:**	9/04/07	☐ **Mail** ☐ **Hand Carry**
Payment Due Date:	**Return Date:**	9/07/07	**Course Hours:**

ESTIMATED EXPENDITURES

Transportation	$297.30
Meals	$244.00
Lodging	$585.00
Registration	$0.00
Other	$100.00
Total	$1,226.30

APPROVALS

Please Initial:

Finance*	Date: 8/21/07

* Funds are available for this travel request.

Please Sign:

Clerk of the Board — Date

ACCOUNTING CODES

Org. Key: 1460	**Object:** 7655	**Job Key:** A0001	**JL:** GK6

Ref #: **August 2007**	**Board Date:** August 27, 2007	**T/A #:** FY 07/08- 69

5.

OCTA

ORANGE COUNTY TRANSPORTATION AUTHORITY

RESOLUTION

ESTEBAN PONCE

WHEREAS, *the Orange County Transportation Authority recognizes and commends Esteban Ponce; and*

WHEREAS, *be it known that Esteban is a valued member of the Facility Maintenance Department who continually strives to provide quick, courteous service to all of his customers; and*

WHEREAS, *Esteban constantly demonstrates his professionalism by his self motivation and sense of job ownership in the assumption of responsibilities supporting paratransit operations; and*

WHEREAS, *his dedication to his duties and desire to succeed are duly noted, and he is recognized as an outstanding Authority employee.*

NOW, THEREFORE, BE IT RESOLVED *that the Authority does hereby declare Esteban Ponce as the Orange County Transportation Authority Maintenance Employee of the Month for August 2007; and*

BE IT FURTHER RESOLVED *that the Orange County Transportation Authority Board of Directors recognizes Esteban Ponce's valued service to the Authority.*

Dated: August 27, 2007

Carolyn V. Cavecche, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority

OCTA Resolution No. 2007-49

OCTA

ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

COZETTE HANICH

WHEREAS, *the Orange County Transportation Authority recognizes and commends Cozette Hanich; and*

WHEREAS, *be it known that Cozette Hanich has performed her job as the Authority Intranet Administrator in an outstanding manner, demonstrating the highest level of integrity and professionalism; and*

WHEREAS, *Cozette is currently leading the Intranet Redesign Team, she has managed the process from the initial phase and is very close to seeing this project implemented, she is to be commended for her approach and ability to work with the team to make this project one that will enhance communications for the Authority; and*

WHEREAS, *Cozette exemplifies the OCTA values on a daily basis, she is considered a "go-to" person for not only the Intranet, but the e-forms program and for her graphic services, she is always willing to go above and beyond the customers expectations on projects, she clearly sets the example with her can- do spirit; and*

WHEREAS, *Cozette is a self-starter and team player and exemplifies OCTA's values by approaching all of her assignments with enthusiasm and dedication to complete them in a timely manner.*

NOW, THEREFORE, BE IT RESOLVED *that the Authority does hereby declare Cozette Hanich as the Orange County Transportation Authority Administrative Employee of the Month for August 2007; and*

BE IT FURTHER RESOLVED *that the Orange County Transportation Authority Board of Directors recognizes Cozette Hanich's valued service to the Authority.*

Dated: August 27, 2007

Carolyn V. Cavecche, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority

OCTA Resolution No. 2007-51

6.

OCTA

BOARD COMMITTEE TRANSMITTAL

August 27, 2007

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: Federal Legislative Status Report

Legislative and Government Affairs/Public Communications Committee — August 16, 2007

Present: Directors Bates, Buffa, Glaab, Mansoor, and Rosen
Absent: Director Campbell

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Receive and file as an information item.

OCTA

August 16, 2007

To: Legislative and Government Affairs/Public Communications Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Federal Legislative Status Report

Overview

Congress has recessed for the summer and will return to session after Labor Day. This Federal Legislative Status Report provides a summary of actions to date on major federal legislation affecting the Orange County Transportation Authority.

Recommendation

Receive and file as an information item.

Discussion

Appropriations

On July 24 the full House passed its fiscal year (FY) 2008 appropriations bill by a vote of 268-153. The legislation fully funds the federal highway and transit programs at the level guaranteed by the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Under the appropriations bill, federal highway programs would receive $40.2 billion, which is $1.1 billion more than enacted last year and $631 million more than President Bush has requested in the administration budget. Transit would receive $9.73 billion, $782 million above FY 2007 and $333.8 million above the President's request. These spending levels maintain the traditional split of approximately 80 percent of highway funding to 20 percent of transit funding envisioned by the SAFETEA-LU authorization.

The House bill contains five specific appropriations for Orange County projects, four of which were actively sought by the Orange County Transportation Authority (OCTA): the Anaheim Regional Transportation Intermodal Center (ARTIC) received $500,000 at the request of Representatives Ed Royce

(R-Fullerton) and Loretta Sanchez (D-Garden Grove). The Fullerton State College/Burlington Northern Sante Fe Grade Separation Project received $500,000 at the request of Representative Royce. The Inter-County Express Bus Project received $500,000 at the request of Representative Ken Calvert (R-Riverside). The San Diego Freeway (Interstate 405) Widening Project received $500,000 at the request of Representative Dana Rohrabacher (R-Huntington Beach). Although not part of OCTA's requests, the San Clemente Coastal Trail project also received a $300,000 specific appropriation at the request of Representative Calvert.

On July 16, the Senate Appropriations Committee approved its FY 2008 spending plan at approximately the same level as the House passed bill. This bill contains a $1 million specific appropriation for the Bristol Street project, requested by Senator Feinstein. No floor action was taken on the Senate bill and the bill is not expected to be considered on the floor until well into September.

Since the level of funding in both the House-passed and Senate Committee-approved bills exceeds the amount requested by the President, they are subject to a veto threat from the White House. This threat extends to all appropriations bills, except Defense, Military Construction and Homeland Security, and is likely to force a confrontation as the fiscal year draws to a close on September 30.

Attachment A lists House FY 2008 specific appropriations in California by major program. OCTA received $2 million out of $150.5 million in California House specific appropriations (or approximately 1.3 percent). Attachment B shows the numbers broken down by the county where the project is located. Attachment C shows the breakdown of Senate specific appropriations in California by program. OCTA received $1 million out of $95.5 in California Senate specific appropriations (or approximately 1 percent). Attachment D shows these numbers broken down by the counties where the projects are located.

Technical Corrections

The House passed a SAFETEA-LU technical corrections bill (H.R. 3248) on August 1 by a vote of 422-1. The bill reflects an informal House-Senate agreement and the plan is for the Senate to pass the exact bill. However, the Senate was not able to address this bill prior to the recess and it remains unclear when they will be able to set aside the floor time to consider this after they return in September.

Along with making minor technical corrections on various projects included in the 2005 surface transportation reauthorization, the bill clarifies that the Los Angeles-San Diego- San Luis Obispo (LOSSAN) corridor funding provided by SAFETEA-LU is available for the entire corridor from San Diego to San Luis Obispo, including those parts in Orange County. H.R. 3248 also provides that $90 million in funding for magnetic levitation transportation projects nationwide is made available in fiscal years 2007, 2008, and 2009 without further appropriation The language in the bill further designates Anaheim as the terminus of the California-Nevada maglev project, which is allocated 50 percent of the available amount. The bill also gives the National Surface Transportation Policy and Revenue Study Commission (Commission) until the end of December to finish its report. The Commission was originally scheduled to report by July 1 on future funding options for highway and transit programs.

Defense Authorization Act

The House version of the Department of Defense authorization bill contained a provision authored by Representative Susan Davis (D-San Diego) which would have halted or greatly impeded the ability to build the Eastern Toll Road (State Route 241) Foothill South extension through Camp Pendleton. The Senate version of the bill was marked up in the Senate Armed Services Committee without a similar amendment. The Senate floor debate on the bill continued for several days during July, focusing on the war in Iraq. When it became impossible to obtain the 60 votes necessary to cut off the debate on various Iraq withdrawal timetables, the Majority Leader Senator Harry Reid (D-NV) pulled the bill from further floor consideration.

It is not known at this time when or if the bill will be taken up again in the Senate. Last year's bill was not agreed upon until December, over two months after the start of the fiscal year. Although it is extremely rare to operate without this bill, the appropriations bill is sufficient legislation to continue funding defense operations. Without passage of this authorization bill, there is no Davis amendment and the project continues under existing requirements.

Security Funding

Prior to the recess, Congress approved HR 1, Improving America's Security Act of 2007, which authorizes $3.4 billion in transit security funding over the next four fiscal years (FY 2008-2011). Passage of this bill will make it possible for Congress to significantly increase the federal support for transit security in the appropriations process. The President signed the bill on August 3.

Newly authorized security funds will be distributed, without the need for local match, based upon vulnerability assessments and security plans prepared and approved by the Department of Homeland Security. An important aspect of the legislation permits the direct funding to local public transportation agencies.

Finally, as requested by this committee, Attachment E contains the most current monthly reports from the OCTA federal legislative advocates.

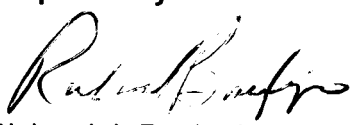
Summary

Congress will be on recess until after Labor Day. A summary of congressional action on legislation of interest to the OCTA is provided for review and comment.

Attachments

A. House FY 2008 Transportation Housing Urban Development (THUD) Specific Appropriations for California (by program)
B. House FY 2008 Specific Appropriations for California (by county)
C. Senate FY 2008 THUD Specific Appropriations for California (by program)
D. Senate FY 2008 THUD Specific Appropriations for California (by county)
E. Monthly Lobbyists Reports

Prepared by:



Richard J. Bacigalupo
Manager, Federal Relations
(714) 560-5901

House FY 2008 Transportation Housing and Urban Development (THUD) Specific Appropriations for California (by program)

Program	Recommended Amt.	California Earmark Total
Interstate Maintenance (IM) Program		
Interstate-10, Pepper Ave., San Bernardino	$500,000	
La Canada Flintridge, CA I-210 Soundwall	$250,000	
Lathrop Road/Interstate 5 Interchange Improvements	$500,000	
Rancho Road Corridor Project, Hesperia	$750,000	
Rancho Cucamonga, CA I-15/Baseline Rd. Interchange	$500,000	
San Diego Freeway (I-405) Widening and Improvement	$500,000	
SR-56 Connectors and I-5 Widening	$500,000	
SR-76 widening and realignment	$250,000	
Program Total:	$3,750,000	$3,750,000
Transportation, Community, and System Preservation (TCSP) Program		
16th Street, San Miguel Railroad Crossing Safety	$250,000	
Airport Blvd/Highway 101 Interchange, Monterey	$250,000	
Blossom Hill/Monterey Highway Crossing, San Jose	$100,000	
Brentwood Blvd/SR-4 Improvements, Brentwood	$500,000	
Central Expressway Auxiliary Lanes, Santa Clara County	$250,000	
Citracado Parkway Project	$250,000	
Dorsey Drive Interchange in Grass Valley	$500,000	
Fairfield Ranch Road, Chino Hills	$250,000	
Friant Road Widening	$500,000	
Fullerton, CA-State College/Burlington Northern Sante Fe (BNSF) Grade Separation	$500,000	
Golden Gate Bridge Moveable Median Barrier	$250,000	
Grade Separations in Riverside	$500,000	
Highlands Park Streetscape, Los Angeles	$250,000	
Highway 118 Corridor Study	$250,000	
Lincoln Bypass on SR-65 in Placer County	$500,000	
Mission Road Beautification Project, Alhambra	$250,000	
Mission Street Pedestrian Improvements, South Pasadena	$250,000	
Montclair, CA Ramona Ave Grade Separation	$250,000	
Monterey Bay Sanctuary Scenic Trail	$250,000	
Park Place Extension and Railroad Grade Separation, El Segundo	$250,000	
Potrero Blvd/SR-60 Interchange, Beaumont	$750,000	
Reconstruct French Camp/I-5 Interchange and Sperry Road Connection, San Joaquin County	$750,000	
Repair of San Tomas Expressway Box Culvert, Santa Clara County	$250,000	
Resurfacing and Reconstructing of Pacific Blvd, Huntington Park	$250,000	
Reyes Adobe Rd/US 101 Interchange Reconstruction, Agoura Hills	$250,000	

ATTACHMENT A

House FY 2008 Transportation Housing and Urban Development (THUD) Specific Appropriations for California (by program)

Program	Recommended Amt.	California Earmark Total
Rice Avenue Interchange at US Highway 101, Ventura County	$250,000	
Santa Clarita Cross Valley Connector	$500,000	
School Zone Safety Improvements, Chula Vista	$250,000	
Sfgo Market Street Improvements, San Francisco	$250,000	
Shella Street at Commerce Way Improvement, Commerce	$500,000	
Shoal Creek Pedestrian Bridge	$250,000	
Sidewalk Construction in Ashland/Cherryland	$250,000	
Slauson Avenue Corridor Improvement Project, Maywood	$800,000	
SR-198 Expressway Widening, Kings County	$400,000	
University Parkway/I-215, San Bernardino	$750,000	
VTA High Occupancy Toll Lane Demonstration Project, Santa Clara County	$250,000	
West Vista Way widening	$250,000	
Westchester Streetscape Improvement Project	$250,000	
Program Total	$13,550,000	$13,550,000
Bus and Bus Facility Projects		
Anaheim Regional Transportation Intermodal Center, Orange County	$500,000	
Beach Cities Transit Equipment, Redondo Beach	$250,000	
Bus Shelters for Bellflower	$500,000	
City of Modesto Bus Maintenance Facility	$250,000	
Clean Air Bus Purchase Program, Baldwin Park	$300,000	
East County Bus Maintenance Facility, El Cajon	$350,000	
Ed Roberts - Berkeley	$250,000	
Fairfield/Vacaville Intermodal Station	$200,000	
Foothill Transit Transit Oriented Neighborhood	$500,000	
Inter-County Express Bus, Orange County	$500,000	
Monrovia, CA Transit Village	$500,000	
Monterey Salinas Transit Bus Financing	$200,000	
Muni Bus Rehabilitation, San Francisco	$1,000,000	
Municipal Transit Operators Coalition (MTOC)	$1,000,000	
Pacific Station Multimodal-Multiuse Facility	$300,000	
Palmdale Transportation Center - Parking Lot	$250,000	
Palo Alto Intermodal Transit Center	$250,000	
Regional Bus Replacement, San Diego	$300,000	
Rio Hondo College Buses - Los Angeles	$325,000	
Riverside and Corona Transit Centers	$700,000	
SamTrans Revenue Collection System	$250,000	

House FY 2008 Transportation Housing and Urban Development (THUD) Specific Appropriations for California (by program)

Program	Recommended Amt.	California Earmark Total
San Joaquin Regional Transit District	$750,000	
San Luis Rey Transit Center	$250,000	
Santa Maria Intermodal Transit Center	$250,000	
Street Shuttle Buses for Artesia	$325,000	
Transit Access Passenger Integration, Los Angeles	$500,000	
Transit Center, California State Univ. Northridge	$250,000	
Tri-Delta Transit Park-and-Ride Lots	$250,000	
Union City Intermodal Station, Union City	$250,000	
Venice/Robertson Multi-Modal Station	$300,000	
VTA Zero Emission Bus Demonstration Program	$400,000	
Yolo County Bus Maintenance Facility Improvements	$250,000	
Program Total	$12,450,000	$12,450,000
Alternative Analysis		
Red Car Trolley Engineering Study	$100,000	
Program Total	$100,000	$100,000
Committee Recommendation		
Metro Gold Line Eastside Extension, Los Angeles	$80,000,000	
South Sacramento Corridor Phase 2 Project	$6,000,000	
Third Street Light Rail Transit Project-Central	$12,000,000	
Program Total	$98,000,000	$98,000,000
Small Starts Projects		
AC Transit BRT Corridor - Alameda County	$500,000	
Metro Rapid Bus System Gap Closure, Los Angeles	$16,681,000	
Rapid Transit (BRT) Project, Livermore	$3,500,000	
SMART EIS and PE	$2,000,000	
Program Total	$22,681,000	$22,681,000
California Earmark Column Total		**$150,531,000**

Orange County Projects

House FY 08 Specific Appropriations for California (by county)

County	Total Earmarks	Percent Total
Alameda County	$4,750,000	3%
Contra Costa County	$250,000	<1%
Fresno County	$500,000	<1%
Kings County	$400,000	<1%
Los Angeles County	$106,081,000	70%
Monterey County	$500,000	<1%
Multiple Counties	$2,450,000	2%
Nevada County	$500,000	<1%
Orange County	$2,000,000	1%
Placer County	$500,000	<1%
Riverside County	$1,950,000	1%
Sacramento County	$6,000,000	4%
San Bernardino County	$3,000,000	2%
San Diego County	$2,650,000	2%
San Francisco County	$13,500,000	9%
San Joaquin County	$2,000,000	1%
San Luis Obispo County	$250,000	<1%
San Mateo County	$250,000	<1%
Santa Barbara County	$250,000	<1%
Santa Clara County	$1,500,000	1%
Santa Cruz County	$300,000	<1%
Solano County	$200,000	<1%
Stanislaus County	$250,000	<1%
Ventura County	$250,000	<1%
Yolo County	$250,000	<1%
TOTAL	$150,531,000	

ATTACHMENT B

Senate FY 2008 THUD Specific Appropriations for California (by program)

Program	Recommended Amt.	California Earmark Total
Interstate Maintenance (IM) Program		
Program Total:	$0	$0
Federal Lands Highways		
Program Total	$0	$0
Ferry Boats and Ferry Terminal Facilities		
San Francisco Bay Area Water Transit Ferry Boat	$1,000,000	
Program Total	$1,000,000	$1,000,000
Transportation and Community and System Preservation Program		
Program Total	$0	$0
Surface Transportation Priorities		
Bristol Street Widening, Orange County, CA	$1,000,000	
City of Riverside Grade Separations, CA	$1,000,000	
Friant Road Widening, Fresno County, CA	$1,000,000	
Program Total	$3,000,000	$3,000,000
Bus & Bus Facilities		
Culver City Multi-Modal Light Rail Station, CA	$1,000,000	
San Diego Balboa Park Trolleys, CA	$500,000	
Transbay Temporary Terminal, San Francisco, CA	$1,000,000	
Program Total	$2,500,000	$2,500,000
Alternatives Analysis		
Program Total	$0	$0

ATTACHMENT C

Senate FY 2008 THUD Specific Appropriations for California (by program)

Program	Recommended Amt.	California Earmark Total
New Starts		
Metro Gold Line Eastside Light Rail Extension	$70,000,000	
San Francisco Muni Third Street Light Rail, CA	$10,000,000	
South Sacramento Corridor Phase 2 Light Rail Extension, CA	$3,000,000	
Perris Valley Line Metrolink Extension, CA	$3,000,000	
Telegraph Avenue-International Boulevard-East 14th Street Bus Rapid Transit Corridor Improvements, CA	$3,000,000	
Program Total	$89,000,000	$89,000,000
California Earmark Column Total		**$95,500,000**

Orange County Project

Senate FY 2008 THUD Specific Appropriations for California (by county)

Program	Orange County	Los Angeles County	Riverside County	San Francisco	Fresno County	San Diego	Sacramento	Contra Costa	Total
Interstate Maintenance (IM) Program									
Program Total:	$0	$0	$0	$0	$0	$0	$0	$0	$0
Federal Lands Highways									
Program Total	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ferry Boats and Ferry Terminal Facilities									
San Francisco Bay Area Water Transit Ferry Boat				$1,000,000					
Program Total	$0	$0	$0	$1,000,000	$0	$0	$0	$0	$1,000,000
Transportation and Community and System Preservation Program									
Program Total	$0	$0	$0	$0	$0	$0	$0	$0	$0
Surface Transportation Priorities									
Bristol Street Widening, Orange County, CA	$1,000,000								
City of Riverside Grade Separations, CA			$1,000,000						
Friant Road Widening, Fresno County, CA					$1,000,000				
Program Total	$1,000,000	$0	$1,000,000	$0	$1,000,000	$0	$0	$0	$3,000,000
Bus & Bus Facilities									
Culver City Multi-Modal Light Rail Station, CA		$1,000,000							
San Diego Balboa Park Trolleys, CA						$500,000			
Transbay Temporary Terminal, San Francisco, CA				$1,000,000					
Program Total	$0	$1,000,000	$0	$1,000,000	$0	$500,000	$0	$0	$2,500,000
Alternatives Analysis									
Program Total	$0	$0	$0	$0	$0	$0	$0	$0	$0
New Starts									
Metro Gold Line Eastside Light Rail Extension		$70,000,000							
San Francisco Muni Third Street Light Rail, CA				$10,000,000					
South Sacramento Corridor Phase 2 Light Rail Extension, CA							$3,000,000		
Perris Valley Line Metrolink Extension, CA			$3,000,000						
Telegraph Avenue-International Boulevard-East 14th Street Bus Rapid Transit Corridor									
Improvements, CA								3000000	
Program Total	$0	$70,000,000	$3,000,000	$10,000,000	$0	$0	$3,000,000	$3,000,000	$89,000,000
County Earmark Column Total	$1,000,000	$71,000,000	$4,000,000	$12,000,000	$1,000,000	$500,000	$3,000,000	$3,000,000	**$95,500,000**
County Earmark Percentage Total	1.05%	74.35%	4.19%	12.57%	1.05%	0.52%	3.14%	3.14%	

Orange County Projects

ATTACHMENT D

BLANK ROME GOVERNMENT RELATIONS LLC
NARRATIVE OF WASHINGTON ACTIVITIES OF INTEREST TO OCTA
JUNE 2007

- MULTIPLE TELEPHONE CALLS WITH R. ALCALDE ON MAGLEV LANGUAGE
- MULTIPLE TELEPHONE CALLS AND E-MAIL EXCHANGES WITH K. DEDRICK AT SENATE EPW COMMITTEE ABOUT SAFETEA CORRECTIONS BILL
- MULTIPLE TELEPHONE CALLS AND E-MAIL EXCHANGES WITH R. BACIGALUPO ABOUT MAGLEV IN SAFETEA CORRECTIONS
- TELEPHONE CALL AND E-MAIL TO M. DESOLLAR WITH ANAHEIM
- TELEPHONE CALLS AND E-MAIL EXCHANGES WITH B. HERBERT FROM SENATOR REID'S OFFICE
- MEETING WITH B. HERBERT WITH SENATOR REID ABOUT MAGLEV LANGUAGE
- READ LETTER AND BACKGROUND MATERIALS ON SR241 AND E-MAIL EXCHANGE WITH R. BACIGALUPO
- MULTIPLE TELEPHONE CALL AND E-MAILS WITH P. TROTTENBERG ABOUT MAGLEV AND 241 TOLL ROAD
- E-MAIL EXCHANGES WITH C. THOMPSON WITH SENATOR FEINSTEIN ABOUT 241 TOLL ROAD
- TELEPHONE CALLS WITH D. WETMORE WITH ANAHEIM ABOUT MAGLEV LANGUAGE
- MULTIPLE TELEPHONE AND E-MAIL EXCHANGES WITH R. BACIGALUPO ABOUT A. LEAHY DC TRIP
- E-MAILS AND TELEPHONE CALLS TO HOUSE AND SENATE STAFF AND TO FTA TO SET-UP MEETINGS FOR A. LEAHY
- LUNCH MEETING WITH A. LEAHY AND R. BACIGALUPO
- MEETING WITH A. LEAHY, R. BACIGALUPO, P. TROTTENBERG AND B. PETRUCZOK IN SENATOR BOXER'S OFFICE

- MEETING WITH S. LITTLE AND R. STEINMAN AT FTA AND A. LEAHY AND R. BACIGALAUPO

- MEETING WITH M. NELSON WITH SENATOR FEINSTEIN AND A. LEAHY AND R. BACIGALUPO

- BREAKFAST MEETING WITH J. KOLB ABOUT MAGLEV LANGUAGE

- MEETING WITH J. KOLB AND A. CHAN WITH HOUSE T&I HIGHWAYS AND TRANSIT SUBCOMMITTEE, R. BACIGALUPO AND A. LEAHY

- MEETING WITH B. RICHARD, CHIEF OF STAFF TO REPRESENTATIVE JIM OBERSTAR, AND A. LEAHY

- ORGANIZE AND PARTICIPATE IN CONFERENCE CALL WITH P. TROTTENBERG, R. BACIGALUPO, K. MURRAY, B. DALEY, J. FLYNN AND R. THORNTON ABOUT SR 241

- TELEPHONE CALL WITH N. CUMMINGS ABOUT MAGLEV LANGUAGE

- CONFERENCE CALL WITH R. BACIGALUPO AND R. ALCALDE ABOUT MAGLEV LANGUAGE

- COVER NEW STARTS WORKING GROUP MEETINGS AND PREPARED SUMMARIES FOR CLIENT

- READ DAILY PRESS CLIPS

- PARTICIPATE IN BIWEEKLY CONFERENCE CALLS

- PREPARE WEEKLY UPDATES

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ORANGE COUNTY TRANSPORTATION AUTHORITY
Washington Report
July 2007

Congress moved aggressively on Fiscal Year 2008 appropriations bills once returning to Washington after the July 4th recess. By the start of the August recess the House will have passed all 12 annual bills, and the Senate will have reported all of its versions of those bills from their Appropriations Committee. Both House and Senate published reports on the sponsors of earmark requests in July, for the first time.

The House Transportation and Housing and Urban Development (THUD) Appropriations bill, H.R. 3074, contained funding for five Orange County projects: Anaheim Regional Transportation Intermodal Center (ARTIC)—$500,000 at the request of Representatives Royce and Sanchez; Fullerton State College/BNSF Grade Separation—$500,000 at the request of Congressman Royce; Inter-County Express Buses—$500,000 at the request of Congressman Calvert; I-405 Widening—$500,000 at the request of Representative Rohrabacher; and San Clemente Coastal Trail—$300,000 at the request of Representative Calvert. In addition, the Senate version of the bill has $1 million for the Bristol Street project in Santa Ana as requested by Senator Feinstein.

On July 24, the full House approved its FY 08 bill by a 268-153 margin. The legislation fully funds the Federal highway program at a $40.2 billion level, a figure that corresponds to the SAFETEA-LU guaranteed level and is about $900 million above current spending. Similarly, transit is funded at the guaranteed level of $9.73 billion.

Inasmuch as this is the first year for this Administration when Congress has been under Democratic control, the White House has threatened to veto all the appropriations bills except Defense, Military Construction, and Homeland Security. It is unlikely that there will be enough Republican votes to override these vetoes, and so the final shape of the bills, and what is cut from them to make them acceptable to the Administration, remains to be seen.

Throughout the month of July, we continued to work on the annual Defense Department authorization bill, H.R. 1585, and the threat it poses to construction of the Foothill-South Tollroad. The Senate version of the bill was marked up in the Armed Services Committee without an amendment similar to the one proposed by

Representative Susan Davis (D-San Diego) subjecting the project to state review. Debate on the Senate floor continued for several days, with debate focused on the war in Iraq. When 60 votes were not available to cut off debate on various proposals for withdrawal timetables, the Majority Leader, Senator Harry Reid (D-NV), pulled the bill from consideration. Neither Senators Dianne Feinstein nor Barbara Boxer has indicated an intention to offer a similar amendment during debate on the bill.

I met with Congresswoman Loretta Sanchez, and her chief of staff, on July 24 to discuss the situation regarding the Davis amendment. In short, the Democratic majority in the House views the matter as an environmental issue rather than a transportation one. As originally proposed, the amendment would have removed the authority of the U.S. Marine Corps to grant an easement for the road to the TCA, removed the TCA's exemption from the Federal 4(f) provision of the National Environmental Policy Act, and subjected the road to state legislative and administrative review notwithstanding TCA compliance with all state environmental laws. In the compromise language worked out by Representative Sanchez, the first two provisions of the Davis amendment were removed. Had all three provisions stayed in the Defense bill, the Foothill project would definitely have been killed.

Given the current political climate in Congress, Representative Sanchez believes that further watering down of the Davis amendment will be difficult to achieve. She also continues to believe that the current language will not kill the extension of the Foothill Tollroad. She acknowledges, however, that state review of the tollroad's construction will be made more cumbersome.

Together with the TCA lobbying team, we continued meeting with Congressman Ken Calvert and his staff on ways to reduce the impact of the Davis amendment. Given the suspension of debate in the Senate, it is hard to predict when the bill will get to conference committee. Last year's bill was not conferenced until December, two months into the new Federal fiscal year. Senator John McCain (R-AZ), furious at the Majority Leader's decision to pull the bill from floor debate, said this could be the first time in 45 years that there is no annual authorization bill for the Defense Department. That still remains highly unlikely. Without the bill, of course, there would be no Davis amendment.

Congress finalized legislation (H.R. 1) the third week of July that would implement many of the recommendations made in 2004 by the September 11 Commission that had not previously been put into law. The measure would not implement all of the remaining recommendations of the commission, as Democrats promised during the 2006 campaign cycle, and many recommendations were watered down to avoid a veto. But the bipartisan leadership of the commission praised it as a big step forward.

Most notably, the legislation would distribute more anti-terrorism funding to state and local governments based on risk of attack and would greatly expand scrutiny of cargo for nuclear devices and other dangerous contraband. The biggest recommendation the bill

leaves incomplete is a strengthening of congressional oversight of homeland security and intelligence.

Congress will begin its annual August recess on August 3 and return to Washington after Labor Day.

POTOMAC PARTNERS DC
210 D Street, SE Washington, DC 20003

Subject: OCTA LOBBYING ACTIVITY REPORT for THE MONTH OF JULY

1. Objectives

- Continue to work with Rep. Knollenberg and Lewis for additional opportunities to secure funding for OCTA appropriation requests that were not included in Chairman Olver's Manager's Amendment to the T-HUD Appropriations Bill.

- Tracked progress of Technical Corrections to SAFETEA LU and advocated for OCTA approved MAGLEV language in the Senate and continue to look for opportunities for SR 91 Authorization language.

- Cultivate Congressional allies for OCTA outside of the Orange County delegation and facilitate visits to Orange County over the next few months to help position OCTA projects for the reauthorization of the next SAFETEA-LU Bill and for the continuing FY08 and future Appropriations cycles.

2. Discussion

- **Appropriations Cycle--**

In July the House moved the T-HUD and Related Agencies appropriations bill. Chairman Olver included a manager's amendment to the bill with earmarks. Many of the earmarks in the bill were hold-over earmarks from the FY07 process. During the drafting processing we worked closely with Rep. Gary Miller and Rep. Ken Calvert and their respective staffs to identify OCTA projects with the best chance to receive funding given the dollar amount of any potential earmarks and the available accounts. Rep. Miller discussed directly with Ranking Members Knollenberg and Lewis our OCTA requests on a number of occasions. Through these discussions he hoped to create opportunities either on the floor or in Conference when a Senate version is passed. Having passed in the House of Representative, the Conference scenario is now the best chance at addressing the funding deficiency for OCTA when additional money will likely be made available for projects in the bill. We have worked with Congressmen Lewis and Knollenberg to include SR-91 funding and we have received positive feedback from both offices. Congressman Miller and his staff are continuing to follow-up with Rep. Knollenberg to set the foundation for a conference play. Potomac Partners working in conjunction with OCTA staff adjusted the SR-91 request and a letter was sent on July 30 highlighting the importance of obtaining funding for the State Route 91 and State Route 55 Interchange Project, which has become our primary target for Appropriations funding this cycle.

- **Technical Corrections Bill--**

The SAFETEA-LU Technical Corrections bill was passed by the House. Potomac Partners led the effort to improve the Maglev language to include a California terminus and provide contract authority for the project. The LOSSAN corridor corrections were also included in the SAFETEA-LU Technical Corrections bill.

SR 91 Authorization was not included in the bill despite Congressman Miller actively pressing to include additional language. To help augment his efforts, we had follow up meetings with Congressmen Young and Mica. Although commitments were made to include language authorizing the SR-91 in the Technical Corrections bill, including the language would have caused a breach in committee protocol, which had set out to prohibit what they deemed new projects in the bill.

Despite the current lack of authorization language for SR-91, the recognition of the critical regional need for this project has been elevated in the eyes of key authorizers, which should prove valuable in future requests for SR-91 funding.

- **Congressional Outreach--**

We are continuing to coordinate a visit for Congressman Knollenberg to Orange County, California in August. We have worked directly with his staff to finalize the schedule and prepared him to discuss the transportation needs directly with the Authority. Hopefully this education discussion for him will be fruitful and ultimately help him look for more opportunities with federal funding in this year's appropriations cycle and into the next cycle.

We are also following up with Congressman Mica, Ranking Member of the House T&I Committee, who will also be coming to Orange County in the Fall. We are also pursuing opportunities for the Authority to come to Washington and testify about the innovative nature of the SR-91 toll lane's variable pricing system. We facilitated a discussion about OCTA and the SR-91 toll lanes over dinner with Mr. Mica and Art Leahy during his trip to Washington DC. Rep. Mica is particularly interested in the favorable aspects of public-private partnerships and the OCTA's positive experience with the SR-91 toll roads. Once again, the opportunity to testify during a hearing helps elevate the profile of OCTA's innovate work to mitigate congestion and will hopefully lead to a better position for the next reauthorization bill in the Committee.

It has been an objective of the Authority and Potomac Partners to facilitate these visits and others like them in the future. We believe they will be an important component to the federal relations strategy that will be a valuable opportunity to demonstrate the County's transportation needs its quality long range plan to key Appropriations and Authorization Committee members.

7.

OCTA

BOARD COMMITTEE TRANSMITTAL

August 27, 2007

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: Transportation Enhancement Activities and Transportation Development Act 2007 Call for Projects

Regional Planning and Highways Committee — August 20, 2007

Present: Directors Amante, Cavecche, Dixon, Glaab, Green, Mansoor, Norby, and Pringle
Absent: Director Rosen

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

A. Approve the policy guidelines, application, and scoring criteria for the Transportation Enhancement activities and Transportation Development Act programs.

B. Direct staff to issue a call for Transportation Enhancement activities and Transportation Development Act projects in September 2007.

Note: The Committee requested a revision (shown in bold) to Attachment A, page eight, number 1a (Revised Attachment A [page 8]).

PART THREE: EVALUATION CRITERIA (con't)

Program Area: TDA Bicycle and Pedestrian Facilities

Use a separate sheet of paper if necessary. Explain in detail the activity's primary effects.

Activity Specific Category (Maximum 55 Points)

1 Gap Closures (20 points)

a. Does the project connect with existing trails or propose to link existing facilities? **Does this project create a new facility where there currently is none?** Explain and provide map showing the location of the linkages and/or gap

2 Coordination (0 points) Mandatory

a. A project must be either on the Orange County Master Plan of Trails or similar regional or city plan for bicycle or pedestrian facilities. List which one. (examples: OCTA Commuter Bikeways Plan, Safe Route to School Plan).

3 Amenities and Other Incentives (10 points)

a. Does this project include special amenities within the project area (i.e. bicycle racks, water fountains, showers, lockers, call-boxes, lighting, and other incentives)?

4 Safety Enhancements (15 points)

a. Will this project enhance safety in any form? (explain)

5 Cost-benefit (10 points)

a. What percentage of overall funds are allocated to direct bicycle or pedestrian facilities? (At least 50% of project funds must be related to bicycle/pedestrian facilities (such as hardscape, lighting) and not indirect work such as traffic control, etc.

OCTA

August 20, 2007

To: Regional Planning and Highways Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Transportation Enhancement Activities and Transportation Development Act 2007 Call for Projects

Overview

The Orange County Transportation Authority awards federal Transportation Enhancement grants for transportation related projects that augment transportation facilities in Orange County. In March of 2007, the Board of Directors authorized the use of Transportation Development Act Article 3 funds for bicycle and pedestrian facilities projects. There is currently $13.5 million from these combined funding sources available for programming, and staff is requesting authorization to issue a call for projects for these programs.

Recommendations

A. Approve the policy guidelines, application, and scoring criteria for the Transportation Enhancement activities and Transportation Development Act programs.

B. Direct staff to issue a call for Transportation Enhancement activities and Transportation Development Act projects in September 2007.

Background

Transportation Enhancement (TE) funding is made available through the federal transportation act, currently the Safe, Accountable, Flexible, Equity Act: A Legacy for Users (SAFETEA-LU). The goal of the TE program is to better integrate transportation facilities into their surrounding communities. Projects eligible for TE funding include landscape and aesthetic enhancement as well as bicycle and pedestrian facilities projects. Since 1998, the Orange County Transportation Authority (OCTA) Board of Directors (Board) has awarded over $41 million in federal TE activities program funds towards 85 regional projects. These funds were apportioned to local agencies through a competitive call for projects.

The Transportation Development Act (TDA) was enacted in 1971 by the California Legislature to provide funding for transit purposes. In March of 2007, the OCTA Board authorized the use of TDA Article 3 funds for bicycle and pedestrian facilities projects. Prior to this, these TDA funds were primarily used for the Bus Stop Accessibility Program, which is now nearing completion.

Discussion

There is approximately $6 million in TE funds and $7.5 million in TDA Article 3 funds currently available for programming for fiscal years (FYs) 2007-08 through 2009-10. Staff is requesting authority to issue a call for projects to program these funds. Additionally, staff proposes that TE program funds be used exclusively for landscaping and scenic beautification projects, programmed over a two-year period (FYs 2008-09 and 2009-10), with approximately $3 million available annually; and the TDA Article 3 funds would be programmed for bicycle and pedestrian facilities, resulting in approximately $2.5 million annually over three years (FYs 2007-08, 2008-09, and 2009-10). In total, the call for projects would make available approximately $13.5 million for enhancement projects in Orange County.

This call for projects will develop a new list of priority projects for FYs 2007-08 through 2009-10. In addition, it will create a stand-by list of projects in case any of the currently approved list of priority projects experience delays. The stand-by list will consist of projects that did not receive funding, but scored at least 50 points. In the event that an approved project experiences delay and cannot proceed in the program year, a notification will be sent out to local agencies with projects on the stand-by list and these projects will be given an opportunity to receive funding, up to approximately the amount of the delayed project, on a first come first serve basis. This will ensure that no funding is lost due to delays and cancellations.

Current TE and TDA application guidelines and procedures are provided in Attachment A. The guidelines include the following key provisions:

- Funding is divided between bicycle/pedestrian ($2.5 million annually for three years) and landscaping/scenic beautification projects ($3 million annually for two years).
- Applicants must provide a minimum 25 percent local match.
- The maximum award is $500,000 per project.
- Funding awards are contingent on availability of TE and TDA funds.

- Projects must award construction contracts prior to June 30, 2010.
- Once TE projects are awarded, applicants must follow the California Department of Transportation's (Caltrans) Local Assistance procedures to receive payment of funds.
- Projects must be obligated in the year in which they are programmed. If a project cannot proceed, it will be cancelled and available projects on the stand-by list will proceed.
- Projects programmed with TE funds must submit their environmental documentation to Caltrans by April 15th of the program year, or run the risk of losing their funding.

Next Steps

As in the past, staff will convene an advisory panel to assist with the review and ranking of applications. The panel may include representatives from Caltrans Landscaping Division, the Orange County Bicycle Coalition, County of Orange Planning Department, and OCTA's Technical Advisory Committee.

The call for projects ($13.5 million for FYs 2007-08, 2008-09, and 2009-10) will be issued in early September 2007. OCTA staff will hold a workshop for potential applicants in early September to review the procedures and answer questions about the TE and TDA programs. Applications will be due to OCTA on September 28, 2007. OCTA staff and the TE/TDA advisory panel will review and rank applications in October and November, and forward their recommendations to the Board for approval in December 2007.

Summary

OCTA is responsible for programming the regional portion of the TE and TDA programs. Staff is requesting authorization to issue a call for projects for FYs 2007-08 through 2009-10 to program the available funds.

Attachment

A. Orange County Transportation Authority - Transportation Enhancement (TE) Activities & Transportation Development Act (TDA) Guidelines 2007

Prepared by:

Ben Ku
Transportation Analyst, Capital Programs
(714) 560-5473

Approved by:

Kia Mortazavi
Executive Director, Development
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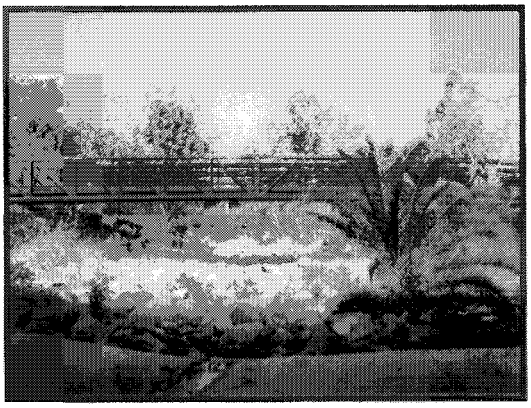
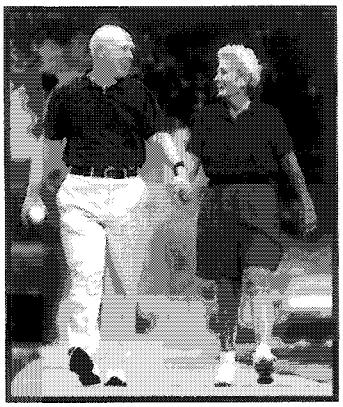
Orange County Transportation Authority

Transportation Enhancement (TE) Activities & Transportation Development Act (TDA) Guidelines 2007





OCTA

Transportation Enhancement (TE) Activities & Transportation Development Act, Article 3 (TDA)

2007 Call for Projects

Orange County Transportation Authority

Application Guidelines and Procedures

PURPOSE AND AUTHORITY

The Transportation Enhancement (TE) Activities Program is a federal grant program, first authorized under the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 and subsequently reauthorized under the Transportation Equity Act for the 21st Century (TEA-21) in 1998, and the Safe, Accountable, Flexible, Efficient Transportation Equity Act: a Legacy for Users (SAFETEA-LU). The TE program provides grants to local and state agencies within Orange County to be used for transportation-related projects that enhance quality-of-life, in or around transportation facilities. The Orange County Transportation Authority (OCTA) is responsible for selecting regionally significant projects for Orange County and working with Caltrans in administering selected projects.

TE projects may be stand-alone projects such as landscaped medians; gateway landscaping in a roundabout; retrofitting existing noise barriers (pre-1992) with landscaping; and architectural lighting. TE projects also may be add-ons to normal transportation projects.

The Transportation Development Act (TDA), Article 3 was enacted in 1971, by the California Legislature to provide funding to both transit and non transit-related purposes. Article 3 of the TDA governs the funding allocation and designates two percent of the funding for pedestrian and bicycle facilities. The TDA program provides grants to local and state agencies within Orange County to be used for transportation-related projects that enhance quality-of-life design for pedestrian walkways and bicycle facilities. The Orange County Transportation Authority (OCTA) is responsible for selecting regionally significant projects for Orange County.

TDA projects may be stand-alone projects such as projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, and park and-ride lots. TDA projects also may be add-ons to normal transportation projects, such as additional sidewalk and bike lanes on a bridge, enhanced pedestrian lighting, and median refuge islands for pedestrians.

ELIGIBLE APPLICANTS

Public agencies that are capable of executing grants with Caltrans are eligible for funding under current TE and TDA guidelines. Eligible applicants include city and county agencies such as planning departments, public works agencies, recreational departments, etc. Applicants are not required to be transportation- or highway-related organizations. Two or more agencies may participate in a project. Non-profit organizations may also nominate projects through a public agency that is willing and able to take responsibility for carrying out and maintaining the project. Additionally, in order to be eligible for funding, applicant agencies must provide authorizing resolutions from their controlling bodies (sample resolution in TE and TDA application form).

IMPLEMENTATION TIMELINE

Applications must be received by OCTA no later than 5:00 PM Friday, September 28, 2007. OCTA will be seeking applications for projects which can start construction no later than June 30, 2010.

After the applications are reviewed by OCTA, an advisory panel will review and rank projects. A recommended priority list of projects will be forwarded to the OCTA Board of Directors for approval in December 2007.

TE / TDA GRANTS

The funding limitations for applications is $500,000, and applicants are **strongly** encouraged to submit projects within this limit. However, projects requiring more then $500,000 can be segmented into smaller phases for submittal as individual projects. The TE aspect of the call for projects, will be a two-year program of projects, encompassing fiscal years 2008-09 and 2009-10, and totaling approximately $6 million. The TDA portion will be a three-year program of projects, from fiscal years 2007-08 through 2009-10, totaling approximately $7.5 million. The total estimated funding amount for fiscal years 2007-08 through 2009-10 is approximately $13.5 million. This will make available an estimated $3 million annually for TE and $2.5 million annually for TDA.

LOCAL SHARE

A minimum local match of twenty-five (25) percent of the total project cost is required. Match may be local dollars, state dollars, non-transportation federal dollars, or private cash.

Overmatch. Administering agencies may "overmatch" enhancement projects; that is, additional match dollars may be used in the transportation enhancement activity beyond the match requirement. Applicants will receive additional points in the evaluation process for matching above the minimum requirement. Additionally, administering agencies must commit to cover any cost overruns if the project turns out to be under funded. Any work not eligible for federal TE or TDA reimbursement must be funded by other means by the project applicant, and cannot count as match. Also, these items should not be included in the cost estimate breakdown in the application.

Right-of-Way Donations. Right-of-way donations may count towards the local funding share of a project. Donations may be from private ownership to public ownership, or may be a contribution of public land for project purposes. Should such donations be designated as such, all Caltrans and Federal Highway Administration (FHWA) right-of-way procedures must be followed.

Reimbursements. Activities are reimbursable projects through Caltrans. Applicants are expected to finance the project as it proceeds. Eligible expenditures — up to the ceiling of the federal funding share — will be reimbursed with each invoice.

Soft-match Provisions. "Soft-match" refers to instances where the value of activities accomplished away from the project are credited towards the non-federal share (match) of the project, such as administrative costs. Soft-match generally is not eligible under current federal rules.

TE ELIGIBLE PROJECTS

Projects will receive funding from a general program area: Landscaping and Scenic Beautification. If project eligibility in these categories is not clear, the applicant will provide reasoning for including it, and a determination will be made by OCTA, Caltrans, or the FHWA.

Landscaping and Scenic Beautification may include:

- Landscaping and other scenic beautification, including maintenance expenses for up to three years. Examples: median landscaping, gateway plantings to communities, retrofitting existing noise barriers (pre-1992) with landscaping; architectural lighting; and sculpture or other artwork at gateway entrance to communities.

TDA ELIGIBLE PROJECTS

Projects will receive funding from the Bicycle and Pedestrian Facilities program areas. If project eligibility in this category is not clear, the applicant will provide reasoning for including it, and a determination will be made by OCTA.

Bicycle and Pedestrian facilities may include:

- Provision of bicycles facilities. Examples: gap closures, bike lockers at travel stations, bikeways, and bike racks on transit systems.

- Provision of facilities for pedestrian traffic. Examples: walkways and multi-use recreational trails.

MINIMUM REQUIREMENTS (Screening Criteria)

TE and TDA applications will be screened before they are scored to determine project eligibility. (See Part 3 of the TE and TDA Application.) Prospective applicants should consider the following in submitting their proposals:

A. ***Direct Relationship to Surface Transportation.*** Projects must have at least one direct relationship to the surface transportation system. This relationship may be one of function, proximity, or impact.

B. ***Over and Above Normal Projects.*** Enhancement activities must be over and above normal transportation projects. Typically, a normal transportation project may include mitigation, standard landscaping, other permit requirements and provisions negotiated as a condition of obtaining a permit for a normal (non-enhancement) transportation project.

C. ***Conformity***. The project must be consistent (or not inconsistent) with federal, state, regional or local land use and regional transportation plans, goals, and other policies.

D. ***Financial Viability***. The administering agency must have the ability to meet financial processing requirements within a specific time frame for project completion, level of funding, and experience of project personnel. Additionally, the administering agency must follow the federal procurement and contract administration process.

E. ***Project Readiness.*** Projects must be prepared to award construction contracts prior to June 30, 2010. This means for TE projects that both National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) requirements as well as right-of-way certification must be completed before authorization for construction can be granted. TDA projects require only CEQA clearance, and do not require NEPA clearance.

F. ***Air Quality.*** Typically, TE and TDA activities will not create air quality problems. Proposed activities located in air quality non-attainment areas and which will result in air quality impacts must be consistent with the regional project review requirements, that is, there can be no significant unmitigated negative impacts to the region's air quality shown, and if possible, adequate transportation control measures must be included.

G. ***Americans with Disabilities Act.*** All proposed projects must meet applicable ADA requirements, including those incorporated into the California Building Code.

H. ***Alternatives Considered.*** Alternatives to the project should be considered before submitting the project, in order to put forth the most beneficial enhancement.

EVALUATION CRITERIA

Each TE and TDA project nomination can receive a maximum of 100 points. (See summary of point distribution in the TE and TDA application.)

MINIMUM INFORMATION FOR APPLICATION

The following information, including the TE and TDA Application Form, is required by OCTA to evaluate and select projects. Applications submitted with incomplete information or lacking the required number of copies will not be evaluated.

A. Table of Contents (page-numbered)

B. An **unbound original and eight copies** (total of nine) of the application form. Use separate sheets of paper if necessary. Supporting documentation must be included where requested.

Part 1: General Project Information

Part 2: Funding

Part 3: Evaluation Criteria (Where applicants submit an application under the TE and TDA program areas, the TE and TDA advisory panel will select an appropriate category.)

Part 4: TE and TDA Agency Resolution

Part 5: Assurances

C. If applicable, include agreements with other involved agencies

D. Environmental documentation

Exhibits:

A. Project cost estimate

B. Proposed budget showing sources of funding by phase and year

C. Project site photos

D. Acquisition map

E. Precise maps to show proposed site(s) for the enhancement project

F. Project design or concept drawings

G. Project completion schedule

H. For all projects involving plantings, a conceptual description of the number of plantings, species, size, density, and locations is requested if available

Note: There is no maximum length for proposals. All pages must be numbered and printed on 8 1/2 x 11 sheets of white paper. Maps and drawings can be included on 11 x 17 inch sheets, folded into the proposal. **The original proposal should be left unbound for reproduction purposes.**

ELIGIBLE EXPENDITURES

Enhancements must be for capital improvement. **Maintenance and/or rehabilitation work is not an eligible expenditure**, nor are projects with a life of less than 5 years, or one-time temporary improvements. However, applicants may submit requests that cover the costs of establishing new landscaping for a period of up to three years.

The administrative agency may use its own workforce to do preliminary engineering work. Costs must be specifically dedicated to and identified only for the project. The agency may also retain

consultants after satisfying federal and state requirements for selecting consultants. Eligible expenditures include:

- Detailed engineering (preparation of environmental and construction documents),
- Real property acquisition, and
- Construction costs associated with conducting an eligible activity (including three years of maintenance costs for new landscapes).

TE and TDA funds are not to be used for planning.

TE and TDA project activities utilize public funds. These funds are to be used for facilities that are in public ownership for public use. Improvements to private property and commercial facilities are not eligible, even though they may include properties for public use or owned by a public not-for-profit corporation.

PROVISIONS OF USE

TDA

TDA funds are administered by OCTA. These funds are allocated on a reimbursement basis. A project can begin at anytime in the program year. Once a project has been awarded the City may then seek reimbursement. Invoices for TDA projects are submitted to and paid by OCTA. Invoices should be sent to Bill Dineen:

Bill Dineen
Finance, Administration and Human Resource
550 South Main Street
Orange, CA 92863-1584

TE

TE funds are administered by the State through the State Transportation Improvement Program (STIP). As such, these projects are subject to all rules and requirements of the STIP. The complete STIP guidelines can be viewed at www.dot.ca.gov/hq/transprog/stip.htm. The detailed process for accessing STIP funds can be found at www.fhwa.dot.gov/environment/te/index.htm.

In summary the process is as follows:

- Environmental documentation must be submitted to Caltrans by April 15th of the program year or risk losing their funding.
- Obtain NEPA and CEQA approval (prior to program year)

- A project allocation must be obtained from the California Transportation Commission (CTC); the lead time for obtaining the allocation is approximately two months. The allocation must be signed by OCTA and submitted to Caltrans for processing.

- Caltrans then reviews and approves the request and then forwards it to the CTC for final approval. It is important to note that once an allocation is received the Agency has only 6 months to award a contract (no exceptions).

- In addition to the project allocation the standard E-76 (request for authorization) must also be obtained.

- The E-76 and allocation process should run concurrently. Once the CTC approves the allocation, Caltrans will be able to approve the E-76.

- Once the E-76 and allocation are approved the project can be advertised and awarded, it is important to note again the 6 month deadline for contract award.

- Invoices for TE projects are submitted to and paid by Caltrans.

TIMELY USE OF FUNDS

Funding from both TE and TDA must be obligated by June 30th of the year programmed and no extensions will be granted for either program. If a project cannot proceed, it will be cancelled and available projects on the standby list will proceed

ADDITIONAL INFORMATION

Completed applications and questions regarding these procedures and criteria should be directed to Jennifer Bergener of OCTA staff at:

Mail:
Jennifer Bergener
Acting Department Manager
Orange County Transportation Authority
P.O. Box 14184
Orange, CA 92863-1584
Tel: (714) 560-5462
Fax: (714) 560-5794

Drop Off:
Orange County Transportation Authority
550 South Main Street
Orange, CA 92863-1584

Transportation Enhancement and Transportation Development Act Application Form

PART ONE: GENERAL PROJECT INFORMATION

PROJECT TITLE: _____

ADMINISTRATIVE AGENCY APPLICANT Project Administrator/person with day-to-day responsibility for implementing project (Name, title, agency, address, phone, email) Name / Title: Agency: Address Phone: Email:	TE / TDA FUNDS REQUESTED $ - LOCAL MATCH $ - TOTAL TE / TDA PROJECT COST $ - ☐ Project is a stand alone project. ☐ Project is part of a larger project. Total Project Cost (Round dollars to nearest thousands)
Agency Contact (Name, title, agency, address, phone, email) Name / Title: Agency: Address Phone: Email:	PARTNER(S) (Name, title, agency, address, phone, email) Name / Title: Agency: Address Phone: Email:

PROPOSED SCHEDULE:

	Quarter and Year
Draft Environmental Document	
Final Environmental Document	
Begin Design Engineering	
Plans, Specifications, and Cost Estimates complete	
Start Right-of-Way Acquisition	
Right-of-Way Certification	
Submit Request for Authorization for Const (E-76)	
Ready to Advertise	
Award Construction	
Project Completion (open for use)	

WHICH CATEGORY OR CATEGORIES IS THE PROJECT APPLYING UNDER?

Program Area (check one)

_____ TDA - Transportation Development Act (Bicycle and Pedestrian Facilities)

_____ TE - Transportation Enhancement Activities Program (Landscaping and Scenic Beautification)

MAP
Please provide a map of the project

Rev. 1

PART ONE: GENERAL PROJECT INFORMATION (cont.)

PROJECT SCOPE OF PROPOSED ENHANCEMENT PROJECT
Describe the project's location, limits of work, size, etc. (*Not* the justification or benefits).

NEED PURPOSE AND FUNDING JUSTIFICATION
Provide a explanation of how the project is above and beyond a standard transportation project and justification for funding.

PART ONE: GENERAL PROJECT INFORMATION (cont.)

Use a separate sheet of paper if necessary. If any of the screening criteria below are not met, the proposal will not be ranked or evaluated. A "no" answer to any of the following questions immediately disqualifies the proposal. A "yes" still requires supporting evidence for the project to be considered for funding.

1 Does the project fit the TE or the TDA program? ☐ TE ☐ TDA Check one

a. Direct Relationship to the Intermodal Transportation System

Describe the project's direct relationship to the transportation system in one or more of the following terms: (How does the proposed project enhance the transportation system?)

Function:

Proximity:

Impact:

b. Over and above a normal project? ☐ Yes ☐ No

(If the activity is mentioned in an environmental document as a required mitigation, or if the activity is required by permitting agencies to proceed with another project, the activity is not over and above a "normal" project.)

2 Conformity

a. Is the project consistent (or "not inconsistent") with federal, state, regional or local land use and regional transportation plans, goals, and policies? ☐ Yes ☐ No

b. Please describe the plans used in evaluating consistency:

PART ONE: GENERAL PROJECT INFORMATION (cont.)

3 Financial Viability

a. Is the project financially viable? Please describe any evidence supporting this conclusion. (The governing body is required to submit a resolution to this effect along with the application.)

☐ Yes ☐ No

4 Project Readiness

a. Will the project be ready to award a construction contract by June 30, 2009? Please describe any evidence supporting this conclusion. ☐ Yes ☐ No

5 Air Quality

a. Does the project improve or have a neutral affect on air quality? Please describe any evidence supporting this conclusion. ☐ Yes ☐ No

6 Americans with Disabilities Act

a. Is the project, as proposed, in compliance with the Americans with Disabilities Act? What evidence is there to support this claim? Please explain. ☐ Yes ☐ No ☐ Not Applicable

7 Alternative Considered

a. Have any alternatives been considered? ☐ Yes ☐ No
Explain

PART TWO: FUNDING

Contact: _____ Phone: _____

Agency: _____ Email: _____

PROJECT COMPONENT COSTS

PRELIMINARY ENGINEERING PHASE:

Construction Documents	$ -
Environmental Documents	$ -
TOTAL PRELIMINARY ENGINEERING	$ -

RIGHT-OF-WAY PHASE (ACQUISITION):

Capital	$ -
Support Costs	$ -
TOTAL RIGHT OF WAY	$ -

CONSTRUCTION PHASE:

Construction contract items	$ - *
Contingencies	$ -
Construction engineering	$ -
TOTAL CONSTRUCTION	$ -

*see next sheet for details

YEAR IN WHICH FUNDS ARE REQUESTED

Phases	TDA ONLY Fiscal Year 2007/08	Fiscal Year 2008/09	Fiscal Year 2009/10
Preliminary Engineering	$ -	$ -	$ -
Right of Way	$ -	$ -	$ -
Construction	$ -	$ -	$ -
TOTAL	$ -	$ -	$ -

LOCAL FUNDING SHARE DETAIL

Phases	A) Federal +	B) Match =	C) Total Cost	D*) Total Cost
Preliminary Engineering	$ -	$ -	$ -	$ -
Right of Way	$ -	$ -	$ -	$ -
Construction	$ -	$ -	$ -	$ -
TOTAL	$ -	$ -	$ -	$ -

*Fill in column 'D' only when TEA is part of larger project, not a stand-alone project.

SOURCE(S) OF MATCH (spell out; no acronyms)

Preliminary Engineering _____

Right of Way _____

Construction _____

MAINTENANCE (The enhancement must be maintained in a functional and operational manner as its intended purpose for the expected life cycle for the type of project. If it is not maintained in such a manner, reimbursement of all or a portion of the enhancement funds may be required. With the exception of up to 3 years of funds for establishing landscaping, maintenance costs are ineligible for TE/TDA funds and must be funded locally)

Who will maintain? _____

What is the source of maintenance funds? _____

If project is within Caltrans Right-of-Way application, must be signed by Deputy District Director, Maintenance

DDD Maintenance _____ Date: _____

PART TWO: FUNDING (continued)

ITEM ESTIMATE - CONSTRUCTION ITEMS

Item #	Description	Unit	Quantity	Unit Price	Amount
				$ -	$ -

TOTAL PROJECT COST $0

PART THREE: EVALUATION CRITERIA

Program Area: TDA Bicycle and Pedestrian Facilities

Use a separate sheet of paper if necessary. Explain in detail the activity's primary effects.

General Merit Category (Maximum 45 Points)

1 Project Readiness (9 points total)

a. Is environmental documentation completed? (3)

Application receives 3 points if CEQA is complete. Documentation is required (signed CE, ND or approved EIR and/or NEPA equivalents).

b. Is ROW acquisition completed? (2)

c. Is preliminary engineering completed?(4)

Application receives 1 point for concept plans/generalized sketches; 2 points for detailed concept plans, 4 points for engineered drawings of 30% or more.

2 Matching Funds (20 points)

a. What is the percent match being provided?

Minimum match of 25% receives 0 points; 26 - 30% match receives 3 points; 31 - 40% match receives 8 points; 41 - 50% match receives 13 points; 51 - 60% match receives 18 points; 61% match or more receives 20 points.

3 Prior Commitment of Funds (6 points)

a. Are other public or private entities (excluding the applicant) contributing funds to this project? List partnering entities and describe their degree of participation. Examples: GMA funds, developer contributions above fee programs. Do not include in-kind services.

4 Project Merit Evaluation (10 points)

a. *(List direct and indirect benefits - minimum of 3 responses in bullet format. Benefits will not be scored individually, but will give context to overall project benefits.)*

PART THREE: EVALUATION CRITERIA (con't)

Program Area: TDA Bicycle and Pedestrian Facilities

Use a separate sheet of paper if neccessary. Explain in detail the activity's primary effects.

Activity Specific Category (Maximum 55 Points)

1 Gap Closures (20 points)

a. Does the project connect with existing trails or propose to link existing facilities? Explain and provide map showing the location of the linkages and/or gap being closed.

2 Coordination (0 points) Mandatory

a. A project must be either on the Orange County Master Plan of Trails or similar regional or city plan for bicycle or pedestrian facilities. List which one. (examples: OCTA Commuter Bikeways Plan, Safe Route to School Plan).

3 Amenities and Other Incentives (10 points)

a. Does this project include special amenities within the project area (i.e. bicycle racks, water fountains, showers, lockers, call-boxes, lighting, and other incentives)?

4 Safety Enhancements (15 points)

a. Will this project enhance safety in any form? (explain)

5 Cost-benefit (10 points)

a. What percentage of overall funds are allocated to direct bicycle or pedestrian facilities? (At least 50% of project funds must be related to bicycle/pedestrian facilites (such as hardscape, lighting) and not indirect work such as traffic control, etc.

PART THREE: EVALUATION CRITERIA (continued)

Program Area 2: TE Landscaping and Other Scenic Enhancements

Use a separate sheet of paper if necessary. Explain in detail the activity's primary effects.

General Merit Category (Maximum 45 Points)

1 Project Readiness (9 points total)

a. Is environmental documentation completed? (3)

Application receives 1 point if CEQA has been started; 2 points if CEQA is completed; 3 points if CEQA is complete and NEPA has been started (PES form or other contact with Caltrans.) Documentation is required.

b. Is ROW acquisition completed?(2)

c. Is preliminary engineering completed?(4)

Application receives 1 point for concept plans/generalized sketches; 3 points for detailed concept plans and landscape palette; 4 points for engineered drawings of 30% or more.

2 Matching Funds (20 points)

a. What is the percent match being provided?

Minimum match of 25% receives 0 points; 26 - 30% match receives 3 points; 31 - 40% match receives 8 points; 41 - 50% match receives 13 points; 51 - 60% match receives 18 points; 61% match or more receives 20 points.

3 Prior Commitment of Funds (6 points)

a. Are other public or private entities (excluding the applicant) contributing funds to this project? List partnering entities and describe their degree of participation. Examples: GMA funds, developer contributions above fee programs. Do not include in-kind services.

4 Project Merit Evaluation (10 points)

a. *(List direct and indirect benefits - minimum of 3 responses in bullet format. Benefits will not be scored individually, but will give context to overall project benefits.)*

PART THREE: EVALUATION CRITERIA (continued)

Program Area 2: TE Landscaping and Other Scenic Enhancements

Use a separate sheet of paper if necessary. Explain in detail the activity's primary effects.

Activity Specific Enhancement Division (Maximum 55 Points)

1 Project Significance (24 points)

a. What is the current degree of existing landscaping or aesthetic environment and need for improvement (12 points)?
New landscaping/construction receives higher points than upgrading an existing landscaped/aesthetically enhanced area.

b. Estimate the daily number of individuals or communities exposed to this project through the following: provide the ADT for the facility being improved; provide any additional exposure (transit, pedestrian, bicycle use, etc.)(12 points).

2 Environmental (16 points total)

a. Does this project improve irrigation efficiency and encourage the use of alternative methods like xeriscape, drought tolerant native plants, recycled water, and advanced irrigation technology to prevent pollution? Check and explain all that are appropriate. Provide plant palette if available and list additional features if applicable (solar, grease separators, etc.).

Drought Tolerant (4) _____

Native Plants (4) _____

Low Maintenance (4) _____

Water and Energy Efficiency (4) _____

3 Architectural Enhancements/Public Art (5 points total)

a. Does this project bring about architectural enhancements or public art?

_____

4 Cost-benefit (10 points)

a. What percentage of overall funds are allocated to direct landscaping or aesthetic facilities? (At least 50% of project funds must be related to landscaping/aesthetics and not indirect work such as curb and gutter, traffic control, etc).

PART THREE: EVALUATION CRITERIA (continued)

(Summary of Point Distribution)

Program Area 1: TDA Bicycle and Pedestrian Facilities

CATEGORY	POINTS POSSIBLE	PERCENTAGE
Project Readiness	9	9%
Matching Funds	20	20%
Prior Commitment of Funds	6	6%
Project Merit Evaluation	10	10%
Gap Closures	20	20%
Coordination	0	0%
Amenities and Other Incentives	10	10%
Safety Enhancements	15	15%
Cost - Benefit	10	10%
Total		***100%***

Program Area 2: TE Landscaping and Other Scenic Enhancements

Project Readiness	9	9%
Matching Funds	20	20%
Prior Commitment of Funds	6	6%
Project Merit Evaluation	10	10%
Project Significance	24	24%
Environmental	16	16%
Architectural Enhancements/Public Art	5	5%
Cost Benefit	10	10%
Total		***100%***

PART FOUR: TDA AGENCY RESOLUTION

SAMPLE AGENCY RESOLUTION REQUESTING FUNDS FOR APPROVED PROJECT

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL/BOARD OF THE CITY/COUNTY OF _____ AUTHORIZING APPLICATION FOR FUNDS FOR THE TRANSPORTATION DEVELOPMENT ACT (TDA) PROGRAM FOR *(NAME OF PROPOSAL)* PROJECT.

WHEREAS, the Orange County Transportation Authority (OCTA) has established the procedures and criteria for reviewing proposals; and

WHEREAS, *(ADMINISTERING AGENCY)* possesses authority to nominate transportation enhancement activities and to finance, acquire, and construct the proposed project; and

WHEREAS, by formal action the *(GOVERNING BODY)* authorizes the nomination of *(NAME OF PROPOSAL)*, including all understanding and assurances contained therein, and authorizes the person identified as the official representative of the *(ADMINISTERING AGENCY)* to act in connection with the nomination and to provide such additional information as may be required; and

WHEREAS, the *(ADMINISTERING AGENCY)* will maintain and operate the property acquired, developed, rehabilitated, or restored for the life of the resultant facility(ies) or activity; and

WHEREAS, with the approval of OCTA, the (ADMINISTERING AGENCY) or its successors in interest in the property may transfer the responsibility to maintain and operate the property; and

WHEREAS, the *(ADMINISTERING AGENCY)* will give the Caltrans and OCTA's representatives access to and the right to examine all records, books, papers or documents related to the transportation enhancement activity; and

WHEREAS, the *(ADMINISTERING AGENCY)* will cause work on the project to be commenced within a reasonable time after receipt of notification from the State that funds have been approved by the Federal Highway Administration and that the project will be carried to completion with reasonable diligence; and

WHEREAS, the *(ADMINISTERING AGENCY)* will comply where applicable with provisions of the California Environmental Quality Act, the American with Disabilities Act, and any other federal, state, and/or local laws, rules and/or regulations;

NOW, THEREFORE, BE IT RESOLVED that the City/County of _____, hereby authorizes the person identified as the official representative of the *(ADMINISTERING AGENCY)* to apply for the TDA program for *(NAME OF PROPOSAL)*.

BE IT FURTHER RESOLVED, that the City/County of _____, agrees to fund its share of the project costs and any additional costs over the identified programmed amount. This action is in conformance with the OCTA TDA Program guidelines.

PART FOUR: TE AGENCY RESOLUTION

SAMPLE AGENCY RESOLUTION REQUESTING FUNDS FOR APPROVED PROJECT

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL/BOARD OF THE CITY/COUNTY OF _____ AUTHORIZING APPLICATION FOR FUNDS FOR THE TRANSPORTATION ENHANCEMENT (TE) PROGRAM UNDER THE 2005 SAFE, ACCOUNTABLE, FLEXIBLE, EFFICIENT, TRANSPORTATION ACT- LEGACY FOR USERS FOR *(NAME OF PROPOSAL)* PROJECT.

WHEREAS, the United State Congress enacted the Safe, Accountable, Flexible, Efficient, Transportation Equity Act - Legacy for Users August 2005, replacing the Transportation Equity Act for the 21st Century which make funds available to the Orange County Transportation Authority (OCTA) for transportation enhancement activities; and

WHEREAS, OCTA has established the procedures and criteria for reviewing proposals; and

WHEREAS, *(ADMINISTERING AGENCY)* possesses authority to nominate transportation enhancement activities and to finance, acquire, and construct the proposed project; and

WHEREAS, by formal action the *(GOVERNING BODY)* authorizes the nomination of *(NAME OF PROPOSAL)*, including all understanding and assurances contained therein, and authorizes the person identified as the official representative of the *(ADMINISTERING AGENCY)* to act in connection with the nomination and to provide such additional information as may be required; and

WHEREAS, the *(ADMINISTERING AGENCY)* will maintain and operate the property acquired, developed, rehabilitated, or restored for the life of the resultant facility(ies) or activity; and

WHEREAS, with the approval of the California Department of Transportation (Caltrans) and OCTA, the (ADMINISTERING AGENCY) or its successors in interest in the property may transfer the responsibility to maintain and operate the property; and

WHEREAS, the *(ADMINISTERING AGENCY)* will give the Caltrans and OCTA's representatives access to and the right to examine all records, books, papers or documents related to the transportation enhancement activity; and

WHEREAS, the *(ADMINISTERING AGENCY)* will cause work on the project to be commenced within a reasonable time after receipt of notification from the State that funds have been approved by the Federal Highway Administration and that the project will be carried to completion with reasonable diligence; and

WHEREAS, the *(ADMINISTERING AGENCY)* will comply where applicable with provisions of the California Environmental Quality Act, the National Environmental Policy Act, the American with Disabilities Act, and any other federal, state, and/or local laws, rules and/or regulations;

NOW, THEREFORE, BE IT RESOLVED that the City/County of _____, hereby authorizes the person identified as the official representative of the *(ADMINISTERING AGENCY)* to apply for the Transportation Enhancement Activities Program under the Safe, Accountable, Flexible, Efficient Transportation Equity Act - Legacy for Users for *(NAME OF PROPOSAL)*.

BE IT FURTHER RESOLVED, that the City/County of _____, agrees to fund its share of the project costs and any additional costs over the identified programmed amount. This action is in conformance with the OCTA TEA guidelines and does not exceed seventy-five (75) percent of the total eligible costs.

PART FIVE: ASSURANCES

This page must be signed for the project to be considered for funding.

Project Implementating Agency possesses legal authority to nominate this transportation enhancement and to finance, acquire, and construct the proposed project; and by formal action (e.g., a resolution) the Implementating Agency's governing body authorizes the nomination of the transportation enhancement, including all understanding and assurances contained therein, and authorizes the person identified as the official representative of the Implementing Agency to act in connection with the nomination and to provide such additional information as may be required.

Project Implementing Agency will maintain and operate the property acquired, developed, rehabilitated, or restored for the life of the resultant facility(ies) or activity. With the approval of the California Department of Transportation, the Implementing Agency or its successors in interest in the property may transfer the responsibility to maintain and operate the property.

Project Implementing Agency will give the California Department of Transportation's representative access to and the right to examine all records, books, papers, or documents related to the transportation enhancement activity.

Project Implementing Agency will comply where applicable with provisions of the California Environmental Quality Act, the National Environmental Policy Act, the Americans with Disabilities Act, the Secretary of the Interior's Standards and Guidelines for Archaeology and Historic Preservation, CTC Guidelines, FHWA Transportation Enhancement Guidance and any other federal, state, and/or local laws, rules and/or regulations.

If TE/TDA funds or projects are used for other than the intended enhancement purposes as defined by federal or state guidelines, the implementing agency may be required to remit all state and federal enhancement funds back to the state.

I certify that the information contained in this transportation enhancement activity application, including required attachments, is accurate and that I have read and understand the important information and agree to the assurances on this form.

Signed _____ Date _____

(TE / TDA Administering Agency Representative)

Printed (Name and Title) _____

Administering Agency _____

8.

OCTA

BOARD COMMITTEE TRANSMITTAL

August 27, 2007

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: Amendment to Agreement for Highways and Facilities Project Management Consultant Services

Regional Planning and Highways Committee — August 20, 2007

Present: Directors Amante, Cavecche, Dixon, Glaab, Green, Mansoor Norby, and Pringle
Absent: Director Rosen

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

A. Authorize the Chief Executive Officer to execute Amendment No. 8 to Agreement C-3-0994 between the Orange County Transportation Authority and Hatch Mott MacDonald, in an amount not to exceed $516,000, for continued project management services for the Garden Grove Freeway (State Route 22) design build project and to extend the contract period to May 31, 2008.

B. Approve a fiscal year 2007-08 budget transfer of $407,000, from Account 0010-9084-F2212-AJT to Account 0010-7519-F7100-7RQ.

OCTA

August 20, 2007

To: Regional Planning and Highways Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Amendment to Agreement for Highways and Facilities Project Management Consultant Services

Overview

On November 24, 2003, the Board of Directors approved an agreement with Hatch Mott MacDonald, in the amount of $3,600,000, to provide project management consultant services to manage the design and construction of transportation improvement projects. Hatch Mott MacDonald was retained in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendations

A. Authorize the Chief Executive Officer to execute Amendment No. 8 to Agreement C-3-0994 between the Orange County Transportation Authority and Hatch Mott MacDonald, in an amount not to exceed $516,000, for continued project management services for the Garden Grove Freeway (State Route 22) design-build project and to extend the contract period to May 31, 2008.

B. Approve a fiscal year 2007-08 budget transfer of $407,000, from Account 0010-9084-F2212-AJT to Account 0010-7519-F7100-7RQ.

Background

On November 24, 2003, the Orange County Transportation Authority (Authority) Board of Directors (Board) selected Hatch Mott MacDonald (HMM) to provide highway and facilities project management and technical support services to assist the Authority in overseeing the design and construction of transportation-related projects. Consultant services augment existing staff resources by providing full time personnel and task order-based technical assistance to support project requirements.

As part of its services, HMM provides staff to support the Garden Grove Freeway (State Route 22) design-build project. These individuals work as an extension to Authority staff and assist in the management of the project. The HMM staff participate in a variety of issues related to the State Route 22 (SR-22) project, including resolution of issues with the contractor, coordination of work with adjacent cities, and handling community concerns.

The original HMM agreement was awarded for $3,600,000, with an expiration date of February 28, 2007. On January 22, 2007, the HMM agreement was amended by $568,000 and extended to August 31, 2007, for continuing support to the SR-22 project. On July 17, 2007, the HMM agreement was further extended to December 31, 2007, at no additional cost.

Discussion

In July 2007, the Authority's project manager for the SR-22 design-build project resigned. To maintain continuity on the project, Joe Toolson of HMM was appointed as the Authority's senior representative on the project with responsibility to manage the completion of construction and closeout of project activities. With this change, HMM also added one other individual to the SR-22 project staff to support Mr. Toolson's previous work responsibilities on the project. We expect HMM's responsibilities to extend into the spring of 2008.

In this new expanded role, HMM will manage the work of the contractor and project management consultant in completing all work and in closing out all final agreements and project documentation. This work will include: final project inspection, confirmation of all testing and inspection reports, resolving outstanding non-compliance reports, assuring that all agreements and contractual obligations have been met, preparing final project accounting and closeout reports, and organizing and transferring project files. The final project closeout will also include gaining project acceptance by the corridor cities, other agencies, the Federal Highway Administration, and the California Department of Transportation (Caltrans).

To handle these additional duties and support the SR-22 project to its completion, the HMM agreement must be amended to extend the expiration date and increase the authorized dollar amount. The original agreement, awarded on November 24, 2003, was in the amount of $3,600,000. This agreement has been amended previously (Attachment A). The total amount after approval of Amendment No. 8 will be $4,684,000.

This procurement was originally handled in accordance with the Authority's procedures for professional and technical services. The original agreement was

awarded on a competitive basis. It has become necessary to amend the agreement with HMM to retain staff services to assist in completing the SR-22 project.

Fiscal Impact

The additional work described in Amendment No. 8 to Agreement C-3-0994 was partially approved in the Authority's Fiscal Year 2007-08 Budget, Development Division, Account 0010-7519-F7100-7RQ, and is funded through the Local Transportation Authority.

A budget transfer of $407,000 from Account 0010-9084-F2212-AJT, Construction, to Account 0010-7519-F7100-7RQ, Other Professional Services, is requested to fund the balance required for Amendment No. 8.

Summary

Staff recommends approval of Amendment No. 8, in the amount of $516,000, to Agreement C-3-0994 with Hatch Mott MacDonald for continued project management services for the Garden Grove Freeway (State Route 22) design-build project and to extend the contract period to May 31, 2008.

Attachment

A. Hatch Mott MacDonald Agreement C-3-0994 Fact Sheet

Prepared by:

Tom Bogard
Director, Highway Project Delivery
(714) 560-5918

Approved by:

for Kia Mortazavi
Executive Director, Development
(714) 560-5741

ATTACHMENT A

Hatch Mott MacDonald
Agreement C-3-0994 Fact Sheet

1. November 24, 2003, Agreement C-3-0994, $3,600,000, approved by Board of Directors.

   - Consultant to provide project management support services and technical expertise to assist in delivering freeway and other transportation related projects.

2. May 24, 2004, Amendment No. 1 to Agreement C-3-0994, $0, approved by purchasing agent.

   - Add Epic Land Solutions, Southland Geotechnical, and Southern California Soil and Testing as approved sub-consultants.

3. September 29, 2004, Amendment No. 2 to Agreement C-3-0994, $0, approved by purchasing agent.

   - Add Johnson-Frank and Associates as an approved sub-consultant.

4. March 8, 2005, Amendment No. 3 to Agreement C-3-0994, $0, approved by purchasing agent.

   - Revise rate schedules to reflect annual salary adjustments.

5. March 15, 2006, Amendment No. 4 to Agreement C-3-0994, $0, approved by purchasing agent.

   - Revise rate schedules to reflect annual salary adjustments.

6. November 8, 2006, Amendment No. 5 to Agreement C-3-0994, $0, approved by purchasing agent.

   - Add DR McNatty & Associates as an approved sub-consultant.

7. January 22, 2007, Amendment No. 6 to Agreement C-3-0994, $568,000, approved by Board of Directors.

   - Extend term of agreement by six months to August 31, 2007, revise rate schedules to reflect annual salary adjustments, and increase maximum obligation to $4,168,000.

8. July 17, 2007, Amendment No. 7 to Agreement C-3-0994, $0, approved by purchasing agent.

    - Extend term of agreement to December 31, 2007.

9. August 27, 2007, Amendment No. 8 to Agreement C-3-0994, $516,000, pending approval by Board of Directors.

    - Extend term of agreement to May 31, 2008, and increase maximum obligation to $4,684,000.

Total committed to Hatch Mott MacDonald, after approval of Amendment No. 8 to Agreement C-3-0994: $4,684,000.

9.

OCTA

MEMO

August 21, 2007

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: **Board Committee Transmittal for Agenda Item**

The following item is being discussed at a Committee meeting which takes place subsequent to distribution of the Board agenda. Therefore, you will be provided a transmittal following that Committee meeting (and prior to the Board meeting) informing you of Committee action taken.

Thank you.

OCTA

August 23, 2007

To: Transit Planning and Operations Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Status on Response to Grand Jury Rail Crossings Report

Overview

In May 2007, the Orange County Grand Jury issued a report on rail-highway grade crossing safety throughout Orange County. This report was sent to the Board of Directors upon release. With affected agency input complete, staff is currently working on a response to findings and recommendations contained in the report. A Board-approved response to the Grand Jury is due November 1, 2007.

Recommendation

Receive and file as an information item.

Background

In August 2006, the Orange County Grand Jury began meeting with Orange County Transportation Authority (OCTA) staff, Metrolink, and other local jurisdictions to examine at-grade rail-highway crossing safety in Orange County. On May 1, 2007, the Grand Jury released their final report (Attachment A). The Grand Jury report focused broadly on project delivery, safety improvements, cost sharing, liability issues, environmental impacts, and public education.

Discussion

Grand Jury recommendations, included in their report, suggested improving overall project delivery schedules, creating a comprehensive Quiet Zone program, determining cost sharing with local jurisdictions, and implementing a rail safety public education program. The report's findings and recommendations were helpful in the development of recommendations for the Renewed Measure M (M2) Early Action Plan as well as future staff recommendations on options for a countywide rail-highway grade crossing program.

A Quiet Zone Policy Working Group consisting of elected officials and staff from affected cities throughout Orange County was formed at the direction of Chairman Carolyn Cavecche. The working group and has met twice this year to discuss the development of consistent policies and procedures for the implementation of railroad corridor quiet zones in Orange County. Issues identified in the Grand Jury's report were discussed at these meetings.

The cities of Anaheim, Fullerton, Dana Point, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin were also asked to comment on some of the findings and recommendations in the Grand Jury report. City responses to date are included as Attachment B.

OCTA was granted an extension from the original August 6, 2007, response deadline to November 1, 2007 (Attachment C). The recent Board approval of the Renewed Measure M Early Action Plan and related budget amendment, combined with forthcoming discussions on the rail-highway grade crossing program implementation options and subsequent Board action will provide staff with a comprehensive response to the Grand Jury's report.

Summary

Due to planned increases in Metrolink commuter rail service and increasing passenger and freight rail traffic in general, the 2006-2007 Orange County Grand Jury issued a report on rail crossing safety in Orange County in May 2007. OCTA staff will develop a response to the Grand Jury's report for Board review and approval by November 1, 2007.

Attachments

A. OCTA News Alert (May 8, 2007) and accompanying report - Orange County Rail Crossing Safety: Snapshot of a Process
B. City Responses to Grand Jury Report as of August 16, 2007
C. July 30, 2007 Extension Request letter to Grand Jury

Prepared by:

David G. Simpson
Manager, Local Government
(714) 560-5570

Approved by:

For

Ellen S. Burton
Executive Director, External Affairs
(714) 560-5923

ATTACHMENT A

OCTA

NEWS

OCTA NEWS ALERT

DATE: May 8, 2007

TO: OCTA Board of Directors
Art Leahy – CEO

FROM: Joel Zlotnik and Ted Nguyen, Media Relations

SUBJECT: Grand Jury Report on Rail Crossing Safety

Issue: The Orange County Grand Jury released their report on rail crossing safety in Orange County. The report included a commendation for OCTA and Metrolink, but also includes a few recommendations. OCTA has plans to address all the recommendations that the Grand Jury outlined. See the attached report for details.

Media: Dave Reyes, Los Angeles Times
Various media

Run date: Today (May 8) and tomorrow (May 9)

###

ORANGE COUNTY RAIL CROSSING SAFETY: SNAPSHOT OF A PROCESS

SUMMARY

Metrolink operates the commuter rail system that serves the Southern California region. It was established in 1991 as the Southern California Regional Rail Authority (SCRRA) in the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura as a joint five-county venture. Today, three and a half million passengers use this service annually in Orange County. A substantial increase in the number of Metrolink trains that run through Orange County (one in each direction every 30 minutes) on the Orange County Line (from Los Angeles to Oceanside) is expected within the next three to five years, in addition to the existing Amtrak service to San Diego, on this corridor. This is expected to significantly impact the number of potential accidents at the 64 highway-rail grade crossings in Orange County.

The Orange County Transportation Authority (OCTA), the entity that partially funds Metrolink and oversees all Metrolink rail corridor services in Orange County, has undertaken a program to upgrade these grade crossings with a goal to reduce potential collisions. The purpose of this study is to examine the steps taken in this process and to summarize the progress of the program.

REASON FOR INVESTIGATION

The proposed increase in Metrolink service presents a challenge to all the organizations involved in this process. The upgrading of the grade crossings in a timely fashion, to knit seamlessly with the upgrade in commuter train service, presents the following questions:

1) Does the OCTA have the capacity to complete the construction in a timely fashion?
2) Will the proposed grade crossing treatments provide safe interaction between motorists, bicyclists, pedestrians and rail traffic?
3) How will the cost be shared between the OCTA and the impacted cities?
4) How will the cost of liability insurance be shared or assumed by the various parties?
5) What steps will be taken to mitigate the environmental impact of increased train service, and the noise associated with that service, particularly train warning horns at grade crossings?
6) How will the OCTA educate the public on the impact of this increase in service?

METHOD OF STUDY

The method of study included a review by the Grand Jury of the original Korve Grade Crossing Study engineering plan prepared for the OCTA in December of 2003. An exploratory meeting was conducted with selected staff members of the OCTA and led to a further series of interviews with the planning/engineering staffs of the following cities:

- Anaheim
- Fullerton
- Dana Point
- Irvine
- Orange

- San Clemente
- San Juan Capistrano
- Santa Ana
- Tustin

Each of these meetings focused on the problems and viewpoints of individual cities with regard to grade crossing safety and Quiet Zone implementation. Quiet Zones typically include grade crossing treatments that eliminate the need to routinely sound train warning horns when approaching a crossing. Further interviews included members of private engineering and construction firms, Metrolink planning personnel and operating crews, Operation Lifesaver trainers, representatives of the California Public Utilities Commission, the Southern California Regional Rail Safety Team, and elected officials. The Grand Jury reviewed current upgraded diagnostic reports on all at-grade crossings in Orange County generated by teams from these agencies, as well as observing one in the field. A number of relevant websites on the internet were also reviewed.

BACKGROUND

There are three railroad subdivisions or "subs" (a geographic segment of track between two specific points) in Orange County that have Metrolink rail passenger service.

See Appendix 1: OCTA Map

The San Bernardino Subdivision is owned and operated by the BNSF Railway (formerly known as the Burlington Northern Santa Fe Railway). It connects San Bernardino to Los Angeles and in Orange County runs east-west from the Los Angeles County line through Buena Park, Fullerton, Placentia, Anaheim Canyon, and then to the Riverside County line before the city of Corona. Metrolink trains to and from Oceanside and Riverside to Los Angeles operate on this subdivision.

The OCTA is the property owner of the Orange and Olive Subdivisions. The Orange sub runs from Fullerton Junction in east Fullerton, southeastward through Anaheim, Orange, Santa Ana, Tustin, Irvine, San Juan Capistrano, Dana Point, and San Clemente to the San Diego County line. The Olive sub runs from the San Bernardino sub at Atwood in Placentia southward to a connection with the Orange sub in the city of Orange. Metrolink trains running between Riverside and Oceanside and between Oceanside and Los Angeles operate on these subdivisions. There are 64 at-grade rail crossings on these corridors.

The OCTA sponsored a report by the Korve Engineering Co. of Irvine, California, which was completed in December of 2003. The report inventoried the current automatic warning devices and other safety and protection equipment used at each crossing and provided recommendations and enhancements for both motorist and pedestrian safety. Finally, the report provided a ranking of the enhancements based on their impact to safety and a cost-benefit analysis.

The various treatments for upgrading railroad crossings in Orange County can be categorized into three groupings:

- Tier 1 – the recommendations included in the Korve study,
- Tier 2 – city requested betterment and cosmetic improvements; and
- Tier 3 – Quiet Zone applications.

According to the Korve study there are two grade crossing treatment categories: Bicyclist-Pedestrian and Motorist.

Bicyclist-Pedestrian Treatments include the:

- installation of sidewalks to keep pedestrians out of the roadway;
- delineation of the dynamic envelope to inform pedestrians of the danger area (signs);
- pedestrian automatic gates to provide a physical barrier preventing individuals from encroaching on the tracks; and
- pedestrian channelization to guide individuals to a safe crossing location.

Motorist Treatments are further sub-categorized as:

- Crossing Geometry and Condition Treatments;
- Drive –Around Treatments; and
- Motor Vehicle on Trackway Treatments.

Crossing Geometry and Condition Treatments include:

- increasing sight distance to maximize visibility for crossing users to see warning devices on the approach to the crossing and to see approaching trains (ensuring that trees and other obstructions do not block motorists from seeing warning signs);
- improving crossing surfaces and maintaining paving surfaces consistent with the original application to encourage motorists to drive at safe posted speeds and not slow down for rough crossings;
- reapplying pavement markings at crossings when they have worn out; and
- improving signage to deter motorists from stopping on grade crossings.

Drive-Around Treatments include:

- installing raised medians to deter motorists from driving around lowered crossing gates;
- installing large pavement buttons or flexible bollards where raised medians are not possible due to roadway geometry; and
- installing four-quadrant gates to deter motorists from driving around crossing gates.

Motor Vehicles on Trackway Treatments include:

- installing additional side facing flashing light signals on driveways and parallel streets that are adjacent to the tracks;
- adding additional median flashing light signals or cantilever lights over the highway;
- replacing 8-inch flashing lights with 12-inch lights;
- upgrading signal preemption at crossings where the tracks diagonally cross two streets;
- relocating bus stops to reduce queuing across railroad tracks; and

- installing pre-signals where clear storage of vehicles is not possible between crossings and the space between the downstream traffic signal and the track is less than the length of the vehicle.

This original study formed a baseline of safety for the motorist, bicyclists-pedestrians, and Metrolink travelers in Orange County. The estimated total cost of all crossing enhancements was $20,842,500. The results of the study were sent to each of the cities affected along the three corridors for their comments and responses. These were all included in the Korve Study. Part of the understanding of this study was that the OCTA would fund approximately 88% of the costs to implement the enhancements and each affected city would fund the balance. These improvements are identified as Tier 1.

Between April and December 2006, the OCTA, Metrolink, a team of consulting engineers and the individual cities involved held diagnostic meetings at each rail crossing to improve the Tier 1 recommendations and to further identify "betterment" or cosmetic upgrades, not related to crossing safety, to be funded at the city's expense. These additional upgrades are considered to be Tier 2 modifications by the impacted cities; however, the OCTA refers to them as improved Tier 1. The Grand Jury attended one diagnostic meeting and reported a broad and robust discussion at the grade-crossing site. Each Tier 1 recommendation was reviewed, and the affected city concerns and ideas were incorporated into the final diagnostic. Each diagnostic meeting included an introduction and review of existing conditions. Future problems were discussed and proposed alternatives reported. The Grand Jury noticed that the team remained at the site until all concerns were addressed and consensus was reached. In the case of the above, there was a final report issued by the engineering consultant in December of 2006, which included four alternatives with estimated costs ranging from a $22.4 million grade-separated proposal to the recommended alternative proposal at $1.2 million.

These meetings resulted in enhanced safety modifications for each of the at-grade crossings, which by this time had been reduced to 56 because several cities had independently undertaken grade crossing separation projects. A grade crossing separation project is one that includes a bridge over or under the railroad. Other areas not addressed by the original study, but which were included in the Tier 2 modifications, were improved bicycle and pedestrian crossings. The establishment of scope and cost estimates of enhancements, leading to a memorandum of understanding (MOU, a document that sets forth an agreement between two parties) between OCTA/Metrolink and each impacted city, was the final step in this process.

According to the master schedule of the OCTA/SCRRA Orange County Grade Crossing Safety Enhancement Program, all of the affected cities on the three railroad lines in Orange County should have completed MOUs by mid-January 2007. After this, four contract packages will be awarded, covering: (1) design/bidding phase, (2) Public Utilities Commission Application and Approval, and finally, (3) construction phase. The entire program is scheduled to be completed in mid-August 2008, at the same time the rolling stock is begins to arrive from the builders. The locomotives will begin to arrive at the end of 2007 and 150 passenger cars over the next two years. The 30-minute service plan is

scheduled to begin in 2010. If this deadline is met, it is anticipated that the public will be well protected from grade crossing accidents.

Among the many upgrades proposed for each site at the diagnostic meetings, a foundation for Tier 3 or Quiet Zone was discussed. Tier 3 or Quiet Zone is grade-crossing treatments that eliminate the need for trains to sound their horns in warning on the approach to the crossing. Current Federal Railway Administration (FRA) rules require trains approaching a grade crossing to sound their horns in warning with a designated signal. The standard horn warning is two long honks of the horn, a short honk and a long honk continuing until the lead unit of the train is in the crossing. Despite the nostalgia for the lonely train whistle, with the increased amount of traffic on the affected lines and the expanded hours of operation for Metrolink trains, this cacophony has the potential to seriously degrade the environment for those who live close to any busy grade crossing, particularly in the evening hours.

The FRA's Final Train Home Rule of June 24, 2005 outlines two types of safety improvement options for upgrading a Quiet Zone to meet FRA safety standards: Supplemental Safety Measures (SSMs) and Alternative Safety Measures (ASMs). Supplemental Safety Measures include:

- Four-Quadrant Gate Systems;
- Medians or Channelization Devices;
- One-Way Streets with Gates; and
- Permanent Closure.

Alternative Safety Measures include:

- Modified SSMs (i.e., Non-Complying Medians, Three-Quadrant Gates, etc.);
- Engineered ASMs (i.e., Geometric Improvements); and
- Non-Engineered ASMs (i.e., Programmed Enforcement, Photo Enforcement, Education, etc.).

For example: To install a Quiet Zone treatment in the City of Orange there are two possible solutions: (1) install exit gates in both directions of a four quadrant gate system or (2) install a minimum raised island median at least 60 feet long and provide automatic gates on the approaches of each crossing. The City of Orange has requested that quiet zone applications be implemented for all the 16 grade-crossings in that city. The cost of this work is estimated at slightly more than $17 million. The upgraded diagnostics have added increased costs to each of the grade crossings. Quiet Zone applications will add further to these costs. The chart below compares the costs with the enhanced Tier 1 diagnostics with Orange opting for Tier 3 Quiet Zone applications. The current OCTA Board has no Quiet Zone funding policy and all Quiet Zone applications are city sponsored. The recent passage of the Measure M extension begins in 2011. It includes an allowable but not required option for Quiet Zone funding.

Orange County Grade Crossing Improvement Program Summary

	Improved Tier 1 Costs		Draft Estimate Quiet Zone Costs*	
			Low End	High End
Anaheim	$8,207,550	note **	$34,155	$296,010
Orange	$16,592,050		$637,560	$3,853,731
Santa Ana	$11,178,000		$1,082,030	$2,504,700
Tustin	$879,750		$557,865	$557,865
Dana Point	$703,800		$455,400	$455,400
Fullerton	$2,711,700		$284,625	$284,625
Irvine	$1,633,799		$0	$1,129,920
San Juan Capistrano	$3,701,984		$1,129,920	$1,129,920
San Clemente	$99,936		$1,153,460	$1,153,460
Total	$45,708,569		$5,335,015	$11,365,631

*** Note*: These costs are in addition to tier 1 costs.**
*** Note **: This figure includes $4,719,600 in potential pedestrian gate costs**

As of this writing, the OCTA Board has not set a Quiet Zone policy.

OBSERVATIONS

The interviews conducted by the Grand Jury included items such as the construction capacity of the potential firms which might be engaged in upgrading the grade crossings. The OCTA documents envision four contract packages with the construction phases beginning during late summer 2007 and completing a year later during the fall of 2008. It is anticipated that the rolling stock would begin arriving at about the same time. In a perfect world this seamless knitting of construction and service upgrade would be the ideal situation; however, evidence indicates that slippage in completion dates has already occurred.

Other interviews have raised questions on the costs of these proposed treatments. The original study estimated slightly over $20 million for Tier 1 treatments for the original 64 crossings. At this time the improved Tier 1 treatments are indicated to cost over $45 million, including Orange's requested Tier 3 treatments. In the original program the OCTA had offered to fund approximately 88% of the costs; with Tier 2 and Tier 3 diagnostics now adding substantially to the cost; the question is whether the OCTA will maintain their commitment to fund the previously allocated amounts or hold at the previously allocated 88% funding commitment.

Other concerns expressed by elected officials include who will pay for the liability insurance of these grade crossings? The SCRRA maintains liability insurance for the Metrolink system. The costs of insurance are borne by all of SCRRA member agencies, including the OCTA, on an "all share basis" and are allocated to each county on a train-mile basis. Therefore, the more service in a county, the more train-miles, and the higher the percentage of cost that is paid by the county. If Quiet Zone applications are adopted by a city and it results in an increase in SCRRA's insurance premium, the city would have to pay the incremental cost.

A final concern expressed in interviews questions the role of educating the public about the potential danger that an increase in Metrolink service may incur. Metrolink has a Rail Safety Education program that visits schools and community organizations, and in concert with Operation Lifesaver, an organization supported by the railroads that utilizes volunteers, makes the public aware of the dangers of grade crossings and trespassing on railroad property. The various private (BNSF, Union Pacific, Pacific Harbor Lines) and public railroads (OCTA/Metrolink, Los Angeles Metro) meet monthly to discuss safety concerns and problems and look to mutually agreed solutions. This panel is unique in the industry. With the increase in service by Metrolink, a parallel increase in public education should be examined by the OCTA.

COMMENDATIONS

The staff of the Orange County Transportation Authority and Metrolink is to be commended for their refreshing openness and transparency of process that should serve as a model for other agencies. The OCTA-Metrolink team has a comprehensive program to upgrade 56 railroad crossings in Orange County that will strongly enhance the safety of Metrolink riders, motorists, pedestrians and bicyclists.

FINDINGS

In accordance with California Penal Code sections 933 and 933.05, each finding will be responded to by the government entity to which it is addressed. The responses are to be submitted to the Presiding Judge of the Superior Court. The 2006-2007 Orange County Grand Jury has arrived at the following findings:

F-1. The engineering firms involved in rail crossing safety have a strong record of accomplishment in this process and the capacity to complete this project in a timely fashion does not seem seriously in doubt; however, the OCTA has fallen behind in their schedule.

F-2. Impacted cities are strongly concerned about noise from OCTA/Metrolink train horns at railroad crossings. The cost of totally eliminating train horns county-wide through quiet zone corridor treatments of could be in the range of $50-$60 million.

F-3. It is unclear how the burden of cost for upgraded crossings will be shared by the OCTA and impacted cities.

F-4. OCTA/Metrolink has an excellent safety program to inform the public on issues of concern to the public, including first-responder teams.

Responses to Findings F-1 through F-4 are required from the Orange County Transportation Authority Board of Directors.

Responses to Findings F2 and F-3 are required from the city councils of Anaheim, Fullerton, Dana Point, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana and Tustin.

RECOMMENDATIONS

In accordance with California Penal Code sections 933 and 933.05, each finding will be responded to by the government entity to which it is addressed. The responses are to be submitted to the Presiding Judge of the Superior Court. The 2006-2007 Orange County Grand Jury has arrived at the following findings:

R-1. The work proposed by the OCTA has fallen behind schedule. The OCTA should work with the affected entities to complete the construction on schedule by finalizing the various memoranda of understanding with impacted cities and vigorously proceed with the succeeding steps.

R-2. The OCTA should create a comprehensive Quiet Zone program to preserve the quality of the environment and property values adjacent to railroad tracks. If the OCTA can mitigate freeway noise with sound walls to preserve the quality of life adjacent to freeways, alternative public transportation modes that may negatively impact the environment and property values should also receive comparable considerations, such as Quiet Zone applications.

R-3. The burden of construction and inspection costs for these grade crossing treatments needs to be shared by the OCTA and impacted cities according to an agreed formula.

R-4. A timely and robust rail-safety education program in conjunction with Metrolink will have to be mounted by the OCTA, in various languages, to make the public aware of the increased service and potential risk at grade-crossings, and to counteract trespassing on railroad property. The upgrade in Metrolink service is unprecedented in local history and the impacted public should be made aware of the potential problems this may cause.

Responses to Recommendations R-1 through R-4 are required from the Orange County Transportation Authority Board of Directors

A Response to Recommendation R-3 is required from the city councils of Anaheim, Fullerton, Dana Point, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana and Tustin.

REQUIRED RESPONSES

The California Penal Code specifies the required permissible responses to the findings and recommendations contained in this report. The specific sections are quoted below:

§933.05(a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

(1) The respondent agrees with the finding.

(2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.

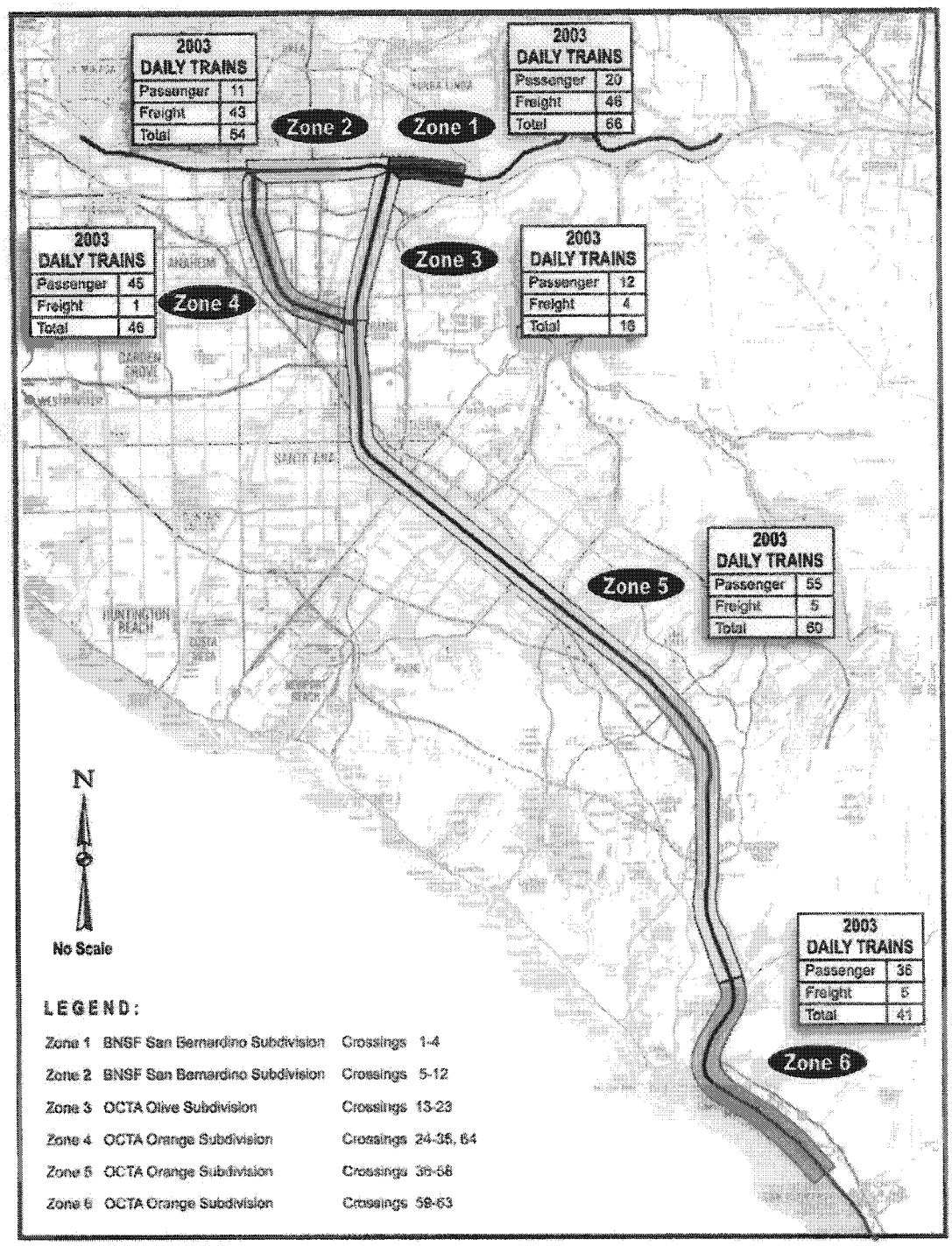
(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

(1) The recommendation has been implemented, with a summary regarding the implemented action.
(2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.
(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.
(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.

GLOSSARY

1. *Quiet Zone*: A corridor of railroad at least one-half mile in length equipped with grade crossing treatments that eliminate the need for the routine sounding train warning horns.
2. *Subdivisions (or "subs")*: A geographic segment of track between two specific points.
3. *Betterment or cosmetic upgrades*: Beautification treatments not related to safety.
4. *Grade-crossing separation projects*: Generally a bridge over or under a railroad that separates the railroad right-of-way from other cross traffic.
5. *Delineation of the dynamic envelope*: Signs and warning signals that inform pedestrians, bicyclists and motorists of the danger of grade crossings.
6. *Channelization:* Fences and other devices that direct individuals to a safe crossing location.
7. *Increasing sight distance*: Clearing obstructions that would hide safety warning devices and signage.
8. *Raised medians*: Curbs or barriers that prevent motorists from changing lanes at grade-crossings.
9. *Flexible bollards*: Rubber or soft plastic vertical "posts" that enhance medians and channelization of motorists.
10. *Four–quadrant grades*: Crossing grades that protect both the upstream and downstream highways and prevents "drive-around" violations.
11. *Signal preemption*: Signals that turn red at intersections adjacent to crossings at the approach of a train.
12. *Federal Railroad Administration's Final Train Home Rule of June 24, 2005*: A series of rules for the applications of Quiet Zones.
13. *Rolling Stock:* Locomotives and passenger cars.

Appendix 1: OCTA Map



City Responses to Grand Jury Report as of August 16, 2007

CITY OF ANAHEIM
MAYOR CURT PRINGLE

July 18, 2007

Nancy Wieben Stock
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

RE: "Orange County Rail Crossing Safety: Snapshot of a Process"

Dear Judge Wieben Stock:

As Mayor of the City of Anaheim, I have been authorized by our City Council to sign this letter in response to the subject 2006-2007 Orange County Grand Jury Report. Our City was asked to respond to report findings # 2 and # 3, and to report recommendation # 3.

Finding 2. Impacted cities are strongly concerned about noise from OCTA/Metrolink train horns at railroad crossings. The cost of totally eliminating train horns county-wide through quiet zone corridor treatments could be in the range of $50-$60 million.

The respondent agrees with the finding.

In Anaheim, there are currently fourteen at-grade crossings along the two rail subdivisions that OCTA owns. Ten of the at-grade crossings are located along the Orange Subdivision/LOSSAN rail line that serves our Angel Stadium rail station, and four are along the Olive Subdivision that serves our Anaheim Canyon rail station.

Quiet Zone improvements are planned at Broadway, Santa Ana Street, South Street and Vermont Avenue grade crossings of the Orange Subdivision, and potentially at the Tustin Avenue grade crossing of the Olive Subdivision. In addition, the increased train noise may result in quiet zone designations at the Orange Subdivision crossings with North, Sycamore and Cypress streets.

OCTA proposes to have the Southern California Regional Rail Authority (SCRRA) act as it's agent to implement 1) supplemental safety measures at up to 64 crossings in Orange County, and 2) quiet zones where they have been requested by cities. The City of Anaheim desires to proceed at an accelerated schedule with quiet zone improvements planned at Broadway, Santa Ana Street, South Street and Vermont Avenue grade crossings of the Orange Subdivision, and potentially at the Tustin Avenue grade crossing of the Olive Subdivision, and be reimbursed by OCTA.

200 South Anaheim Boulevard, Anaheim, California 92805
(714) 765-5247 • FAX (714) 765-5164 • www.anaheim.net

Finding 3. It is unclear how the burden of cost for upgraded crossings will be shared by the OCTA and impacted cities.

The respondent agrees with the finding.

The City has committed funding to provide a 12% match towards the cost to construct Supplemental Safety Measures and other quiet zone improvements that might be needed. However, an ongoing funding source needs to be identified to maintain the additional infrastructure in OCTA rights-of-way. In addition, the issue of Metrolink indemnification for not requiring train horns through at-grade crossings that have had safety conditions improved must be resolved so as to not unduly burden local agencies who are willing to fund these improvements.

Recommendation 3. The burden of construction and inspection costs for these grade crossing treatments needs to be shared by the OCTA and impacted cities according to an agreed formula.

The recommendation requires further analysis. The scope of further analysis needs to consider application of the 88% OCTA/12% City funding match for supplemental safety measures construction, permitting and inspection. The 88% OCTA/12% City funding match also needs to be considered for quiet zone establishment. Most important, an ongoing funding plan must be identified to address the issue of 1) indemnification of Metrolink for not requiring train horns through at-grade crossings that have had safety conditions improved; and 2) ongoing maintenance of improvements within the rail rights-of-way. OCTA has begun this process and intends to recommend actions at an August, 2007 OCTA Board meeting.

Sincerely,

Curt Pringle
Mayor

Office of the City Council

City of Tustin

300 Centennial Way
Tustin, CA 92780
www.tustinca.org
(714) 573-3010
FAX (714) 838-1602

July 26, 2007

The Honorable Nancy Wieben Stock
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Lou Bone
Mayor

Jerry Amante
Mayor Pro Tem

Doug Davert
Council Member

Tony Kawashima
Council Member

Jim Palmer
Council Member

Dear Judge Wieben Stock:

In compliance with Penal Code Section 933.05(a), the City of Tustin has reviewed the 2006-2007 Orange County Grand Jury report on Rail Crossing Safety and agrees with findings F-2 and F-3. Additionally, the City has reviewed recommendation R-3 and wishes to report that the recommendation has not yet been implemented but will be implemented in the future, with a time frame for implementation.

The City has allocated $1,266,653 in the FY 07/08 Capital Improvement Program to complete the design and implement the construction of a quite zone. The City anticipates entering into a Memorandum of Understanding or Cooperation Agreement with the Orange County Transportation Authority to provide for the reimbursement of any expenditure that would be eligible for funding under any quiet zone construction program established by the Orange County Transportation Authority in the future.

Sincerely,

Lou Bone
Mayor

cc: City Council
William A. Huston, City Manager
Tim D. Serlet, Public Works Director
Orange County Grand Jury

CITY OF FULLERTON

Office of the Mayor and City Council

Mayor, Shawn Nelson
Mayor Pro Tem, Sharon Quirk
Don Bankhead
F. Richard Jones, M.D.
Pam Keller

July 18, 2007

Nancy Wieben Stock
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Re: Response to Grand Jury Report: "Orange County Rail Crossing Safety: Snapshot of a Process."

Dear Judge Stock,

I have reviewed the Orange County Grand Jury's report, "Orange County Rail Crossing Safety: Snapshot of a Process." In a letter from Mr. Mike Penn, dated May 1, 2007, the City of Fullerton was identified as one of the required respondents to the findings from that report. Acting on behalf of the City Council our responses to cited findings are as follows:

Finding F-2

F-2 reads, "Impacted cities are strongly concerned about noise from OCTA/Metrolink train horns at railroad crossings. The cost of totally eliminating train horns county-wide through quiet zone corridor treatments of [sic] could be in the range of $50-$60 million."

The City of Fullerton agrees with this finding in terms of the impacts to its residents. The cost of the improvements are considered to be a reasonable estimate, but a detailed analysis and review is not possible without the inclusion of the source material.

Finding F-3

F-3 reads, "It is unclear how the burden of cost for upgraded crossings will be shared by the OCTA and impacted cities."

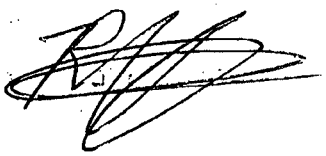
The City of Fullerton agrees with this finding. It should be noted that OCTA has included an assumed match of 12% from the affected agencies for the phase I railroad crossing safety enhancements program. As such the City of Fullerton has allocated funding in its Capital Improvement Program to provide for this matching threshold.

If you require any additional information, please contact the Director of Engineering, Mr. Donald Hoppe at (714) 738-6864 or at donh@ci.fullerton.ca.us. He will gladly assist you.

303 West Commonwealth Avenue, Fullerton, California 92832-1775
(714) 738-6311 • Fax (714) 738-6758 • council@ci.fullerton.ca.us • www.ci.fullerton.ca.us

Sincerely,

SHAWN NELSON



Mayor

cc: City Manager
City Council

Office of Mayor and City Councilmembers
Phone: (949) 361-8322 Fax: (949) 361-8283
Website: http://ci.san-clemente.ca.us
E-mail: CityCouncil@san-clemente.org

Jim Dahl, *Mayor*
Joe Anderson, *Mayor Pro Tem*
Lori Donchak, *Councilmember*
G. Wayne Eggleston, *Councilmember*
Steve Knoblock, *Councilmember*

George Scarborough, *City Manager*

June 26, 2007

The Honorable Nancy Wieben Stock
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Re: Orange County Rail Crossing Safety: Snapshot of a Process

Dear Judge Wieben Stock,

Thank you for the opportunity to provide responses to the Orange County Grand Jury's findings and recommendations on the report "Orange County Rail Crossings Safety: Snapshot of a Process". In Mr. Penn's letter to the City he required that the City Council provide a response to each of the findings and recommendations of the report directed to the City of San Clemente, in compliance with *Penal Code* 933.05(a) and (b). The letter specifically directs the City Council of San Clemente to respond to Findings F2 and F3 and Recommendation R3.

Provided below is the City Council's responses to the findings and recommendation.

Finding F2: Impacted cities are strongly concerned about noise from OCTA/Metrolink train horns at railroad crossings. The cost of totally eliminating train horns county-wide through quiet zone corridor treatments could be in the range of $50-$60 million.

Response: The City of San Clemente concurs with this finding. The City Council established the creation of a quiet zone as the number one Vital Few Priority of the City. There are a total of nine (seven (7) pedestrian, two (2) vehicular) at-grade crossings within a two mile stretch of the railroad corridor that runs along the San Clemente coast. This corridor is adjacent to coastal neighborhoods with a population of approximately 30,000 people (2006 Orange County Projections) who live within a half mile of the railroad. Excessive train horn noise is an overriding concern of the citizens of San Clemente and the City Council.

Regarding the statement that the cost of totally eliminating train horns county-wide through quiet zone corridor treatments could be in the range of $50-$60 million: The City understands that the seven pedestrian crossings in the City of San Clemente have yet to be included in the OCTA program. As such, it is the opinion of the City that the estimated $50-$60 million cost may be low.

On a different note, as the county and region move toward a multi modal transportation system, which will include transit oriented development, OCTA and SCRRA should be commended for their efforts to plan for and expand rail oriented service. The problems and issues that are raised (i.e. train noise) should be addressed, but should not become a reason to abandon multi modal and transit oriented planning efforts.

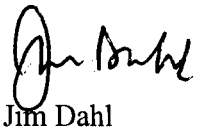
Finding F-3: It is unclear how the burden of cost for upgraded crossings will be shared by OCTA and impacted cities.

Response: The City of San Clemente City Council concurs that the burden for cost is presently undefined. The City will have difficulty funding the cost of construction of the improvements necessary to establish a quiet zone in the near term if the majority of them are placed on the City.

Recommendation R-3: The burden of construction and inspection cost for these grade crossings treatments need to be shared by the OCTA and impacted cities according to an agreed formula.

Response: The City of San Clemente City Council agrees that the burden of construction and inspection cost should be shared.

Sincerely,



Jim Dahl
Mayor

CITY OF ORANGE

OFFICE OF MAYOR PHONE: (714) 744-2201 • FAX (714) 744-5147 www.cityoforange.org

August 6, 2007

Honorable Nancy Wieben Stock
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Re: ***Orange County Rail Crossing Safety: Snapshot of Progress***

Dear Judge Wieben Stock:

The City of Orange has been requested to respond to Recommendation F-2 of the recommendations contained in the above reference Grand Jury Report. The following constitutes the City's response.

F-2. Impacted cities are strongly concerned about noise from OCTA/Metrolink train horns at railroad crossings. The cost of totally eliminating train horns county-wide through quiet zone corridor treatments could be in the range of $50-$60 million.

Response. The City of Orange agrees with this finding.

F-3. It is unclear how the burden of cost for upgraded crossings will be shared by the OCTA and impacted cities.

Response. At the time the Grand Jury performed the investigatory work for the report, this finding was correct. However since that time there has been further development of the program by OCTA and preliminary cost sharing proportions have been released. Although not yet approved by the Board of Directors of OCTA, the program is moving forward with staff-recommended funding splits of 88% OCTA and 12% local agency. It is likely this will be the final cost sharing.

R-3. The burden of construction and inspection costs for these grade crossing treatments needs to be shared by the OCTA and impacted cities according to an agreed formula.

Response. The City of Orange agrees with this finding. See response to F-3 above.

Thank you for the opportunity to respond to the Grand Jury's Report on behalf of the City of Orange.

Sincerely,

CAROLYN V. CAVECCHE
Mayor

ATTACHMENT C

OCTA

BOARD OF DIRECTORS

Carolyn V. Cavecche
Chairman

Chris Norby
Vice-Chairman

Jerry Amante
Director

Patricia Bates
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Cindy Quon
Governor's
Ex-Officio Member

CHIEF EXECUTIVE OFFICE

Arthur T. Leahy
Chief Executive Officer

July 30, 2007

The Honorable Nancy Wiebenstock
Presiding Judge of the Superior Court
700 Civic Center Drive
Santa Ana, CA 92701

Dear Judge Wiebenstock,

On behalf of the Orange County Transportation Authority (OCTA) Board of Directors, this letter is in response to the Orange County Grand Jury's May 1, 2007, report reviewing Orange County's rail crossings.

The OCTA Board of Directors is scheduled to consider several policy issues related to this matter in the near future that will allow for a more thorough response to the report's findings and recommendations. As provided by state statute, we are requesting an extension for our response to the report not to exceed six months from the publication of the Grand Jury report.

On behalf of the OCTA Board of Directors, I want to thank the Orange County Grand Jury for its report on Orange County's rail crossings. OCTA continually strives to provide outstanding transportation service for Orange County. Constructive feedback from outside entities can only help in this endeavor.

Should you have any questions, or require additional follow up on this matter, please do not hesitate to contact me directly at (714) 560-5584.

Sincerely,

Arthur T. Leahy
Chief Executive Officer

ATL:ds

c: Orange County Grand Jury

10.

OCTA

MEMO

August 21, 2007

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: **Board Committee Transmittal for Agenda Item**

The following item is being discussed at a Committee meeting which takes place subsequent to distribution of the Board agenda. Therefore, you will be provided a transmittal following that Committee meeting (and prior to the Board meeting) informing you of Committee action taken.

Thank you.

OCTA

August 22, 2007

To: Finance and Administration Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Pre-Paid Fare Media Program Update

Overview

The Orange County Transportation Authority pre-paid fare media program, commonly known as the Bus Pass Sales Program, has been reviewed to identify opportunities for improvements.

Recommendations

A. Direct staff to implement modifications to the Bus Pass Sales Program that includes a standardized pass sales agreement, adoption of 30-day payment terms, and establishment of a variable discount structure predicated on order quantities for all distributors.

B. Direct staff to explore fare collection options designed to integrate multiple systems and operators.

Background

The Orange County Transportation Authority (OCTA) operates a family of transit services tailored to various markets including the general public, commuters, students, and seniors. Besides paying cash or purchasing a single-day pass onboard the buses, customers have an option to purchase pre-paid fare media, commonly known as multiple day passes. These multiple day passes provide increased customer convenience and satisfaction and help reduce boarding time. Customers can purchase multiple day passes from:

- Customer Information Center (phone)
- OCTA website
- OCTA Store at administrative building
- Independent institutions such as social service agencies, schools, and employers
- Over 165 retail outlets in Orange County

Multiple day passes are regularly used by bus riders to pay their fares. In fiscal year 2006/2007, total fare revenues reached $49 million. Pre-paid media accounted for 22 percent of that revenue with sales of 686,417 units sold for a total of $10.8 million. This report focuses on pre-paid media.

In May 2006, OCTA Internal Audit Report No. 05-011 concluded that pre-paid pass sales program management controls were adequate and provided suggestions to improve the program. One recommendation was to assign responsibility for pass sales coordination. In January 2007, a pass sales manager was designated in the Marketing Department. This report addresses recommended improvements to the program.

Discussion

OCTA offers a wide variety of pre-paid fare media with standard or senior/handicapped variations of 1, 7, 15, and 30-day passes (Attachment A). Packages of 10 one-day passes are the most commonly sold pre-paid fare media followed closely by sales of the 30-day pass. The 30-day pass is most commonly used as it represents the best value for those who ride the bus on a regular basis. Specialty passes such as summer youth, employer, and college passes are also available for qualified customers. The current distribution network of multiple use passes is as varied as the types of passes themselves, and has been focused on maximizing customer accessibility by using a variety of convenient distribution points. A history of consistent growth indicates strong and favorable acceptance from the public toward the existing pre-paid pass sales programs.

OCTA offers multiple day pass programs for social service agencies, employers, and schools, all of which are categorized as group sales. Retailers, who offer the multiple days passes for the convenience of their customers, are the fastest growing pass selling market segment (Attachment B). To ensure more consistent availability and added customer convenience, efforts to establish a multiple day pass program with several Orange County chain stores are in progress. Group sales and retailers together include all third party distributors of printed multiple day passes.

In 2003, OCTA developed customized programs for employers and universities, which allows use of a university or employee identification card as a bus pass. Since E-Pass and U-Pass do not require traditional printed bus passes, service usage is tracked by riders using the service.

Pre-paid Bus Pass Sales (Units sold per fiscal year (FY))

Seller	FY 03/04	FY 04/05	FY 05/06	FY 06/07
OCTA[1]	122,121	160,220	120,466	216,720
Retail Stores	105,377	147,918	224,876	257,255
Group Sales	200,176	208,832	206,714	257,935
E-Pass[2]	N/A	13,385	16,514	18,522
U-Pass[2]	N/A	27,867	28,865	30,755
Total	427,674	558,222	597,435	781,187

[1] Fulfills orders received by mail, phone, on-line, and in store
[2] Represents number of E or U pass users during FY rather than passes sold

There is increasing interest among third party retailers in distributing pre-paid passes as well as growth in the number of transactions. The audit report encourages staff to improve inventory control, reduce distribution cost and create equity among purchasers. Staff recommends the following three actions:

1. Standardize Pass Sales Agreements

Staff manages the distribution and sales of pre-paid media using various agreement types and terms. Purchasers who sign our seller agreement agree to our terms and receive a discount for their purchases. Current contracts with retail stores and group sales outlets allow passes to be held in-trust and payment is not required until the passes are sold. Agreements with universities and employers require a 30-day payment term. Other purchasers use purchase orders requiring OCTA agreement to their payment terms.

Standardizing agreements will result in equitable treatment among all distributors. The revised agreements will achieve implementation of key recommendations resulting from the internal audit by reducing accounting, inventory, and distribution management difficulties and cost inherent in a system that provides a 60-day repayment period and various consignment or purchase order options.

2. Adopt 30-Day Payment Terms with all Distributors

Prior to 2002, passes expired. Sellers were required to pay for passes sold and return all unsold passes. Sixty days was deemed an allowable time period to complete that transaction. Our current passes have no expiration. Staff proposes that all distributors of pre-paid fare media sign an OCTA Pass Seller Agreement that includes a 30-day payment term.

3. Establish a Variable Discount Structure

Third party distributors of most passes receive either a discount or commission that is 5 percent of the retail value. A comparison of bus pass sales approaches among local peers revealed similarities in the use of a variety of contracted retail outlets, but no consistent or customary approach to commission or discounts. OCTA's current and proposed discount structure is within the common range from 0 to 5 percent commission in nearby agencies.

As the multiple day passes have no expiration date, the reasonable minimum order being proposed provides an incentive for distributors of multiple day passes to purchase more passes less frequently, resulting in lower transaction costs to OCTA.

It is proposed that a new agreement would tie the discount to the dollar value of the order for passes, standardize the payment terms, apply a discount across all third party distributors, and encourage larger orders. Distributors who do not wish to purchase a minimum order of passes will be able to purchase them at standard retail cost through existing OCTA retail pass channels. Fewer than 20 retail distributors would fall into the 0 percent discount proposed based upon recent orders.

Proposed Discount Structure for Distributors

Order Amount	Percent Discount
Less than $1000	0
$1001 - $2000	2
$2001 - $3000	3
$3001 - $4000	4
$4001 or more	5

The Future

OCTA's wide variety of available passes offer the potential rider many payment options, but the very number of passes can be confusing to potential new riders. In light of voter approval of Renewed Measure M, which invests in local community transit services and extends and expands Metrolink, it would be very timely to consider how best to integrate and simplify fare systems to improve the transit experience for new and current riders. Inter-compatible fare programs between transportation options can improve customer service and encourage ridership. This concept was echoed by some members of OCTA's Citizens Advisory Committee. It is recommended OCTA explore service

integration methods, including fare collection options and present a work plan to the Board of Directors in 60 days.

Summary

It is requested that the Board of Directors approve the proposed recommendations that will establish equitable, responsive, and efficient pass sales management of the Bus Pass Sales Program. The recommendations include implementing a 30-day payment term, discount pricing based on an order dollar amount and a minimum quantity.

Attachments

A. OCTA Multiple Day Passes
B. Multiple Day Pass Retail Distributors in Orange County

Prepared by:

Stella Lin
Manager, Marketing
(714) 560-5342

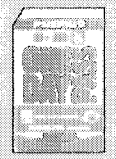
Approved by:

Ellen S. Burton
Executive Director, External Affairs
(714) 560-5923

OCTA Multiple Day Passes

$3.00

$27.00
(book of 10)



$9.00
(book of 10)

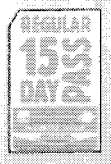
$0.00

One-Day Passes

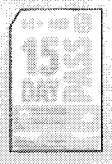
$15.00

$5.00

7-Day Passes



$26.00



$9.00

15-Day Passes

$45.00

$15.00

$128.00

$86.00

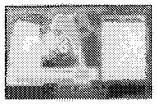
$26.00

30-Day Passes

$75.00

$120.00

College Passes

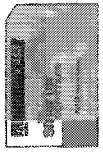


$.75/per boarding capped @ $45/month

U Pass

$40.00

Youth Summer Pass

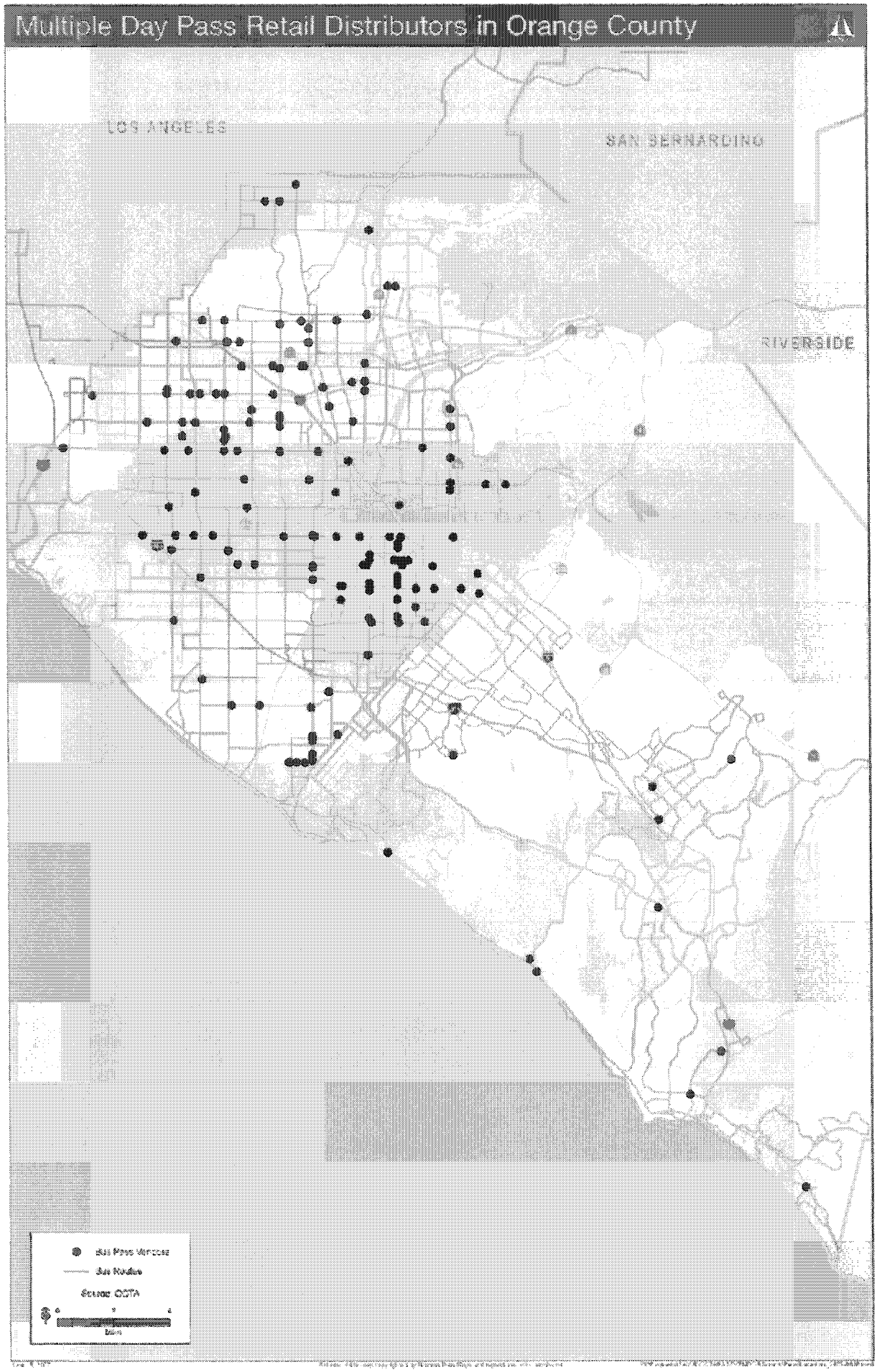


$.75/per boarding capped @ $45/month

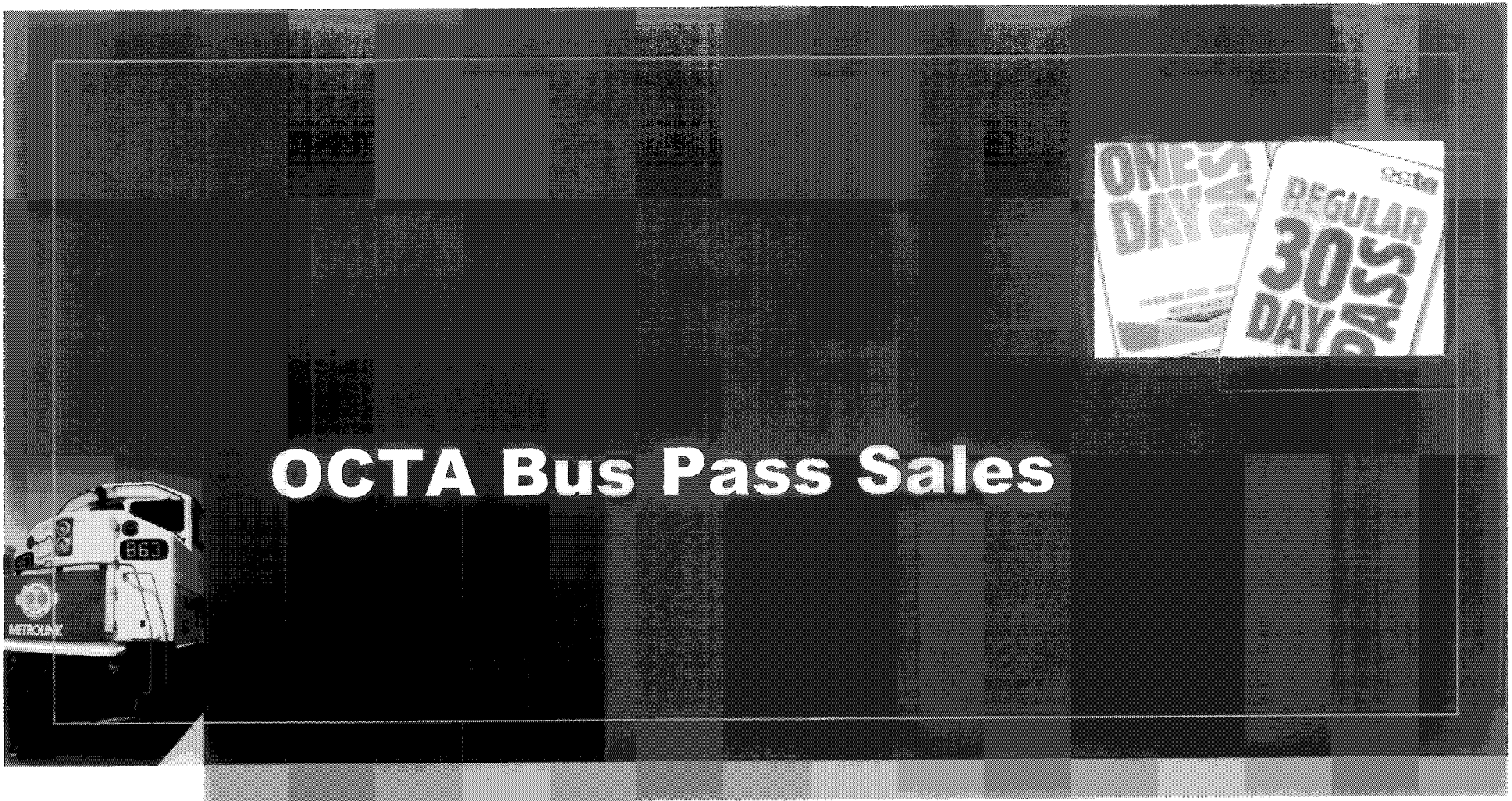
Employer Pass

ATTACHMENT A

ATTACHMENT B



POWERPOINT PRESENTATION



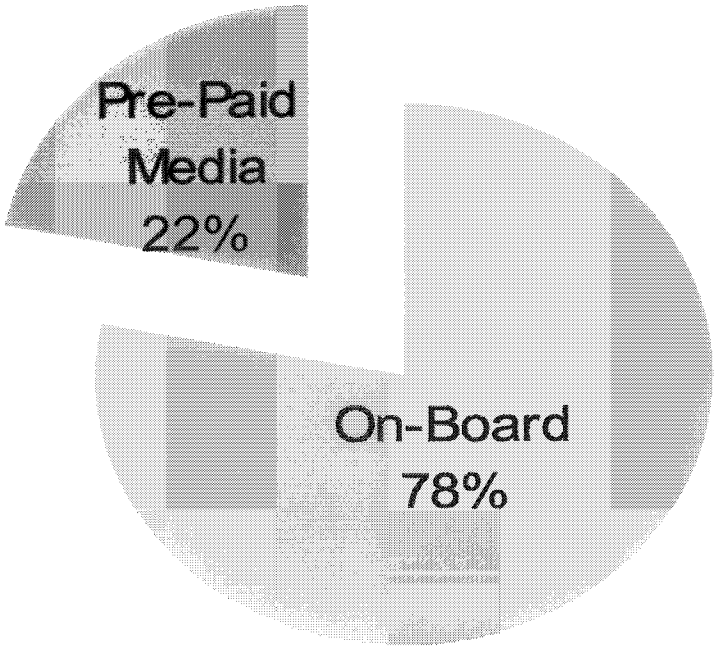
OCTA Bus Pass Sales

Finance and Administration Committee

August 22, 2007

How Fares are Paid

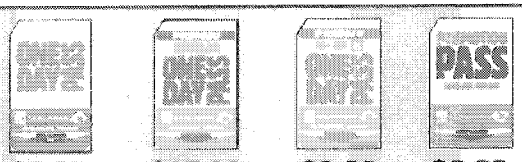
- Fare Revenue Collected 2006/2007
  - $49 Million Total
  - $10.8 Million Pre-Paid



OCTA

Pre-Paid Media Options

OCTA Multiple Day Passes

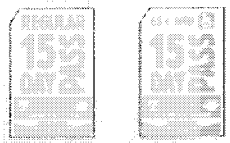


$3.00 | $27.00 (book of 10) | $9.00 (book of 10) | $0.00

One-Day Passes

$15.00 | $5.00

7-Day Passes

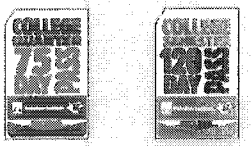


$26.00 | $9.00

15-Day Passes

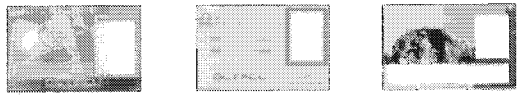
$45.00 | $15.00 | $128.00 | $86.00 | $26.00

30-Day Passes



$75.00 | $120.00

College Passes

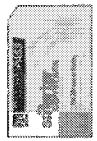


$.75/per boarding capped @ $45/month

U Pass

$40.00

Youth Summer Pass



$.75/per boarding capped @ $45/month

Employer Pass

OCTA

Pre-Paid Pass Sales History

Units Sold Per Fiscal Year

Seller	FY 03/04	FY 04/05	FY 05/06	FY 06/07
OCTA	122,121	160,220	120,466	216,720
Retail Stores	105,377	147,918	224,876	257,255
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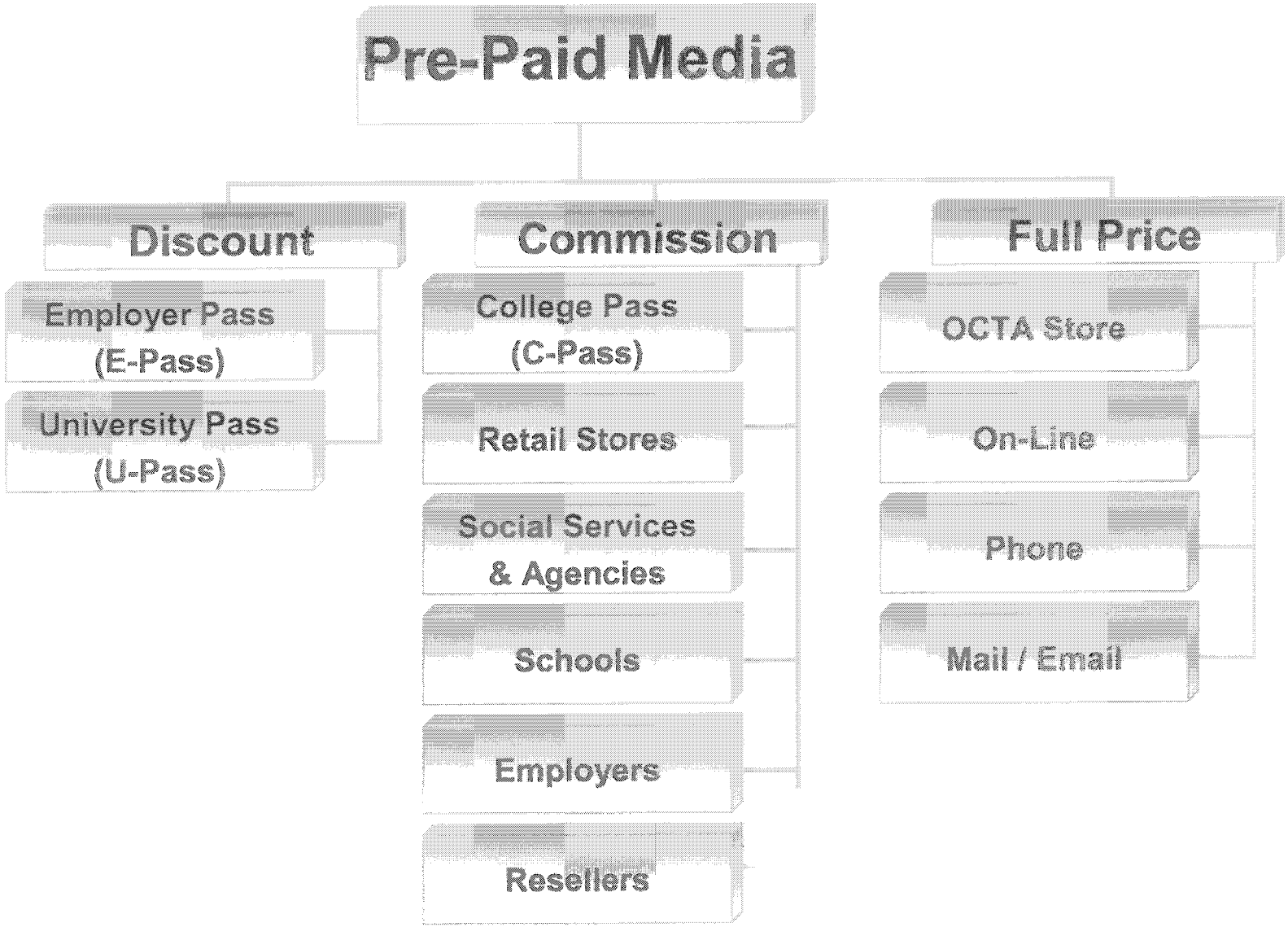
Total	427,674	558,222	597,435	781,187

*represents number of E-or U-pass users during FY rather than passes sold

OCTA

How & Where Pre-Paid Media is Sold



Comparison to Neighbors

Agency	Pass Type	Commission
OCTA	*All*	*5%*
LACMTA	All	<1%
SANDAG/MTS	Regular 30 Day	1%
SCVTA	All	0
RTA	All	5%
Omnitrans	Retail Outlets Only	~1%

OCTA

Where Retail Distributors Exist

OCTA

Recommended Changes

- **Replace current agreements**
  - Wholesale purchase
  - 30-day payment term
  - Minimum orders
  - Discount to encourage larger orders

Proposed Discount Structure for Distributors	
Order Amount	Percent Discount
Less than $1000	0
$1001 - $2000	2
$2001 - $3000	3
$3001 - $4000	4
$4001 or more	5

OCTA

Next Steps

- Increase underserved area outlets
- Develop major chain store relationship
- Explore integrated fare programs

OCTA

11.

OCTA

MEMO

August 21, 2007

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: **Board Committee Transmittal for Agenda Item**

The following item is being discussed at a Committee meeting which takes place subsequent to distribution of the Board agenda. Therefore, you will be provided a transmittal following that Committee meeting (and prior to the Board meeting) informing you of Committee action taken.

Thank you.

OCTA

August 23, 2007

To: Transit Planning and Operations Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Customer Relations Report for Fourth Quarter Fiscal Year 2006-07

Overview

The Customer Relations Report is submitted to the Orange County Transportation Authority Board of Directors on a quarterly basis. The report provides an overview of customer communications received during the prior period of April through June 2007, as well as an overview of the Customer Information Center contract which is administered by Customer Relations.

Recommendation

Receive and file as an information item.

Background

The Customer Relations Department is responsible for identifying and resolving service issues through the use of proactive and responsive methods. Customer Relations disseminates information about the Orange County Transportation Authority (OCTA) services and policies and serves as a channel through which customers' opinions about those services and policies are transmitted to OCTA.

Discussion

Responsibilities within the Customer Relations Department are varied. As its primary function, Customer Relations takes written, verbal, and e-mailed comments and complaints and facilitates OCTA responses. Staff interacts closely with numerous departments to obtain resolution to customers' concerns. Customer Relations participates in monthly meetings with members of OCTA's Transit Division, as well as with the contractor responsible for providing ACCESS service and contracted fixed route service, to ensure customer concerns are heard and problems are resolved. Staff also interacts closely with the bus Service Planning and Customer Advocacy staff to ensure there is a forum to listen to the needs of riders.

The department also oversees the Customer Information Center (CIC) which provides trip routing information to bus riders; the issuance of Reduced Fare Identification (RFID) cards to seniors and persons with disabilities; and the sale of bus passes and ACCESS coupons to the public via mail, phone, and online. Customer Relations is also responsible for coordinating responses to customer service calls about the 91 Express Lanes; administration of the OCTA Store; production of Riders' Alerts to notify customers of changes to bus routes and schedules; and oversight of the Special Needs in Transit Advisory Committee. Below are highlights of Customer Relations activity during the period of April 1 through June 30, 2007.

Customer Communications

Customer Relations receives and processes communications from customers on a variety of topics including local bus service, intracounty and intercounty express routes, rail feeder routes, and ACCESS service. Listed below is a breakdown of the communications that Customer Relations received during the quarter.

Total Communications

Fiscal Year 2006-07	Phone Calls	E-mails	Letters	Totals
1st Quarter (July – September)	11,397	935	77	12,409
2nd Quarter (October – December)	11,291	847	97	12,235
3rd Quarter (January – March)	11,296	748	108	12,152
4th Quarter (April – June)	10,734	801	90	11,625

ACCESS Service

Veolia Transportation, Inc. (Veolia) operates ACCESS service. During this quarter, there were 326,259 ACCESS boardings compared to 308,193 in the previous quarter. The strategic plan for corrective action developed and implemented by Veolia staff has led to a consistent improvement in service delivery and reduction in the number of ACCESS complaints received.

The complaint standard for ACCESS service is no more than one complaint for every one thousand boardings. There were 2.34 complaints per one thousand boardings in the fourth quarter of fiscal year 2007, as compared to the third quarter, which had 5.24 complaints per one thousand boardings.

Continuing Key Issues for ACCESS

1. Vehicles Not Arriving

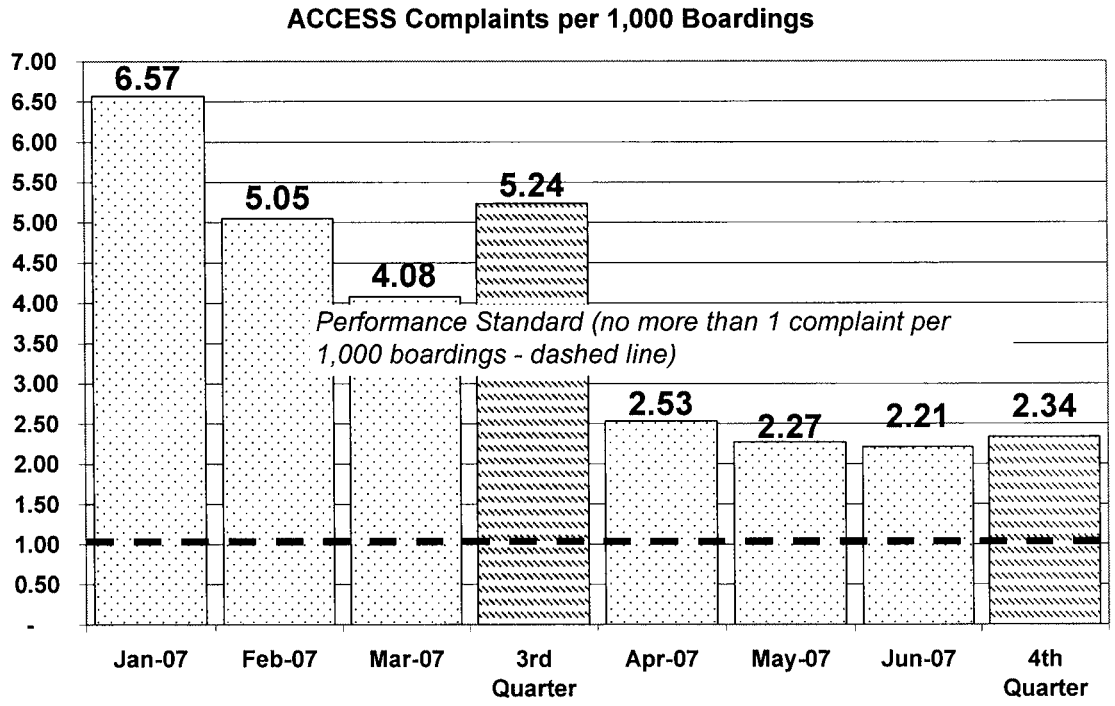
   From April 1, 2007 to June 30, 2007, there were 181 complaints about ACCESS vehicles not arriving to pick up passengers, versus 377 in the previous quarter. This is a 52 percent decrease in complaints about ACCESS vehicles not arriving.

2. Driver Judgment (any questionable decision, action, or omission on the part of the ACCESS driver)

   A total of 138 complaints were received from riders about the judgment displayed by contracted drivers, compared to 137 received last quarter.

3. Vehicles Running Behind Schedule

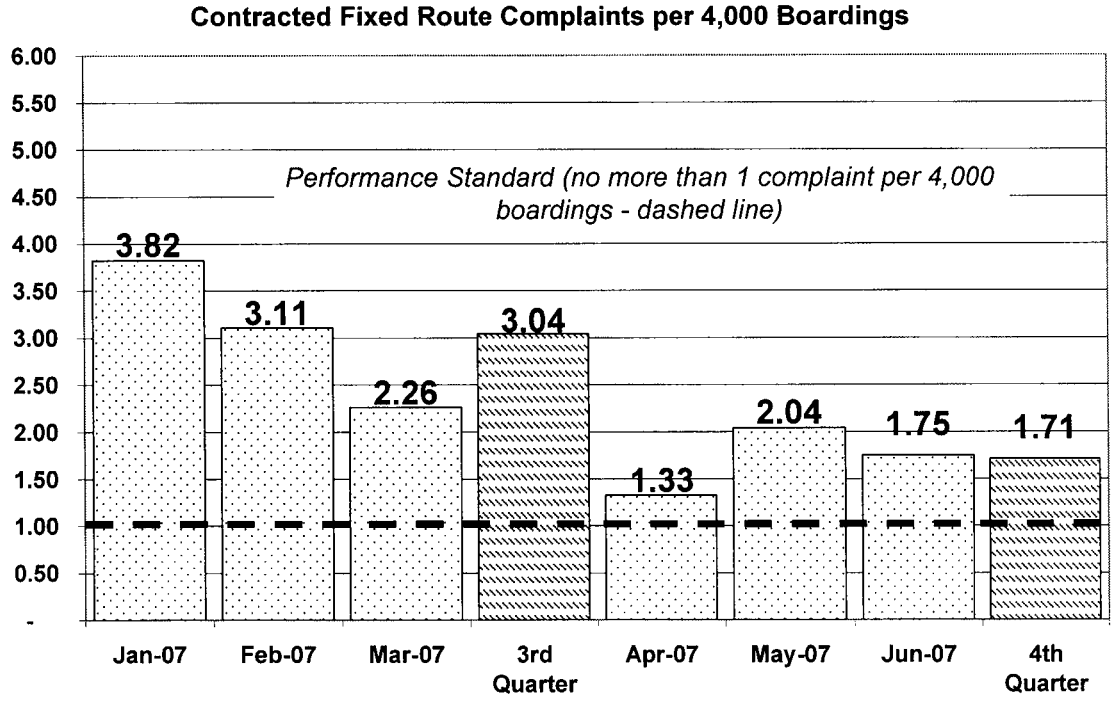
   Customer Relations received 125 complaints from riders about ACCESS drivers running behind schedule, compared to the 469 complaints reported in the previous quarter. This is a 73 percent decrease in complaints about ACCESS vehicles running behind schedule.



Contracted Fixed Route Service

In addition to ACCESS service, Veolia operates contracted fixed route service, which includes OCTA's community fixed routes, all StationLink routes, and the OC Express routes 757, 758, and 794. During this quarter, there were 314,897 boardings.

The contractual complaint standard for contracted fixed route is no more than one complaint per four thousand boardings. Veolia finished the quarter at 1.71 complaints per four thousand boardings. In the previous quarter, there were 3.04 complaints per four thousand boardings.



Continuing key issues for contracted fixed route:

1. Vehicles Not Arriving

   From April 1, 2007 to June 30, 2007, Customer Relations received 22 complaints from riders about contracted vehicles not arriving to pick them up, compared to the 51 complaints reported in the previous quarter. This is a 57 percent decrease in complaints about vehicles not arriving.

2. Vehicles Running Behind Schedule

   There were 22 complaints about contracted drivers running late, versus 47 in the previous quarter. This is a 53 percent decrease for the quarter.

3. Driver Judgment (any questionable decision, action, or omission on the part of the contracted service driver)

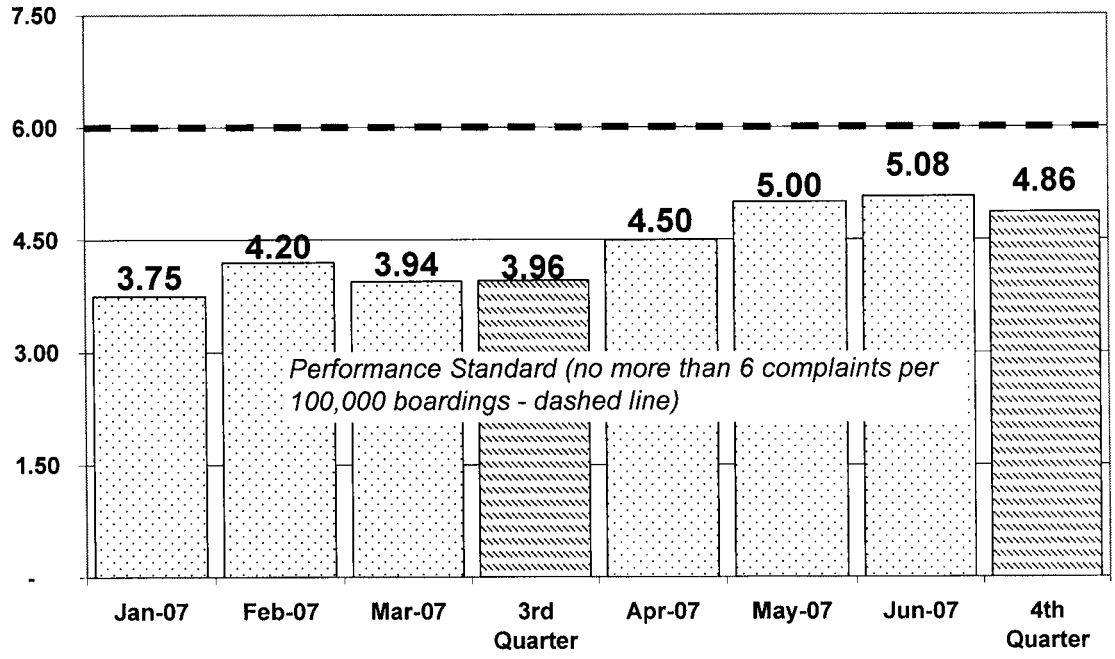
   Examples of judgment complaints include, but are not limited to, loading/unloading customers under unsafe conditions, conducting personal business while in service, failure to call medical or security assistance when warranted by circumstances, etc. A total of 14 complaints were received from riders about the judgment displayed by contracted drivers, compared to 23 received last quarter. This represents a 39 percent decrease from the prior quarter.

Fixed Route Bus Operations

During this quarter, there were 17,746,356 fixed route boardings. Based on the customer communications received, there were 4.86 complaints per 100,000 boardings, which is within the Transit Division's goal of six complaints per 100,000 boardings.

The concern most often expressed by customers of OCTA's fixed route service during the fourth quarter was being passed by while waiting for a bus with an average of 63 monthly pass-by complaints received during the quarter. There were 238 compliments for the quarter compared to 193 for the previous quarter.

Directly Operated Fixed Route Complaints per 100,000 Boardings



Feedback for Fixed Route Bus Service

1. Pass-bys

   A total of 190 complaints were received from passengers who reported being passed by OCTA buses, compared to 165 complaints received last quarter. This is a 15 percent increase in the number of complaints about pass-bys.

2. Driver Judgment (any questionable decision, action, or omission on the part of a coach operator)

   There were 163 complaints received about the judgment displayed by OCTA coach operators. This is 33 more than the 130 complaints received last quarter and a 25 percent increase in the number of complaints about driver judgment.

3. Driving Techniques

   There were 106 complaints about the driving techniques displayed by coach operators, compared to 78 complaints received in the previous quarter. This is a 36 percent increase in the number of complaints about driving techniques.

Customer Information Center

The CIC is operated by Alta Resources. Alta Resources handled 173,969 calls for the quarter compared to 163,536 in the third quarter. The average call volume for fiscal year 2006-07 was 56,208 per month and the total calls received was 674,493, a 9 percent increase over the prior fiscal year.

CIC Calls Handled		
Fiscal Year	Call Volume	% Change From Prior Year
FY 2003-04	648,132	N/A
FY 2004-05	625,667	-3%
FY 2005-06	619,045	-1%
FY 2006-07	674,493	9%

During the fourth quarter of the fiscal year, a total of 12 complaints and 33 compliments were received about Alta Resources compared to nine complaints and 16 compliments during the third quarter of the fiscal year.

Calendar Year 2007

Month	Calls Handled	Compliments	Complaints
January	54,731	3	2
February	50,505	4	3
March*	58,300	9	4
April	54,855	11	6
May	57,856	9	3
June*	61,258	13	3

*The increased call volumes occurred as a result of the March and June service changes.

Customer Relations Activities

- Work Stoppage Contingency Efforts

  Customer Relations worked on an interdepartmental team with staff from Training, Public Communications, Internal Communications, and Transit to prepare for a possible coach operator work stoppage. The team prepared and presented training sessions to administrative staff who would serve as Transit Ambassadors on buses and at transit centers. Transit Ambassadors were also prepared to answer overflow calls to the Customer Relations Department in the event of service loss. The team also prepared schedules to coordinate activities and staff assignments in support of these efforts. Please see Attachment A for additional activity that took place after the conclusion of the quarter.

- Customer Relations Training

  During the quarter, Customer Relations participated in a training session facilitated by Teri Fisher, of Insight Strategies, Inc. The program titled "The Art of Customer Connection" included a self-assessment as well as discussion about customer perception, creating a connection with customers, tips for diffusing angry customers, understanding logic versus emotion, and role-playing.

- Customer Awareness Training

  Customer Relations participated with a consultant from Insight Strategies in a training program for Central Communications staff. The program highlighted methods Central Communications staff can utilize to improve radio communication with drivers.

- Riders' Alerts

  Customer Relations issued 77 Riders' Alerts during the fourth quarter to inform bus riders about schedule adjustments and/or detours throughout the County.

- 91 Express Lanes

  The OCTA Store established 128 new accounts for the 91 Express Lanes during the quarter, compared to 139 in the previous quarter. Also during the quarter, Customer Relations processed 41 comments from customers concerning their 91 Express Lanes accounts or from non-account holders expressing concern about receiving a violation.

- OCTA Store

  The OCTA Store had total sales of $236,058 during the quarter. These sales figures include the sale of passes, merchandise, and Employee Recreation Association (ERA) tickets.

- Pass Sales

  There was a total of $481,331 in passes sold within the Pass Sales Section, compared to $390,961 sold in the previous quarter. The regular pre-paid day passes generate the largest number of sales for fixed route. The ACCESS fare coupon books generate the most sales dollars.

- Coach Operator Training

  Customer Relations conducted three Student Coach Operator Training (SCOT) sessions and two Customer Relations Training (CRT) sessions. The purpose of these classes is to improve and enhance the customer service that is provided to passengers by coach operators.

- Special Needs in Transit Advisory Committee

  During the quarter, the committee continued to provide feedback about issues with ACCESS service including on-time performance, no-shows, and scheduling errors. Veolia provided the committee with a comprehensive presentation about Veolia's new corporate driver training program.

  Also during the quarter, the Chair, Mallory Vega, presented three ACCESS drivers with the Special Needs in Transit Advisory Committee Exceptional Service Award for outstanding service to passengers with disabilities.

Summary

During the quarter, Customer Relations continued to address customer service issues. Customer comments for OCTA-operated fixed route bus service remained within the established performance standards. ACCESS and contracted fixed route service, operated by Veolia, did not meet their established performance standards during the fourth quarter. However, the data indicates that Veolia continued to make improvements throughout the quarter and complaints decreased throughout the quarter. Alta Resources, the contractor responsible for the CIC, continued to operate within the performance standards established in their contract.

Attachments

A. Work Stoppage Activity Report
B. ACCESS Complaints Fiscal Years 2005-2007
C. Contracted Fixed Route Complaints Fiscal Years 2005-2007
D. OCTA Operated Fixed Route Complaints Fiscal Years 2005-2007

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ATTACHMENT A

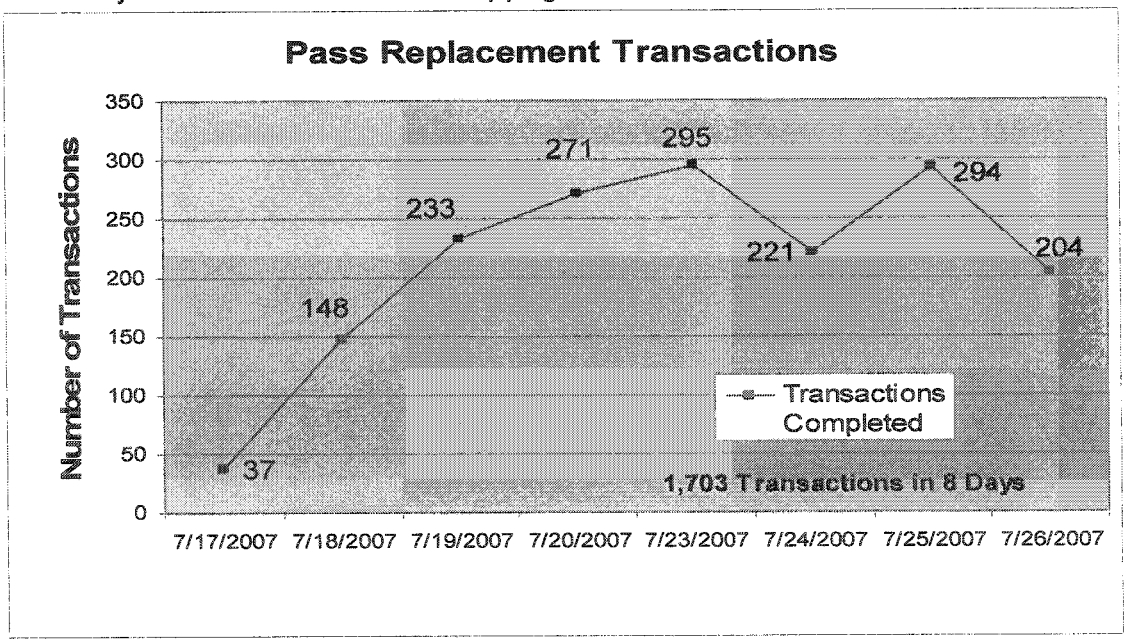
Work Stoppage Activity Report

Limited bus service was implemented on Monday, July 9, 2007 from 6 a.m. to 6 p.m. Qualified field supervisors, window dispatchers and other base staff with commercial driver licenses operated Routes 43, 453, 454, and 462. Veolia Transportation continued to operate contracted community routes, StationLink, and express bus routes during the work stoppage.

Administrative staff served as Transit Ambassadors providing customer service and answering questions on the buses. Administrative staff also posted "No Service" notices along major bus routes and provided information at the various transit centers throughout the County. Approximately 5,500 notices were posted. This included 2,000 "Service at this Stop" notices in English, Spanish, and Vietnamese along Routes 43, 57 and 60.

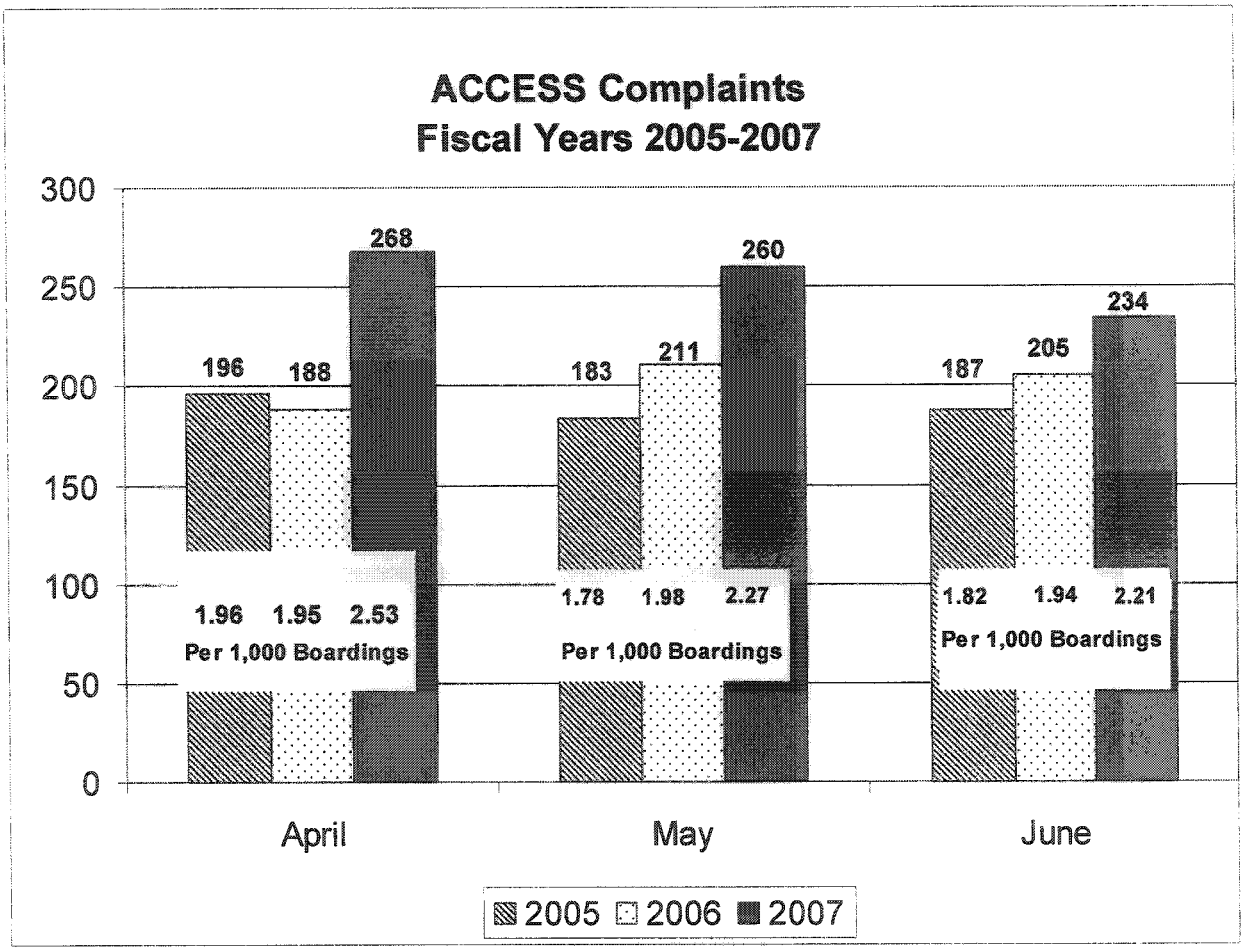
The Customer Relations Department and the Customer Information Center experienced a significant increase in call volumes; at times doubling and tripling the average number of daily calls. There were 44,950 calls received between Friday, July 6 and Tuesday, July 17 compared to 24,233 during this same time period last year. During the work stoppage, the majority of the callers wanted to know when bus service would resume and if any additional routes were being added.

Upon conclusion of the work stoppage, riders inquired about compensation for prepaid passes. Callers are being informed they will receive promotional Day Passes to make up for the days lost due to the work stoppage.

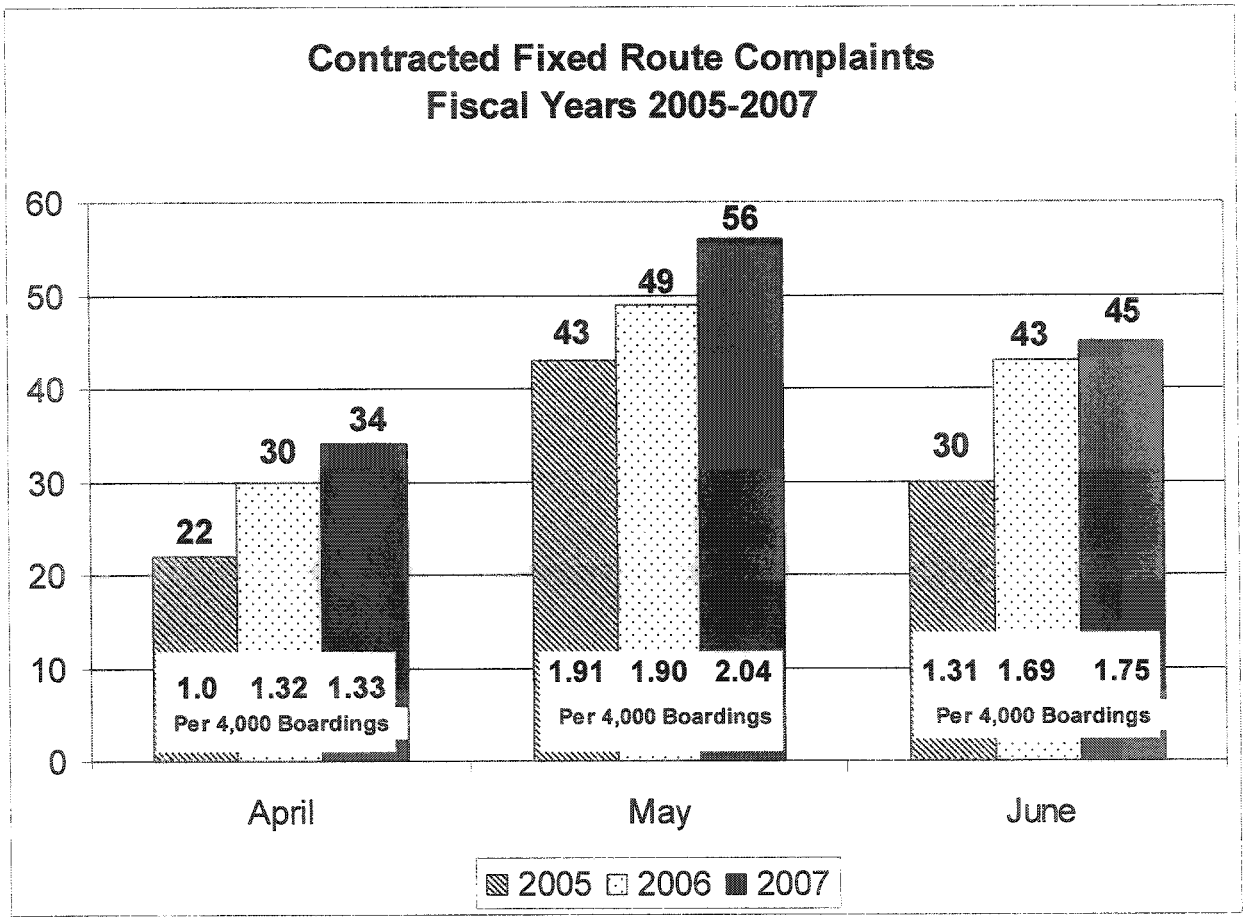


It is estimated the CIC will process 85,000 calls for the month of July 2007 compared to 61,258 for the month of June 2007.

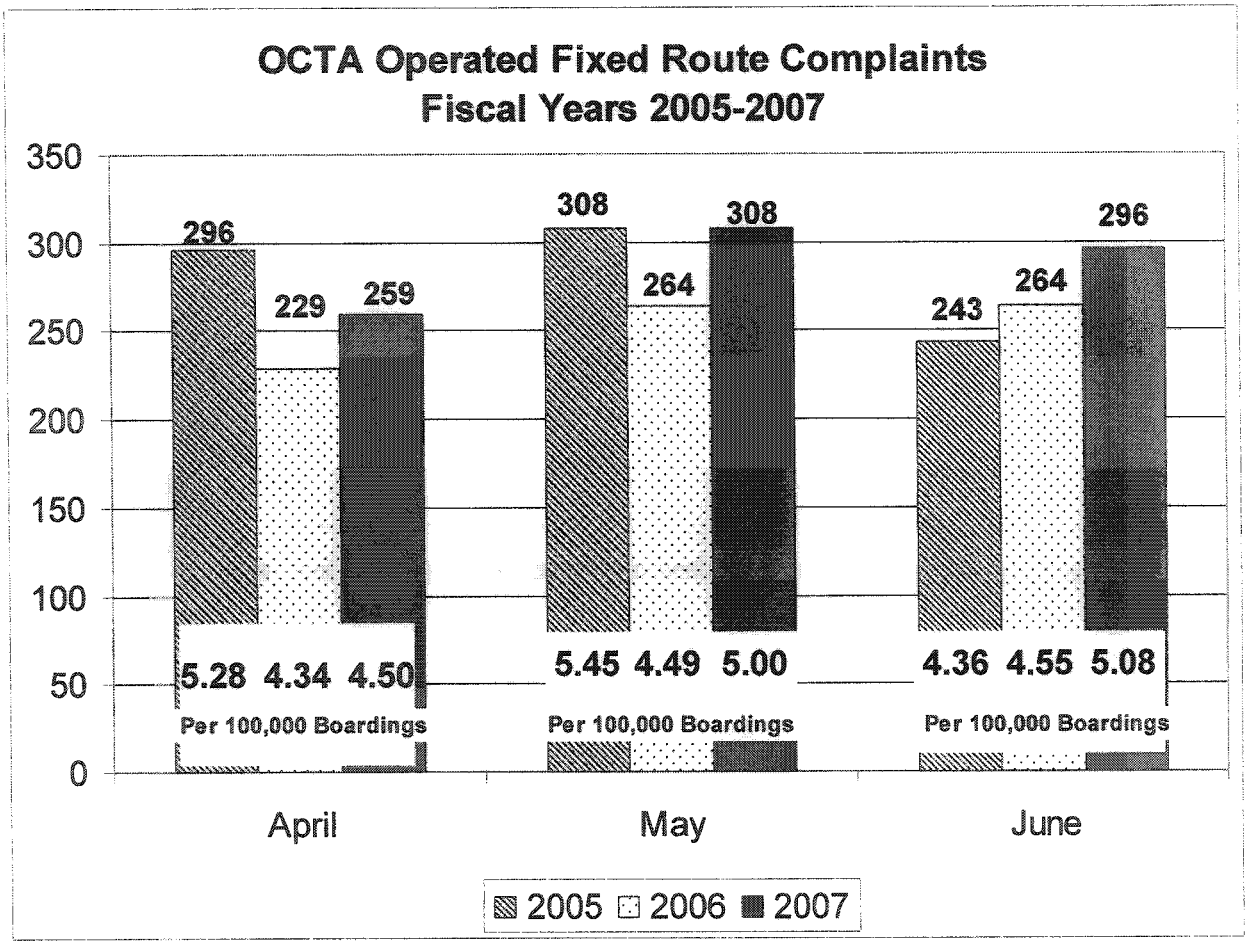
ATTACHMENT B



ATTACHMENT C



ATTACHMENT D



12.

OCTA

BOARD COMMITTEE TRANSMITTAL

August 27, 2007

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: Metrolink Weekends 2007 Market Segmentation Study

Legislative and Government Affairs/Public Communications Committee — August 16, 2007

Present: Directors Buffa, Bates, Glaab, Mansoor, and Rosen
Absent: Director Campbell

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Direct staff to develop and present the Metrolink Weekends Marketing Plan to the Legislative and Government Affairs/Public Communications Committee in September 2007.

OCTA

August 16, 2007

To: Legislative and Government Affairs/Public Communications Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Metrolink Weekends 2007 Market Segmentation Study

Overview

In October 2005, the Orange County Transportation Authority Board of Directors approved a $385 million, five-year expansion plan for Orange County Metrolink service. As part of that plan, weekend service was launched in June 2006 on the Orange County Line and July 2006 on the Inland Empire-Orange County Line. In April 2007, a Metrolink Weekends Market Segmentation Study was conducted; this report provides an overview of the survey results.

Recommendation

Direct staff to develop and present the Metrolink Weekends Marketing Plan to the Legislative and Government Affairs/Public Communications Committee in September 2007.

Background

In June 2006, Metrolink Weekends service was launched in Orange County as part of a five-year expansion plan. Weekend service is comprised of three round trips Saturdays and Sundays on the Orange County (OC) Line, and three round trips on Saturdays and two round trips on Sundays on the Inland Empire-Orange County (IEOC) Line. For the first year of service, daily average boardings were projected to be 100 per train on the OC Line and 125 per train on the IEOC Line. For fiscal year 2006/2007, daily average boardings were as follows:

- The OC Line Saturday service averaged 89 boardings per train
- The OC Line Sunday service averaged 73 boardings per train
- The IEOC Line Saturday service averaged 95 boardings per train
- The IEOC Line Sunday service averaged 96 boardings per train

To better understand current and potential Metrolink weekend travel, a market segmentation study was commissioned. In March 2007, the draft questionnaire for the Metrolink Weekends 2007 Market Segmentation Study was presented to the Legislative and Government Affairs/Public Communications Committee for review. Based on input from the committee, the final survey was developed and conducted in April/May 2007. The study's goals were to:

- Assess awareness and perceptions of Metrolink Weekends service
- Understand the likely impact of service features and marketing programs
- Obtain service feedback from current riders
- Understand why current non-riders (potential riders) don't use the service and test features that might encourage them to use the service
- Test attitudes towards concepts of integrating various rail services operating along the Los Angeles-San Diego-San Luis Obispo (LOSSAN) rail corridor
- Identify the preferred method of communication and accessing information
- Develop a demographic profile of current riders and non-riders

Discussion

Survey Methodology and Sampling

The Metrolink Weekends 2007 Market Segmentation Study was conducted by Godbe Research and was comprised of two separate surveys: existing Metrolink Weekends riders and non-riders. The survey of existing Metrolink Weekends riders was conducted on-board the OC and IEOC lines between April 21 and May 6, 2007. The sample size was 600 and was proportional to ridership on each line. The survey of non-riders was conducted via telephone interviews with a random sample size of 600 Orange County residents.

Key Findings and Recommendations

Awareness of various service features tested among current riders shows 70 percent or higher. More than half of the respondents reported having used the service before and were encouraged to try the Metrolink Weekends service because of its service features. The most influential service features among current riders pertained to the discounted weekend fare, the monthly free station promotion, free bus connection, and recreational destinations around stations.

Fares and schedules are the most important factors affecting the current riders' decision to take the Metrolink Weekends service. Survey results also revealed

that the current riders would most like to see improvements to the frequency of trains, reduced fares, and the availability of later service.

Awareness of the Metrolink Weekends service among non-riders is at 32 percent. Awareness was found to be especially low among the Latino population in Orange County, as well as among those from households with an annual income lower than $50,000. Among the non-riders that are aware of the Metrolink Weekends service, 50 percent or under are aware of specific weekend service features. These results suggest an opportunity for further educating Orange County residents of the features and benefits of riding Metrolink Weekends service.

In addition to testing the awareness and impact of knowing about service features, marketing messages that would make non-riders more likely to try the weekend service were also tested. Among the highest rated benefits/messages were the possibility of avoiding traffic, the relaxing and enjoyable quality of the trip, and the low cost of the train ticket relative to driving.

The survey results reported that websites/emails and word of mouth are the best marketing channels for providing information about public transit to both riders and non-riders. In addition, the results indicated that non-English speaking households prefer to receive information in their primary language. Sixty-nine percent of this group reported Spanish being their primary language. In the future, more focus on marketing the service in Spanish within the Latino population in Orange County may be more effective in boosting awareness among this ethnic group and potentially leading to increased ridership.

Two policy concepts were tested and very well received by both current riders and non-riders. More than three quarters of the respondents indicated they were at least somewhat more likely to ride weekend trains if an integrated trip between Los Angeles, Orange County, and San Diego were possible. Respondents also indicated they were more likely to ride weekend trains if it were possible to have one ticket for an entire trip that may include the bus, Amtrak, and Metrolink.

Overall weekend travel origins of current riders (Attachment C) and weekend destinations of non-riders (Attachment D) were identified through the study. Most current riders take the train to visit friends/family, or for recreational purposes. Half indicated they would have postponed or cancelled plans if weekend trains were not available. Although more current riders live along the rail corridor, there are riders coming from other cities throughout Orange County. These results suggest interest in using Metrolink Weekends service among residents throughout the county as well as indicate there is market

potential for future development of local transit service connecting residents to Metrolink.

Summary

The results of the Metrolink Weekends 2007 Market Segmentation Study provides valuable input on current and potential riders and is useful in assessing perceptions about service characteristics and communication efforts during the first year of Metrolink Weekends. Utilizing the feedback from the survey, a new Metrolink Weekends marketing plan is being developed and will be presented to the Legislative and Government Affairs/Public Communications Committee in September 2007, with the goals of raising awareness among non-riders and retaining current riders.

Attachments

A. Metrolink Weekends Segmentation Study
B. Metrolink Weekends Demographic Profile of Current and Non-Riders
C. Metrolink Weekends Current Rider Origin (by City)
D. Non-Metrolink Riders Weekend Destinations

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ATTACHMENT A

GODBE RESEARCH
Gain Insight

METROLINK WEEKENDS SEGMENTATION STUDY

Presented to the Orange County Transportation Authority (OCTA)

August 7, 2007

Metrolink Weekends Segmentation Study

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Appendix A: Methodology

Appendix B: Topline Report

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Appendix D: Questionnaire

Overview and Research Objectives

Orange County Transportation Authority (OCTA) commissioned Godbe Research to conduct two parallel surveys of Metrolink weekend services, one of current riders and the other of non-riders, to gather feedback on marketing programs, potential policy decisions and operational improvements.

More specifically, this study was designed to address the following *Research Objectives*:

- Assess awareness of and perception towards Metrolink weekend service;
- Understand the likely impact of service features and marketing programs on Metrolink weekend service use;
- Obtain service feedback from the current riders, including the features they like and the features they would most like to see improved;
- Understand why non-riders are not using the weekend service, and test features that might encourage them to use it;
- Test potential policy concepts, specifically connectivity with Amtrak and having one ticket for an integrated trip;
- Identify residents' preferred area transit information source; and
- Profile demographic characteristics of riders and potential riders.

This report begins with an *Executive Summary* that summarizes the results of the study and offers recommendations.

The *Key Findings* section introduces the sampling design and data collection techniques used in the study and offers a question-by-question analysis of the survey including:

- Weekend Rider Survey Results
- Weekend Non-Rider Survey Results

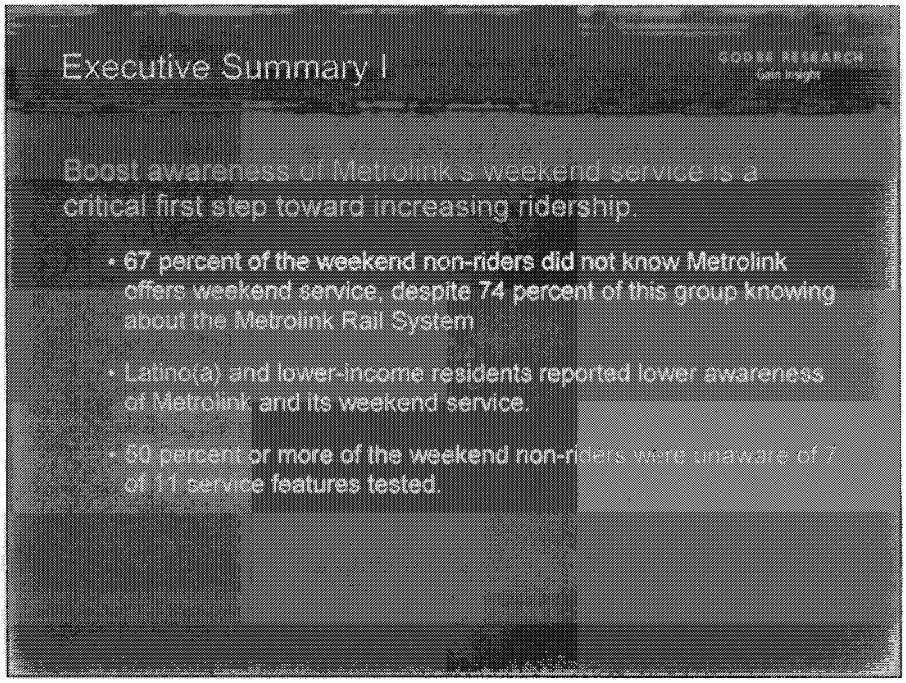
The *Conclusions* section

Appendix A explains the *Detailed Methodology* used in the study.

Appendix B provides the *Topline Report* with overall survey results.

Appendix C presents the complete *Crosstabulation Tables*.

Appendix D presents the complete *Questionnaire* used for the study.



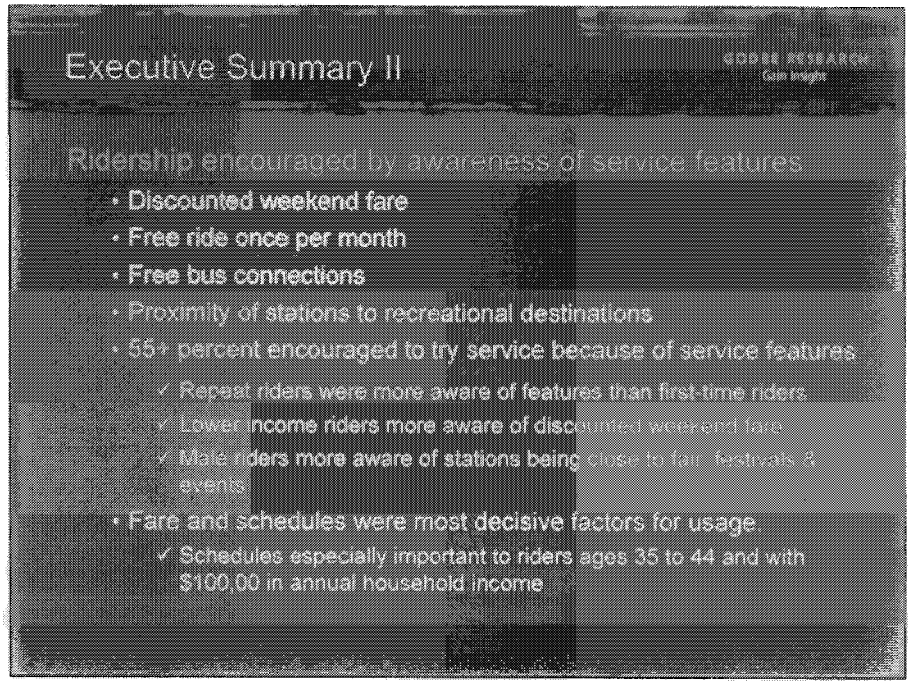
This study included two parallel surveys of the users and non-users of Metrolink's weekend service. The over-arching objectives were three-pronged:

- To assess the impact of marketing messages about service features and benefits on current and potential usage;
- To test the potential reception of two forward-looking policy concepts; and
- To gather operational feedback on the weekend service and trip characteristics.

Aside from looking at the overall responses in the rider and non-rider surveys, detailed segmentation analyses were also conducted to examine any subgroup differences, such as by age, gender, household income and area of residence. Significant differences found in the segmentation analyses are summarized in this section. More details can be found in the main body of the report, as well as in the crosstabulation tables included in Appendix C.

First, on the marketing objectives, a series of survey questions were designed to assess resident awareness of and perceptions towards Metrolink's weekend service. Among the 600 surveyed Orange County residents who have never ridden a Metrolink weekend train, some 67 percent reported not knowing that Metrolink offers weekend service, even though roughly every 3 in 4 residents this group have heard of the Metrolink Rail System. Awareness was found to be especially low among the Latino population in Orange County, as well as those from households with annual income lower than $50,000. Without being aware of the presence of a service, the public will not use it. Therefore, boosting awareness of Metrolink's weekend service will be a critical first step to increasing ridership, especially among the Latino and lower-income population in Orange County.

In addition to gauging overall awareness of the weekend service, the non-rider survey also tested resident awareness of 11 specific weekend service features. Consistent with the low overall awareness of the weekend service, half or more of the current weekend non-riders were not aware of 7 of these features. No significant subgroup differences were found vis-à-vis the awareness of specific service features. These results, again, suggest an opportunity for educating Orange County residents of the features and benefits of riding Metrolink on weekends.



The two surveys also assessed the impact of knowing about specific service features on the use of Metrolink's weekend service. Overall, knowing about the service features encouraged current riders to use the weekend service.

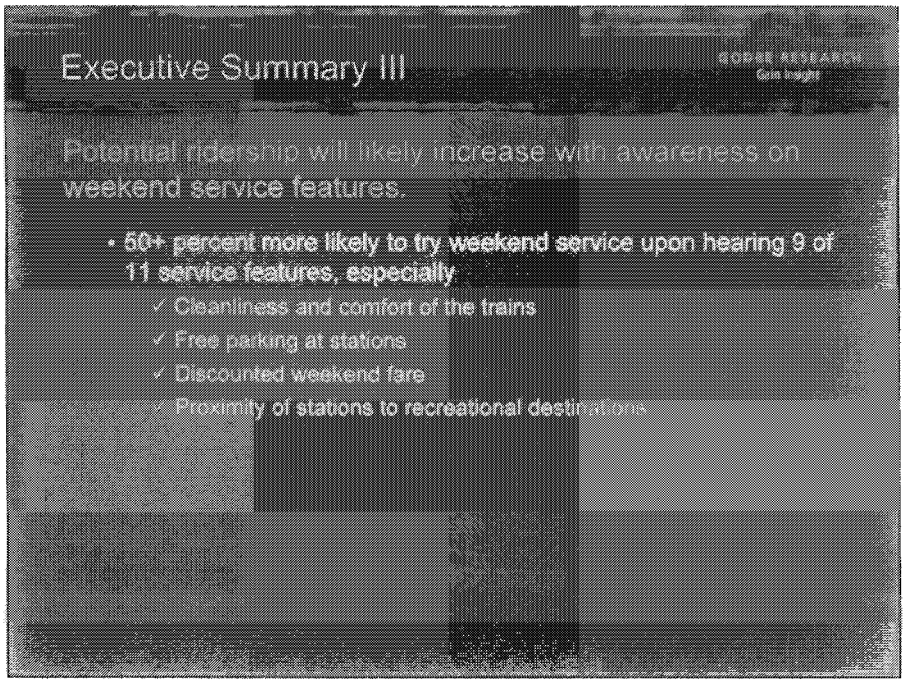
Impact of Awareness of Service Features on Usage

Among the current weekend riders, 55 percent or more of the riders were encouraged to try Metrolink's weekend service because of its service features. In particular, the most influential service features pertained to the discounted weekend fare, the free ride once per month, the availability of free bus connections, and the proximity of some Metrolink stations to recreational destinations, such as the beach, Disneyland, Oceanside and downtown L.A.

In terms of subgroup differences, the repeat riders (55% of the respondents in the rider survey) reported higher awareness of the service features of Metrolink's weekend service than the first-time riders (45% of the riders). More riders from households with annual income between $25,000 and $24,999 were aware of the discounted weekend fare than their counterparts with annual household income of $100,000 or higher. In terms of gender differences, the male riders were more aware of the proximity of some Metrolink stations to recreational destinations.

Decisive Factors on Usage

In terms of the most important factors affecting the current riders' decision to take the weekend train on the day of the survey, the top cited factors were fare and schedules. Schedules were especially important to those 35 to 44 (relative to 17 or under) and the more affluent riders ($100,000 or higher in annual household income than $15,000 or under).

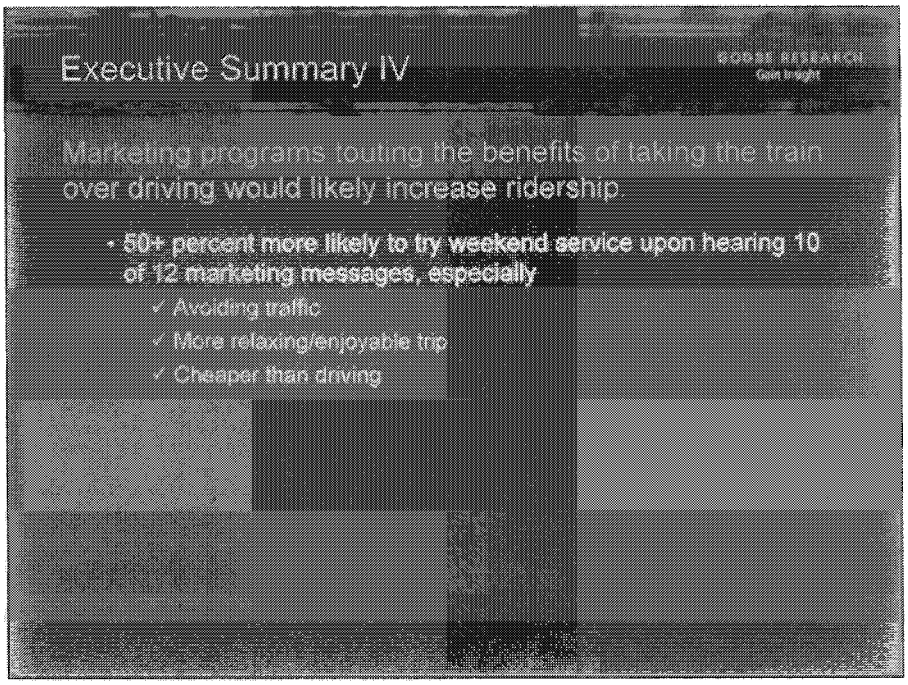


Similar to the rider survey findings just reported, knowing about specific weekend service features and the benefits of riding the weekend trains was found to encourage potential ridership among the current non-users of Metrolink's weekend service.

Impact of Awareness of Service Features on Potential Usage

Half or more of the respondents reported being at least somewhat more likely to try the weekend trains upon hearing 9 of the 11 service features tested in the non-rider survey. The weekend service features most likely to convert these non-riders into riders speak to the cleanliness and comfort of the trains, the availability of free parking at Metrolink stations, the discounted weekend fare, and the proximity to recreational destinations, such as the beach, Disneyland, Oceanside and downtown L.A..

Segmentation analyses showed that hearing these service features had a greater impact on potentially converting non-riders who have not heard of Metrolink's weekend service before the survey, again suggesting that raising awareness is important to boosting ridership among current non-riders. Otherwise, the non-users of the weekend service surveyed who reported being weekday riders reported being more likely to try the weekend service upon hearing that there is free and convenient parking and that the weekend fare is discounted. Compared to the 55 or older non-riders, those 25 to 34 were more persuaded by hearing about the discounted weekend fare, while those 18 to 54 might try the weekend trains upon knowing that some Metrolink stations are close to recreational destinations. In terms of ethnic differences, upon hearing the top four service features mentioned above, Latino non-riders reported higher likelihood than Caucasians to try the weekend trains in the future. Otherwise, more female and those from households with $100,000 or higher annual incomes were more swayed by the feature of proximity to recreational destinations.



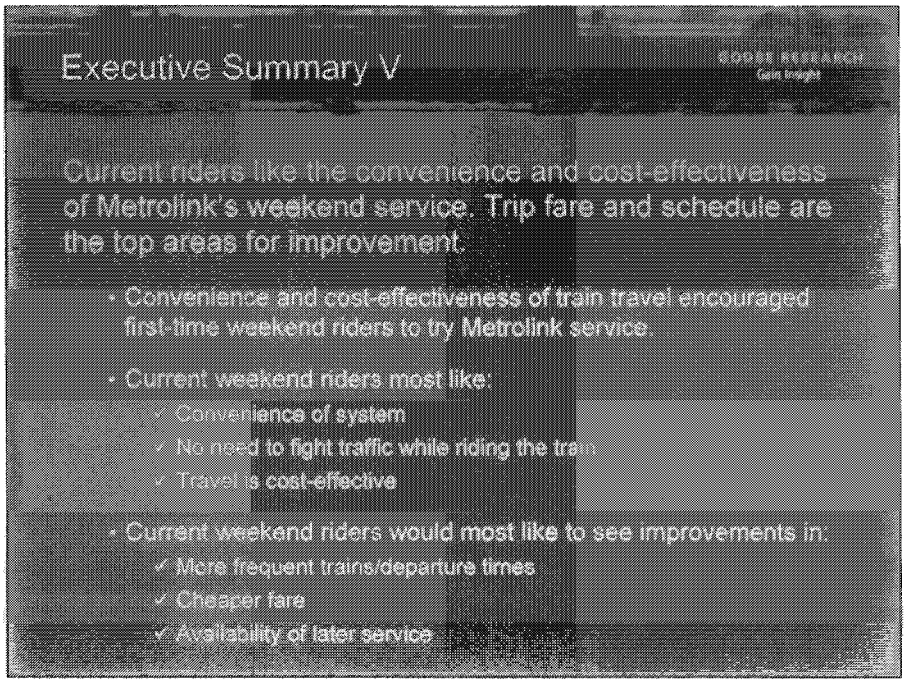
In addition to testing the impact of knowing about service features on potential usage, the respondents to the non-rider survey were also read benefits of riding Metrolink weekend service and asked whether hearing those messages would make them more likely to try the service.

Impact of Marketing Programs on Potential Usage

Overall, ten out of the 12 tested marketing messages (benefits of using Metrolink on a weekend) made 50 percent or more of the non-riders at least somewhat more likely to try the weekend trains. Among the highest rated benefits were the possibility of avoiding traffic, the relaxing and enjoyable quality of the trip, and the low cost of the train ticket relative to driving.

Like the segmentation analyses on the service features presented on the previous page, similar patters of subgroup differences were found. Specifically, those who were not aware of Metrolink's weekend service were more likely to try the weekend trains upon hearing the top benefits stated above. Moreover, those who reported riding Metrolink during the week reported a higher likelihood to try the weekend service because of the potential benefits of avoiding traffic and enjoying a more relaxing trip than driving. Those under 55 were also more swayed to try the weekend trains upon hearing that they could avoid traffic and connect to free shuttles taking them to recreational destinations. In addition, the 18 to 34 group, compared to those 55 or older, were also reportedly more likely to try the weekend trains upon hearing that their trip will be more relaxing and enjoyable than driving. In terms of ethnic differences, again, compared to the Caucasian residents, the Latino population in Orange County was more likely to try Metrolink's weekend service upon hearing any of the top four marketing messages. Otherwise, those with annual household income of under $25,000 were more persuaded to try the weekend trains upon hearing that their trip will cost less than driving, and that it will be more relaxing and enjoyable than driving.

North county residents were more likely to be converted into weekend riders upon hearing about several benefits. Specifically, compared to those from central county, the messages, "Riding the train is much safer than driving your car" and "You can take Metrolink to the beach and other recreational destinations" made the north county respondents more likely to try Metrolink's weekend service. Moreover, compared to their central county counterparts, the north county respondents were more persuaded by the message, "You can obtain schedule information online."



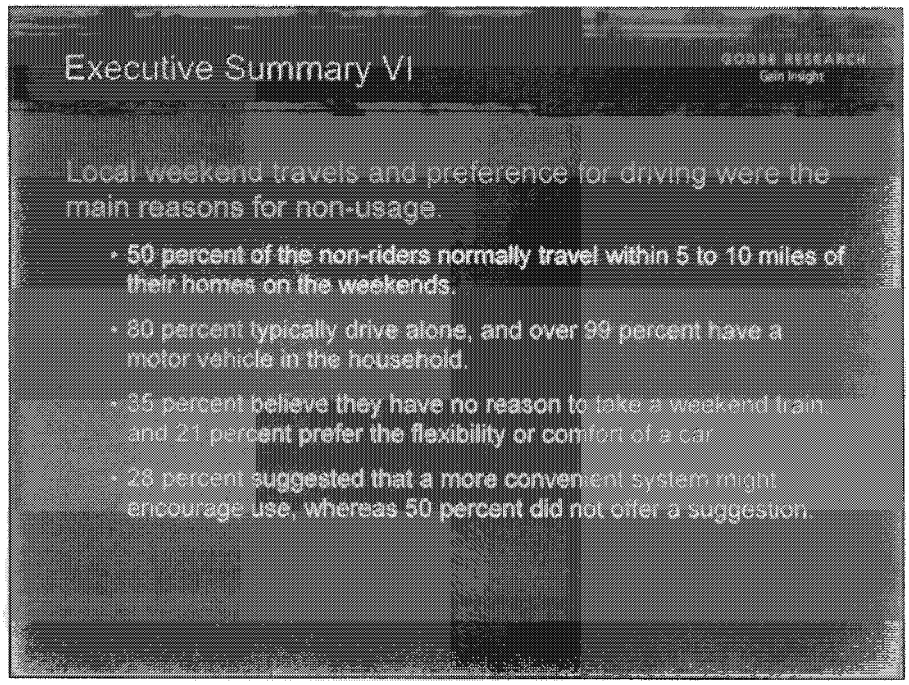
Most Liked Feature

As mentioned previously, one of objectives of the weekend rider survey was to gather service feedback from the current riders. The survey shows that the convenience and cost-effectiveness of train travel were the top factors that most encouraged first-time weekend Metrolink riders to try the service. Approximately 51 percent of this group of respondents cited convenience, while 42 percent cited cost-effectiveness. Similarly, the repeat weekend riders reported liking most the convenience of the system, that there is no need to fight traffic while riding the train, and that the train is cost-effective.

Improvement Needed

The current weekend riders were also asked to indicate the improvement that they would most like to see in the weekend service. Survey results revealed that the current weekend riders would most like to see improvements to the frequency of trains/departure times, trip fare, and the availability of later service. Here again, the importance of fares and schedules to the current Metrolink weekend riders are reiterated in the results.

There are significant differences in what the current riders considered the most important area to improve based on annual household income. Specifically, those riders with annual household income of $100,000 or higher were especially like to have cited high frequency of trains/departure times as the area in which they would most like to see improvements. Conversely, significantly more of those from households with less than $15,000 in annual income wanted to see cheaper fare.



A series of questions in the non-rider survey gathered information about the transportation habits and preferences the residents, reasons for not using Metrolink's weekend services, and the features that might encourage them to try the service.

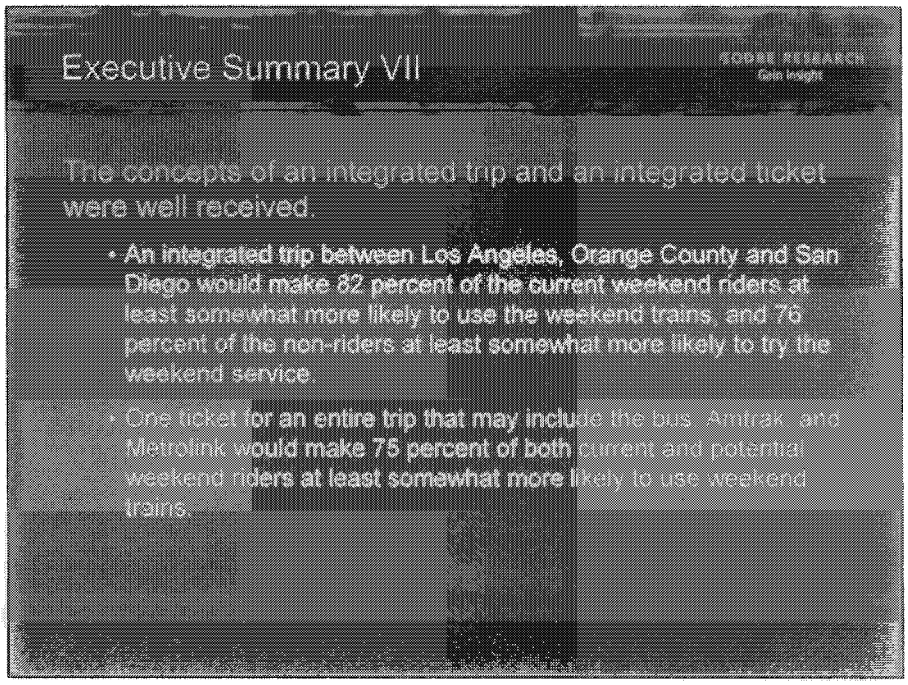
Barriers to Using Metrolink Weekend Service

First, the main barriers to weekend service use appear to be the non-riders' travel destinations and their preferences for using their personal vehicles. More specifically, approximately 50 percent reported normally traveling within 5 to 10 miles of their homes on the weekends. As such, Metrolink's weekend service might not be the best travel option for these types of short, local trips. Meanwhile, 35 percent of the potential riders believe that they have no reason to take a weekend train. Furthermore, when asked about their typical transportation, 80 percent of these 600 weekend non-riders reported driving alone, and over 99 percent have at least one motor vehicle in the household. As for why they have not tried Metrolink's weekend service, 21 percent reported that they prefer the flexibility or comfort of a car.

With these types of transportation preferences, these non-riders would unlikely be converted to become frequent users of Metrolink's weekend service. However, the service could be marketed to this group of potential users as an option for longer trips on the weekends that are perhaps taken less frequently. Moreover, recall that these current non-riders responded well to the potential benefits of avoiding traffic, the relaxing and enjoyable quality of the trip, and the low cost of the ticket relative to driving.

Key Factor to Encouraging Potential Use

After hearing all the features and potential benefits of Metrolink's weekend service, approximately 50 percent of the non-riders did not offer any suggestion for what might encourage them to try the weekend service. In contrast, approximately 28 percent suggested that a more convenient system might encourage them to try it in the future.

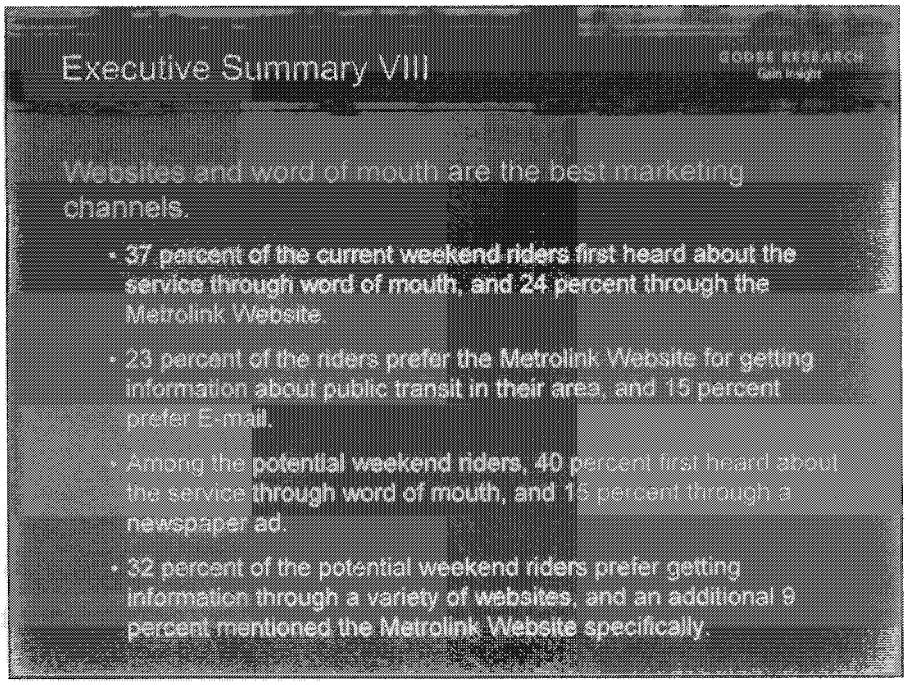


Two forward-looking policy concepts were tested, and the survey results show that both were well received among the current users and non-users of Metrolink's weekend service.

In particular, if an integrated trip between Los Angeles, Orange County and San Diego were to be made possible, 82 percent of the current weekend riders would be at least somewhat more likely to use weekend trains, while 76 percent of the potential/non-riders would be at least somewhat more likely to try the service.

The results of the second tested policy concept were similar. More specifically, having one ticket for an entire trip that may include the bus, Amtrak, and Metrolink would make 75 percent of the current weekend riders at least somewhat more likely to use weekend trains, and 75 percent of the current non-riders at least somewhat more likely to try the service.

In terms of subgroup differences, among the non-riders, the Latino population segment and those who were not aware that Metrolink offers weekend service were found to be significantly more likely to try the service if either of these two policy concepts were implemented. Moreover, in the non-rider survey, the male and the lower income respondents (those with annual household income of $15,000 to $24,999) reported a higher likelihood of giving the weekend trains a try if an integrated ticket became available in the future.



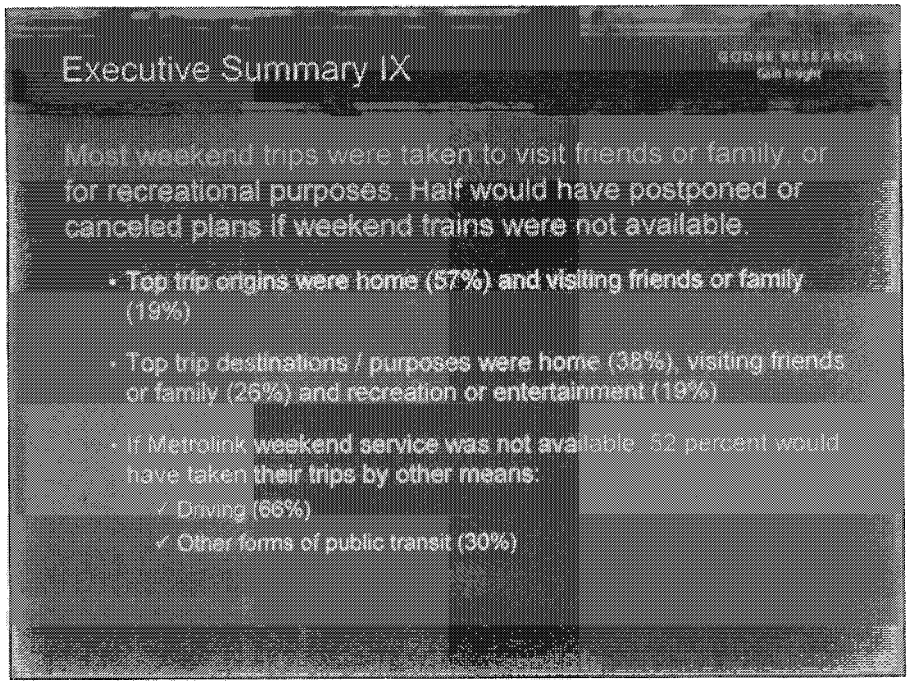
The study also set out to identify the preferred area transit information sources among the current and potential weekend Metrolink riders.

First, approximately 37 percent of the current weekend riders first heard about the service through word of mouth, and 24 percent through the Metrolink Website. Riders ages 17 or younger were significantly more likely to have cited word of mouth as their information source, while significantly more of those between the ages of 18 and 44 said they learned about Metrolink's weekend service through its website.

When asked for the source that they currently use, 23 percent of the current weekend riders indicated a preference for the Metrolink Website, and 15 percent indicated a preference for E-mail.

The results of the potential/non-rider survey also show the importance of word of mouth and websites. Specifically, 40 percent of the non-riders, who were aware of the weekend service, first heard about the service through word of mouth, and 15 percent through a newspaper ad. Furthermore, among these non-riders, 32 percent prefer getting information about public transit through a variety of websites, and an additional 9 percent mentioned the Metrolink Website specifically.

Another notable finding of the study is the preference of non-English speaking households to receive information in their primary language. In particular, about every 1 in 4 respondents cited a foreign language as the primary language spoken at home. Of these 152 respondents, half of them reported more likely to pay attention to transit information in their primary language. Moreover, 69 percent of this group reported Spanish being their primary language. Recall that the awareness level of Metrolink's weekend service is especially low among the Latino(a) population in Orange County, marketing the service in Spanish might be an important step toward increasing weekend ridership among this ethnic group.

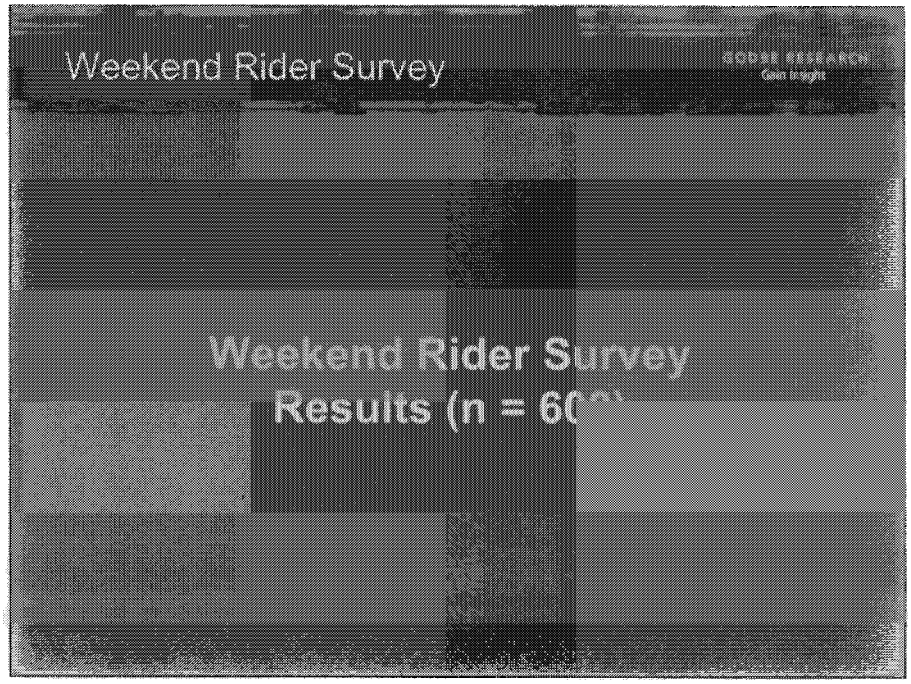


When asked where they were coming from, slight over every one out of two Metrolink weekend riders reported coming from home, while another one out of every five riders cited coming from visiting friends or family. On the other end of their trips, 38 percent reported going home, while another one in four riders reported their trip purpose/destination being visiting friends or family, and 19 percent cited taking the weekend train to go to a destination for recreation or entertainment.

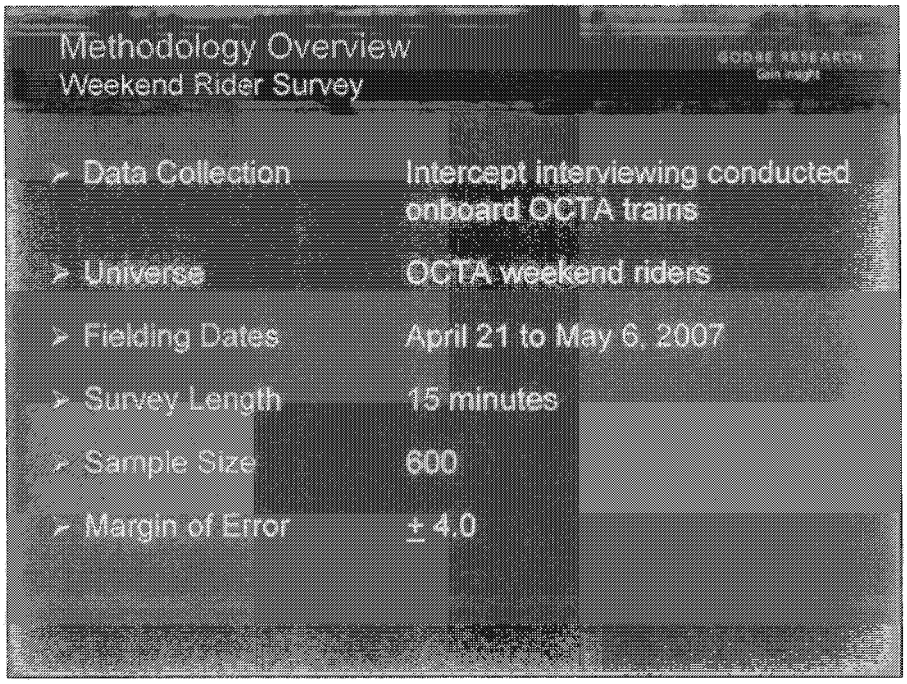
Those riders 17 years old and under, as well as between the ages of 35 and 44 were more likely to have reported coming from home. In addition, the more affluent riders ($100,000 or higher in annual household income) were more likely to have cited coming from home as well.

As a way to gauge the importance of Metrolink's weekend service to the riders' travel plans, the respondents were asked if they would have postponed or canceled their trips if the weekend trains were not available. To that question, 48 percent said "yes." With those who would have kept their travel plans, the majority (66%) said they would have driven, while another 30 percent would have taken other forms of public transit.

Some subgroup differences were observed vis-à-vis the group who would have kept their travel plans. More specifically, those between the ages of 35 to 44 were significantly more likely to have kept their travel plans if Metrolink weekend service was not available. Significantly more of the Caucasian travelers would have driven, while the other ethnic groups were more likely to take other forms of public transit for their trips. Driving was also cited significantly more by those with annual household income of $50,000 or higher, while those below that income level would have more likely opted for taking other forms of public transit.



The following section presents the results of the Weekend Rider survey. This survey included 600 respondents and was conducted through intercept interviews onboard OCTA weekend trains.



Survey Methodology

For this study, intercept interviews were conducted onboard OCTA weekend trains. The sample was drawn proportionally from OCTA weekend riders. In order to ensure that no bias occurred in the passengers who were approached and asked to participate in the survey, interviewers used a systematic sampling rule. An interviewer started at the front-left (driver's) side of the train car, and proceeded to approach every third passenger in that car. The interviewer invited the passenger to participate in the survey, and if the passenger agreed, s/he was handed a survey packet. The interviewer gave the passenger approximately 15 minutes to complete the survey before returning to collect it and answer any questions. If the passenger declined to participate in the survey, the interviewer made a note of the passenger's gender and whether a language barrier may have influence the decision to decline.* Interviews were conducted on the weekends from April 21 to May 6, 2007, and a total of 600 weekend riders completed the survey. The study parameters resulted in a margin of error of plus or minus 4.0 percent for the overall sample (n = 600).

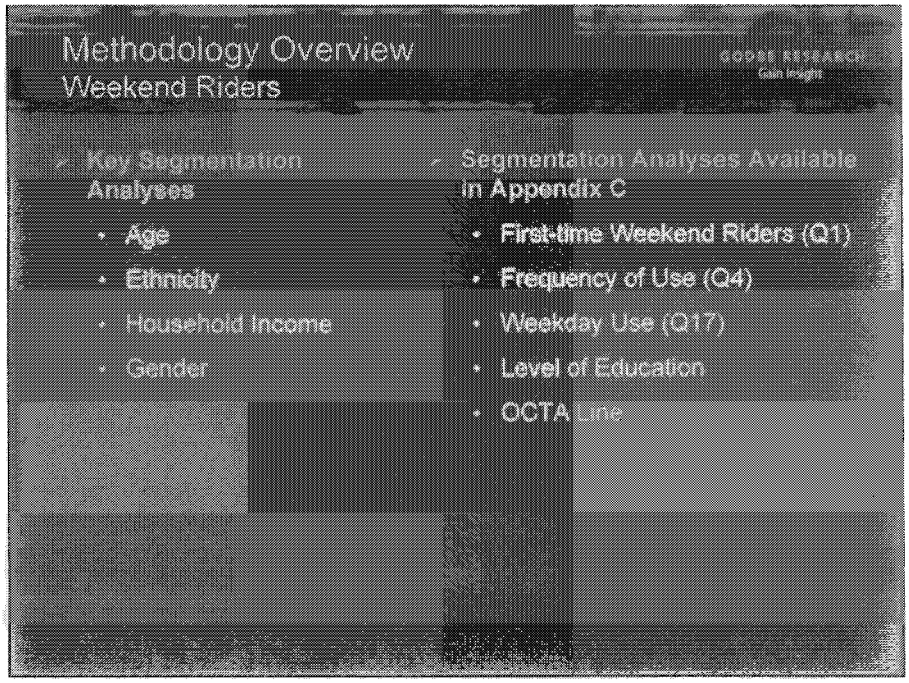
Survey Quotas

Based on the ridership data provided by OCTA, quotas were developed for each of the Saturday and Sunday routes covered in this study. These quotas ensured that the surveys collected in the study were representative of the ridership and routes of weekend trains.

Multiple Response Questions

Questions 2 and 27 were presented in a multiple response format. For these questions, each respondent was prompted to check all of the response options that applied to him/her. For this reason, the response percentages will typically sum to more than 100, and these represent the percent of individuals that indicated a particular response, rather than the percent of the total responses.

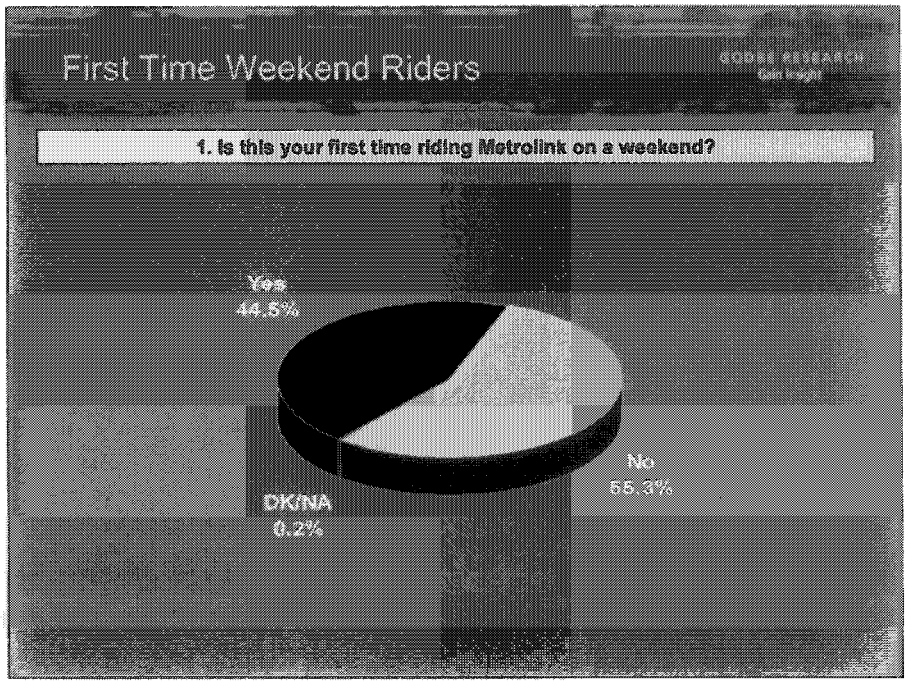
*The refusal rate in the present study was 35%. Among the weekend riders who declined to participate in the study, 67% were men and 33% were women. Additionally, among those who refused, 13% cited a language barrier.



Segmentation Analyses

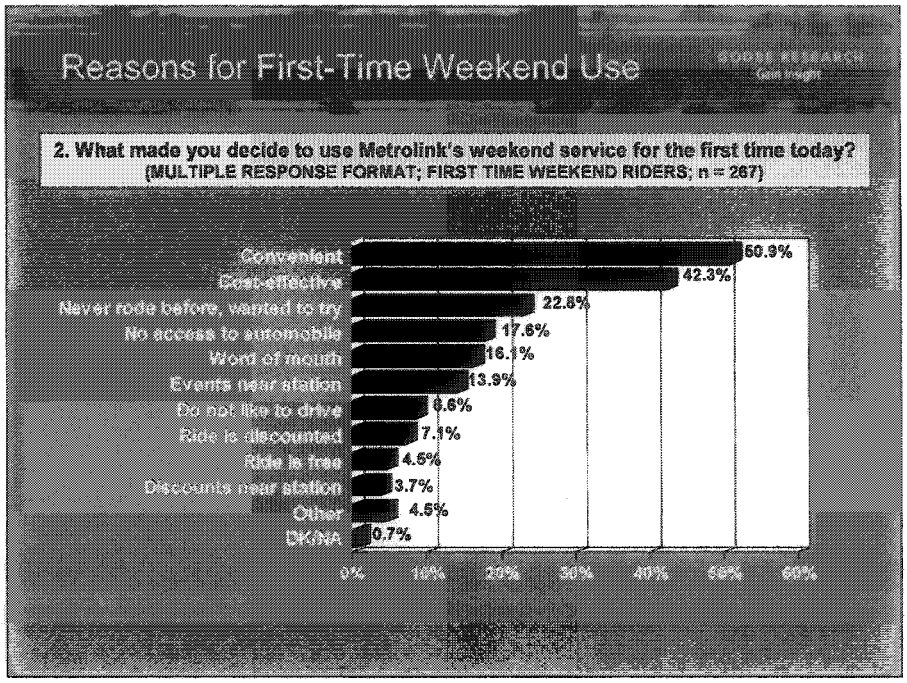
In addition to looking at the overall results for a particular question, it is also useful to examine the responses of different demographic and behavioral groups. Generally, Godbe Research comments only on the statistically significant differences in key segments in this type of report. The present report highlights all statistically significant differences that were observed in responses by *age, ethnicity, household income, and gender.*

In order to facilitate the presentation and interpretation of the results, each segmentation table in the text of this report presents only the specific subgroups in which statistically significant differences were observed. For percentages broken down by all subgroups, and other demographic and behavioral groups, including first-time weekend riders and level of education, see Appendix C.



In the first question of the survey, the respondents were asked to indicate whether the trip was their first time riding Metrolink on a weekend. Approximately 45 percent of the respondents indicated "Yes," whereas 55 percent indicated "No."

The responses to this question were used to categorize the respondents into "First-time Weekend Riders." Segmentation analyses using this variable are presented in full in Appendix C.

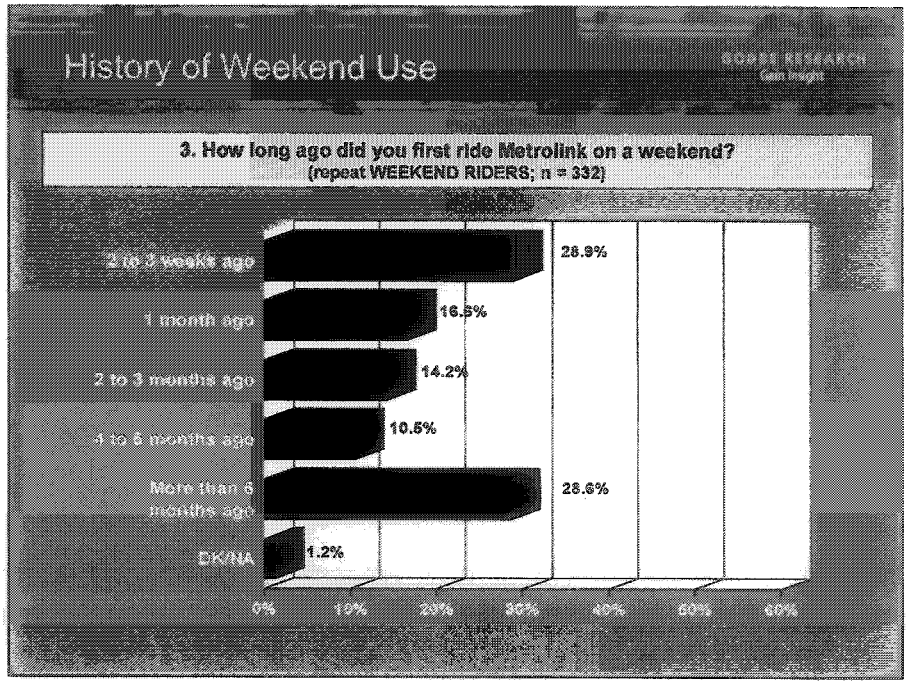


The first-time weekend riders (n = 267) were asked what made them decide to use Metrolink's weekend service for the first time. "Convenient/efficient way to get to desired destination" was the most frequently indicated reason, at 51 percent. Following this option was "Cost-effective/cheaper than driving," which was indicated by 42 percent of the respondents. Rounding out the top three reasons was "Never rode before, wanted to try," with 23 percent of the respondents.

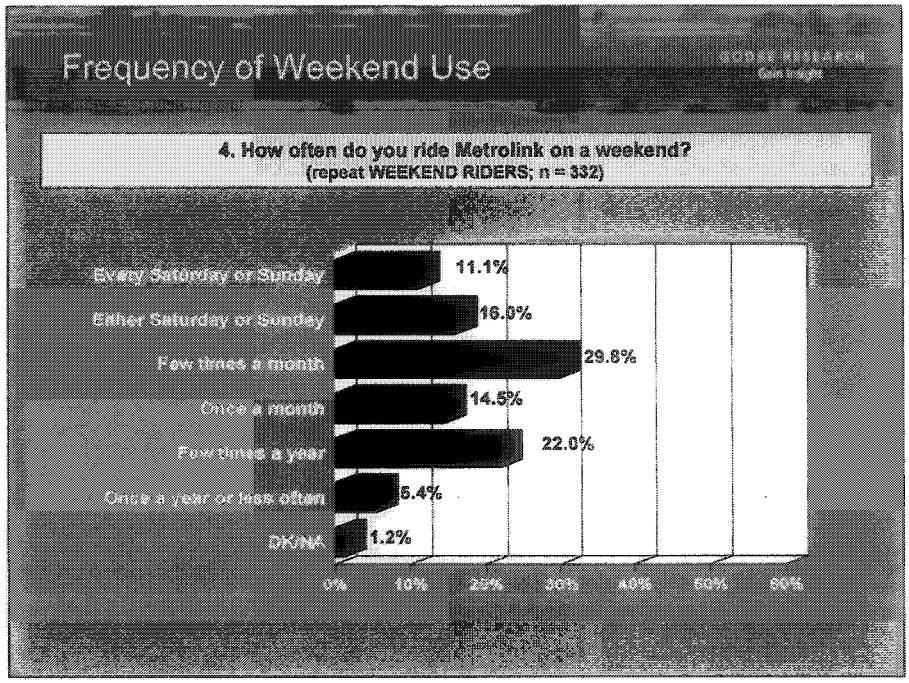
The discussion below highlights the significant differences that were observed among the demographic groups of the top two reasons cited for first-time weekend transit use – "Convenient/efficient way to get to desired destination" and "Cost-effective/cheaper than driving."

Age

Significantly more of the riders age 55 years and over indicated "Convenient/efficient way to get to desired destination" than their counterparts age 18 to 24 years. Additionally, a greater percentage of the riders age 55 years and over cited "Cost-effective/cheaper than driving" than the riders age 17 years and under.



The riders who indicated in Question 1 that it was not their first time riding Metrolink on a weekend (n = 332) were asked how long ago they first rode Metrolink on a weekend. The most frequently indicated response alternatives were "2 to 3 weeks ago" and "More than 6 months ago," each with approximately 29 percent of the riders surveyed.



These repeat weekend riders (n = 332) next were asked to indicate the frequency of their weekend transit use. Approximately 42 percent of the respondents indicated that they ride once a month or less frequently, whereas 57 percent reported that they ride a few times a month or more frequently.

The responses to this question were used to categorize the respondents according to their "Frequency of Use." The respondents who reported riding Metrolink weekend trains from "Every Saturday or Sunday" to "Few times a month" were classified as "Few times a month or more." The respondents who reported riding Metrolink weekend trains from "Once a month" to "Once a year or less often" were classified as "Once a month or less." Segmentation analyses using this variable are presented in full in Appendix C.

Frequency of Weekend Use
Differences in Demographic and Behavioral Groups

	Weekday Use		Age	
	User	Non-User	17 and under	55 and over
Every Saturday and Sunday	15.0%	8.5%	8.1%	12.5%
Either Saturday or Sunday (but not both)	21.8%	12.1%	5.4%	22.5%
Few times a month	31.8%	28.8%	45.9%	15.0%
Once a month	12.8%	15.8%	21.6%	15.0%
Few times a year	17.3%	25.1%	10.8%	25.0%
Once a year or less often	0.0%	9.0%	0.0%	10.0%
DK/NA	1.5%	1.0%	2.7%	0.0%

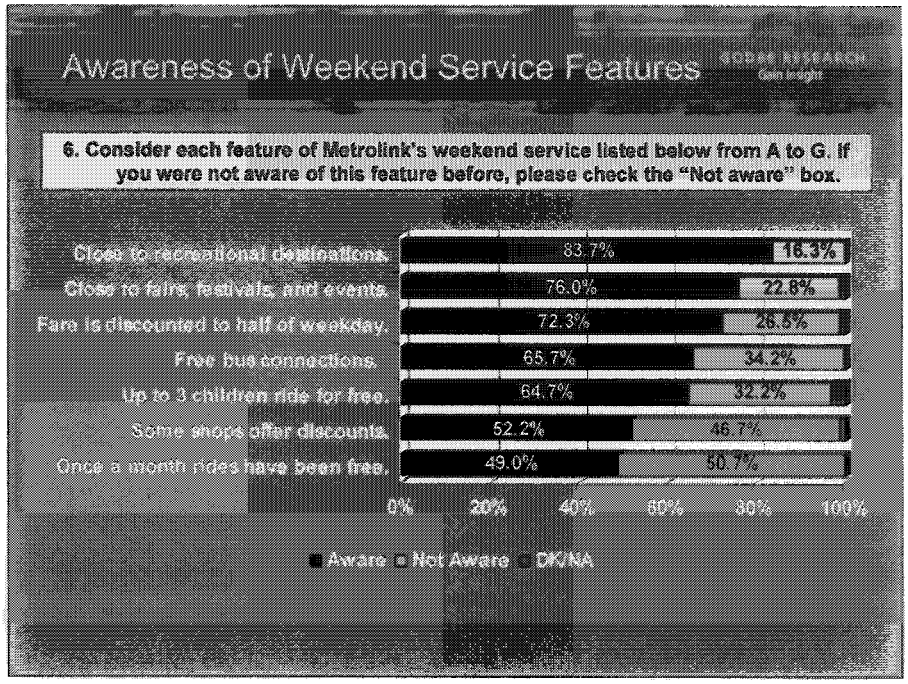
The discussion below highlights the significant differences that were observed between the demographic and behavioral groups, of the repeat weekend riders (n = 332), in their reported frequency of Metrolink weekend use.

Weekday Use

Weekday use was defined by the responses to Question 17, the respondents who ride Metrolink during the week were classified as users, those who do not were classified as non-users. Weekday users ride Metrolink more frequently on the weekends than weekday non-users; specifically, a significantly greater percentage of weekday users reported that they use weekend service "Either Saturday or Sunday (but not both)" than weekday non-users.

Age

Significantly more of the riders age 17 years and under indicated that they use the weekend service a "Few times a month" than the riders age 55 years and over.



To assess weekend riders' awareness of service features, the survey presented respondents with a list of seven specific weekend service features. Approximately 84 percent of the riders surveyed reported being aware that "Metrolink stations are very close to recreational destinations, such as the beach, Disneyland, Oceanside, and Downtown L.A." The respondents also reported high awareness of the following two features of Metrolink weekend service: "Metrolink stations are very close to fairs, festivals, and other community events" (76%) and "Weekend fare is discounted to half of the regular weekday fare" (72%).*

*Please note: the above chart does not contain the exact language used in the questionnaire, see Appendix D for the precise wording of the service features tested.

Awareness of Weekend Service Features
Differences in Demographic and Behavioral Groups

		First-Time Weekend Riders		Household Income		Gender	
		Yes	No	$25,000 to $49,999	$100,000 or higher	Female	Male
Metrolink stations are very close to recreational destinations, such as the beach, Disneyland, Oceanside, and Downtown L.A.	Aware	77.9%	88.6%	86.8%	81.6%	82.8%	84.5%
	Not Aware	22.1%	11.4%	13.2%	18.4%	17.2%	15.5%
Metrolink stations are very close to fairs, festivals, and other community events	Aware	68.9%	81.9%	80.2%	[illegible]	[illegible]	[illegible]
	Not Aware	28.6%	17.6%	18.9%	[illegible]	[illegible]	[illegible]
Weekend fare is discounted to half of the regular weekday fare.	Aware	82.9%	79.6%	84.0%	[illegible]	[illegible]	[illegible]
	Not Aware	36.0%	19.0%	16.0%	34.2%	29.3%	23.9%

The discussion below highlights the significant differences that were observed between demographic and behavioral groups in their awareness of the three service features of which weekend riders were most informed: "Metrolink stations are very close to recreational destinations, such as the beach, Disneyland, Oceanside, and Downtown L.A"; "Metrolink stations are very close to fairs, festivals, and other community events"; and "Weekend fare is discounted to half of the regular weekday fare."

First-Time Weekend Riders

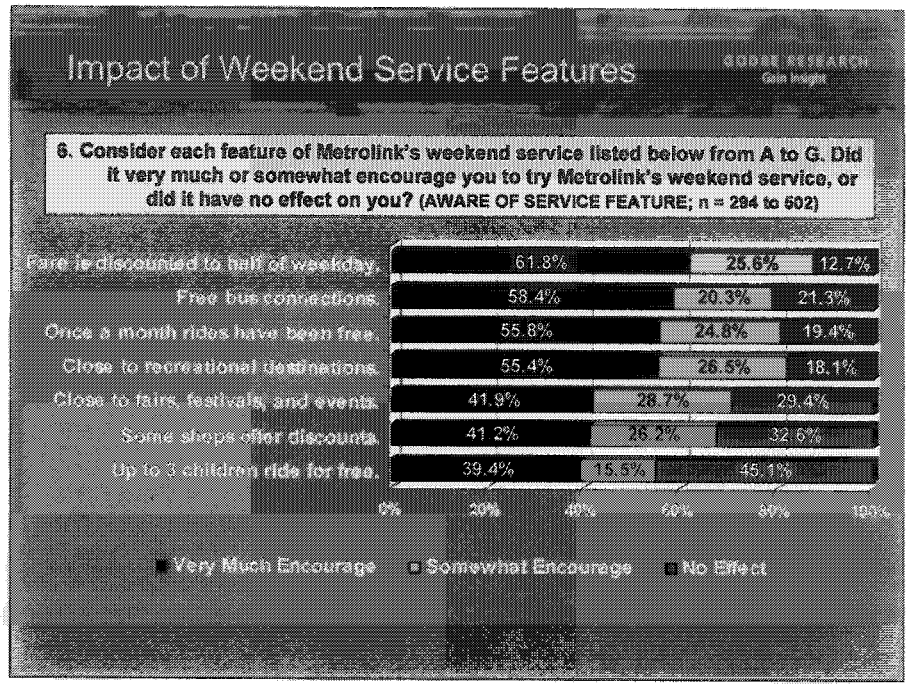
Overall, the repeat weekend riders were more informed of Metrolink's weekend service features. Specifically, significantly more of the repeat weekend riders than the first-time weekend riders indicated that they were aware of the three service features shown above. Conversely, significantly more of the first-time weekend riders indicated that they were not aware of these three features.

Household Income

Significantly more of the respondents with total household income before taxes in 2006 from $25,000 to $49,999, when compared to the respondents with income of $100,000 or higher, were aware that weekend fare is discounted. In contrast, significantly more of the respondents with income of $100,000 or higher indicated that they were not aware of this feature than their counterparts with lower household income.

Gender

Significantly more of the men than the women were aware of the feature, "Metrolink stations are very close to fairs, festivals, and other community events." On the other hand, significantly more of the women than the men indicated that they were not aware of this feature.

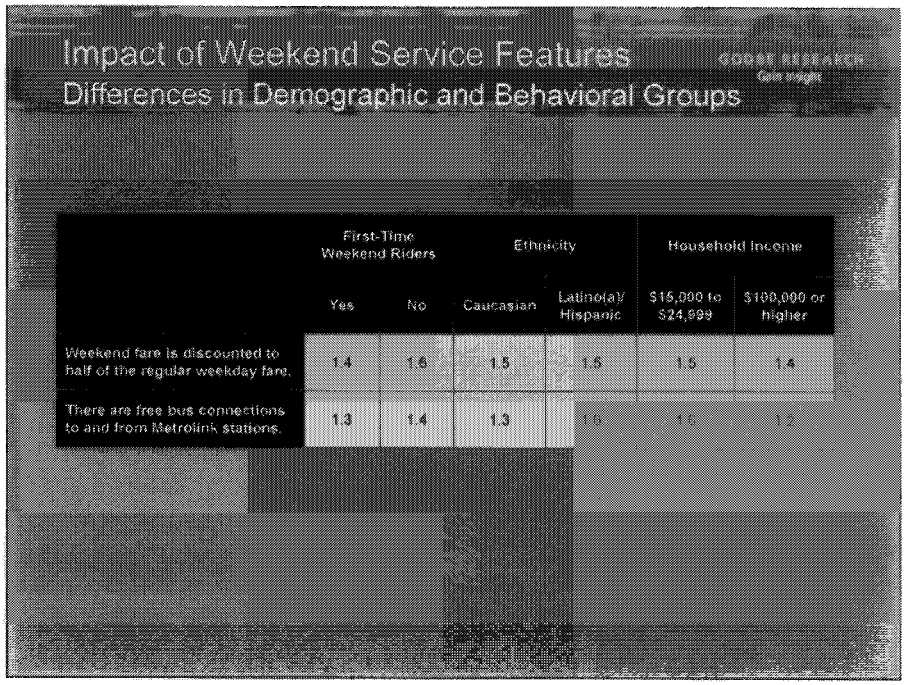


Respondents were asked to indicate whether each of the seven service features encouraged them to try Metrolink's weekend service. The respondents who indicated that they were not aware of the particular service features, as well as the "DK/NA" respondents, have been eliminated from this analysis. Sample sizes for the service features shown above range from 294 to 502 respondents.

Overall the tested features were quite effective in encouraging weekend ridership. In response to all seven features tested, 55 percent or more of the respondents indicated that the feature at least somewhat encouraged them to try the weekend service.* The four features that were the most effective included the following:

- "Weekend fare is discounted to half of the regular weekday fare." Approximately 87 percent of the respondents who were aware of this feature (n = 434) reported that it at least somewhat encouraged them to try the weekend service.
- "There are free bus connections to and from Metrolink stations." Approximately 79 percent of the respondents who were aware of this feature (n = 394) indicated that it at least somewhat encouraged them to try the weekend service.
- "Once a month, the weekend rides have been free." Approximately 81 percent of the respondents who were aware of this feature (n = 294) indicated that it at least somewhat encouraged them to try the weekend service.
- "Metrolink stations are very close to recreational destinations, such as the beach, Disneyland, Oceanside, and Downtown L.A." This feature at least somewhat encouraged the 502 respondents who were aware of it to try the weekend service.

*Please note: the above chart does not contain the exact language used in the questionnaire, see Appendix D for the precise wording of the response alternatives.



	First-Time Weekend Riders		Ethnicity		Household Income	
	Yes	No	Caucasian	Latino(a)/ Hispanic	$15,000 to $24,999	$100,000 or higher
Weekend fare is discounted to half of the regular weekday fare.	1.4	1.6	1.5	1.5	1.5	1.4
There are free bus connections to and from Metrolink stations.	1.3	1.4	1.3	1.6	1.6	1.2

The discussion below highlights the significant differences that were observed between the demographic and behavioral groups in their responses to two of the four features that tested most effective at encouraging weekend service use. For the purpose of these subgroup comparisons, responses to this series of questions were coded such that mean scores could be calculated where "Very much encourage" = 2.0, "Somewhat encourage" = 1.0, and "No effect" = 0.0. To assist in the interpretation of these mean scores, a score of 1.0 would indicate that the feature somewhat encouraged the group, on average, to try weekend service.

First-Time Weekend Riders

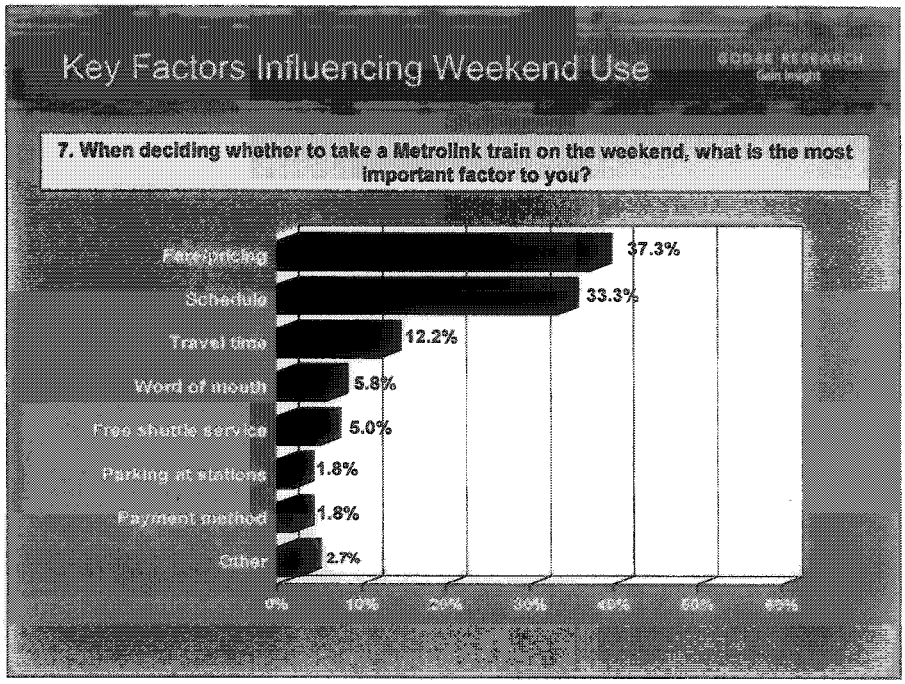
Repeat weekend riders reported that they were significantly more encouraged to try weekend service by the feature, "Weekend fare is discounted to half of the regular weekday fare," relative to first-time weekend riders.

Ethnicity

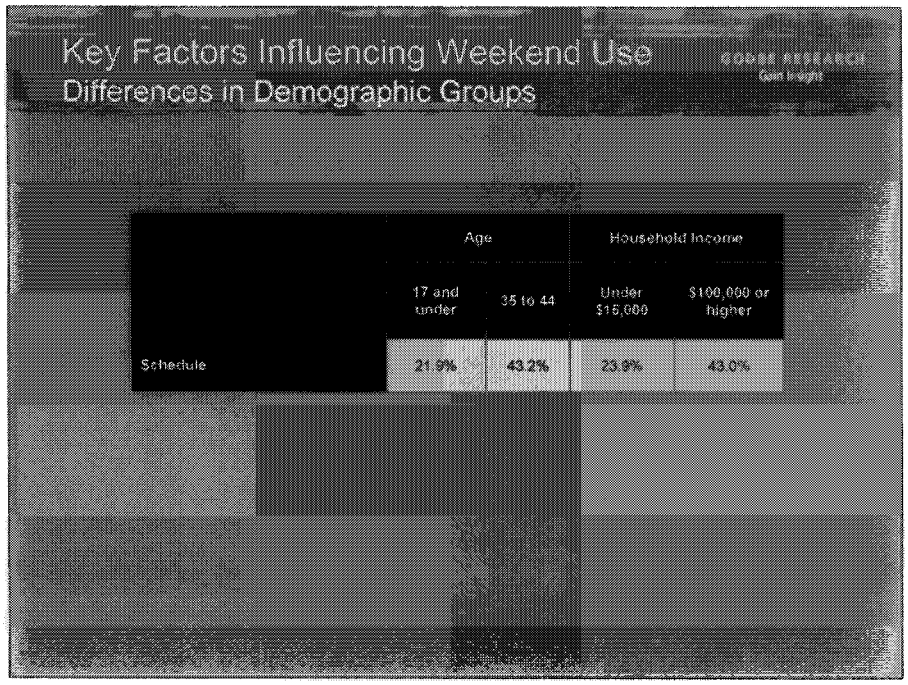
The feature, "There are free bus connections to and from Metrolink stations," encouraged the Latino(a) respondents to try Metrolink weekend service significantly more than the Caucasian respondents.

Household Income

The respondents with total gross household income of $15,000 to $24,999 reported that they were significantly more encouraged to try weekend service by the feature, "There are free bus connections to and from Metrolink stations," than the respondents with household income of $100,000 or higher.



To further investigate factors that influence weekend service use, the respondents were asked to indicate the factor that is the most important when deciding whether to take a Metrolink train on the weekend. The most frequently indicated response options were "Fare/pricing" and "Schedule," at 37 percent and 33 percent, respectively.



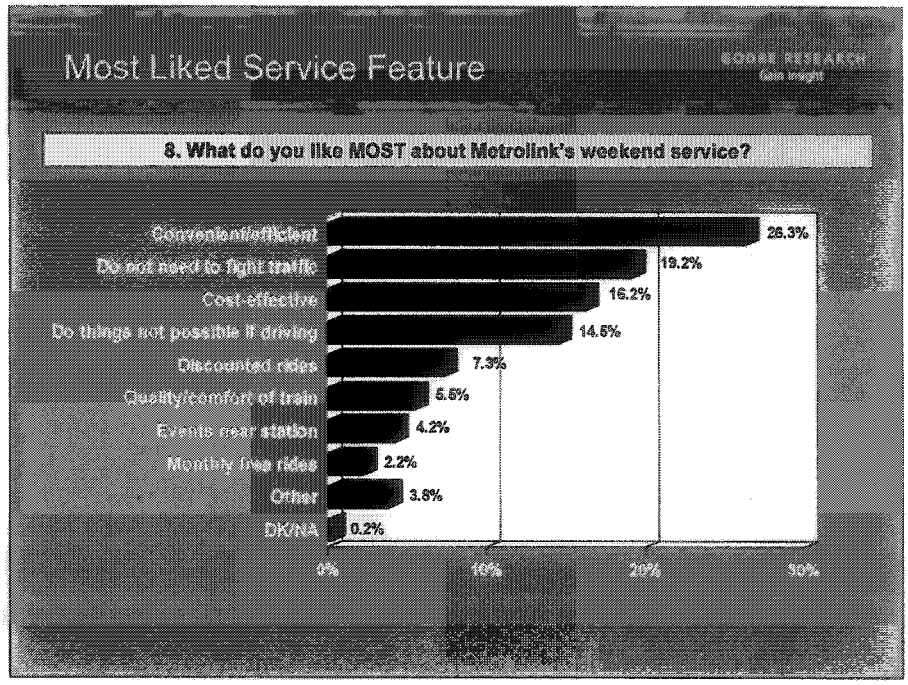
The discussion below highlights the significant differences that were observed between the demographic groups in one of the two most frequently indicated factors that influence use – "Schedule."

Age

Significantly more of the respondents age 35 to 44 years reported that "Schedule" is the most important factor when deciding whether to take a Metrolink train on the weekend than their counterparts age 17 years and under.

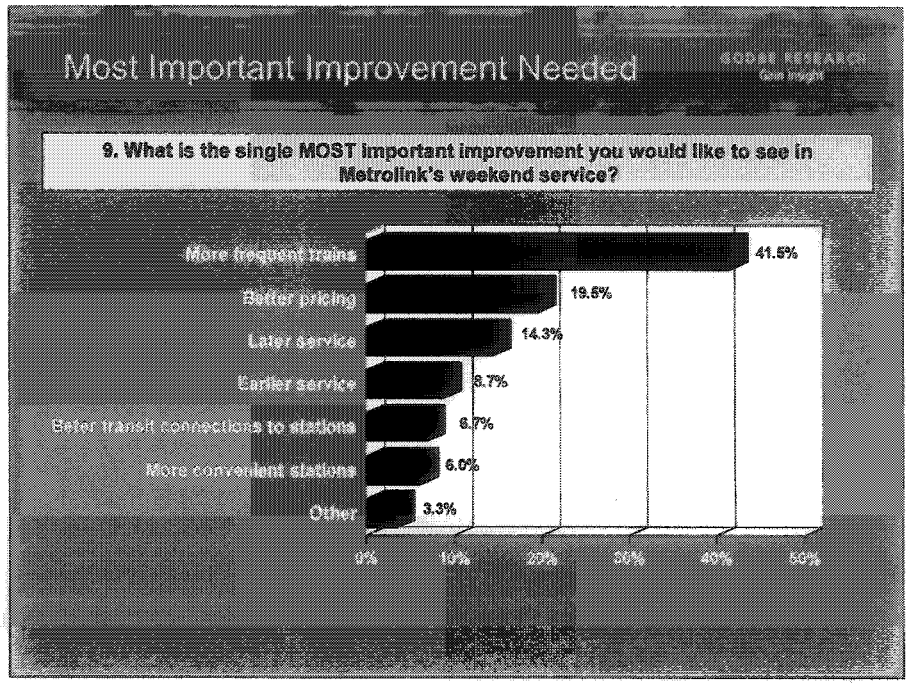
Household Income

A significantly greater percent of the respondents with household income of $100,000 or higher indicated that "Schedule" is the most important factor than those with income under $15,000.

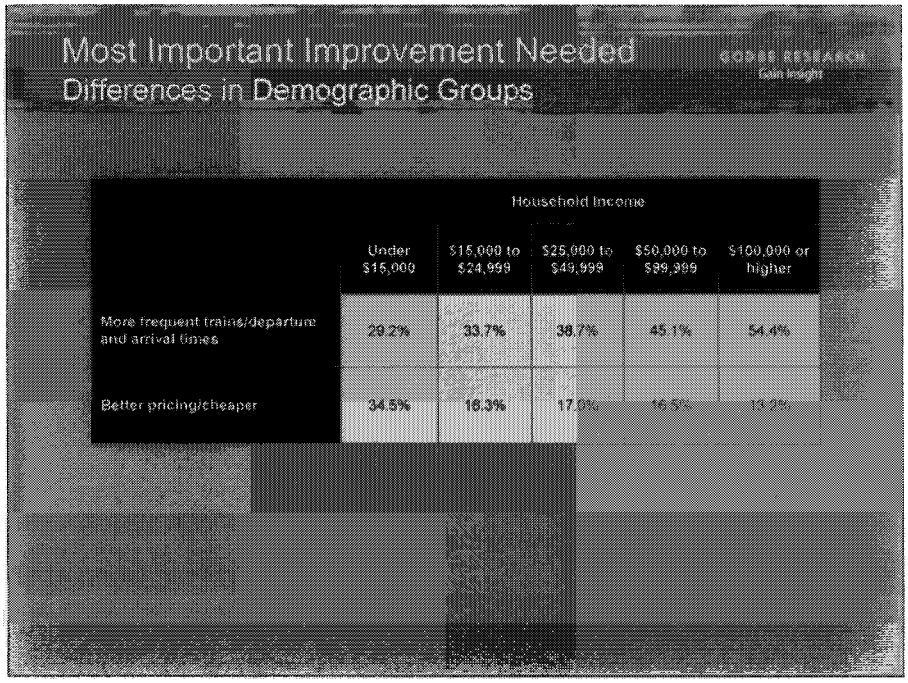


To better understand the appeal of various service features, the respondents were asked to indicate what they like most about Metrolink's weekend service. Approximately one in four of the respondents indicated "Convenient/efficient way to get to desired destination." This feature was followed by "Do not need to fight traffic" (19%) and "Cost-effective/cheaper than driving" (16%). Rounding out the top four responses was "Being able to do things not possible if driving," with 15 percent of the respondents.*

*Please note: only the response categories greater than 1 percent are shown in the above chart. For the full results, see the Topline Report in Appendix B.



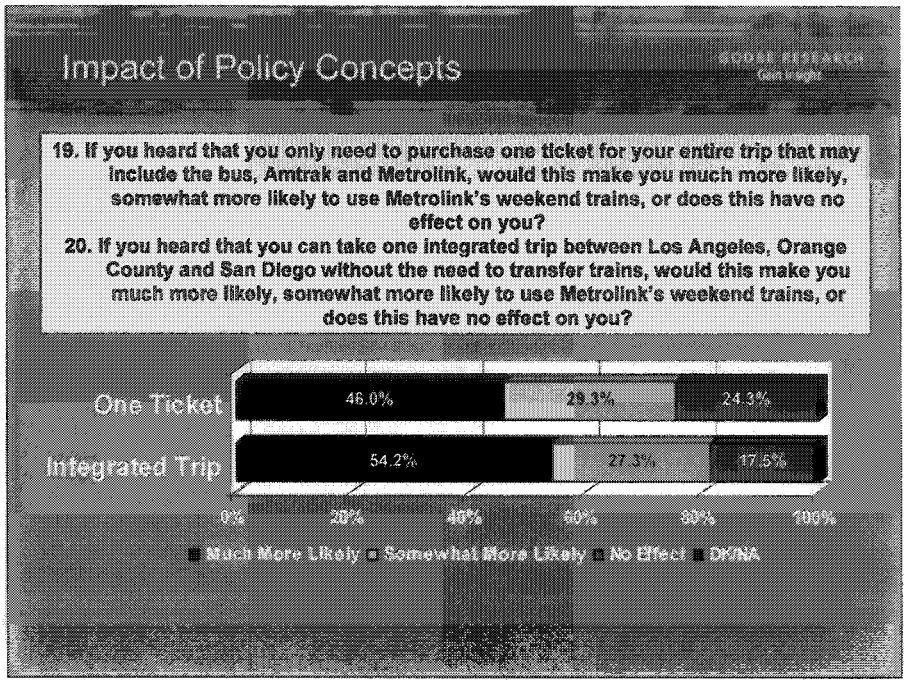
The next item assessed the features of weekend service that weekend riders would most like to see improved. Approximately 42 percent of the respondents reported that "More frequent trains/departure and arrival times" is the most important improvement they would like to see in service. Rounding out the top three responses were "Better pricing/cheaper" (20%) and "Later service" (14%).



The discussion below highlights the significant differences that were observed between the demographic groups in two of the four most frequently indicated improvements.

Household Income

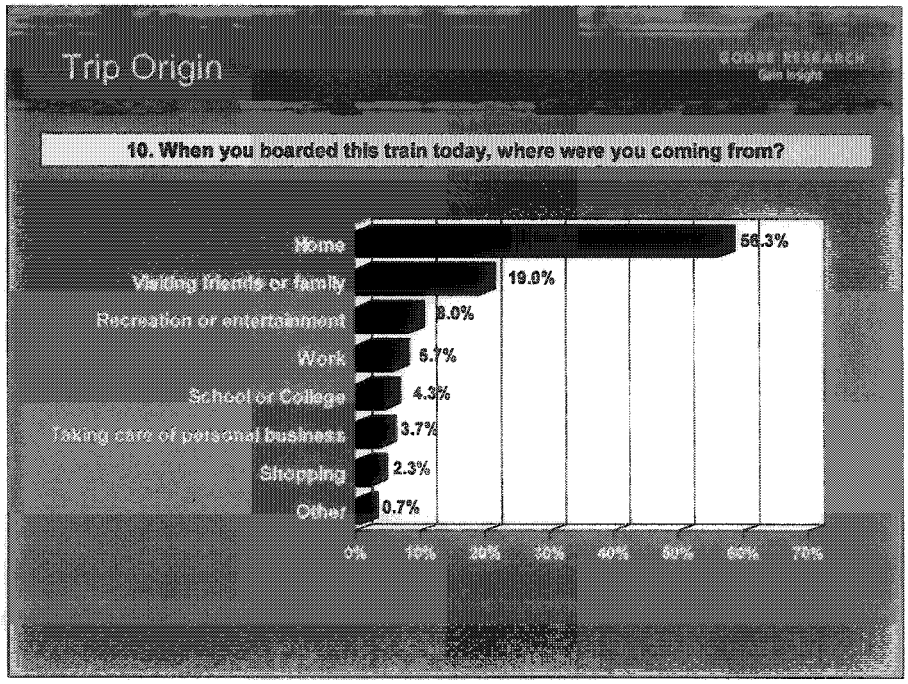
A significantly greater percent of the respondents with income of $100,000 or higher indicated that they would most like to see "More frequent trains/departure and arrival times" than the respondents with income under $25,000. Conversely, the results suggest that the respondents with lower income may be the most price sensitive; specifically, significantly more of the respondents with income under $15,000 reported that they would most like to see "Better pricing/cheaper" than their counterparts with income of $15,000 or higher. Similar to this result, in Question 6, more of the lower income riders were aware that weekend fare is discounted.



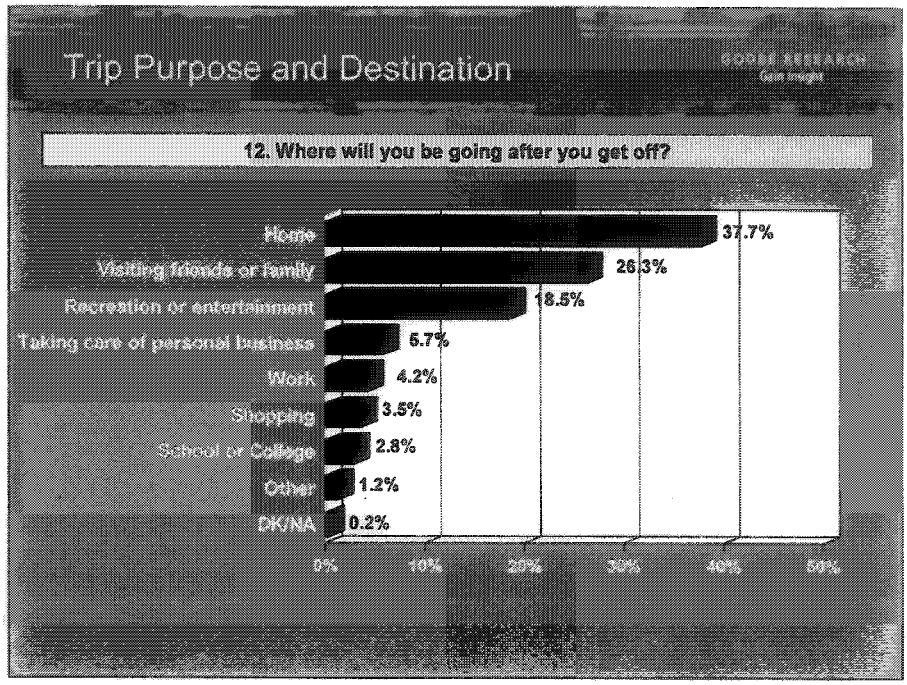
Next, two questions were used to assess the impact of potential policy changes. As shown above, implementing a single ticket for an entire weekend trip influenced 75 percent of the respondents to be at least somewhat more likely to use Metrolink's weekend trains. More specifically, 46 percent of the respondents reported that this policy change would make them "Much more likely" to use weekend trains, 29 percent reported that it would make them "Somewhat more likely," and 24 percent reported that it would have "No effect."

Similar to the results above, implementing an integrated trip between Los Angeles, Orange County and San Diego influenced 82 percent of the respondents to be at least somewhat more likely to use Metrolink's weekend trains. More specifically, 54 percent of the respondents reported that this policy change would make them "Much more likely" to use weekend trains, 27 percent reported that it would make them "Somewhat more likely," 18 percent reported that it would have "No effect," and the remaining 1 percent either did not know or did not provide an answer to the question (DK/NA).

The influence of these policy changes was consistent across demographic and behavioral groups, as no significant differences were observed in the responses between the key subgroups.



Approximately one out of every two riders surveyed reported that when they boarded the train, they were coming from home (56%). "Visiting friends or family" was the next most frequently indicated trip origin, with 19 percent of the respondents.



Regarding the final destination of their trip, approximately 38 percent of the respondents reported that they were going "Home," 26 percent reported that they would be "Visiting friends or family," and 19 percent reported "Recreation or entertainment." Considering the present results in conjunction with Question 11, the majority of the weekend riders travel both to and from these three destinations.

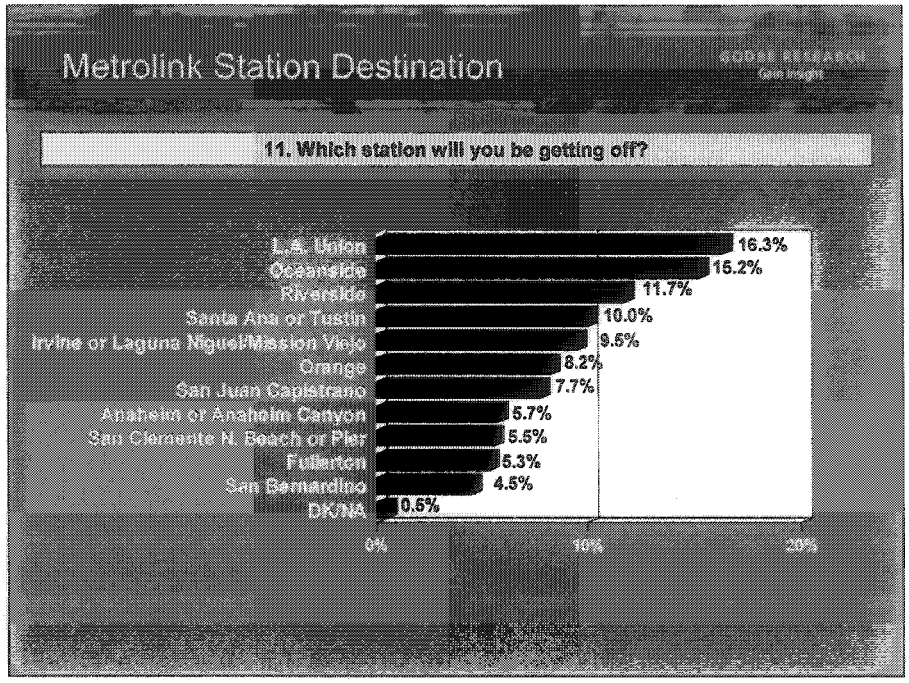
The discussion below highlights the significant differences that were observed between the demographic groups in one of the two most frequently indicated trip origins – "Home." No significant differences were observed between demographic groups in reported trip destinations.

Age

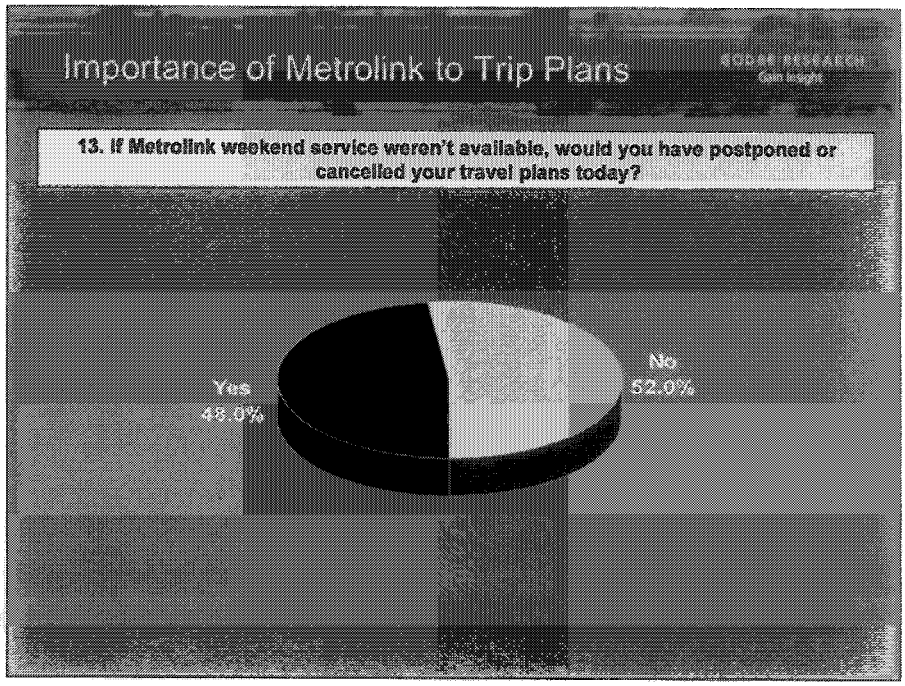
Significantly more of the respondents age 17 years and under and those age 35 to 44 years indicated that they were coming from home than their counterparts age 18 to 24 years.

Household Income

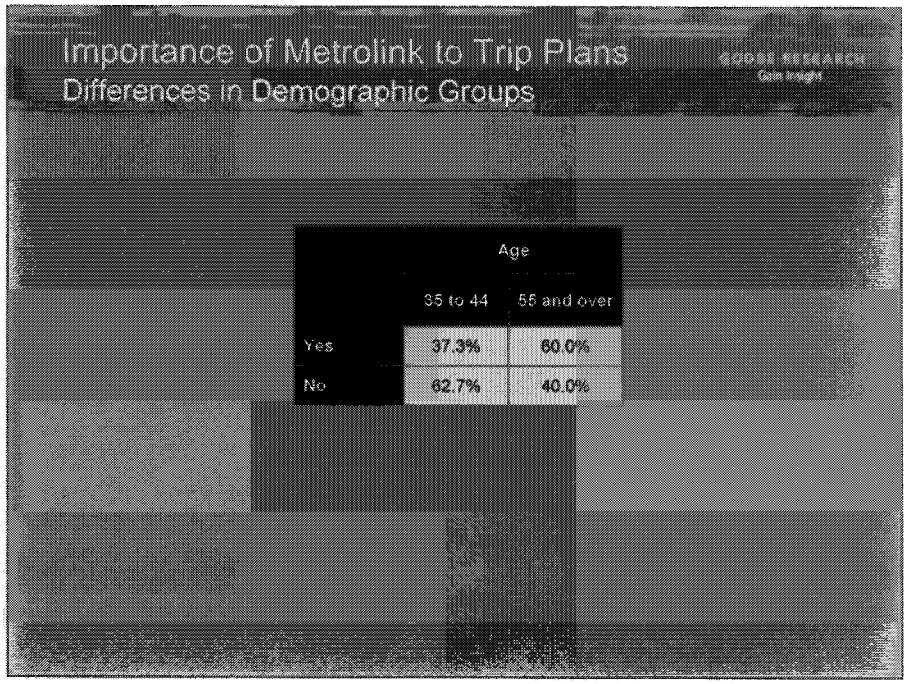
A significantly greater percent of the respondents with income of $100,000 or higher indicated that they were coming from home than the respondents with income from $15,000 to $24,999.



When asked the station where they would be getting off the train, 16 percent of the respondents indicated L.A. Union and 15 percent indicated Oceanside.



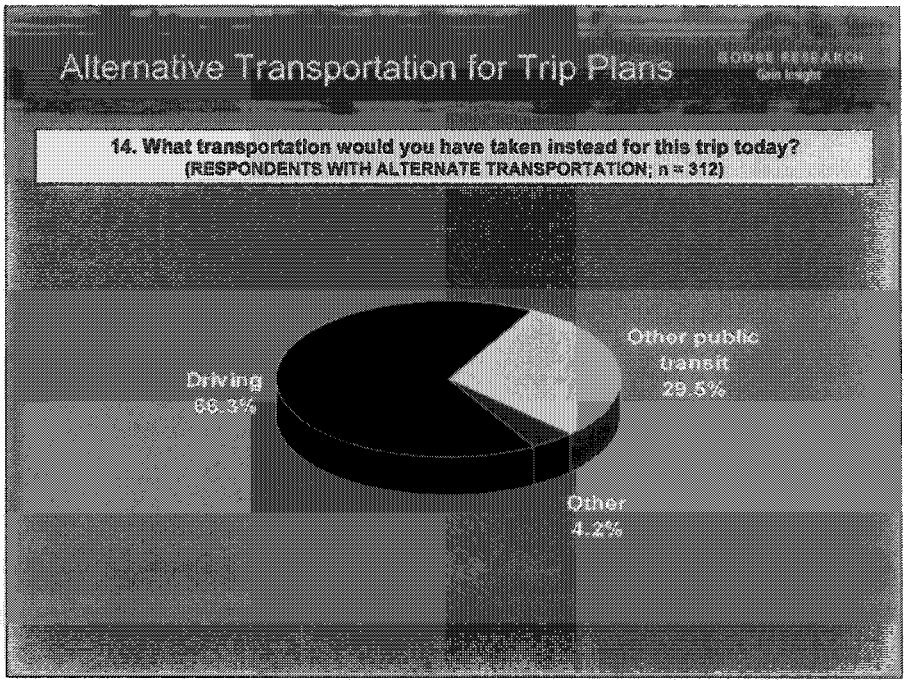
Approximately half of the respondents indicated "Yes," that they would have postponed or cancelled their travel plans, if Metrolink weekend service weren't available, whereas roughly the other half indicated "No," that their travel plans would not have changed.



The discussion below highlights the significant differences that were observed between the demographic groups in their reports of the importance of Metrolink weekend service to their trip plans.

Age

Significantly more of the respondents age 35 to 44 years reported "No," that their travel plans would not have changed if service were unavailable, than their counterparts age 55 years and over.



Of the respondents who indicated that they would not have postponed or cancelled their trip plans, if Metrolink weekend service was not available (Question 13, n = 312), approximately two-thirds reported that they would have driven. Otherwise, just less than one-third reported that they would have taken other public transit, and the remaining 4 percent reported "Other" forms of transportation.

	Ethnicity		Household Income				
	Caucasian	Other	Under $15,000	$15,000 to $24,999	$25,000 to $49,999	$50,000 to $99,999	$100,000 or higher
Driving	73.7%	27.8%	52.9%	48.8%	56.9%	77.1%	83.1%
Other public transit	23.4%	61.1%	39.2%	46.3%	39.7%	21.7%	12.7%
Other	2.9%	11.1%	7.8%	4.9%	3.4%	1.2%	4.2%

The discussion below highlights the significant differences that were observed between the demographic groups in the transportation they would have used if Metrolink weekend service were unavailable.

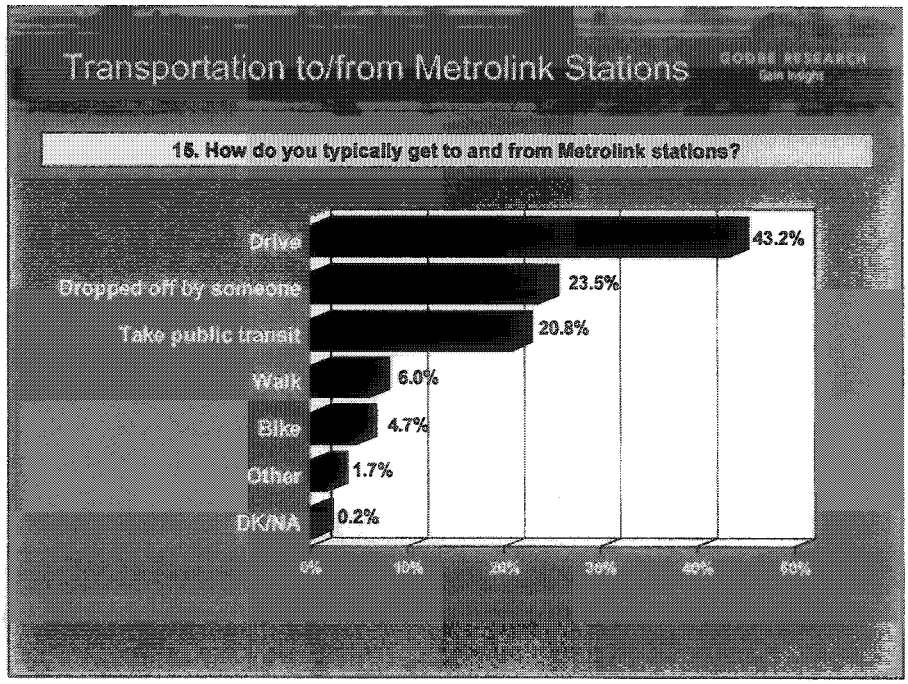
Ethnicity

Significantly more of the Caucasian respondents indicated that they would have driven than the respondents belonging to ethnic groups other than Caucasian, Latino(a), African-American, or Asian. Conversely, significantly more of the respondents belonging to other ethnic groups, compared to the Caucasian respondents, indicated that they would have taken other forms of public transit.

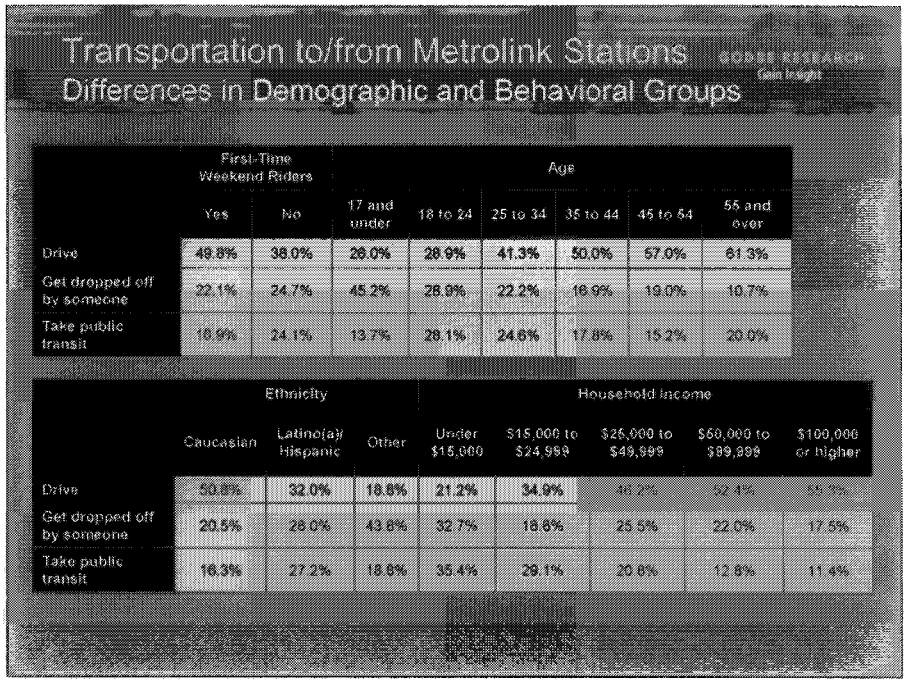
Household income

A significantly greater percent of the respondents with income of $50,000 or higher reported that they would have driven than their counterparts with income under $25,000. Further, the respondents with income of $100,000 or higher were significantly more likely to indicate that they would have driven than the respondents with income from $25,000 to $49,999.

Whereas the higher income respondents were more likely to report that they would have driven, the lower income respondents were more likely to indicate that they would have taken other forms of public transit. Specifically, those with income under $50,000 reported "Other public transit" significantly more than the respondents with income of $100,000 or higher. Further, significantly more of the respondents with income under $25,000 indicated "Other public transit" than their counterparts with income from $50,000 to $99,999.



Approximately 43 percent of the respondents indicated that they typically drive to and from Metrolink stations. Rounding out the top three response alternatives were "Dropped off by someone" (24%) and "Take public transit (21%).



	First-Time Weekend Riders		Age					
	Yes	No	17 and under	18 to 24	25 to 34	35 to 44	45 to 54	55 and over
Drive	49.8%	38.0%	26.0%	28.9%	41.3%	50.0%	57.0%	61.3%
Get dropped off by someone	22.1%	24.7%	45.2%	28.9%	22.2%	16.9%	19.0%	10.7%
Take public transit	16.9%	24.1%	13.7%	28.1%	24.6%	17.8%	15.2%	20.0%

	Ethnicity			Household Income				
	Caucasian	Latino(a)/ Hispanic	Other	Under $15,000	$15,000 to $24,999	$25,000 to $49,999	$50,000 to $99,999	$100,000 or higher
Drive	50.8%	32.0%	18.8%	21.2%	34.9%	48.2%	52.4%	64.3%
Get dropped off by someone	20.5%	26.0%	43.8%	32.7%	18.8%	25.5%	22.0%	17.5%
Take public transit	16.3%	27.2%	18.8%	35.4%	29.1%	20.8%	12.8%	11.4%

The discussion below highlights the significant differences that were observed between demographic and behavioral groups in the three most frequently indicated forms of transportation used to get to and from Metrolink stations – "Drive," "Get dropped off by someone," and "Take public transit."

First-Time Weekend Riders

Significantly more of the first-time weekend riders than the repeat weekend riders reported that they drive. Conversely, significantly more of the repeat weekend riders than the first-time weekend riders indicated that they take public transit.

Age

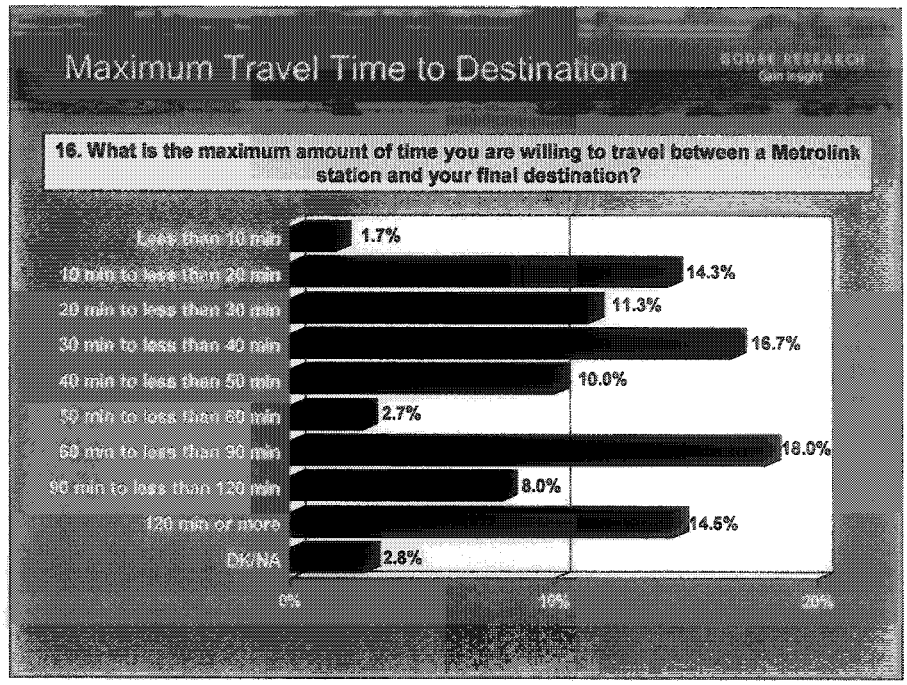
A significantly greater percent of the respondents age 35 years and over reported that they drive than their counterparts age 24 years and under. In contrast, significantly more of the respondents age 17 years and under than those age 25 years and over indicated that they get dropped off by someone. Further, significantly more of the respondents age 18 to 24 years reported that they get dropped off by someone than their counterparts age 55 years and over.

Ethnicity

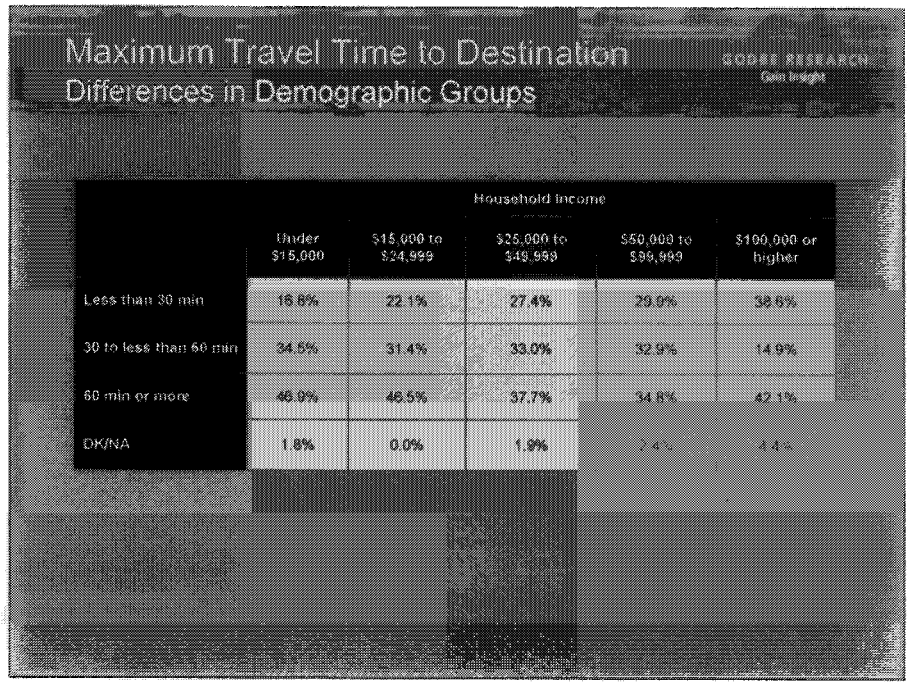
A significantly greater percent of the Caucasian respondents indicated that they drive than the Latino(a) respondents and the respondents from other ethnic groups. Significantly more of the respondents from other ethnic groups reported that they get dropped off by someone than their Caucasian counterparts.

Household income

Significantly more of the respondents with income of $25,000 or higher reported that they drive than those with income under $15,000. Further, a significantly greater percent of the respondents with income of $100,000 or higher indicated that they drive than the respondents with income from $15,000 to $24,999. In contrast, significantly more of the respondents with income under $25,000 than those with income of $50,000 or higher reported that they typically take public transit to get to and from Metrolink stations.



Approximately 41 percent of the weekend riders surveyed indicated that they would be willing to travel 60 minutes or more between a Metrolink station and their final destination. In comparison, 29 percent reported that they would travel from 30 minutes to less than 60 minutes, and 27 percent indicated that they would only be willing to travel less than 30 minutes.

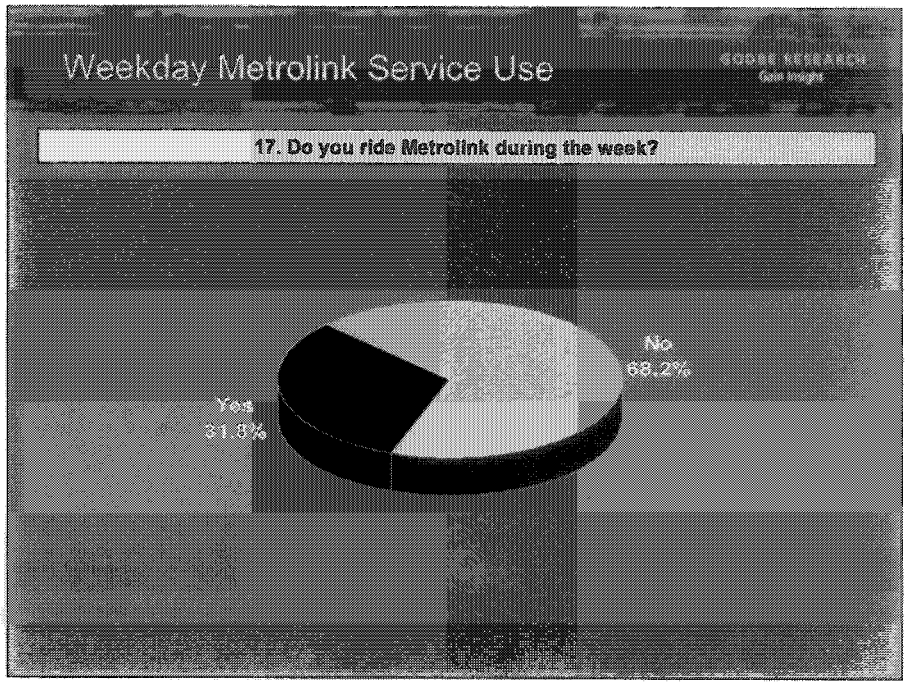


	Household Income				
	Under $15,000	$15,000 to $24,999	$25,000 to $49,999	$50,000 to $99,999	$100,000 or higher
Less than 30 min	16.8%	22.1%	27.4%	29.0%	38.6%
30 to less than 60 min	34.5%	31.4%	33.0%	32.9%	14.9%
60 min or more	46.9%	46.5%	37.7%	34.8%	42.1%
DK/NA	1.8%	0.0%	1.9%	3.4%	4.4%

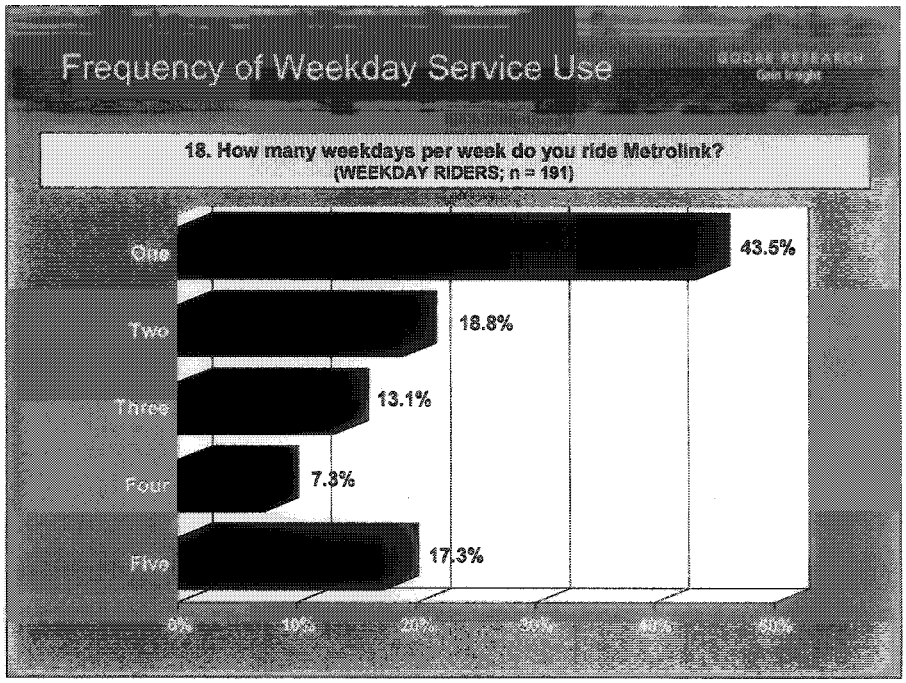
The discussion below highlights the significant differences that were observed between the demographic groups in their maximum amount of travel time between a Metrolink station and their final destination.

Household Income

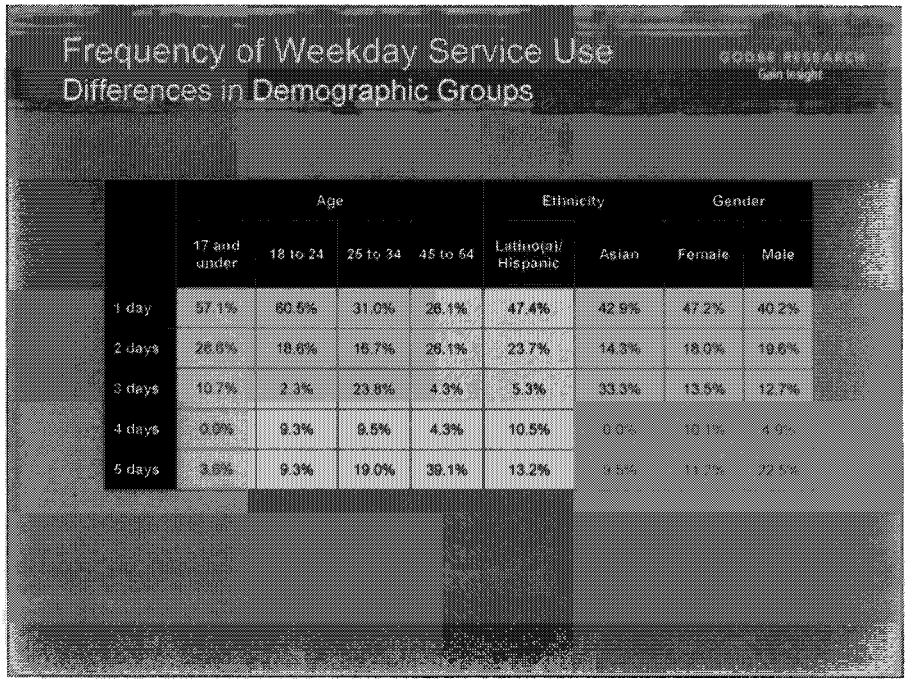
A significantly greater percent of the respondents with income of $100,000 or higher than those with income under $15,000 reported that they would be willing to travel less than 30 minutes. In contrast, significantly more of the respondents with income under $100,000 indicated that they would be willing to travel from 30 minutes to less than 60 minutes, when compared to the respondents with income of $100,000 or higher.



Approximately two-thirds of the respondents reported "No," that they do not ride Metrolink during the week, whereas approximately one-third reported "Yes," that they use the weekday service.



Among the respondents who reported using Metrolink's weekday service (n = 191), 44 percent use the service one weekday per week, 19 percent use the service two weekdays per week, and 17 percent use the service five weekdays per week.



	Age				Ethnicity		Gender	
	17 and under	18 to 24	25 to 34	45 to 54	Latino(a)/ Hispanic	Asian	Female	Male
1 day	57.1%	60.6%	31.0%	26.1%	47.4%	42.9%	47.2%	40.2%
2 days	28.6%	18.6%	16.7%	26.1%	23.7%	14.3%	18.0%	19.6%
3 days	10.7%	2.3%	23.8%	4.3%	5.3%	33.3%	13.5%	12.7%
4 days	0.0%	9.3%	9.5%	4.3%	10.5%	0.0%	10.1%	4.9%
5 days	3.6%	9.3%	19.0%	39.1%	13.2%	9.5%	11.2%	22.5%

The discussion below highlights the significant differences that were observed between the demographic groups in their frequency of weekday service use.

Age

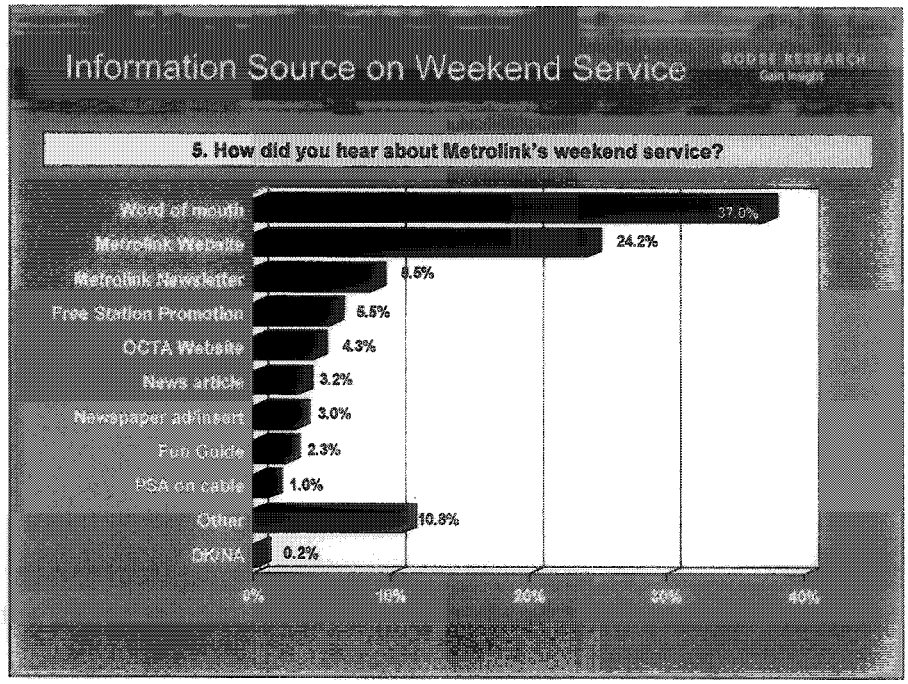
Significantly more of the respondents age 25 to 34 years reported that they ride Metrolink three weekdays per week than those age 18 to 24 years. A significantly greater percent of the respondents age 45 to 54 years indicated that they ride Metrolink five weekdays per week than their counterparts age 34 years and under.

Ethnicity

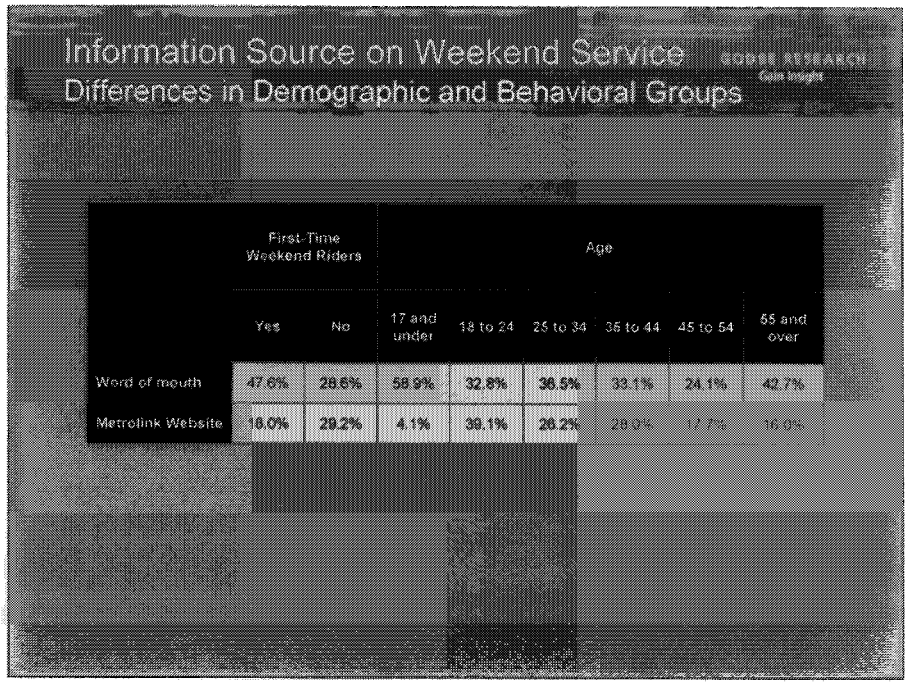
Significantly more of the Asian respondents than the Latino(a) respondent indicated that they ride Metrolink three weekdays per week.

Gender

Significantly more of the men than the women indicated that they ride Metrolink five weekdays per week.



All of the weekend riders surveyed (n = 600) were asked how they first heard about Metrolink's weekend service. The two most frequently cited information sources were "Word of mouth" (37%) and "Metrolink Website" (24%).



	First-Time Weekend Riders		Age					
	Yes	No	17 and under	18 to 24	25 to 34	35 to 44	45 to 54	55 and over
Word of mouth	47.6%	28.6%	58.9%	32.8%	36.5%	33.1%	24.1%	42.7%
Metrolink Website	16.0%	29.2%	4.1%	39.1%	28.2%	29.9%	17.7%	16.9%

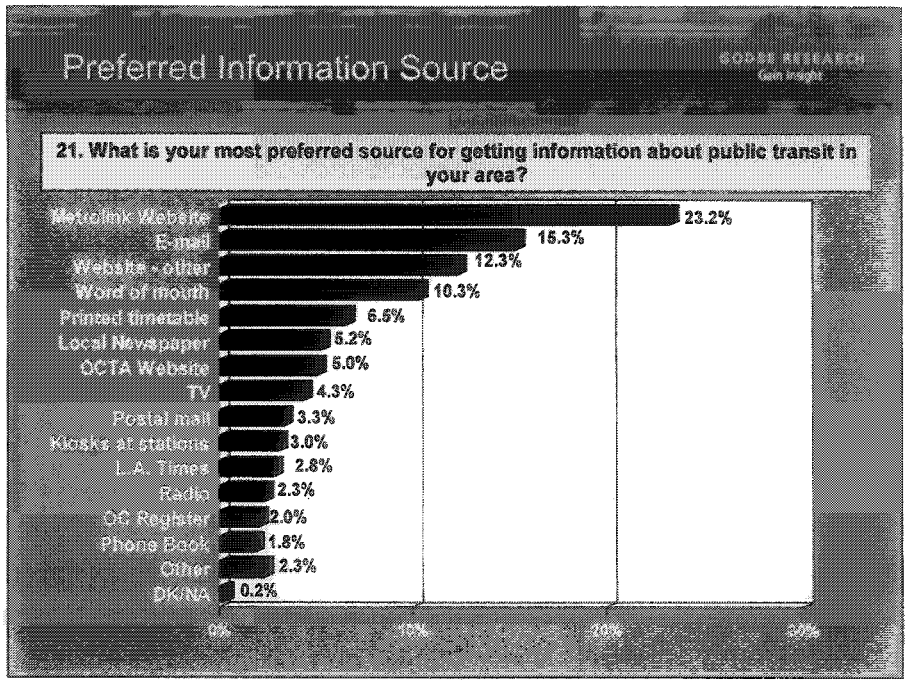
The discussion below highlights the significant differences that were observed between the demographic and behavioral groups in the two most frequently cited initial information sources – "Word of Mouth" and "Metrolink Website."

First-Time Weekend Riders

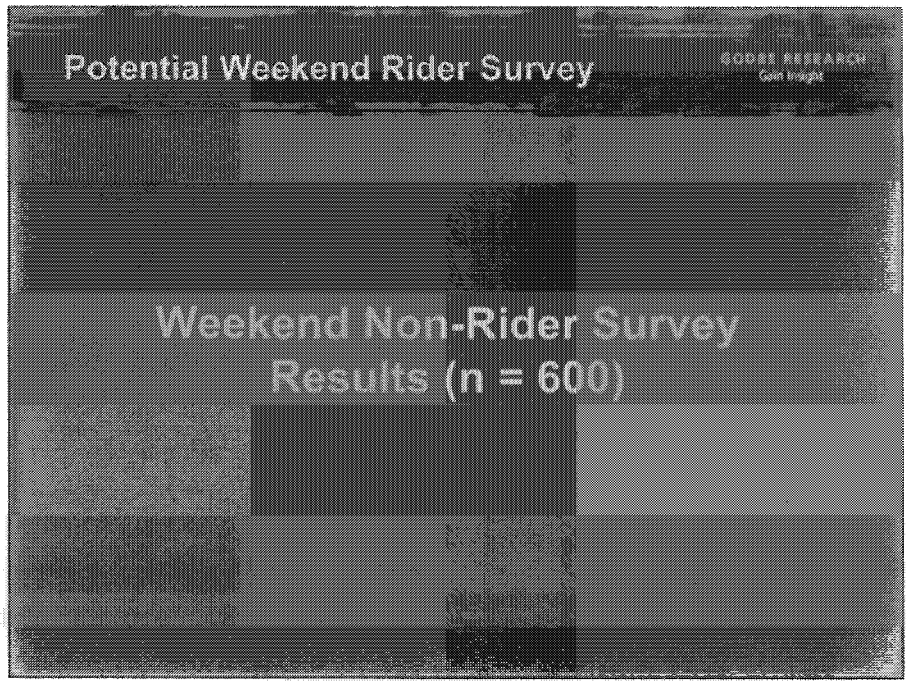
Significantly more of the first-time weekend riders indicated "Word of mouth" than the repeat weekend riders. Conversely, significantly more of the repeat weekend riders indicated "Metrolink Website" than the first-time weekend riders.

Age

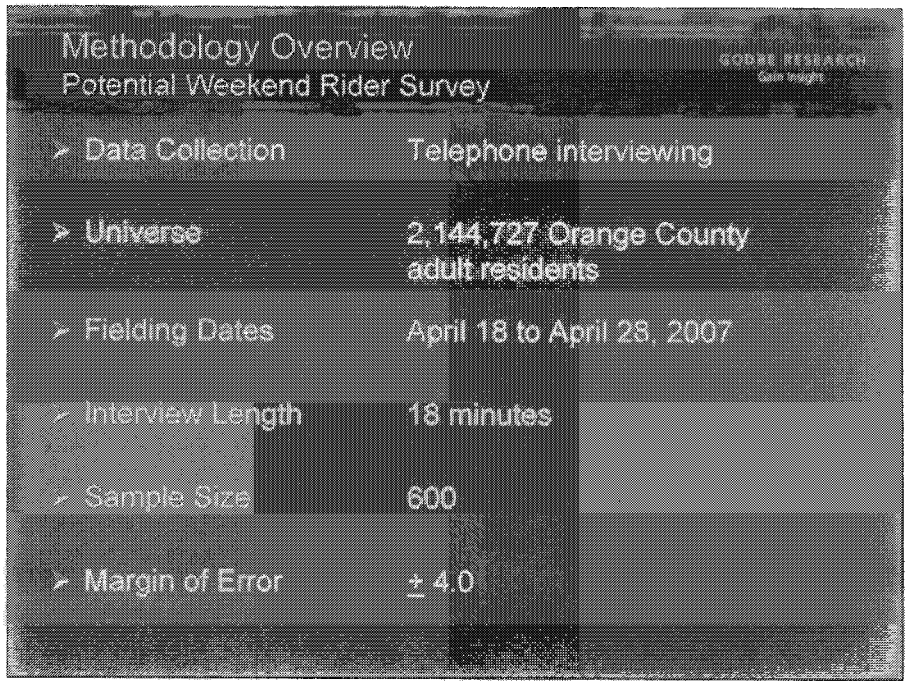
A significantly greater percent of the respondents age 17 years and under reported that they first heard about Metrolink's weekend service through word of mouth, when compared to the respondents age 18 years and over. Conversely, respondents age 18 to 44 years cited the Metrolink Website significantly more often than those age 17 years and under. Further, significantly more of the respondents age 18 to 24 years identified the Metrolink Website than their counterparts age 45 years and over.



When asked to indicate their most preferred source for getting information about public transit in their area, the respondents most frequently indicated "Metrolink Website" (23%), followed by "E-mail" (15%) and "Website – other" (12%). Rounding out the top four responses was "Word of mouth/Friends or Family," with 10 percent of the respondents.



The following section presents the results of the Weekend Non-Rider survey. This survey included 600 respondents and was conducted through telephone interviews.



Survey Methodology

The sample was drawn from a random sample of Orange County residents using the random digit dialing (RDD) method. To qualify to participate in the study, an individual had to live in Orange County and be at least 18 years of age. Additionally, the respondents were asked if they have ever taken a Metrolink train on a Saturday or Sunday, and only those who had never used Metrolink's weekend service were eligible to complete the survey. Interviews were conducted from April 18 through April 28, 2007, and each interview typically lasted 18 minutes. A total of 600 individuals completed the survey, representing a universe of approximately 2,144,727 adult residents of Orange County.* The study parameters resulted in a margin of error of plus or minus 4.0 percent for the overall sample (n = 600).

Sample & Weighting

Once collected, the data were compared with the 2005 U.S. Census estimates for Orange County to examine possible differences between the demographics of the sample of respondents and the actual universe. After examining these details, the data were weighted to the actual demographic proportions of the residents of Orange County. Specifically, the sample was weighted by the ethnicity of respondents.

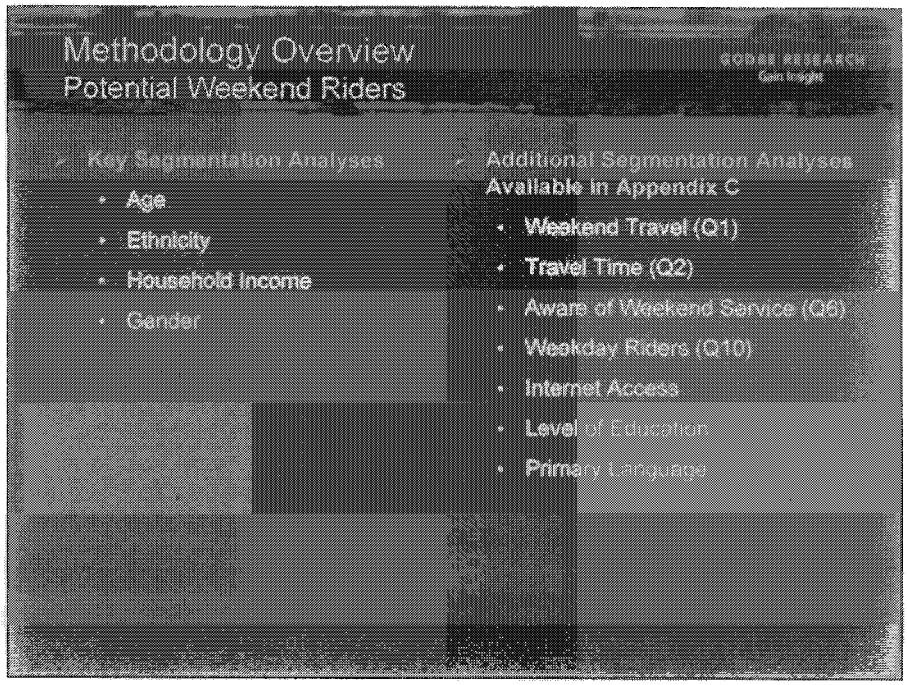
Randomization Questions

To avoid the problem of systematic position bias, where the order in which a series of questions is asked systematically influences the answers, the items in Questions 11, 12, 13 and 14 were randomized such that the respondents were not consistently asked these items in the same order.

Multiple Response Questions

Questions 1, 8, 15, and D were presented in a multiple response format. For this type of question, each respondent was given the opportunity to select more than one response option or mention more than one item. For this reason, the response percentages will typically sum to more than 100, and these represent the percent of individuals that mentioned a particular response, rather than the percent of the total responses.

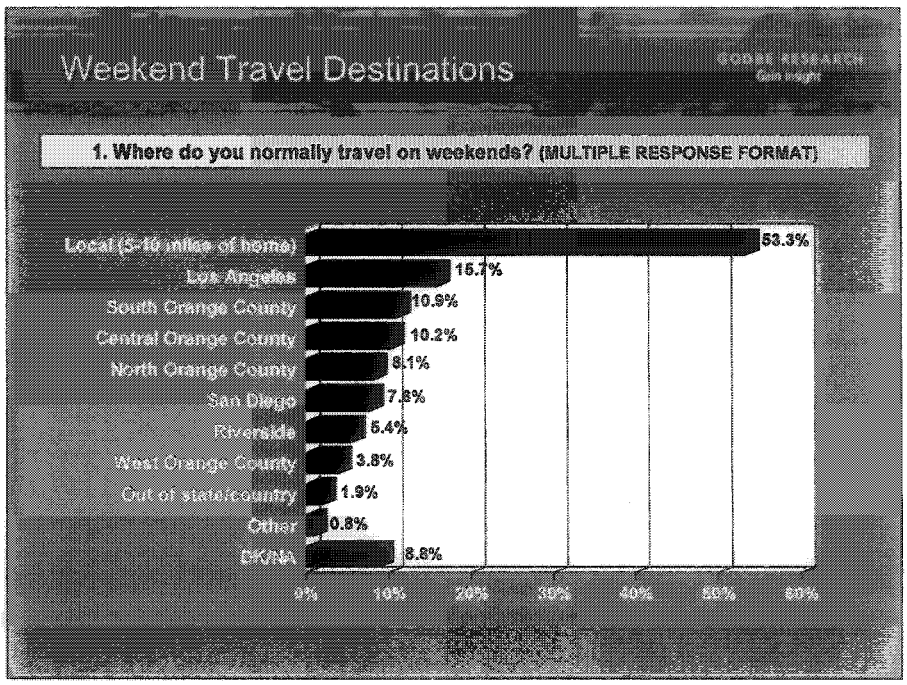
**2005 U.S. Census estimate*



Segmentation Analyses

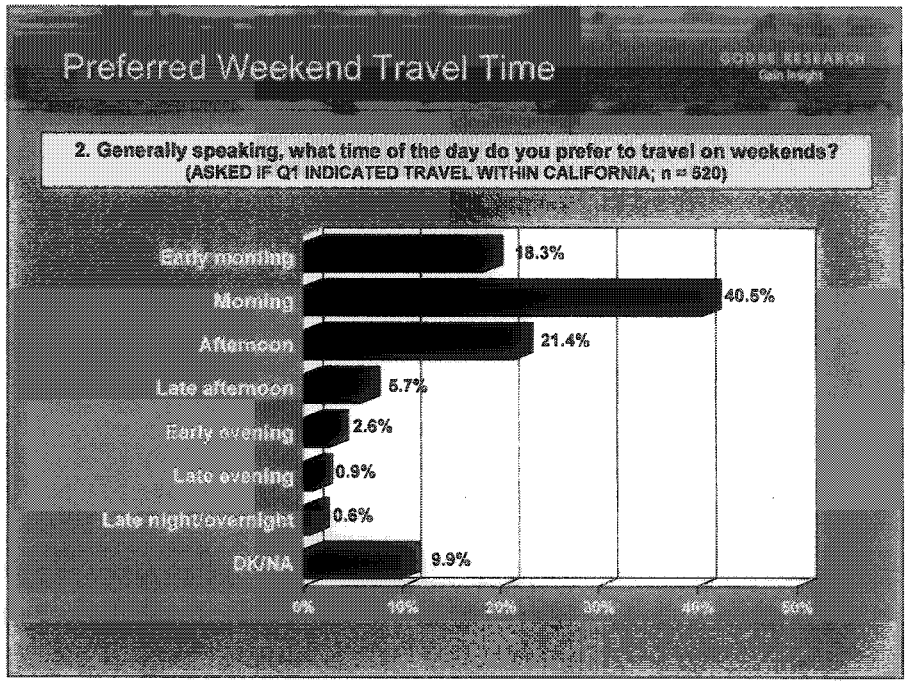
In addition to looking at the overall results for a particular question, it is also useful to examine the responses of different demographic and behavioral groups. Generally, Godbe Research comments only on the statistically significant differences in key segments in this type of report. The present report highlights all statistically significant differences that were observed in responses by *age, ethnicity, household income, and gender.*

In order to facilitate the presentation and interpretation of the results, each segmentation table in the text of this report presents only the specific subgroups in which statistically significant differences were observed. For percentages broken down by all subgroups, and other demographic and behavioral groups, including weekend travel and level of education, see Appendix C.



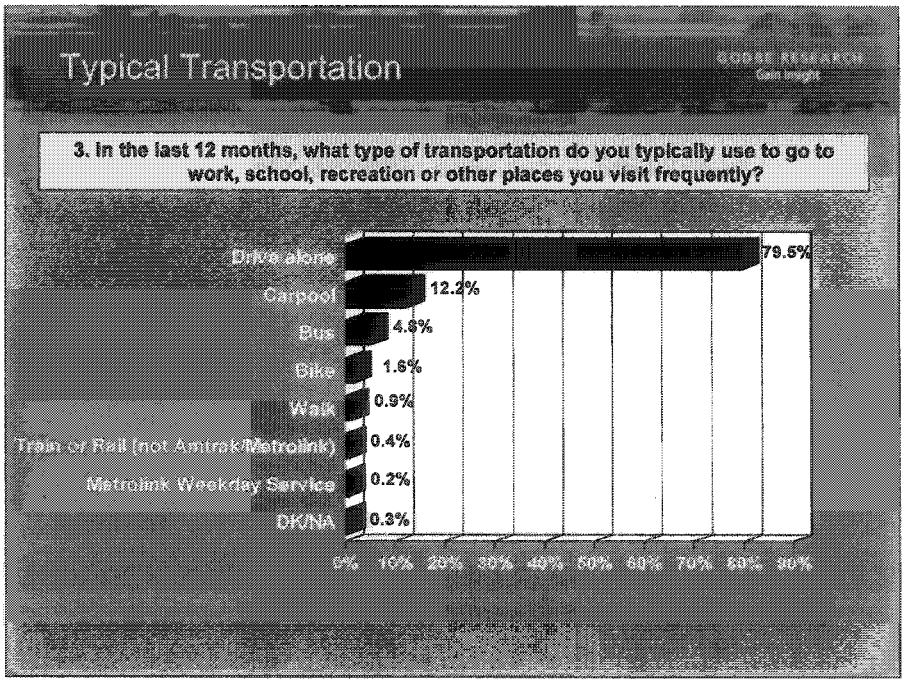
The first substantive question of this survey assessed the respondents' typical weekend travel. Approximately half of the respondents reported that they travel locally, within 5 to 10 miles of home. Travel within the Los Angeles area was mentioned by 16 percent of the respondents.

The responses to this question were used to categorize the respondents according to "Weekend Travel." The potential weekend riders who reported that they travel locally were categorized as "Local," and the respondents who reported that they normally travel to any of the other destinations shown in the above chart were categorized as "Non-Local." Segmentation analyses using this variable are presented in Appendix C.

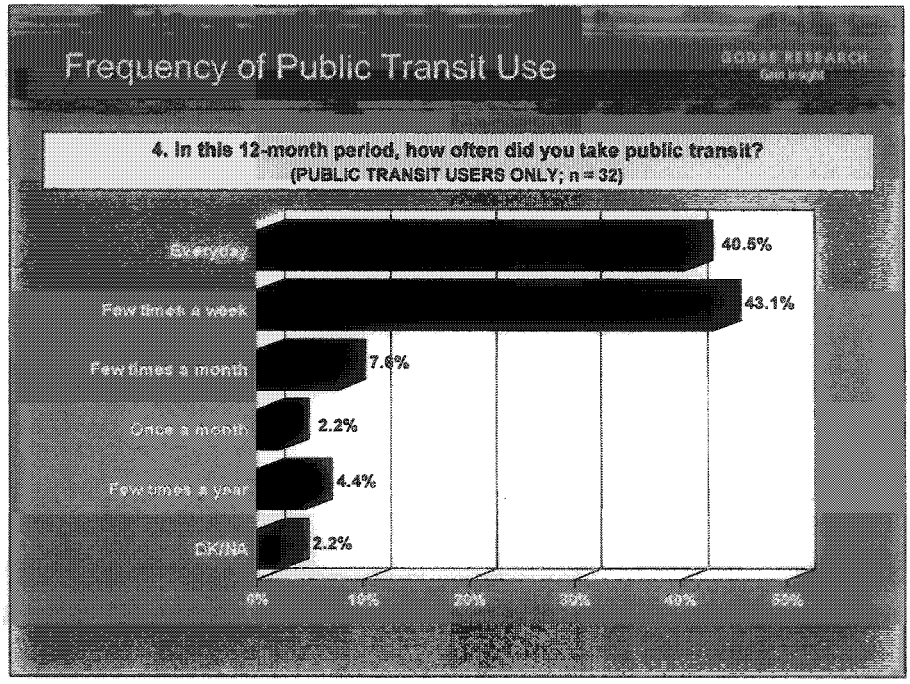


Of the potential riders who reported that they normally travel within California on the weekends (n = 520), approximately 41 percent prefer to travel in the morning, from 9 AM to 11 AM. Early morning, from 6 AM to 8 AM, and afternoon, from 12 PM to 2 PM, rounded out the top three preferred travel times with 18 percent and 21 percent of the respondents, respectively.

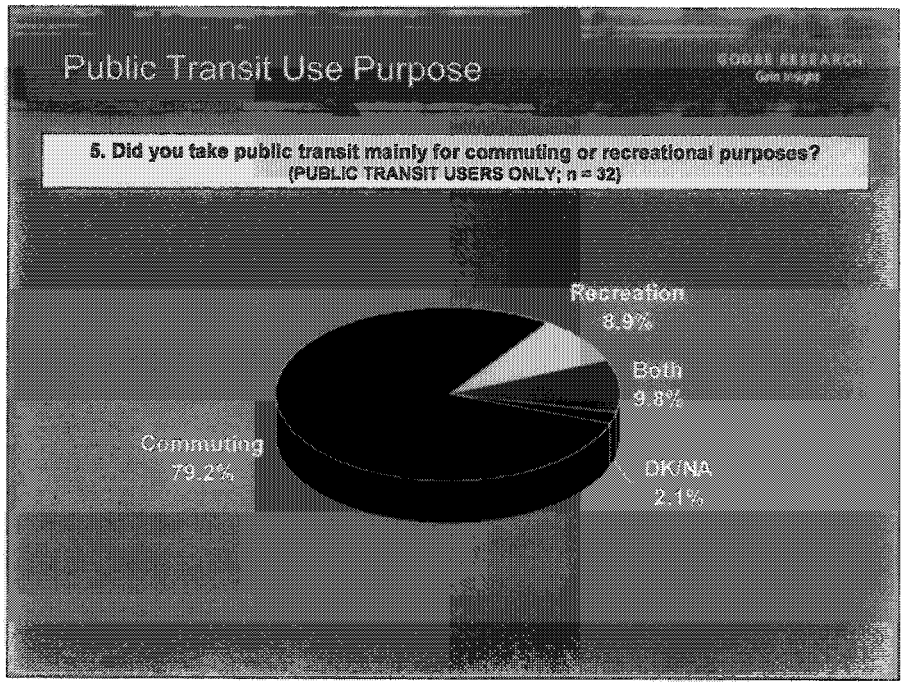
The responses to this question were used to categorize the respondents according to "Travel Time." The potential weekend riders who prefer to travel in the morning or earlier were classified as "AM," and the respondents who prefer to travel in the afternoon or later were classified as "PM." Segmentation analyses using this variable are presented in Appendix C.



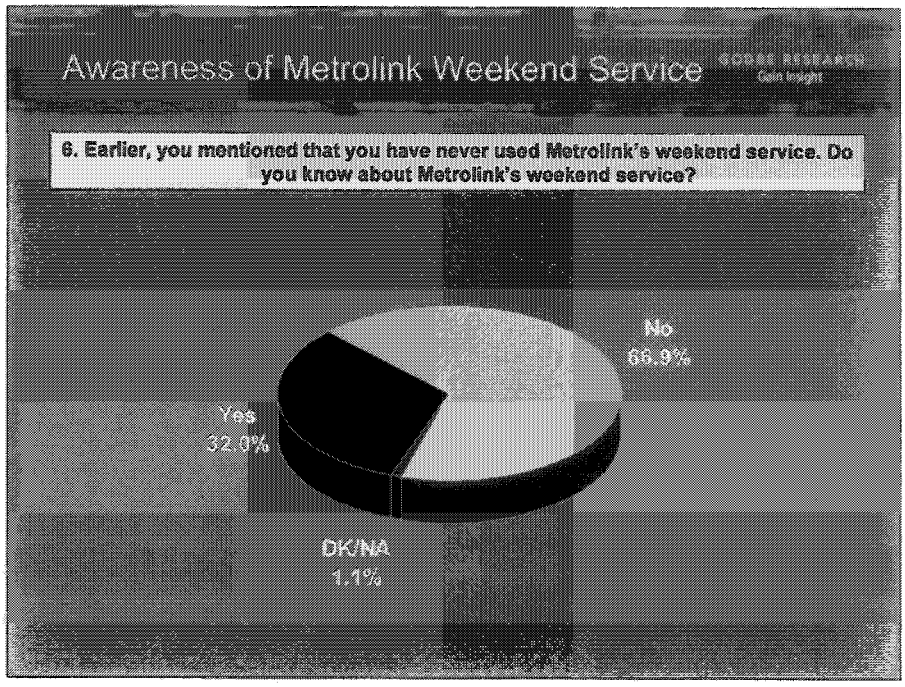
An overwhelming majority of the potential weekend riders (80%) drive alone to work, school, recreation, and other places they visit frequently. Approximately 12 percent carpool to these destinations, and 5 percent take the bus.



The respondents who reported typically using public transit in Question 3 (n = 32) were then asked the frequency of their public transit use. Approximately 43 percent of this small group replied that they take transit a few times a week, and 41 percent replied that they take it everyday.



Most of the public transit users identified in Question 3 (n = 32) take public transit for commuting purposes (79%). Approximately 9 percent reported that they take transit for recreation, and 10 percent take transit for both purposes. The remaining 2 percent either did not know or did not provide an answer to this question (DK/NA).



As shown above, 67 percent of the respondents mentioned "No," that they did not know about Metrolink's weekend service, whereas 32 percent reported "Yes," that they knew the service is available. These results suggest that increasing awareness of the weekend service may be a necessary first step toward increasing ridership.

The responses to this question were used to categorize the respondents according to "Aware of Weekend Service." Segmentation analyses using this variable are presented in full in Appendix C.

Awareness of Metrolink Weekend Service Differences in Demographic Groups

	Ethnicity			Household Income		
	Caucasian	Latino(a)/ Hispanic	Asian	$15,000 to $24,999	$25,000 to $49,999	$100,000 or higher
Yes	37.6%	21.8%	40.4%	17.7%	22.5%	42.4%
No	60.9%	77.2%	59.6%	82.3%	77.5%	57.1%
DK/NA	1.3%	0.9%	0.0%	0.0%	0.0%	0.5%

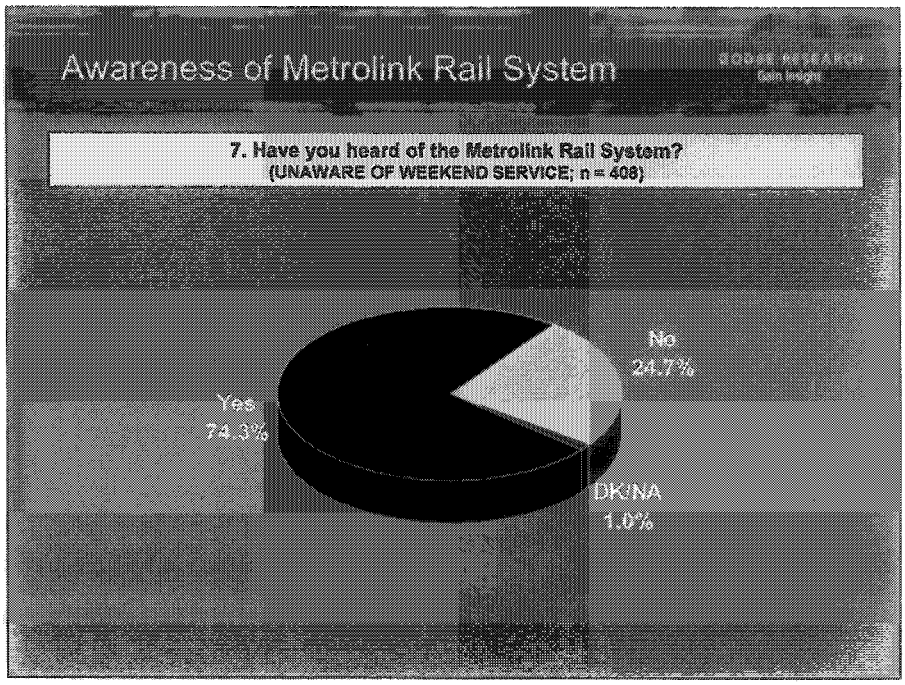
The discussion below highlights the significant differences that were observed between the demographic groups in their awareness of Metrolink's weekend service.

Ethnicity

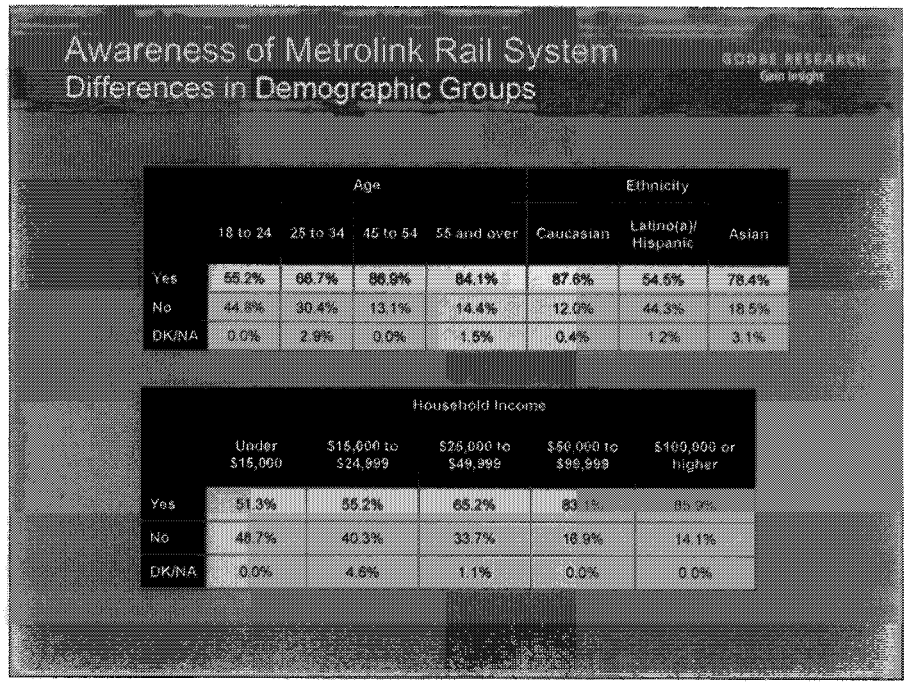
Significantly more of the Asian respondents, as well as the Caucasian respondents, knew about the service than the Latino(a) respondents. Conversely, significantly more of the Latino(a) respondents than the Asian or Caucasian respondents reported that they were not aware of the service.

Household Income

The respondents with higher household income were more aware of the service than those with lower income. Specifically, a significantly greater percent of the respondents with household income of $100,000 or higher were aware of the service than those with income from $15,000 to $49,999. In contrast, significantly more of the respondents with income from $15,000 to $49,999 did not know about the service than their counterparts with income of $100,000 or higher.



Among the respondents who did not know that Metrolink offers weekend service (n = 408), approximately three out of four had heard of the Metrolink Rail System (74%). In contrast, 25 percent reported that they had not heard of the system.



	Age				Ethnicity		
	18 to 24	25 to 34	45 to 54	55 and over	Caucasian	Latino(a)/ Hispanic	Asian
Yes	55.2%	66.7%	86.9%	84.1%	87.6%	54.5%	78.4%
No	44.8%	30.4%	13.1%	14.4%	12.0%	44.3%	18.5%
DK/NA	0.0%	2.9%	0.0%	1.5%	0.4%	1.2%	3.1%

	Household Income				
	Under $15,000	$15,000 to $24,999	$25,000 to $49,999	$50,000 to $99,999	$100,000 or higher
Yes	51.3%	55.2%	65.2%	83.1%	85.9%
No	48.7%	40.3%	33.7%	16.9%	14.1%
DK/NA	0.0%	4.6%	1.1%	0.0%	0.0%

The discussion below highlights the significant differences that were observed between the demographic groups in their awareness of the Metrolink Rail System.

Age

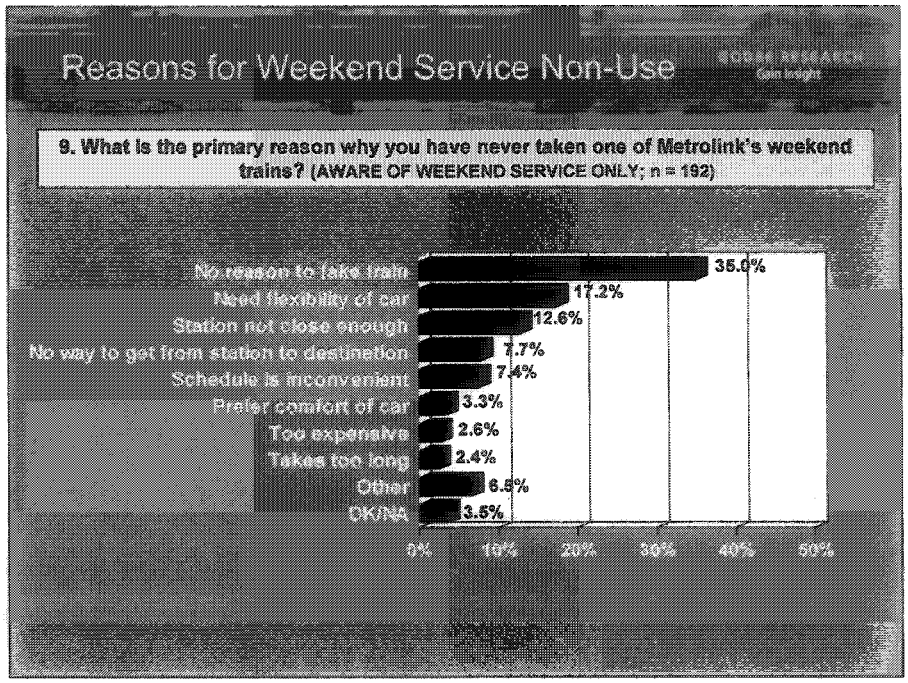
Significantly more of the respondents age 45 years and over had heard of the Metrolink Rail System than their counterparts age 18 to 34. Conversely, significantly more of the respondents age 18 to 24 years than those age 45 years and over had not heard of the system.

Ethnicity

Similar to the results on awareness of weekend service (Q6), a significantly greater percent of the Caucasian and the Asian respondents had heard of the system than the Latino(a) respondents. In contrast, significantly more of the Latino(a) respondents had not heard of the system.

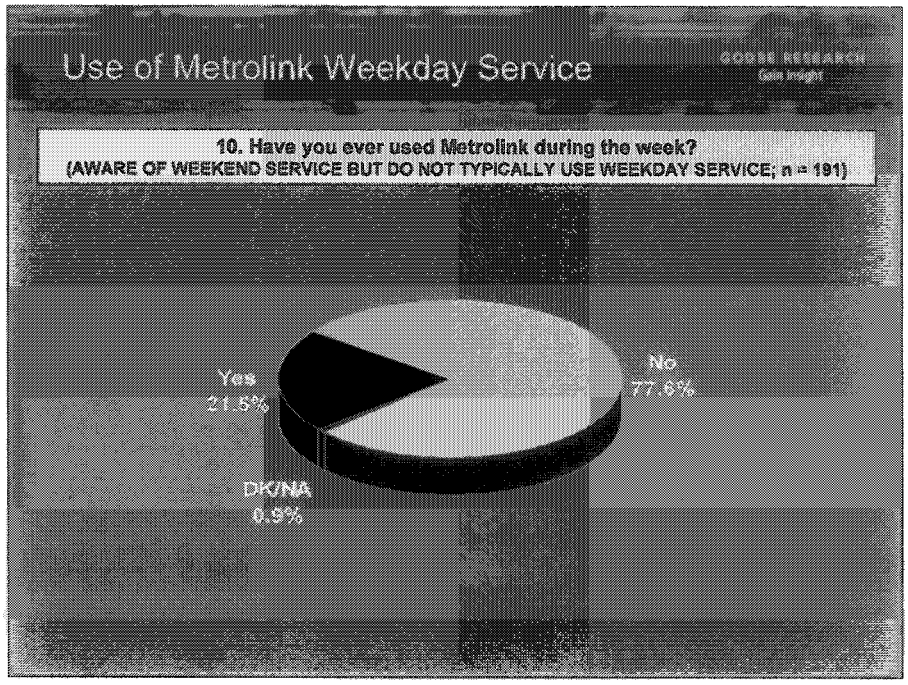
Household Income

Again, similar to the results on awareness of weekend service (Q6), the respondents with higher household income were more aware of the system than those with lower income. Specifically, the respondents with household income of $50,000 or higher were significantly more likely to have heard of the system than those with income under $25,000. Further, significantly more of the respondents with income of $100,000 or higher had hear of the system than those with income from $25,000 to 49,999. Conversely, a significantly greater percent of the respondents with income under $50,000 had not heard of the system than those with income of $100,000 or higher. Finally, the respondents with income under $25,000 were significantly more likely to report that they had not heard of the system than the respondents with income from $50,000 to $99,999.



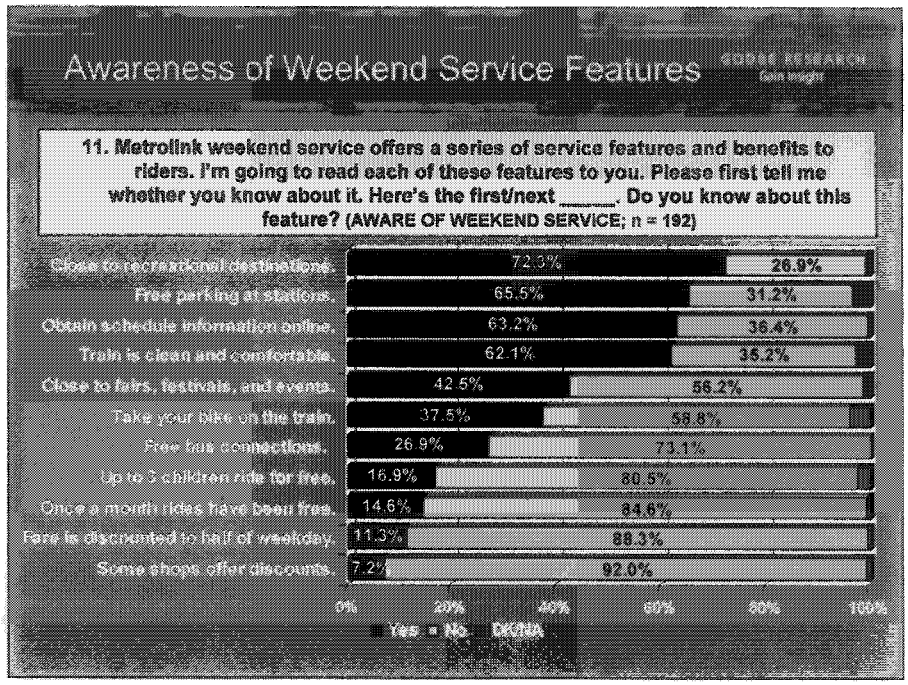
The respondents who were aware of Metrolink's weekend service (see Q6 results; n = 192), then were asked why they have never used the service.* Approximately 35 percent of the respondents mentioned that they have no reason to take a weekend train. Rounding out the top three responses were "Need flexibility of car" (17%) and "Station not close enough" (13%). Of additional interest, there were no significant differences between key demographic or behavioral groups in the responses to this question.

*Please note: only the response categories greater than 1 percent are shown in the above chart. For the full results, see the Topline Report in Appendix B.



The survey identified 191 respondents who were aware of Metrolink's weekend service but did not typically use weekday service (see results of Q3 and Q6). Of these respondents, 78 percent reported "No," that they had never used Metrolink service during the week. Approximately 22 percent reported "Yes," that they had used the weekday service.

The responses to this question were used to categorize the respondents according to "Weekday Riders." Segmentation analyses using this variable are presented in full in Appendix C.



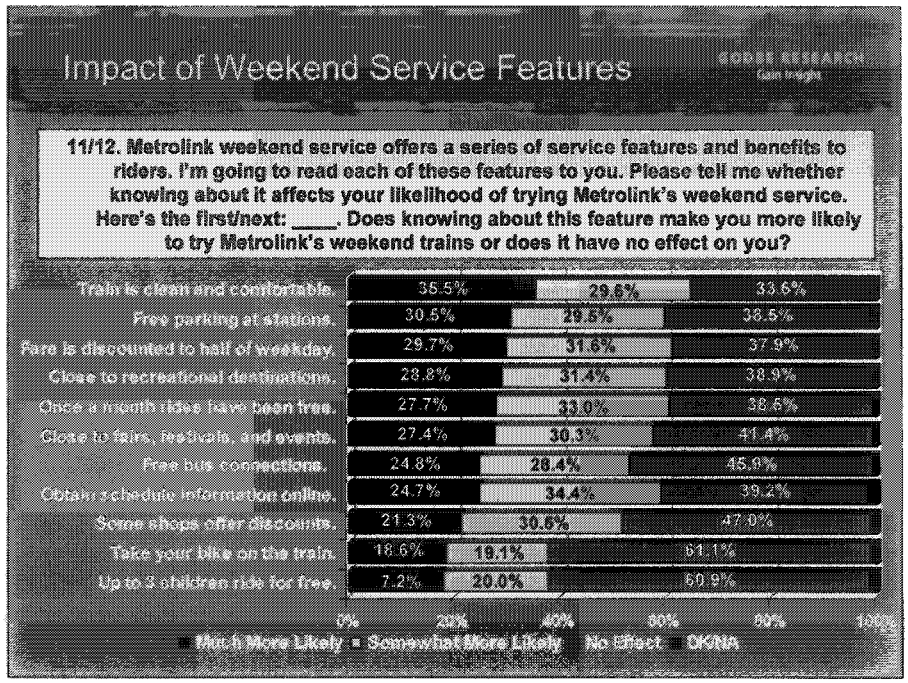
The respondents who were aware of Metrolink's weekend service (see Q6 results; n = 192), were presented with a list of 11 specific features* of weekend service and asked if they knew about each feature. The respondents were most aware of the following four features:

- "Metrolink stations are very close to recreational destinations, such as the beach, Disneyland, Oceanside, and Downtown L.A." (72% knew about this feature);
- "There is plenty of free and convenient parking at Metrolink stations." (66% knew about this feature);
- "You can obtain schedule information online." (63% knew about this feature);
- "The train you ride on is clean and comfortable." (62% knew about this feature).

In contrast to the above features, 80 percent or more of the respondents were not aware of the following four features:

- "Some shops and restaurants around Metrolink stations offer discounts to weekend riders." (92% did not know about this feature);
- "Weekend fare is currently discounted to half of the regular weekday fare." (88% did not know about this feature);
- "Once a month, there was a weekend free ride promotion." (85% did not know about this feature);
- "Up to 3 children ages 6 or under ride for free." (81% did not know about this feature).

*Please note: the above chart does not contain the exact language used in the questionnaire, see Appendix D for the precise wording of the service features tested.



Respondents were asked whether knowing about each of the 11 service features influenced the likelihood that they would try Metrolink's weekend trains.*

The most effective feature was the following:

- "The train you ride on is clean and comfortable." Approximately 65 percent of the respondents were at least somewhat more likely to try weekend trains after hearing this feature. More specifically, 36 percent of the respondents reported "Much more likely" and 30 percent reported "Somewhat more likely."

Overall, the tested features were quite effective in increasing the likelihood of service use, as 9 features influenced 50 percent or more of the respondents to be at least somewhat more likely to try weekend trains. Only the following two features tested significantly below this level:

- "Up to 3 children ages 6 or under ride for free." Approximately 61 percent of the respondents reported that this feature had no effect on the likelihood that they would try the service.
- "You can take your bike on the train." Approximately 61 percent of the respondents reported that this feature had no effect on the likelihood that they would try the service.

*Please note: The above chart shows the results of all 600 respondents, the overall results for Questions 11b and 12; for individual results for these questions, please see the Topline Report in Appendix B. Also, the above chart does not contain the exact language used in the questionnaire, please see Appendix D for the precise wording of the service features tested.

Impact of Weekend Service Features
Differences in Demographic and Behavioral Groups

	Aware of Weekend Service		Weekday Riders		Age				
	Yes	No	Yes	No	18 to 24	25 to 34	35 to 44	45 to 54	55 and over
The train you ride on is clean and comfortable	0.7	1.2	0.9	0.7	1.2	1.1	1.0	1.0	0.9
There is plenty of free and convenient parking at Metrolink stations	0.6	1.1	0.9	0.6	1.0	1.0	1.0	1.0	0.6
Weekend fare is currently discounted to half of the regular weekday fare	0.7	1.0	1.1	0.6	1.0	1.1	1.0	0.7	0.6
Metrolink stations are very close to recreational destinations, such as the beach, Disneyland, Oceanside, and Downtown L.A.	0.6	1.0	0.7	0.6	1.1	1.0	1.0	0.9	0.6

The discussion below highlights the significant differences that were observed between demographic and behavioral groups in their likelihood ratings of the top four service features. For the purpose of these subgroup comparisons, responses to this series of questions were coded such that mean scores could be calculated where "Much more likely" = 2.0, "Somewhat more likely" = 1.0, and "No effect" = 0.0. The respondents who reported "DK/NA" were eliminated from these analyses. To assist in the interpretation of these mean scores, a score of 1.0 would indicate that the feature made the respondents, on average, somewhat more likely to try weekend service.

Aware of Weekend Service

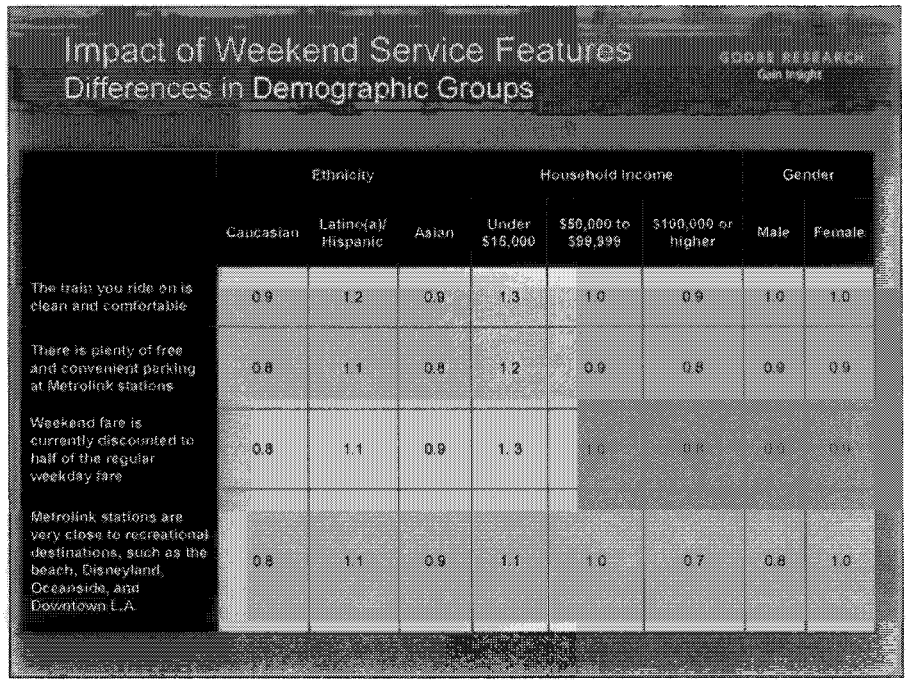
The respondents who had not heard of Metrolink's weekend service were significantly more likely to try the service after hearing each of the above four features than their counterparts who knew about Metrolink's weekend service.

Weekday Riders

Compared to the respondents who are not weekday riders, the weekday riders were significantly more likely to try weekend service after hearing the following two features: "There is plenty of free and convenient parking at Metrolink stations" and "Weekend fare is currently discounted to half of the regular weekday fare."

Age

The respondents age 25 to 34 years were significantly more likely to try weekend service than those age 55 years and over after hearing that weekend fare is discounted. Additionally, the respondents age 18 to 54 years were significantly more likely to try the service than those age 55 years and over after hearing the feature, "Metrolink stations are very close to recreational destinations, such as the beach, Disneyland, Oceanside, and Downtown L.A."



	Ethnicity			Household Income			Gender	
	Caucasian	Latino(a)/ Hispanic	Asian	Under $15,000	$50,000 to $99,999	$100,000 or higher	Male	Female
The train you ride on is clean and comfortable	0.9	1.2	0.9	1.3	1.0	0.9	1.0	1.0
There is plenty of free and convenient parking at Metrolink stations	0.8	1.1	0.8	1.2	0.9	0.8	0.9	0.9
Weekend fare is currently discounted to half of the regular weekday fare	0.8	1.1	0.9	1.3	1.0	0.8	0.9	0.9
Metrolink stations are very close to recreational destinations, such as the beach, Disneyland, Oceanside, and Downtown L.A.	0.8	1.1	0.9	1.1	1.0	0.7	0.8	1.0

The discussion below continues to highlight the significant differences that were observed between demographic groups in their likelihood ratings of the top four service features. Here as well, responses were coded such that mean scores could be calculated where "Much more likely" = 2.0, "Somewhat more likely" = 1.0, and "No effect" = 0.0.

Ethnicity

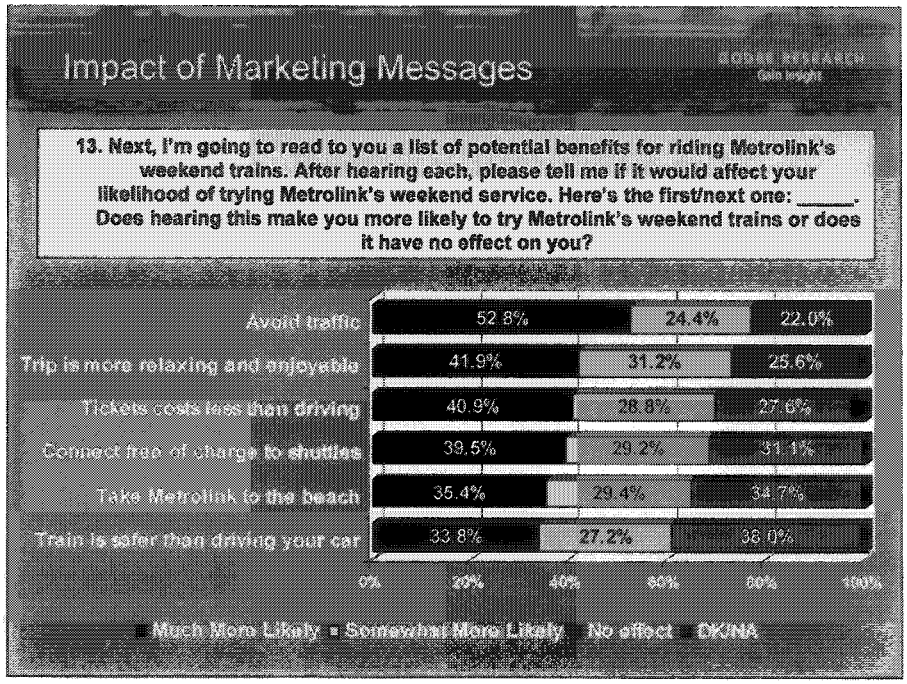
After hearing each of the above four features, the Latino(a) respondents were significantly more likely to try weekend trains than the Caucasian respondents. Additionally, the Latino(a) respondents were significantly more likely to try weekend service than the Asian respondents after hearing the feature, "There is plenty of free and convenient parking at Metrolink stations."

Household Income

The respondents with income under $15,000 and from $50,000 to $99,999 were significantly more likely to try weekend trains, compared to their counterparts with income of $100,000 or higher, after hearing the feature, "Metrolink stations are very close to recreational destinations, such as the beach, Disneyland, Oceanside, and Downtown L.A."

Gender

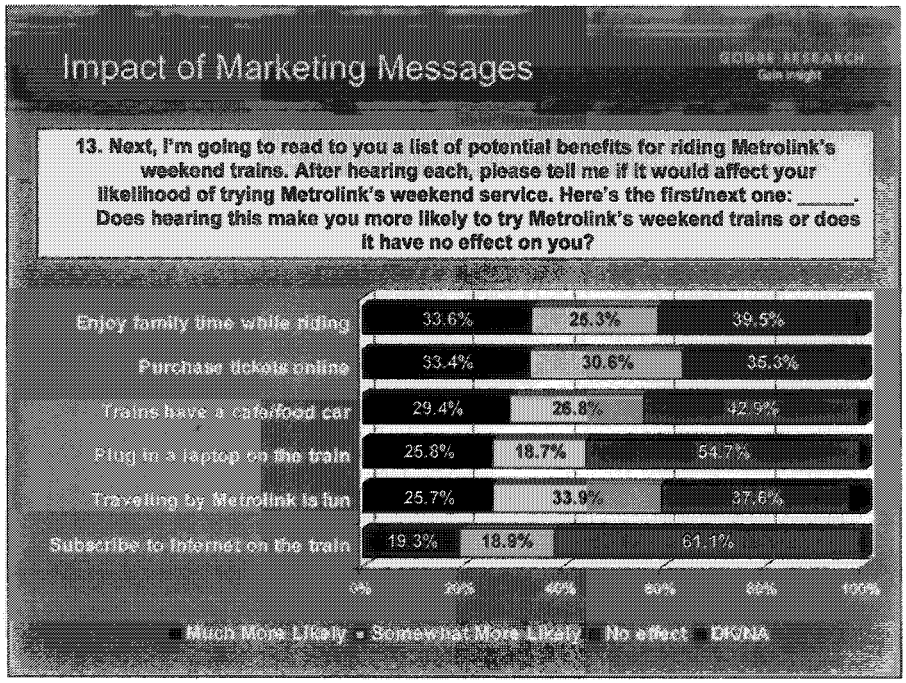
The women were significantly more likely to try weekend trains than the men after hearing that Metrolink stations are close to recreational destinations.



The respondents were read a list of 12 potential benefits for riding Metrolink's weekend trains, and asked whether each made them more likely to try the service. Shown in the chart above are the six benefits which received the highest likelihood ratings. To facilitate the presentation of the results, the responses to this series of questions are continued on the following page.

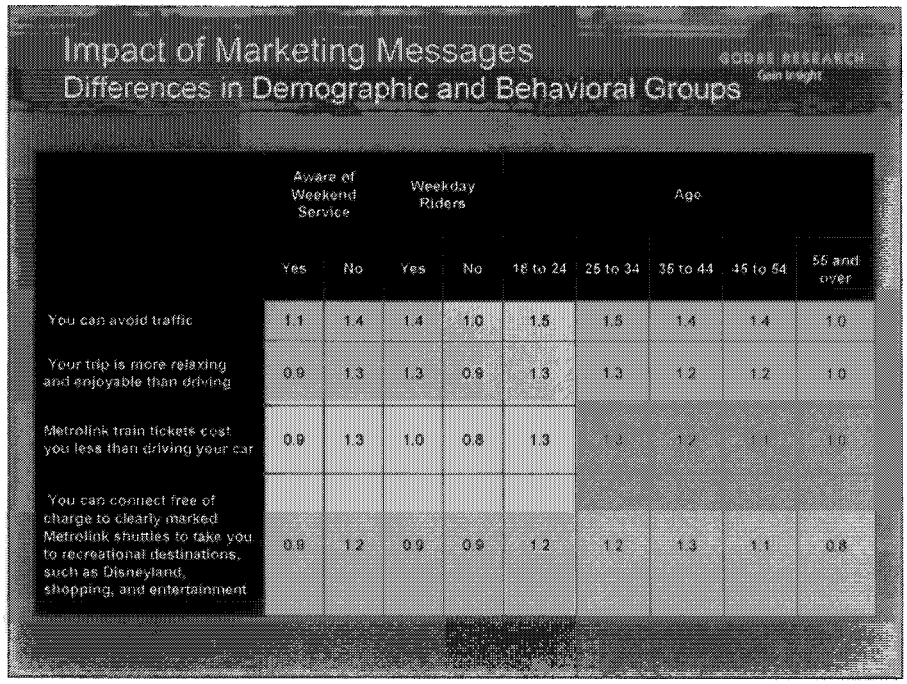
The highest rated benefit was, "You can avoid traffic," and 77 percent of the respondents reported that this benefit made them at least somewhat more likely to try the service. More specifically, 53 percent of the respondents reported "Much more likely," 24 percent reported "Somewhat more likely," 22 percent reported "No effect," and the remaining 1 percent replied "DK/NA."

*Please note: the above chart does not contain the exact language used in the questionnaire, see Appendix D for the precise wording of the service features tested.



Here is a continuation of the responses to Question 13, shown in the current chart are the benefits which were relatively less influential on respondents' likelihood of trying Metrolink's weekend service. The benefit with the relatively lowest influence was "You can subscribe to low-cost Internet access while on the train." Approximately 61 percent of the respondents mentioned that this benefit would have no effect on the likelihood that they would try the service.

*Please note: the above chart does not contain the exact language used in the questionnaire, see Appendix D for the precise wording of the marketing messages tested.



	Aware of Weekend Service		Weekday Riders		Age				
	Yes	No	Yes	No	18 to 24	25 to 34	35 to 44	45 to 54	55 and over
You can avoid traffic	1.1	1.4	1.4	1.0	1.5	1.5	1.4	1.4	1.0
Your trip is more relaxing and enjoyable than driving	0.9	1.3	1.3	0.9	1.3	1.3	1.2	1.2	1.0
Metrolink train tickets cost you less than driving your car	0.9	1.3	1.0	0.8	1.3	1.2	1.2	1.1	1.0
You can connect free of charge to clearly marked Metrolink shuttles to take you to recreational destinations, such as Disneyland, shopping, and entertainment	0.9	1.2	0.9	0.9	1.2	1.2	1.3	1.1	0.8

The discussion below highlights the significant differences that were observed between the demographic and behavioral groups in their likelihood ratings of the top four service benefits. For the purpose of these subgroup comparisons, responses to this series of questions were coded such that mean scores could be calculated where "Much more likely" = 2.0, "Somewhat more likely" = 1.0, and "No effect" = 0.0. The respondents who reported "DK/NA" were eliminated from these analyses. To assist in the interpretation of these mean scores, a score of 1.0 would indicate that the benefit made the respondents, on average, somewhat more likely to try weekend service.

Aware of Weekend Service

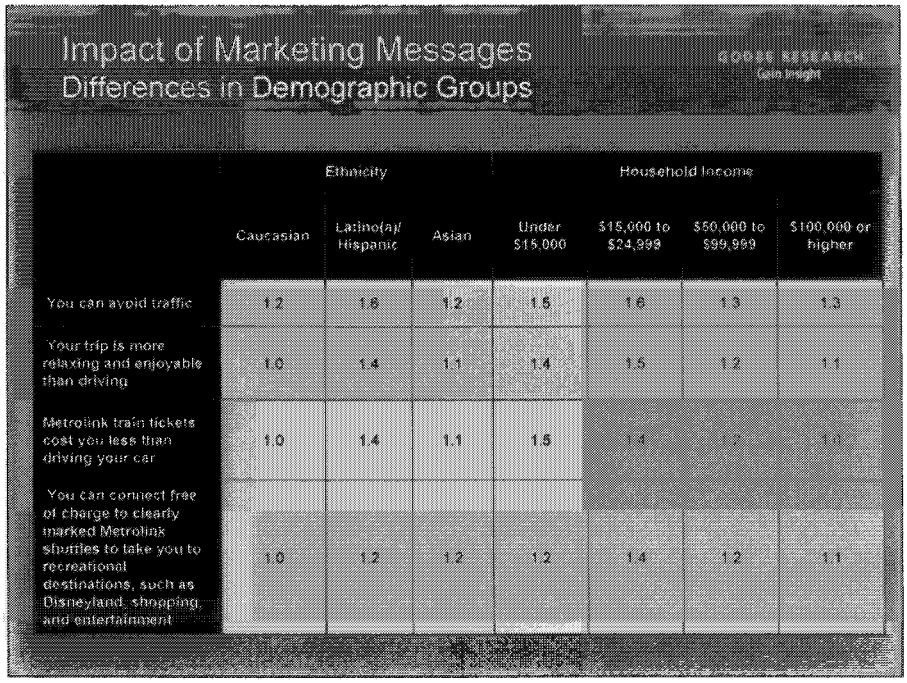
The respondents who had not heard of Metrolink's weekend service were significantly more likely to try the service after hearing each of the above four benefits than their counterparts who knew about Metrolink's weekend service. These results are similar to those for Question 11/12, which suggests that information on the features and benefits of Metrolink's weekend service may be most effective among the potential riders who are unaware of the service.

Weekday Riders

Compared to the respondents who are not weekday riders, the weekday riders were significantly more likely to try weekend service after hearing the following two features: "You can avoid traffic" and "Your trip is more relaxing and enjoyable than driving."

Age

The respondents age 18 to 54 years were significantly more likely to try the service, compared to their counterparts age 55 years and over, after hearing the following two benefits: "You can avoid traffic" and "You can connect free of charge to clearly marked Metrolink shuttles to take you to recreational destinations, such as Disneyland, shopping, and entertainment." Further, the respondents age 18 to 34 years were significantly more likely to try the service after hearing, "Your trip is more relaxing and enjoyable than driving," than their counterparts age 55 years and over.



	Ethnicity			Household Income			
	Caucasian	Latino(a)/ Hispanic	Asian	Under $15,000	$15,000 to $24,999	$50,000 to $99,999	$100,000 or higher
You can avoid traffic	1.2	1.6	1.2	1.5	1.6	1.3	1.3
Your trip is more relaxing and enjoyable than driving	1.0	1.4	1.1	1.4	1.5	1.2	1.1
Metrolink train tickets cost you less than driving your car	1.0	1.4	1.1	1.5	1.4	1.2	1.0
You can connect free of charge to clearly marked Metrolink shuttles to take you to recreational destinations, such as Disneyland, shopping and entertainment	1.0	1.2	1.2	1.2	1.4	1.2	1.1

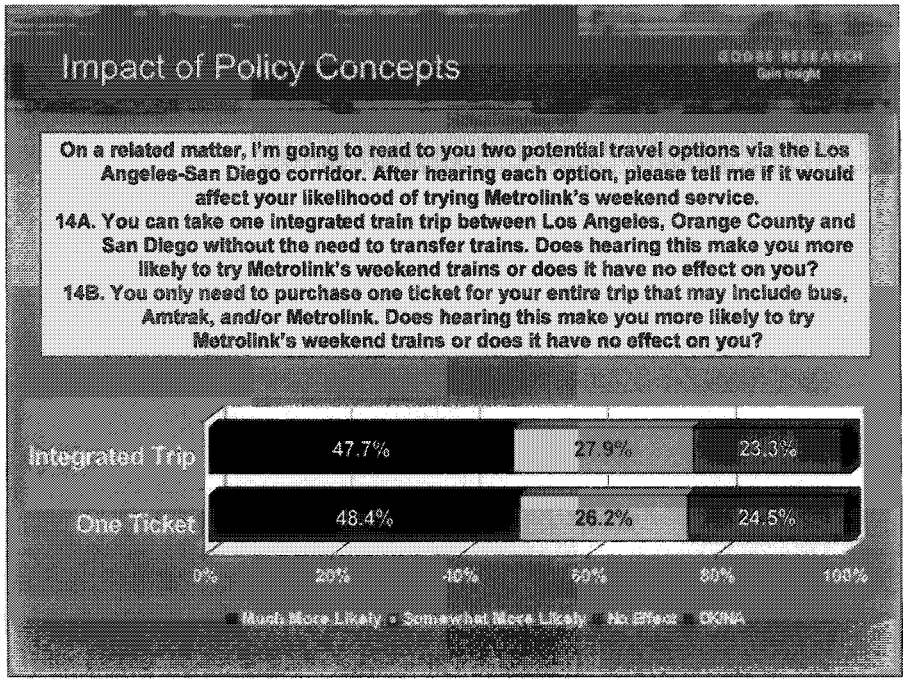
The discussion below continues to highlight the significant differences that were observed between the demographic groups in their likelihood ratings of the top four service benefits. Here as well, responses were coded such that mean scores could be calculated where "Much more likely" = 2.0, "Somewhat more likely" = 1.0, and "No effect" = 0.0.

Ethnicity

The Latino(a) respondents were significantly more likely to try the service than the Caucasian respondents after hearing each of the above four benefits. Additionally, the Latino(a) respondents were significantly more likely to try weekend service than the Asian respondents after hearing the two following benefits: "You can avoid traffic" and "Your trip is more relaxing and enjoyable than driving."

Household Income

Two of the above benefits were more effective among the lower income potential riders. Specifically, the respondents with income from $15,000 to $24,999 were significantly more likely to try the service than their counterparts with income of $50,000 or higher after hearing the benefit, "Your trip is more relaxing and enjoyable than driving." Further, the respondents with income under $25,000 were significantly more likely to try the service than the respondents with income of $100,000 or higher after hearing that "Metrolink train tickets cost you less than driving your car."



Two questions were used to assess the impact of potential policy changes among potential weekend riders. As shown above, implementing an integrated trip between Los Angeles, Orange County and San Diego influenced 76 percent of the respondents to be at least somewhat more likely to try Metrolink's weekend trains. More specifically, 48 percent of the respondents reported that this policy change would make them "Much more likely" to try weekend trains, 28 percent reported that it would make them "Somewhat more likely," 23 percent reported that it would have "No effect," and the remaining 1 percent either did not know or did not provide an answer to the question (DK/NA).

Similar to the results above, implementing a single ticket for an entire weekend trip influenced 75 percent of the respondents to be at least somewhat more likely to use Metrolink's weekend trains. More specifically, 48 percent of the respondents reported that this policy change would make them "Much more likely" to use weekend trains, 26 percent reported that it would make them "Somewhat more likely," and 25 percent reported that it would have "No effect." The remaining 1 percent either did not know or did not provide an answer to the question (DK/NA).

Impact of Potential Integrated Trip
Differences in Demographic and Behavioral Groups

		Aware of Weekend Service		Ethnicity		
		Yes	No	Caucasian	Latino(a)/ Hispanic	Asian
14A. You can take one integrated train trip between Los Angeles, Orange County and San Diego without the need to transfer trains	Much More Likely	41.6%	50.2%	38.0%	62.7%	41.2%
	Somewhat More Likely	29.3%	27.5%	32.2%	22.8%	31.2%
	No effect	27.8%	21.1%	[illegible]	[illegible]	[illegible]
	DK/NA	1.3%	1.1%	[illegible]	[illegible]	[illegible]

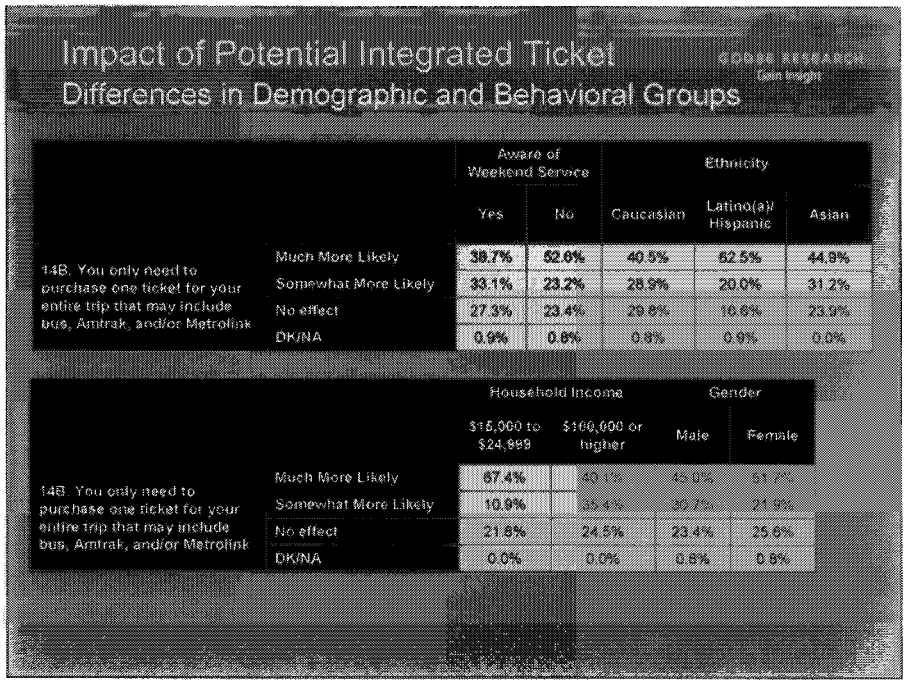
The discussion below highlights the significant differences that were observed between the demographic and behavioral groups in their responses to the policy change of an integrated train trip between Los Angeles, Orange County and San Diego.

Aware of Weekend Service

Significantly more of the respondents who were not aware of the weekend service, versus those who were aware, reported that the integrated train trip would make them "Much more likely" to try the weekend service.

Ethnicity

A significantly greater percent of the Latino(a) respondents reported that they would be "Much more likely" to try the weekend service if there was an integrated train trip, compared to the Caucasian and the Asian respondents. Additionally, significantly more of the Caucasian respondents than the Latino(a) respondents reported that this policy change would have "No effect" on their likelihood of trying the weekend service.



		Aware of Weekend Service		Ethnicity		
		Yes	No	Caucasian	Latino(a)/ Hispanic	Asian
14B. You only need to purchase one ticket for your entire trip that may include bus, Amtrak, and/or Metrolink	Much More Likely	39.7%	52.6%	40.5%	62.5%	44.9%
	Somewhat More Likely	33.1%	23.2%	28.9%	20.0%	31.2%
	No effect	27.3%	23.4%	29.6%	16.6%	23.9%
	DK/NA	0.9%	0.8%	0.8%	0.9%	0.0%

		Household Income		Gender	
		$15,000 to $24,999	$100,000 or higher	Male	Female
14B. You only need to purchase one ticket for your entire trip that may include bus, Amtrak, and/or Metrolink	Much More Likely	67.4%	40.1%	45.0%	51.7%
	Somewhat More Likely	10.9%	35.4%	29.7%	21.9%
	No effect	21.8%	24.5%	23.4%	25.6%
	DK/NA	0.0%	0.0%	0.8%	0.8%

The discussion below highlights the significant differences that were observed between the demographic and behavioral groups in their responses to the policy change of a single ticket for an entire trip that may include bus, Amtrak, and/or Metrolink.

Aware of Weekend Service

Significantly more of the respondents who were not aware of the weekend service, compared to those who were aware of the service, reported that they would be much more likely to try the weekend service if there was a single ticket.

Ethnicity

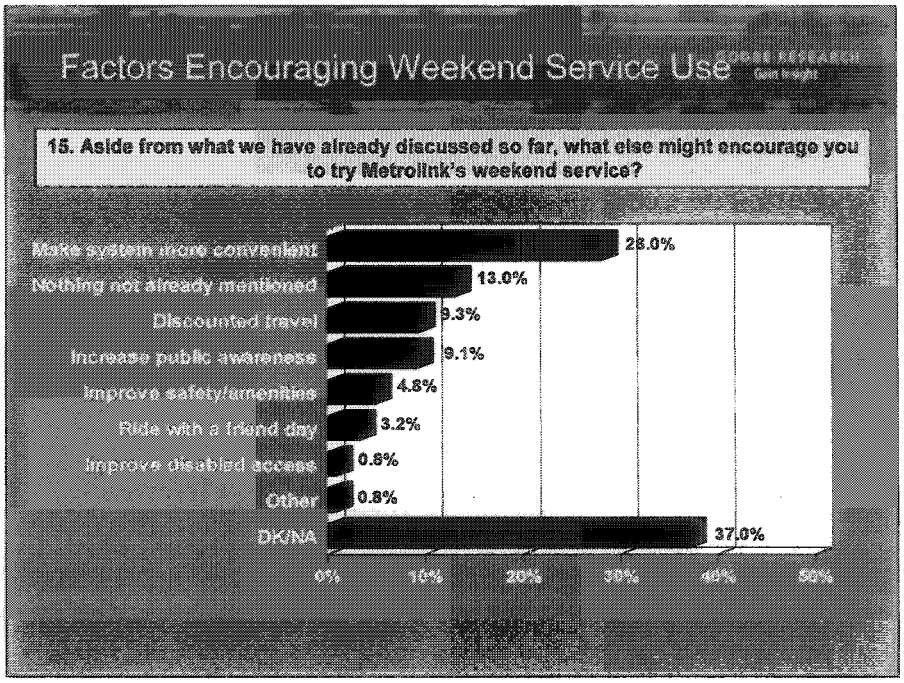
Significantly more of the Latino(a) respondents reported "Much More Likely" than the Caucasian and the Asian respondents. Conversely, significantly more of the Caucasian respondents than the Latino(a) respondents reported "No effect."

Household Income

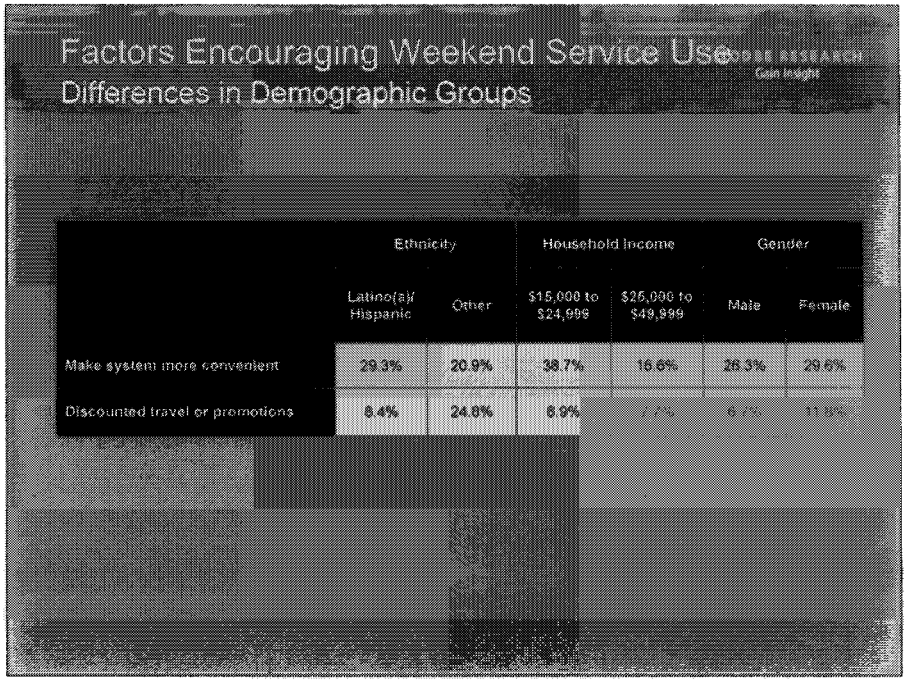
Significantly more of the respondents with income from $15,000 to $24,999 reported "Much More Likely" than their counterparts with income of $100,000 or higher. In contrast, significantly more of the respondents with income of $100,000 or higher reported "Somewhat More Likely" than those with income from $15,000 to $24,999.

Gender

Significantly more of the men than the women reported "Somewhat More Likely."



When asked for additional factors that might encourage them to try Metrolink's weekend service, 28 percent of the potential weekend riders surveyed mentioned "Make system more convenient" and 13 percent mentioned "Nothing not already mentioned." In a third tier were "Discounted travel or promotions" and "Increase public awareness of system," both at 9 percent. Of additional interest, 37 percent of the respondents either did not know or did not provide an answer to the question (DK/NA).



	Ethnicity		Household Income		Gender	
	Latino(a)/ Hispanic	Other	$15,000 to $24,999	$25,000 to $49,999	Male	Female
Make system more convenient	29.3%	20.9%	38.7%	16.6%	26.3%	29.6%
Discounted travel or promotions	8.4%	24.6%	6.9%	[illegible]	[illegible]	[illegible]

The discussion below highlights the significant differences that were observed between the demographic groups in two of the top four factors that would encourage weekend service use.

Ethnicity

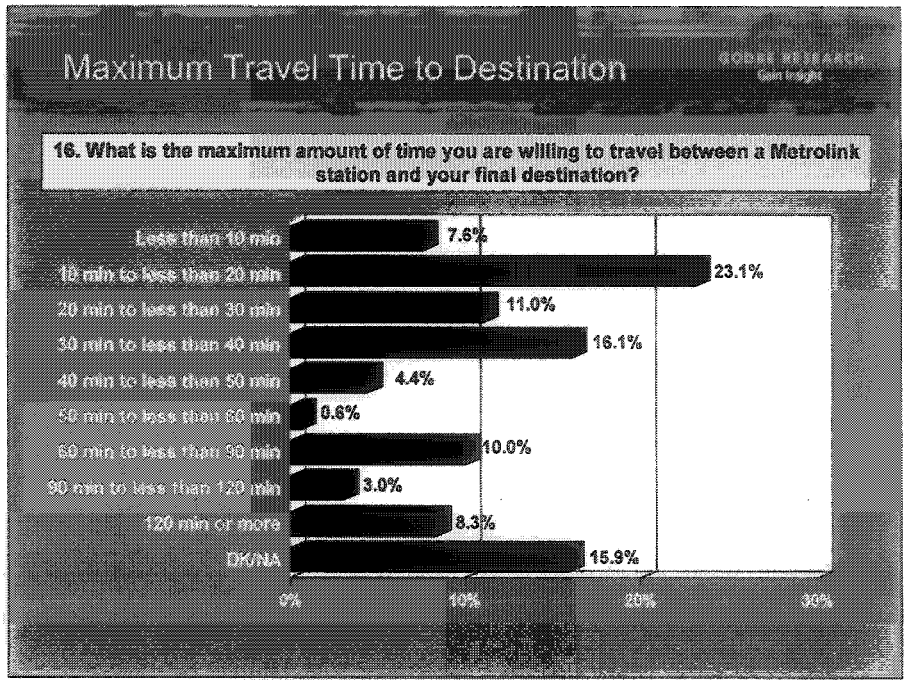
A significantly greater percentage of the respondents belonging to other ethnic groups mentioned "Discounted travel or promotions" than the Latino(a) respondents.

Household Income

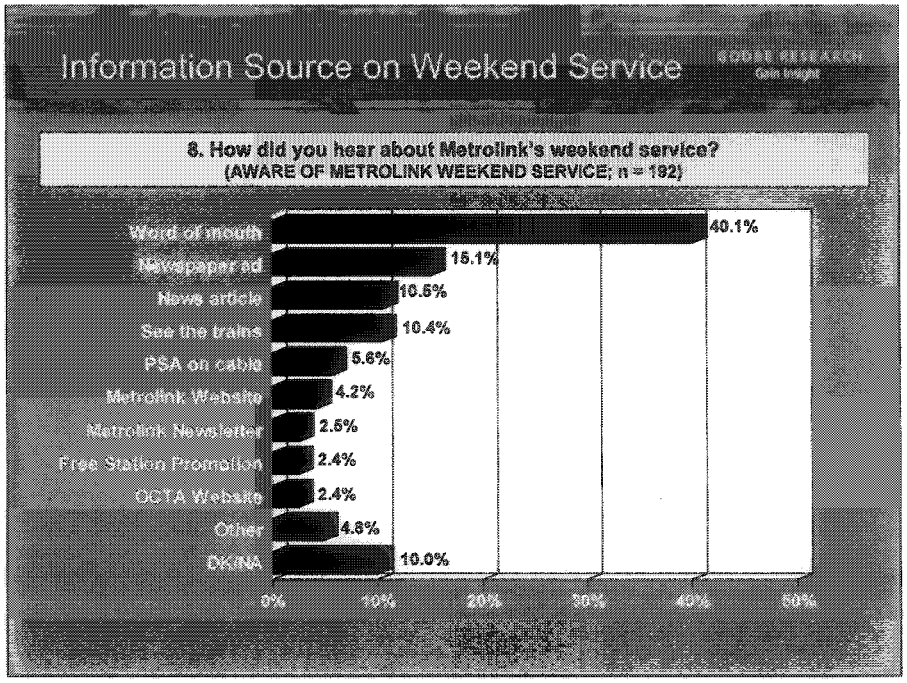
Significantly more of the respondents with income from $15,000 to $24,999 than the respondents with income from $25,000 to $49,999 mentioned "Make system more convenient."

Gender

Significantly more of the women than the men mentioned "Discounted travel or promotions."

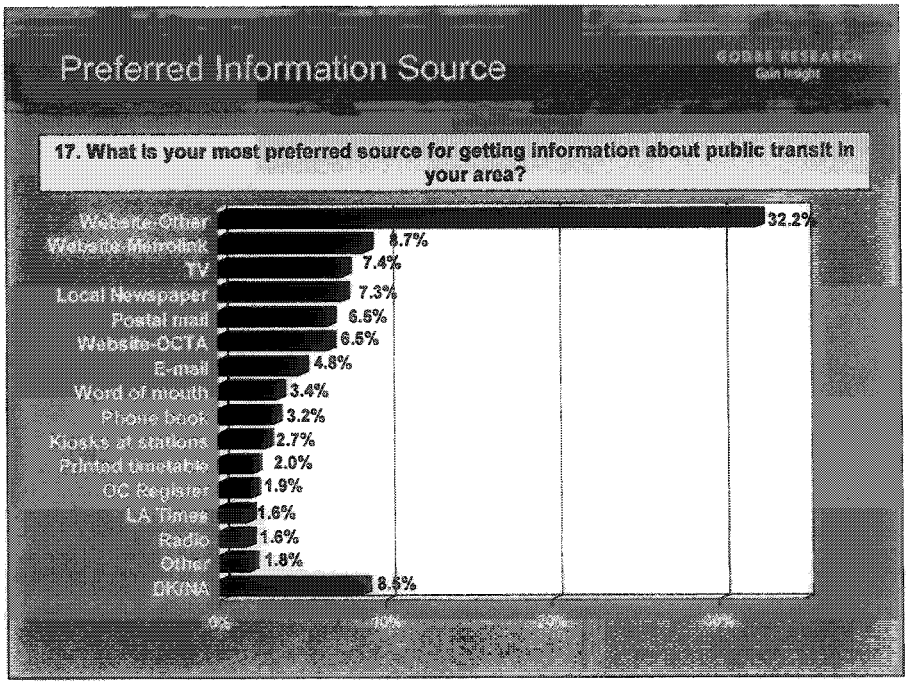


Approximately 21 percent of the weekend riders surveyed indicated that they would be willing to travel 60 minutes or more between a Metrolink station and their final destination. In comparison, 21 percent reported that they would travel from 30 minutes to less than 60 minutes, and 42 percent indicated that they only would be willing to travel less than 30 minutes. The remaining 16 percent either did not know or did not provide an answer to the question (DK/NA).

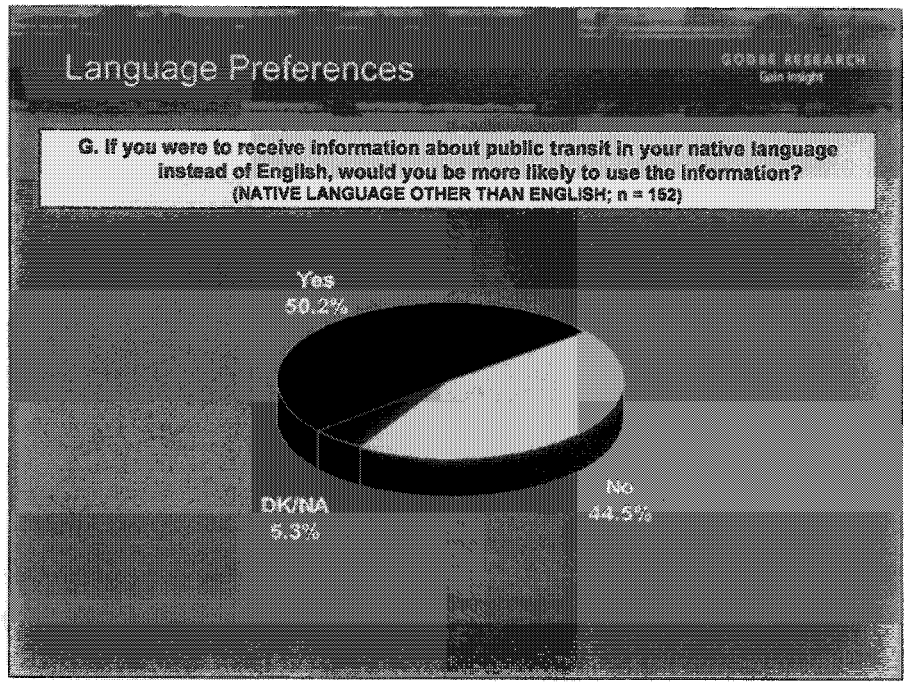


Among the respondents who were aware of Metrolink's weekend service (see Q6 results; n = 192), 40 percent reported that they heard about the service through word of mouth. Approximately 15 percent of the respondents heard about the service in a newspaper ad. In the third tier of responses were "News article" (11%) and "See the trains" (10%).*

*Please note: only the response categories greater than 1 percent are shown in the above chart. For the full results, see the Topline Report in Appendix B.

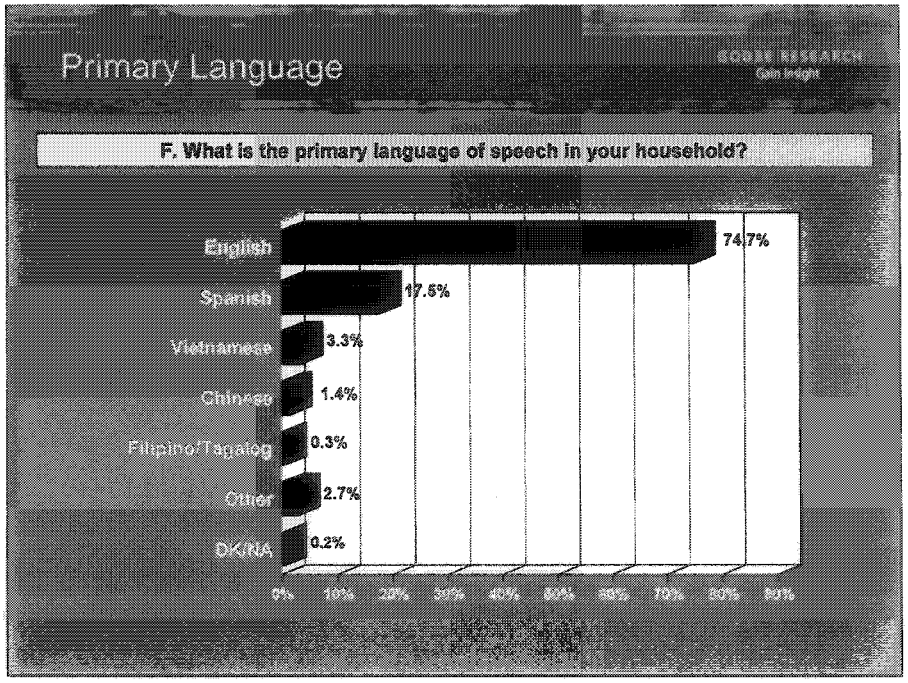


When asked to report their most preferred source for getting information about public transit in their area, the respondents most frequently mentioned "Website – Other" (32%), followed by "Website – Metrolink" (9%). Rounding out the top four responses were "TV" and "Local Newspaper," both with approximately 7 percent of the responses.

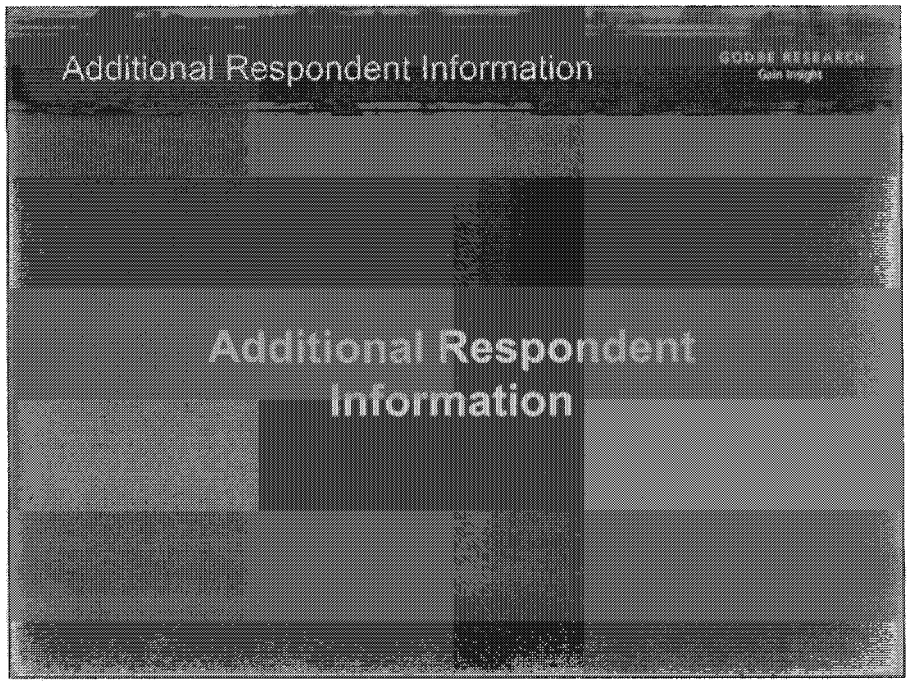


Of the respondents whose native language is one other than English (see QF in the "Additional Respondent Information" section; n = 152), approximately 50 percent reported that they would be more likely to use information on public transit that was in their native language. In contrast, 45 percent of the respondents reported that receiving information in their native language would not effect their use of the information.

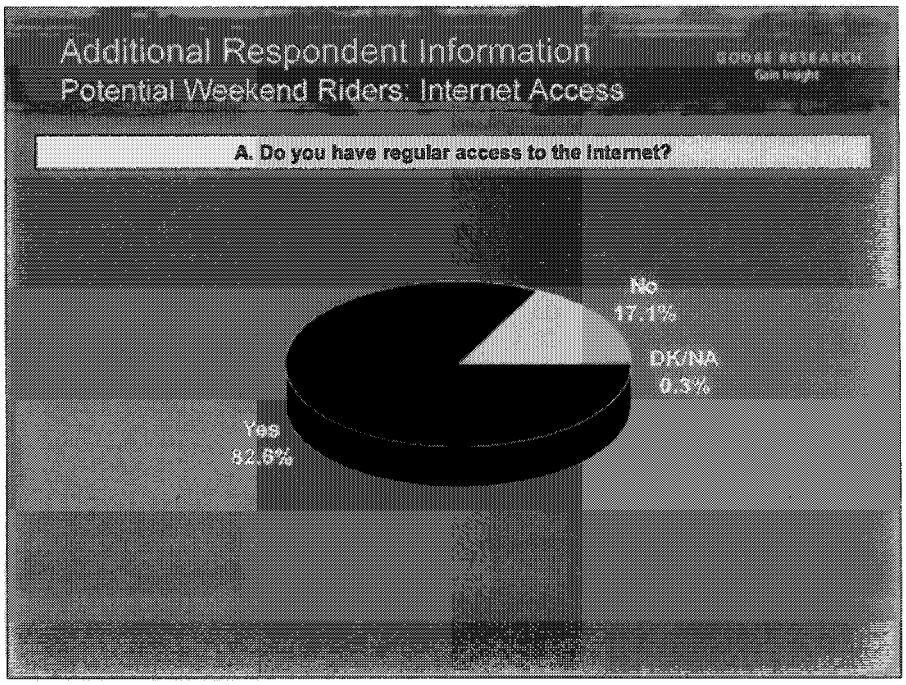
As can be seen in the chart on the following page, almost 70 percent of the respondents who would more likely pay attention to information in their native language reported Spanish as the primary language spoken in their household (17.5% of 600 = 69.1% of 152).

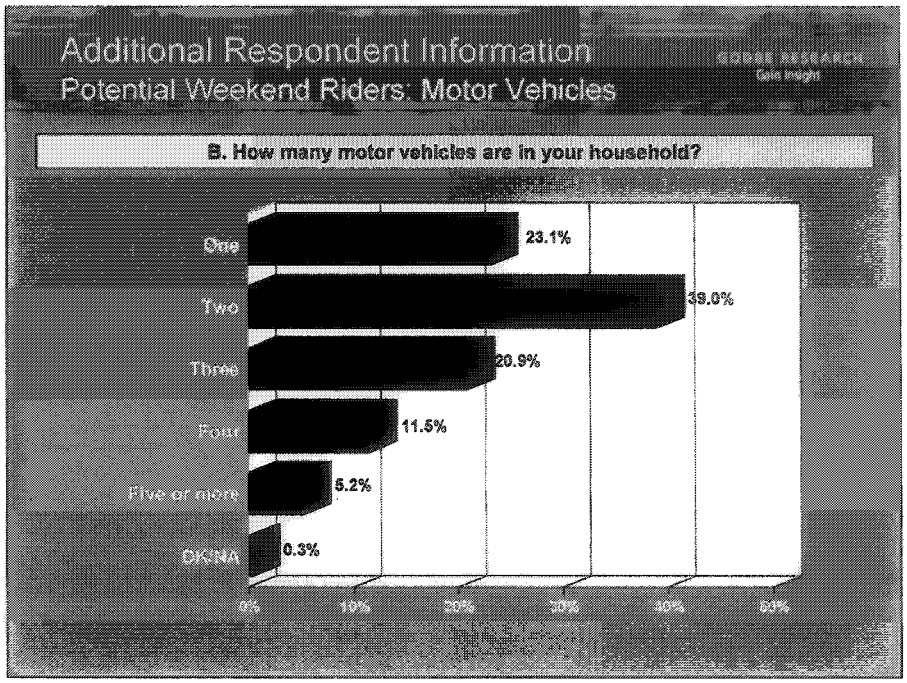


The chart above shows the breakdown of primary languages spoken in the households of the respondents to this survey.



The following pages present additional behavioral and demographic information on the weekend rider and potential weekend rider samples.


Additional Respondent Information
Potential Weekend Riders: Internet Access
A. Do you have regular access to the Internet?
No
17.1%
DK/NA
0.3%
Yes
82.6%

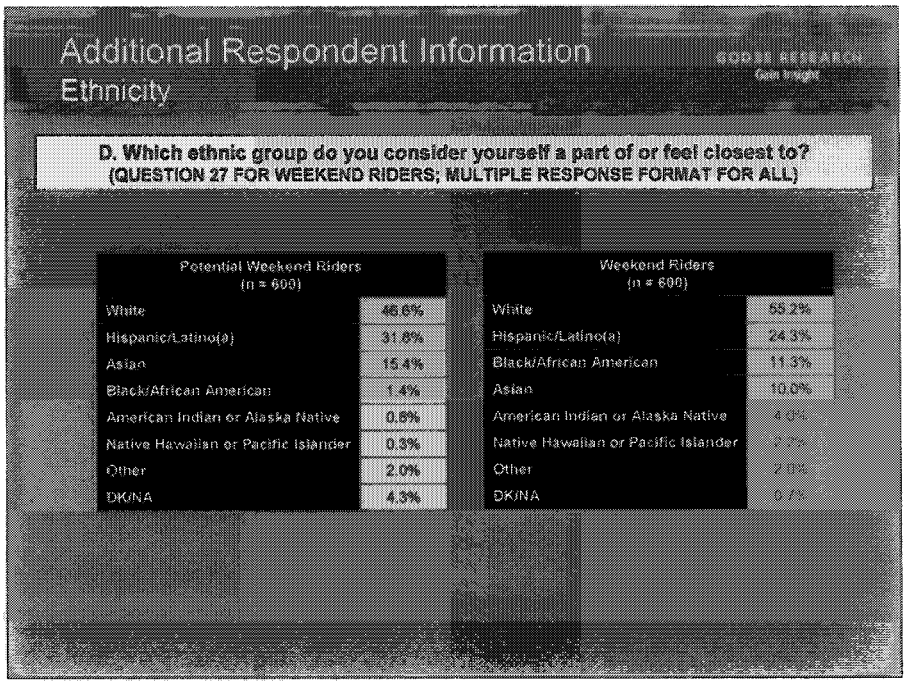

Additional Respondent Information
Potential Weekend Riders: Motor Vehicles
B. How many motor vehicles are in your household?
One
Two
Three
Four
Five or more
DK/NA
23.1%
39.0%
20.9%
11.5%
5.2%
0.3%
0%
10%
20%
30%
40%
50%

Additional Respondent Information
Age

C. What is your age? (QUESTION 25 FOR WEEKEND RIDERS)

Potential Weekend Riders (n = 600)	
18 to 24	11.5%
25 to 34	18.2%
35 to 44	18.4%
45 to 54	20.3%
55 to 64	12.8%
65 or older	16.3%
DK/NA	2.6%

Weekend Riders (n = 600)	
Under 13	1.0%
13 to 17	11.2%
18 to 24	21.3%
25 to 34	21.0%
35 to 44	19.7%
45 to 54	11.2%
55 to 64	6.5%
65 or older	8.0%
DK/NA	0.2%


Additional Respondent Information
Ethnicity
D. Which ethnic group do you consider yourself a part of or feel closest to?
(QUESTION 27 FOR WEEKEND RIDERS; MULTIPLE RESPONSE FORMAT FOR ALL)
Potential Weekend Riders (n = 600)
White 46.6%
Hispanic/Latino(a) 31.8%
Asian 15.4%
Black/African American 1.4%
American Indian or Alaska Native 0.8%
Native Hawaiian or Pacific Islander 0.3%
Other 2.0%
DK/NA 4.3%
Weekend Riders (n = 600)
White 55.2%
Hispanic/Latino(a) 24.3%
Black/African American 11.3%
Asian 10.0%
American Indian or Alaska Native 4.0%
Native Hawaiian or Pacific Islander 0.5%
Other 2.0%
DK/NA 0.7%

Additional Respondent Information
Level of Education

E. What is the last grade or level you completed in school?
(QUESTION 26 FOR WEEKEND RIDERS)

Potential Weekend Riders (n = 600)	
Grade School/Some high school	7.5%
High School graduate	23.1%
Technical/vocational school	1.9%
Some college	23.4%
College graduate	27.0%
Some graduate school	2.3%
Graduate, professional, doctorate degree	13.9%
DK/NA	1.0%

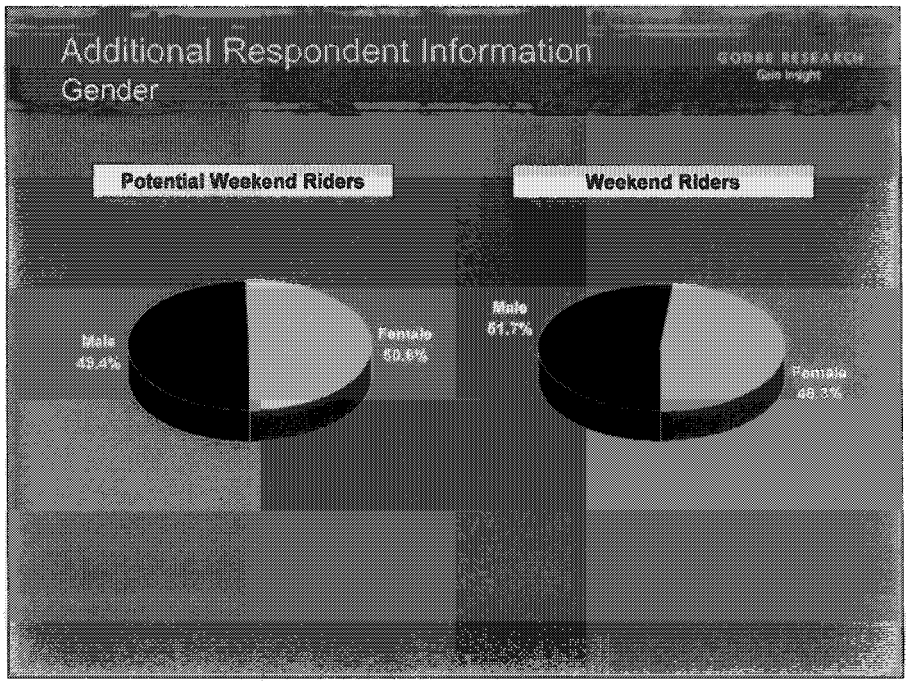
Weekend Riders (n = 600)	
Grade School/Some high school	14.2%
High School graduate	24.7%
Technical/vocational school	5.3%
Some college	24.5%
College graduate	18.3%
Some graduate school	3.5%
Graduate, professional, doctorate degree	9.2%
DK/NA	0.3%

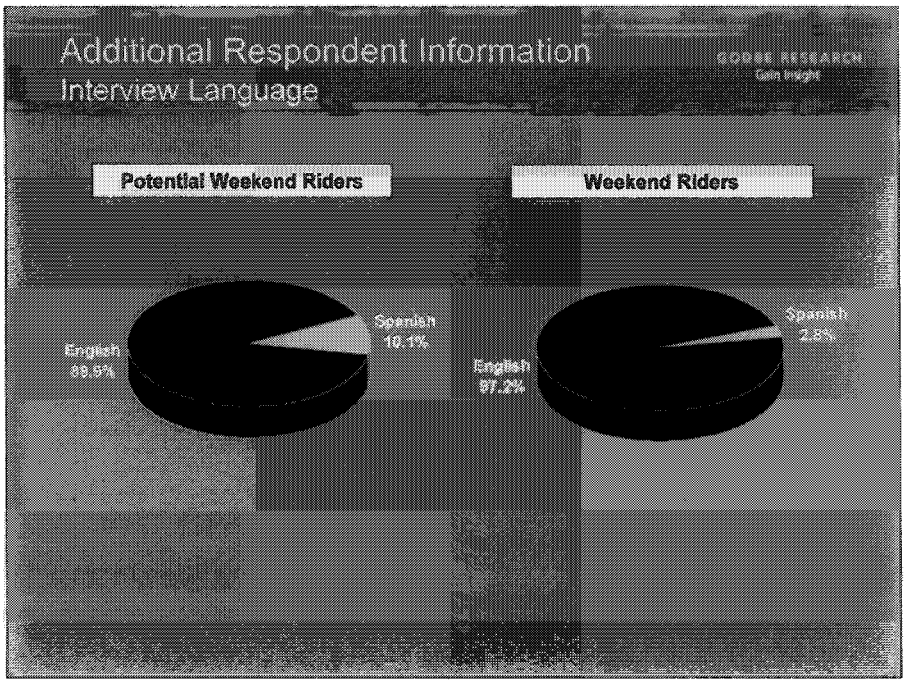
Additional Respondent Information
Household Income

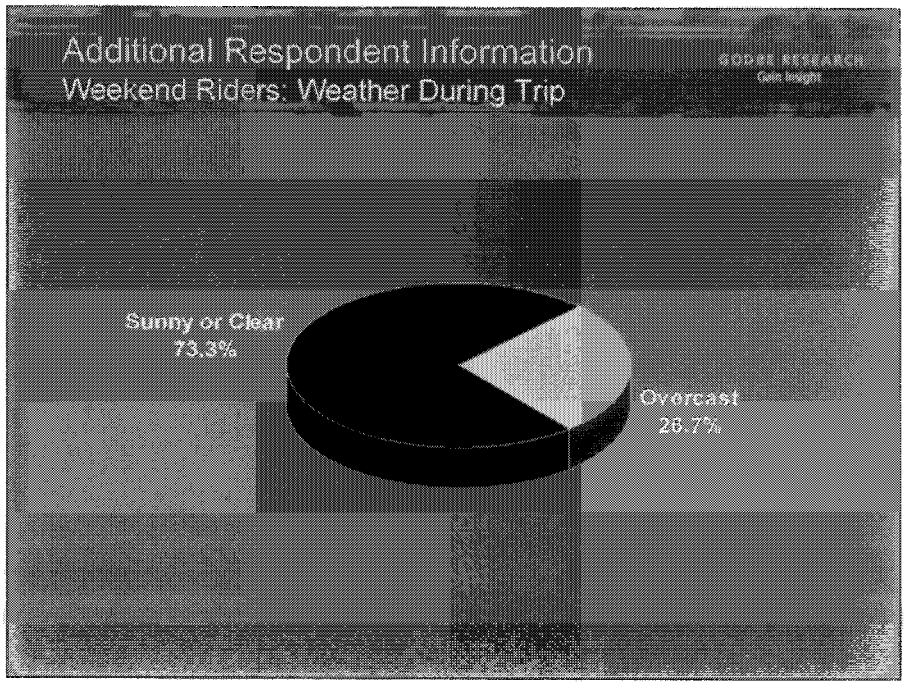
Potential Weekend Riders: H. Please stop me when I reach the category that best describes your total household income?
Weekend Riders: 28. Which of the following best describes the total income including everyone in your household before taxes in 2006?

Potential Weekend Riders (n = 600)	
Under $15,000	6.0%
$15,000 to $24,999	7.7%
$25,000 to $49,999	14.5%
$50,000 to $74,999	14.0%
$75,000 to $99,999	14.2%
$100,000 to $149,999	13.2%
$150,000 to $199,999	5.0%
$200,000 or higher	5.2%
DK/NA	20.3%

Weekend Riders (n = 600)	
Under $15,000	10.8%
$15,000 to $24,999	14.3%
$25,000 to $49,999	17.7%
$50,000 to $74,999	17.5%
$75,000 to $99,999	9.8%
$100,000 to $149,999	9.7%
$150,000 to $199,999	5.5%
$200,000 or higher	4.8%
DK/NA	2.8%


Additional Respondent Information
Gender
Potential Weekend Riders
Male
49.4%
Female
50.6%
Weekend Riders
Male
51.7%
Female
48.3%


Additional Respondent Information
Interview Language
Potential Weekend Riders
Weekend Riders
English
89.9%
Spanish
10.1%
English
97.2%
Spanish
2.8%

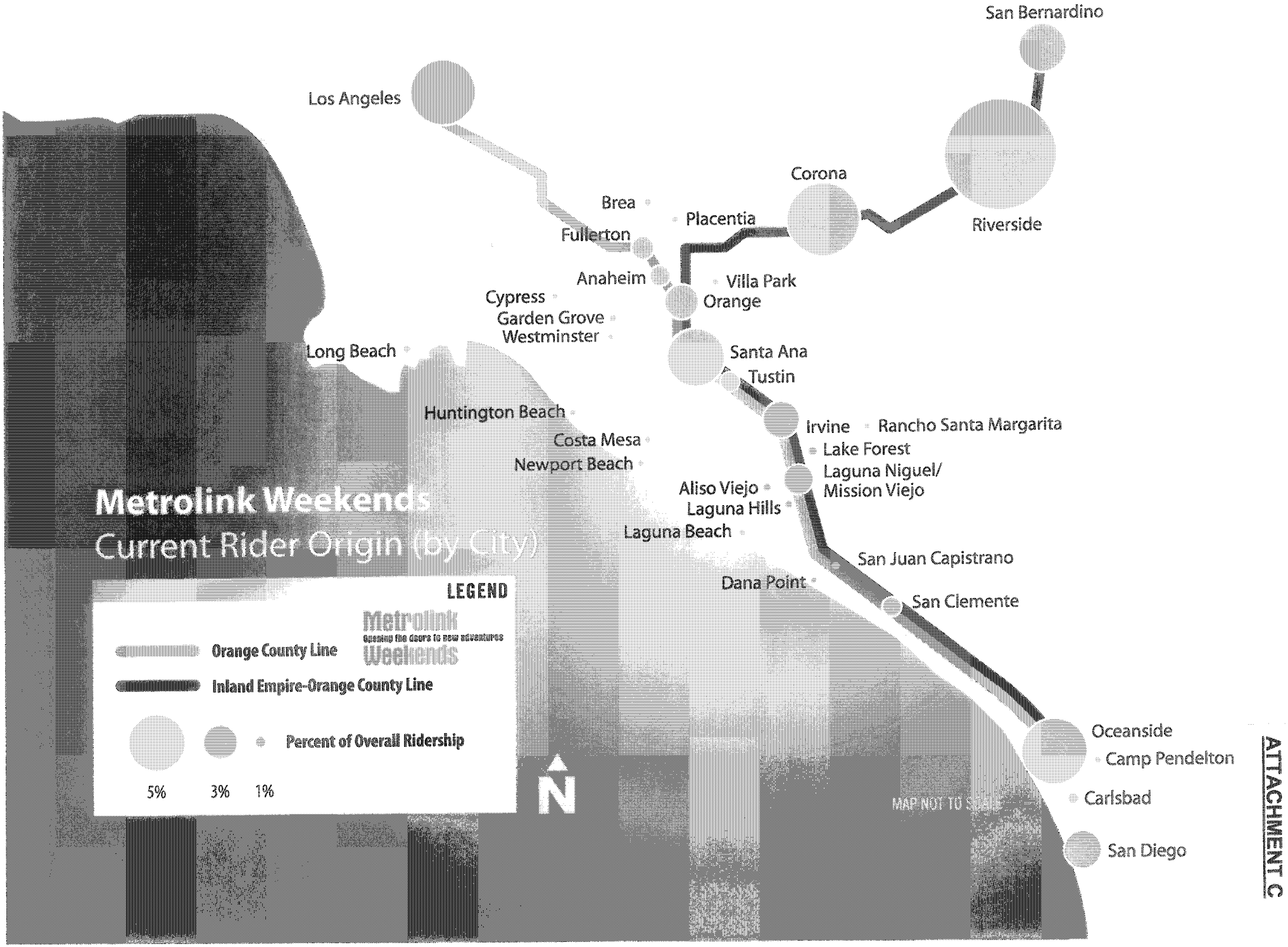

Additional Respondent Information
Weekend Riders: Weather During Trip
Sunny or Clear
73.3%
Overcast
26.7%

ATTACHMENT B

Metrolink Weekends Demographic Profile of Current and Non-Riders

	Current Riders*	Non-Riders*	Non-Riders*	
			Aware of Weekend Service	Not Aware of Weekend Service
Age				
• 17 and under	12.2	NA	NA	NA
• 18-34	42.3	29.7	23.2	34.2
• 35-54	32.9	38.7	42.4	38.2
• 55 and older	12.5	29.1	34.3	27.4
Ethnicity				
• White	55.2	46.6	55.0	42.4
• Hispanic/Latino(a)	24.3	31.8	21.7	36.7
• Asian	10.0	15.4	19.4	13.7
• African American	11.3	1.4	1.4	1.4
• American Indian	4.0	0.8	1.1	0.7
• Other	4.2	2.3	2.8	1.7
Education				
• Grade School	14.2	7.5	2.9	9.8
• High School	24.7	23.1	17.6	25.4
• Technical School	5.3	1.9	3.3	1.2
• Some College	24.5	23.4	26.9	21.7
• College Graduate	21.8	29.3	33.9	24.2
• Graduate School	9.2	13.9	15.5	16.2
Income				
• Under $15,000	18.8	6.0	3.8	8.4
• $15,000-$24,999	14.3	7.7	4.9	11.1
• $25,000-$49,999	17.7	14.5	11.7	19.5
• $50,000-$74,999	17.5	14.0	17.1	15.4
• $75,000-$99,999	9.8	14.2	18.9	15.7
• Over $100,000	19.0	23.4	35.9	23.2
Gender				
• Male	51.7	49.4	53.0	47.6
• Female	48.3	50.6	47.0	52.4
Internet Access (have)	NA	82.6	88.3	79.9
Number of Vehicles in Household (2 or more)	NA	62.1	74.9	73.1

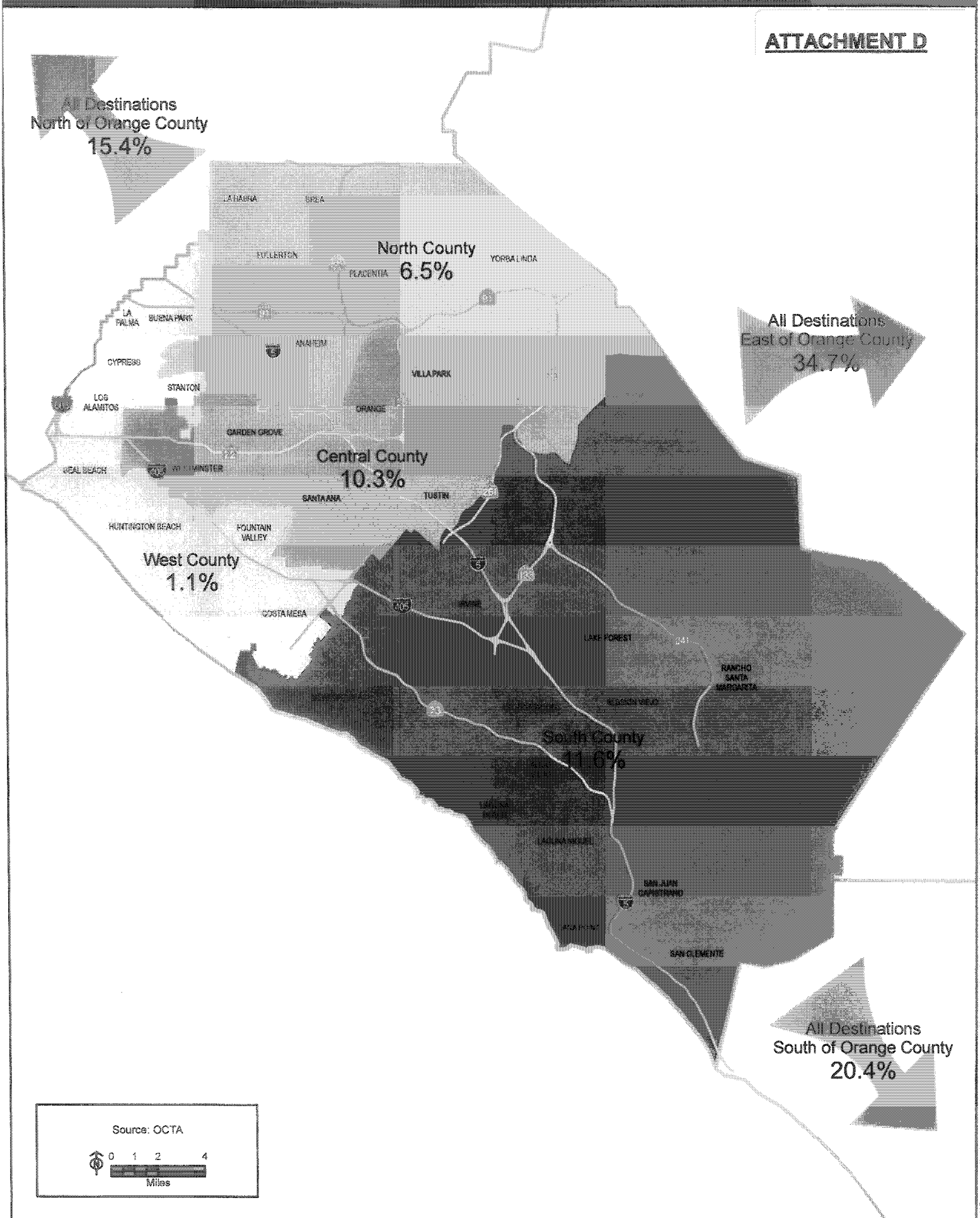
** Numbers represent percent of total*



ATTACHMENT C

Non-Metrolink Riders
Weekend Destinations

ATTACHMENT D



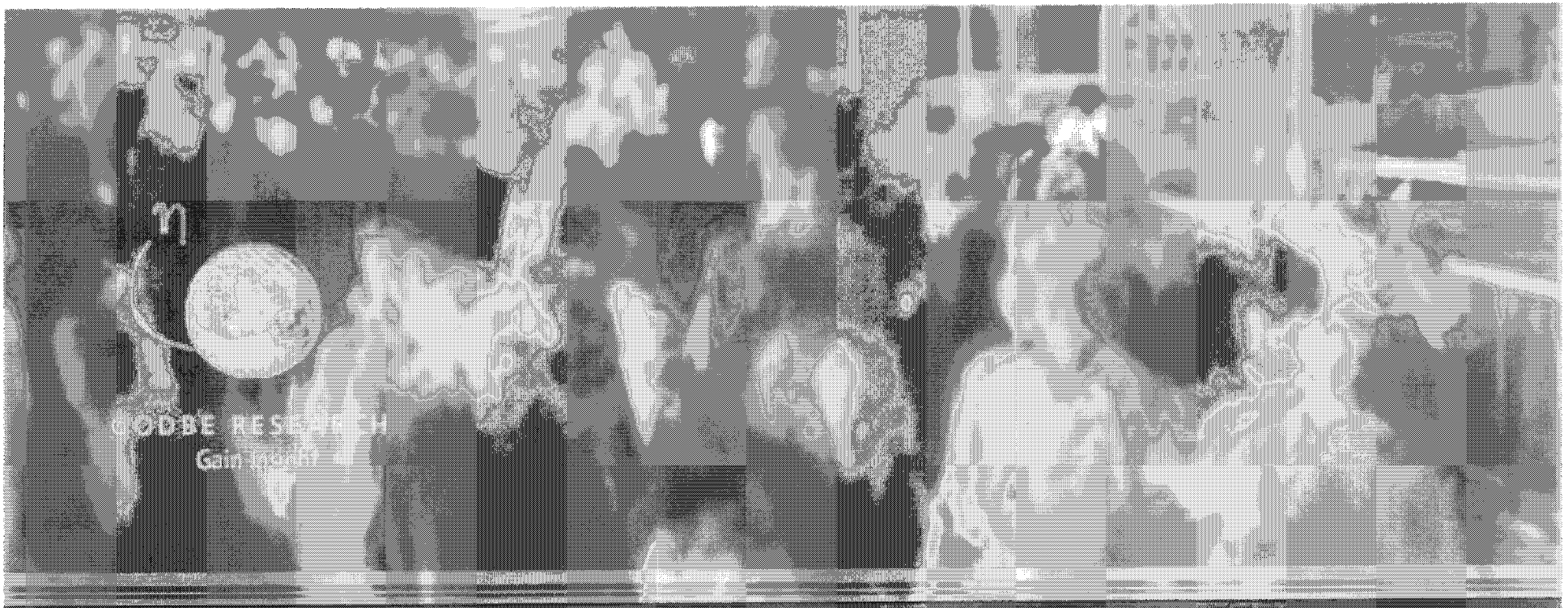
August 2, 2007

Portions of this map copyrighted by Thomas Bros Maps and reproduced with permission.

W:\Requests\EA\Marketing\Travel\Patterns\mxd\NonMetrolinkRiders_Destinations_2007-0802.mxd

PowerPoint Presentation

Attached



Orange County Transportation Authority (OCTA)

Metrolink Weekends Segmentation Study

August 2007

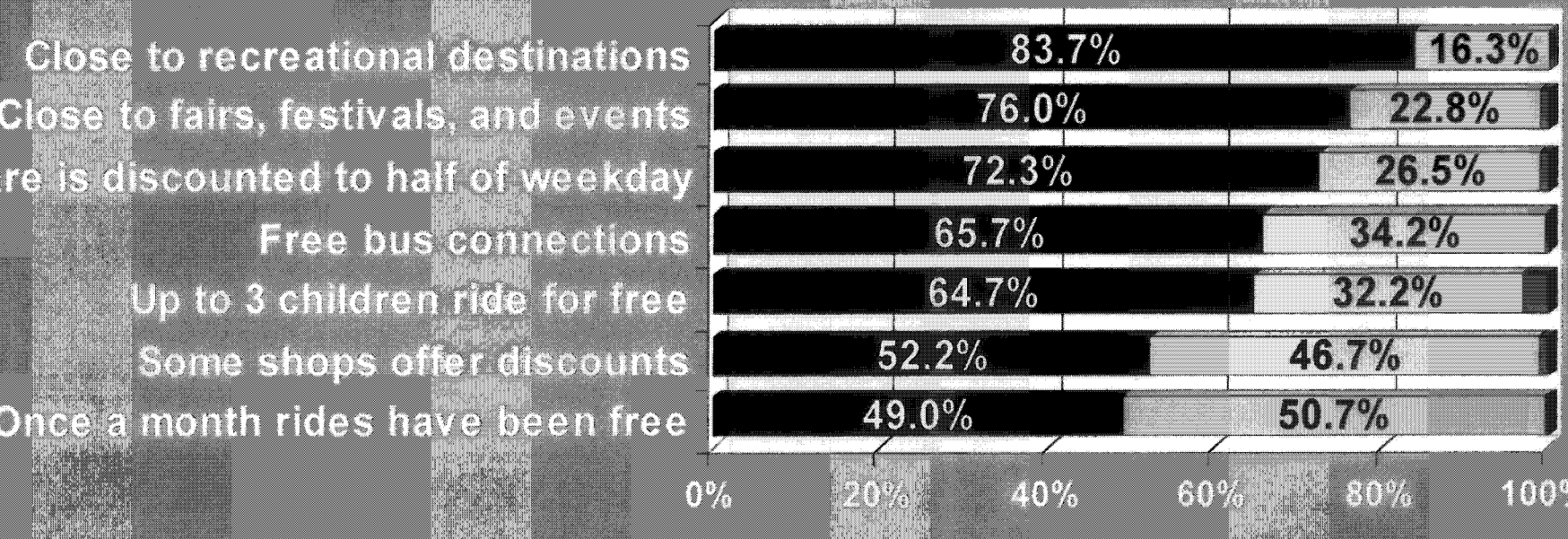
Research Objectives

GODBE RESEARCH
Gain In[illegible]

- Assess awareness and perception
- Understand impact of service features
- Obtain current rider feedback
- Test features that might encourage non-riders to use service
- Test attitudes toward potential policy concepts
- Identify preferred method of communication
- Develop demographic profiles

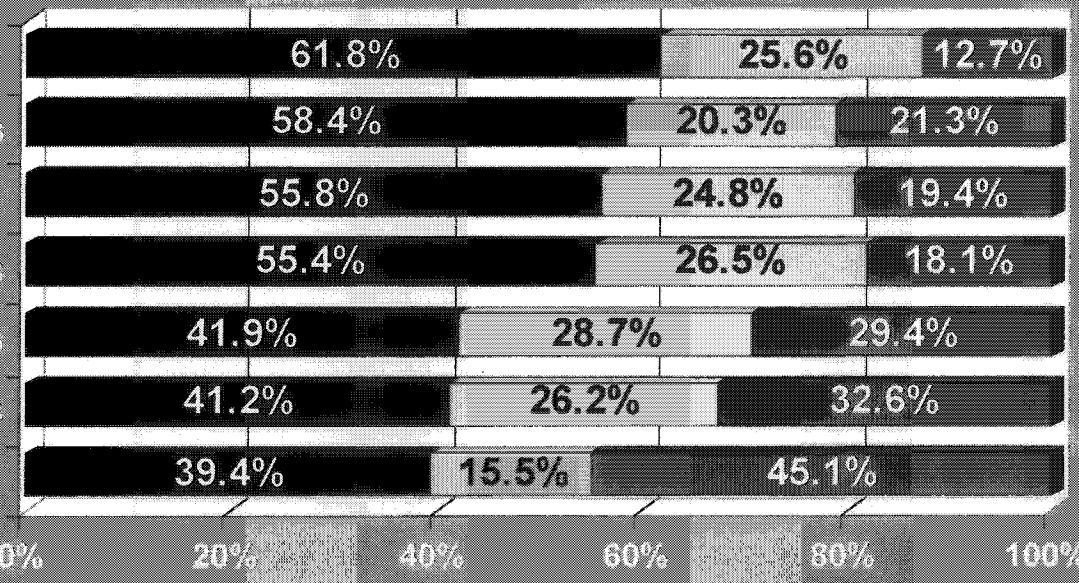
Awareness of Features – Riders

GODBE RESEARCH
Gain Insight



Impact of Features on Usage – Riders

GODBE RESEARCH
Gain Insight



Strengths and Weaknesses

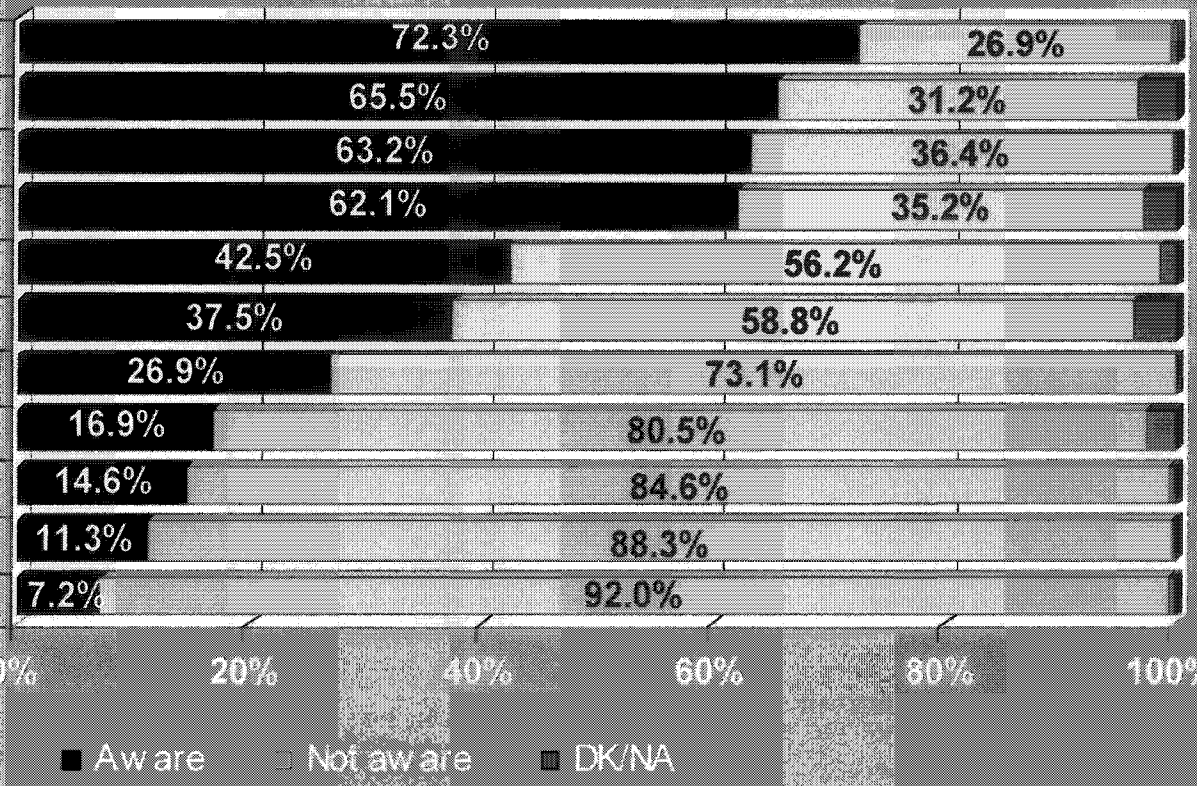
GODBE RESEARCH
Gain In[illegible]

- **Most important factors on decision to use service**
  - Fares (37%)
  - Schedule (33%)
- **Most liked features**
  - Convenience/efficiency (26%)
  - No need to fight traffic (19%)
  - Cost-effective (16%)
- **Most important improvement needed**
  - More frequent trains (42%)
  - Cheaper fare (20%)
  - Later service (14%)

Awareness of Features – Non-Riders

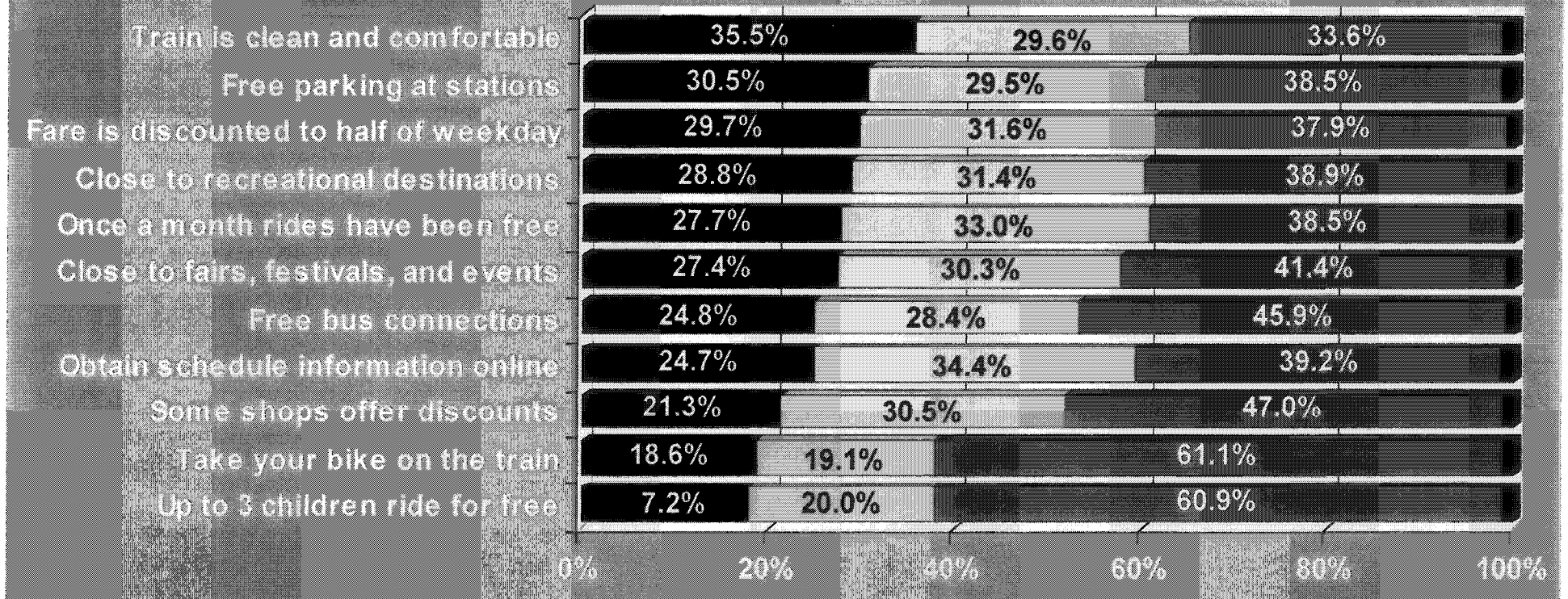
GODBE RESEARCH

- **67% unaware of weekend service, especially:**
  - Latino
  - < $50,000 in annual household income

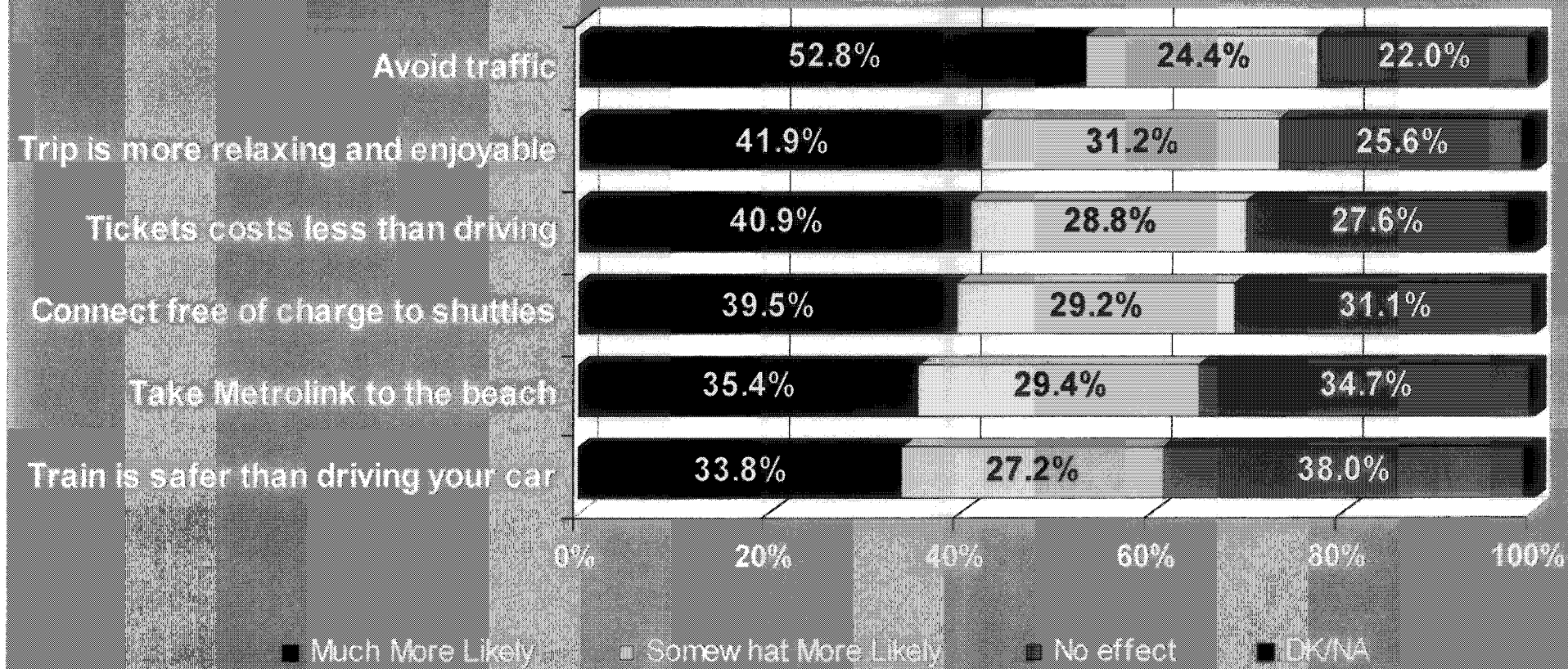


Impact of Features – Non-Riders

GODBE RESEARCH



Impact of Messages – Non-Riders



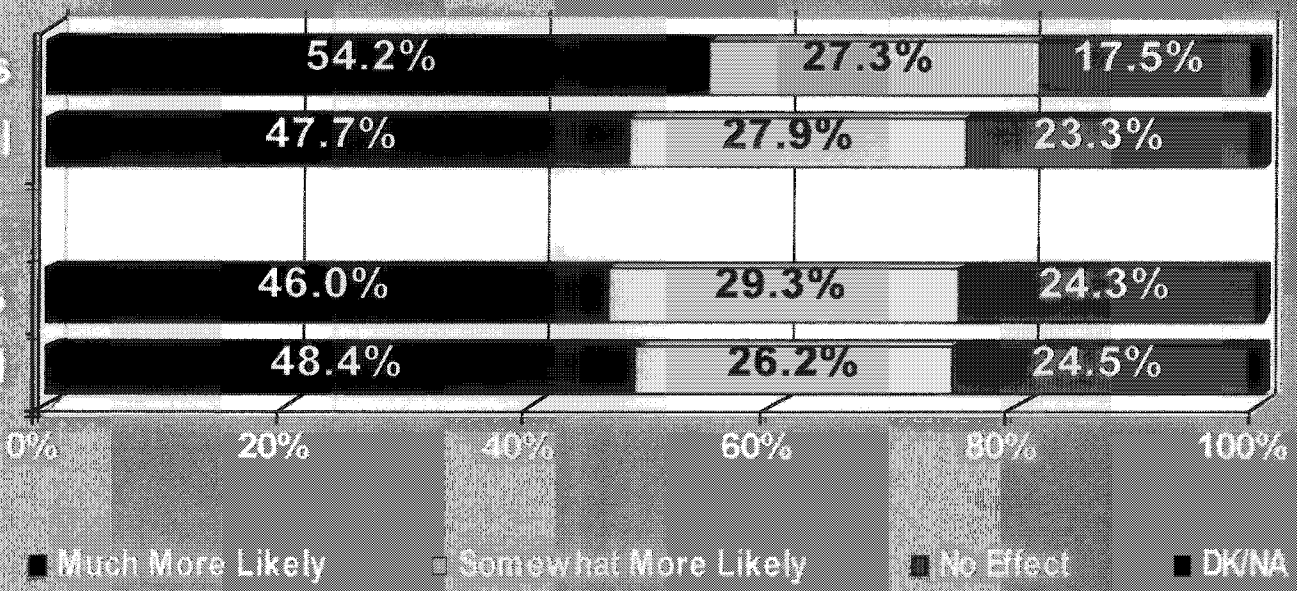
Communication Channels

GODBE RESEARCH
Gain Insight

- **Heard of Metrolink Weekends through**
  - Word of mouth: Riders (37%); Non-riders (40%)
  - Metrolink website: Riders (24%)
- **Preferred Area Transit Information Source**
  - Websites and Email
- **50% more likely to use information if in native language**
  - 69% of non-English speaking households cited Spanish as primary language

Impact of Policy Concepts

GODBE RESEARCH



Weekend Travel Patterns

GODBE RESEARCH
Gain In

Riders

- **Trip Origin**
  - OC (30%) - South (12%), Central (10%), North (7%) & West (1%)
  - Riverside County (21%)
  - San Diego County (20%)
  - Los Angeles County (15%)
  - San Bernardino County (13%)
- **Destination Station**
  - L.A. Union (16%)
  - Oceanside (15%)
  - Riverside (12%)
- **Trip Purpose**
  - Home (38%)
  - Visiting friends or family (26%)
  - Recreation or entertainment (19%)
- **50% would have canceled or postponed trip if no trains**

Non-riders

- **Trip Origin**
  - Central OC (35%)
  - North OC (23%)
  - South OC (21%)
  - West OC (20%)
- **Destination**
  - Local, 5-10 miles (53%)
  - Los Angeles (16%)
  - South OC (11%)
  - Central OC (10%)
- **Typical Transportation in the last 12 months**
  - Driving (80%)
  - Carpool (12%)

Summary and Recommendations

GODBE RESEARCH
Gain Insight

- Boost awareness as a first step
- Awareness of service features attract and retain riders
- Fare and schedules most important to riders
- To potential riders, promote benefits:
  - Avoid traffic
  - Cheaper than driving
  - More relaxing and enjoyable trip
- Websites and word of mouth are best marketing channels
- Integrated trip and ticket were well received

OCTA

BOARD COMMITTEE TRANSMITTAL

August 27, 2007

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: Amendment to Agreement for Armored Vehicle Service

Finance and Administration Committee — August 8, 2007

Present: Directors Amante, Bates, Buffa, Campbell, Cavecche, Moorlach, and Nguyen
Absent: Director Brown

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 5 to Agreement C-3-0878 between the Orange County Transportation Authority and Los Angeles Federal Armored Services, Inc., in an amount not to exceed $325,000, to exercise the second and final option year to provide armored vehicle services.

OCTA

August 8, 2007

To: Finance and Administration Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Amendment to Agreement for Armored Vehicle Service

Overview

On October 27, 2003, the Board of Directors approved an agreement with Los Angeles Federal Armored Services, Inc., in the amount of $683,000, to provide armored vehicle service. Los Angeles Federal Armored Services, Inc. was retained in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 5 to Agreement C-3-0878 between the Orange County Transportation Authority and Los Angeles Federal Armored Services, Inc., in an amount not to exceed $325,000, to exercise the second and final option year to provide armored vehicle services.

Background

The Orange County Transportation Authority (OCTA) requires armored vehicle services for transporting money collected in fareboxes. Cash bins from the bases must be transported to the OCTA's central counting facility or to a contracted counting facility. Once counted, the money must be transported from the counting facility to the bank. Non-farebox collections must also be transported between OCTA Headquarters building, the 91 Express Lanes offices, and the bank. The original agreement was for three years with two one-year options. The first option year of the contract expires November 30, 2007. This amendment is needed to exercise and fund the final option year that will expire November 30, 2008.

Discussion

This procurement was originally handled in accordance with the OCTA's procedures for professional and technical services. The original agreement awarded on October 23, 2003, in the amount of $683,000, was awarded on a competitive basis. This agreement has been amended previously as specified in Attachment A. Since Los Angeles Federal Armored Services, Inc. has provided reliable and timely service at a competitive price, it is recommended that the second option term be exercised at this time. The total contract amount after approval of Amendment No. 5 will be $1,355,330.

Fiscal Impact

The continuing work described in Amendment No. 5 to Agreement C-3-0878 was approved in the OCTA's Fiscal Year 2008 Budget, Finance, Administration and Human Resources Division/Accounting and Financial Reporting Department, Account 1241-7629-A5105-DU4, and is funded through the Orange County Transit District.

Summary

Based on the material provided, staff recommends approval of Amendment No. 5, in the amount of $325,000, to Agreement C-3-0878 with Los Angeles Federal Armored Services, Inc.

Attachment

A. Los Angeles Federal Armored Services, Inc. Agreement C-3-0878 Fact Sheet

Prepared by:

Tom Wulf
Manager,
Accounting and Financial Reporting
(714) 560-5659

Approved by:

James S. Kenan
Executive Director, Finance,
Administration and Human Resources
(714) 560-5678

ATTACHMENT A

Los Angeles Federal Armored Services, Inc.
Agreement C-3-0878 Fact Sheet

1. October 27, 2003, Agreement C-3-0878, $683,000, approved by the Board of Directors.

   - To provide armored vehicle services for a period of three years with two one-year options

2. September 8, 2004, Amendment No. 1 to Agreement C-3-0878, $4,350, approved by purchasing agent.

   - To add a pick-up location

3. March 15, 2005, Amendment No. 2 to Agreement C-3-0878, $62,100, approved by purchasing agent.

   - To increase the number of service days

4. June 6, 2006, Amendment No. 3 to Agreement C-3-0878, $5,880, approved by purchasing agent.

   - To correct Schedule B, Price Schedule

5. August 28, 2006, Amendment No. 4 to Agreement C-3-0878, $275,000, approved by the Board of Directors.

   - To exercise the first option year

6. August 28, 2007, Amendment No. 5 to Agreement C-3-0878, $325,000, pending approval by Board of Directors.

   - To exercise the second and final option year

Total committed to Los Angeles Federal Armored Services, Inc., Agreement C-3-0878: $1,355,330.

14.

OCTA

BOARD COMMITTEE TRANSMITTAL

August 27, 2007

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: Santa Ana Freeway (Interstate 5) Gateway Project Update and Amendment to Cooperative Agreement with the California Department of Transportation for Right-of-Way Services

Regional Planning and Highways Committee — August 20, 2007

Present: Directors Amante, Cavecche, Dixon, Glaab, Green, Mansoor Norby, and Pringle
Absent: Director Rosen

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

A. Authorize the Chief Executive Officer to execute Amendment No. 3 to Cooperative Agreement C-4-1081 between the Orange County Transportation Authority and the California Department of Transportation, in an amount not to exceed $9,140,000, for utility relocation costs not included in the original agreement.

B. Authorize the use of up to $9,140,000 in Regional Surface Transportation Program funds to fund utility relocation as programming capacity permits.

C. Authorize staff to amend the State Transportation Improvement Program and the Regional Federal Transportation Improvement Program, and execute any necessary agreements to facilitate the programming action.

D. Authorize staff to update the cost estimate for the project to a new total of $335,828,000.

OCTA

August 20, 2007

To: Regional Planning and Highways Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Santa Ana Freeway (Interstate 5) Gateway Project Update and Amendment to Cooperative Agreement with the California Department of Transportation for Right-of-Way Services

Overview

In May 2006, the California Department of Transportation awarded a contract for the widening and reconstruction of the Santa Ana Freeway (Interstate 5) from the Riverside Freeway (State Route 91) to the Los Angeles County line. This report provides an update on the status of construction and requests an amendment to a cooperative agreement for utility relocation costs.

Recommendations

A. Authorize the Chief Executive Officer to execute Amendment No. 3 to Cooperative Agreement C-4-1081 between the Orange County Transportation Authority and the California Department of Transportation, in an amount not to exceed $9,140,000, for utility relocation costs not included in the original agreement.

B. Authorize the use of up to $9,140,000 in Regional Surface Transportation Program funds to fund utility relocation as programming capacity permits.

C. Authorize staff to amend the State Transportation Improvement Program and the Regional Federal Transportation Improvement Program, and execute any necessary agreements to facilitate the programming action.

D. Authorize staff to update the cost estimate for the project to a new total of $335,828,000.

Background

Since May 2006, the California Department of Transportation (Caltrans) has been directing the contract with the joint venture of FCI Constructors/Balfour Beatty (FCI/BBCI), for the widening and reconstruction of the Santa Ana Freeway (Interstate 5) Gateway Project between the Riverside Freeway (State Route 91) and the Los Angeles County line. This project is called the Interstate 5 (I-5) Gateway Project since it serves as a significant entrance into Orange County along the I-5. This project is the last two-mile segment of I-5 improvements from Dana Point to the Los Angeles County line funded under the Measure M Freeway Improvement Program. The I-5 Gateway Project adds a high-occupancy vehicle lane and a general-purpose lane in each direction, and reconstructs five bridges.

A cooperative agreement with Caltrans for right-of-way acquisition, and utility and railroad relocation work (ROW co-op) was approved by the Board of Directors in May 2004, and amended in March 2007. The current cooperative agreement commits the Orange County Transportation Authority (Authority) to fund a total of $42,011,000, including $9,438,000 for utility relocations.

Discussion

Project Update

The construction of the I-5 Gateway Project is progressing to completion as scheduled and is 30 percent complete as of July 2007. The first major project milestone, the completion of Western Avenue bridge, took place on August 7, 2007, as the bridge opened to traffic. The FCI/BBCI work forces are preparing to demolish the Stanton Avenue bridge and begin reconstruction that will continue until spring 2008. Retaining walls at the northbound freeway shoulder are in progress, as well as the soil backfill work behind the walls. Work crews have erected the falsework for the northbound I-5 bridge overcrossing Artesia Boulevard and are preparing to place concrete for the bottom deck. Fullerton Creek bridge work for the southbound side is continuing.

Public Outreach Update

During the past quarter, the Authority's outreach team has been providing information to the community about the Western Avenue bridge opening and

the Stanton Avenue bridge closing through utility bill inserts, neighborhood meetings, one-on-one meetings with businesses, school open houses, door hangers, presentations to local organizations, newsletters, media, and construction alerts. In addition, the outreach team has been working closely with the construction team to address the few comments the project has received about parking, dust, and noise.

Construction Contingency Budget

To date, Caltrans has executed contingency-funded contract change orders (CCOs) totaling $2,130,098. Key change orders executed since the last quarterly project update include: 1) revisions to eight retaining walls for the freeway widening; 2) modifying the Southern California Edison line at Auto Center Drive and Stanton Avenue; and 3) modifying the sewer line at Western Avenue for street reconstruction. The current projected contingency balance, including pending CCOs, is $8,172,902. To date the total contingency draw is 21 percent, which compares well with the 30 percent completion level of the project.

Amendment to the ROW Co-Op

The original construction estimate for utility relocation was prepared three years prior to the start of construction and included all utilities known to be in the area at that time. Since then, several existing utilities have been identified, which have impacted the construction of the project.

The proposed amendment to the Caltrans ROW co-op increases the funding by $9,140,000 to relocate additional utility lines away from the freeway widening and new railroad track construction. The increase in ROW co-op utility relocation costs is due to the following factors:

- $1,034,000 for seven utility line relocations that were not identified in the original estimate;
- $1,931,000 for utility relocation work items that have changed since the original estimate;
- $3,009,000 adjustment to the utility relocation costs to account for escalation in construction costs since the original estimate; and
- $3,166,000 adjustment for an extra-work allowance normally included in Caltrans utility relocation agreements, which was not included in the original estimate.

The utility relocation cost adjustments for Amendment No. 3 will increase the Authority's participation for this work by $9,140,000, for a revised total commitment of $51,151,000, as detailed in Attachment A. The total estimated right-of-way and utility cost for the project is now $64,765,000, which includes the new ROW co-op amount plus other utility costs not included under the Caltrans co-op.

Project Estimate Update

The I-5 Gateway Project is still on course for a summer 2010 completion; however, the project estimate requires an adjustment to ensure sufficient funds are on hand to complete the program of projects. The estimate updates will improve the accuracy in forecasting the final cost of the project and better estimate future balances in the Measure M Freeway Program. Existing funds in the Measure M I-5 line item and other state funding sources cover the necessary additions to the I-5 Gateway Project estimate.

The major items included in the project budget update are:

- Amendment No. 3 to Cooperative Agreement C-4-1081 for utility relocation costs;
- Design and construction of the Orange County Gateway sign;
- Additional construction management services for the close-out of the project; and
- An adjustment to the contingency amounts for the project to cover financial uncertainties in construction, right-of-way, acquisition, utility relocation, railroad relocation, and professional support services. The previous project contingency amount budgeted was only 3 percent of the total project costs, which is below the typical amount used for a complex project such as the I-5 Gateway Project. Staff recommends that the contingency be increased to 6 percent to cover potential uncertainties on the project. The contingency amounts will not be drawn without an approved contract change order.

Attachment B summarizes the proposed update to the project estimate and provides a summary of funding sources for the project. The updated project estimate and funding total is now $335,828,000.

Fiscal Impact

Staff will investigate the opportunity to utilize federal Regional Surface Transportation Program (RSTP) funding for the increase in utility relocation costs. These funds may be made available due to higher than anticipated RSTP revenues and other project cancellations. Staff will determine if the additional utility work is eligible to receive RSTP funding. If so, RSTP funds will be used instead of Measure M funds to the extent possible.

The additional work described in Amendment No. 3 to Agreement C-4-1081 can be accommodated in the Authority's Fiscal Year 2007-08 Budget, Development Division, Account 0010-9081-F1610-AMJ, through the Local Transportation Authority.

Summary

The I-5 Gateway Project continues to progress as scheduled with a planned completion in summer 2010. Staff recommends approval of Amendment No. 3 to Agreement C-4-1081, in the amount of $9,140,000, for utility relocation costs not included in the original ROW co-op with Caltrans and to update the overall project estimate to reflect this and other changes to the project.

Attachments

A. California Department of Transportation Cooperative Agreement C-4-1081 Fact Sheet
B. Santa Ana Freeway (Interstate 5) Gateway Project Budget Update

Prepared by:

Charles Guess, P.E.
Program Manager
714-560-5775

Approved by:

Kia Mortazavi
Executive Director, Development
714-560-5741

ATTACHMENT A

California Department of Transportation
Cooperative Agreement C-4-1081 Fact Sheet

1. May 24, 2004, Cooperative Agreement C-4-1081, $28,286,000, approved by the Board of Directors.

   - To provide right-of-way acquisition services and utility relocations for the Santa Ana Freeway (Interstate 5) Gateway Project.

2. March 12 2007, Amendment No. 1 to Cooperative Agreement C-4-1081, in the amount of $8,086,000, approved by the Board of Directors.

   - To include railroad relocation costs not accounted for in the original agreement.

3. March 12 2007, Amendment No. 2 to Cooperative Agreement C-4-1081, in the amount of $5,639,000, approved by the Board of Directors.

   - To include utility relocation costs not accounted for in the original agreement.

4. August 2007, Amendment No. 3 to Cooperative Agreement C-4-1081, in the amount of $9,140,000, pending approval by the Board of Directors.

   - To include utility relocation costs not accounted for in the original agreement and adjust for increased construction costs for originally identified utility relocation work.

Total committed to California Department of Transportation, after approval of Amendment No. 3 to Cooperative Agreement C-4-1081: $51,151,000.

ATTACHMENT B

Santa Ana Freeway (Interstate 5) Gateway Project
Budget Update

Table 1
Estimate Summary

Item	Revised Estimate
Construction	$ 203,822,000
Contingency	$ 16,306,000
Total Construction	**$ 220,128,000**
Right-of -Way	$ 43,187,000
Utility Relocations	$ 18,578,000
Contingency	$ 3,000,000
Total Right-of-Way	**$ 64,765,000**
Engineering	$ 19,633,000
Right-of-Way Services	$ 5,250,000
Construction Management	$ 25,073,000
Contingency	$ 979,000
Total Support Services	**$ 50,935,000**
Total	**$ 335,828,000**

Table 2
Funding Summary

Funding Source	Amount
State Transportation Improvement Program (STIP)	$ 107,755,000
Federal – Congestion Mitigation and Air Quality	$ 30,313,000
Federal – STIP	$ 9,140,000
Measure M	$ 188,620,000
Total	**$ 335,828,000**

15.

OCTA

BOARD COMMITTEE TRANSMITTAL

August 27, 2007

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: Euclid Street Signal Synchronization Demonstration Project Initial Results

Regional Planning and Highways Committee — August 20, 2007

Present: Directors Amante, Cavecche, Dixon, Glaab, Green, Mansoor, Norby, and Pringle
Absent: Director Rosen

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations (Reflects change from staff recommendation)

A. Receive and file as an information item.

B. Direct staff to return with governance options for implementing the Renewed Measure M Regional Traffic Signal Synchronization Program.

OCTA

August 20, 2007

To: Regional Planning and Highways Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Euclid Street Signal Synchronization Demonstration Project Initial Results

Overview

The Orange County Transportation Authority has been working with local agencies on the Euclid Street Traffic Signal Synchronization Demonstration Project. This report provides a summary of the initial results from the project.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) is working to implement projects for expanded, inter-jurisdictional traffic signal synchronization. Euclid Street was selected as the initial demonstration project for this overall effort. A concurrent effort on Oso Parkway/Pacific Park Drive is also underway and will be completed by summer of 2008. Albert Grover and Associates was retained by OCTA to perform the signal synchronization work on Euclid Street. OCTA has been working with the local agencies along the Euclid Street corridor, including the California Department of Transportation (Caltrans), and has recently completed implementation of traffic signal synchronization. A preliminary report of the effort is provided below.

Discussion

The purpose of the Euclid Street Signal Synchronization Demonstration Project was to optimize traffic signal timings to reduce travel times, stops, and delays. The 15-mile Euclid Street project route is shown in Attachment A and includes 62 signalized intersections controlled by the cities of La Habra, Fullerton, Anaheim, Garden Grove, Santa Ana, and Fountain Valley, and Caltrans. The

Euclid Street project route varies from four to six lanes and carries daily traffic ranging from 20,000 vehicles per day to over 40,000 vehicles per day in certain areas.

At the start of the project, existing traffic patterns on Euclid Street were identified as primarily freeway oriented. Based on this analysis, in February 2007, the Board of Directors recommended optimizing signal timing to move vehicles to and from the freeways. Using these guidelines, optimized signal timing plans were developed, implemented, and fine-tuned in spring 2007. As part of the project, traffic signal communications equipment was installed at some locations and signal modifications were completed to increase arterial capacity. Additionally, since the project involved multiple agencies with independent traffic signal systems, all agencies agreed to a common time base to achieve multi-jurisdictional traffic signal coordination.

"Before" and "after" studies were conducted to evaluate the improvements from the optimized timing plans. The results show a reduction of travel times on the length of Euclid Street between 17 and 23 percent, depending on the time period. Additionally, the project resulted in a 38 to 44 percent reduction in the average number of stops throughout the entire corridor. The average speeds along Euclid Street improved between 21 and 29 percent. Table 1 provides a summary of the project improvements by time period.

Table 1

Percent Reduction of Travel Time and Stops & Improvement in Average Speeds

	Travel Times (Reduction)	Stops (Reduction)	Average Speeds (Improvement)
Time Period			
Morning (7 AM - 9 AM)	20%	38%	26%
Midday (11 AM - 1 PM)	17%	44%	21%
Evening (4 PM - 6 PM)	23%	42%	29%

Note: The above improvements are an average of both directions (northbound and southbound) along the entire corridor.

The combination of the optimized traffic signal timing plans, cooperation between all participating agencies, improved traffic signal communications, and implementation of innovative traffic engineering solutions to maximize arterial capacity resulted in a much higher than typical improvement than is generally expected with signal synchronization. Historically, traffic signal synchronization efforts result in travel time and speed improvements in the range of 5 to 15 percent. Attachment B graphically shows corridor-wide reductions in travel times and improvement in average speeds by time periods.

Travel time improvements on Euclid Street, by time period and arterial segment, are graphically portrayed in Attachment C.

Next Steps

Remaining project tasks include identifying minor physical roadway and signalization improvements to enhance arterial traffic carrying capacities and preparation of a final report. The project will be completed in fall 2007, and staff will return with an update at that time.

Summary

The synchronization of traffic signals on Euclid Street resulted in an increase in excess of 20 percent in average speeds for all time periods. Cooperation and support of local agencies and Caltrans, project team efforts, and the quick implementation of innovative traffic engineering solutions were critical to the success of the project.

Attachments

A. Euclid Street Signal Synchronization Project Map
B. "Before" and "After" Study Results – Corridor-Wide Travel Times and Average Speeds
C. "Before" and "After" Travel Time Study Results – By Arterial Segment

Prepared by:

Kurt Brotcke for

Anup Kulkarni
Section Manager II, Regional Modeling
(714) 560-5867

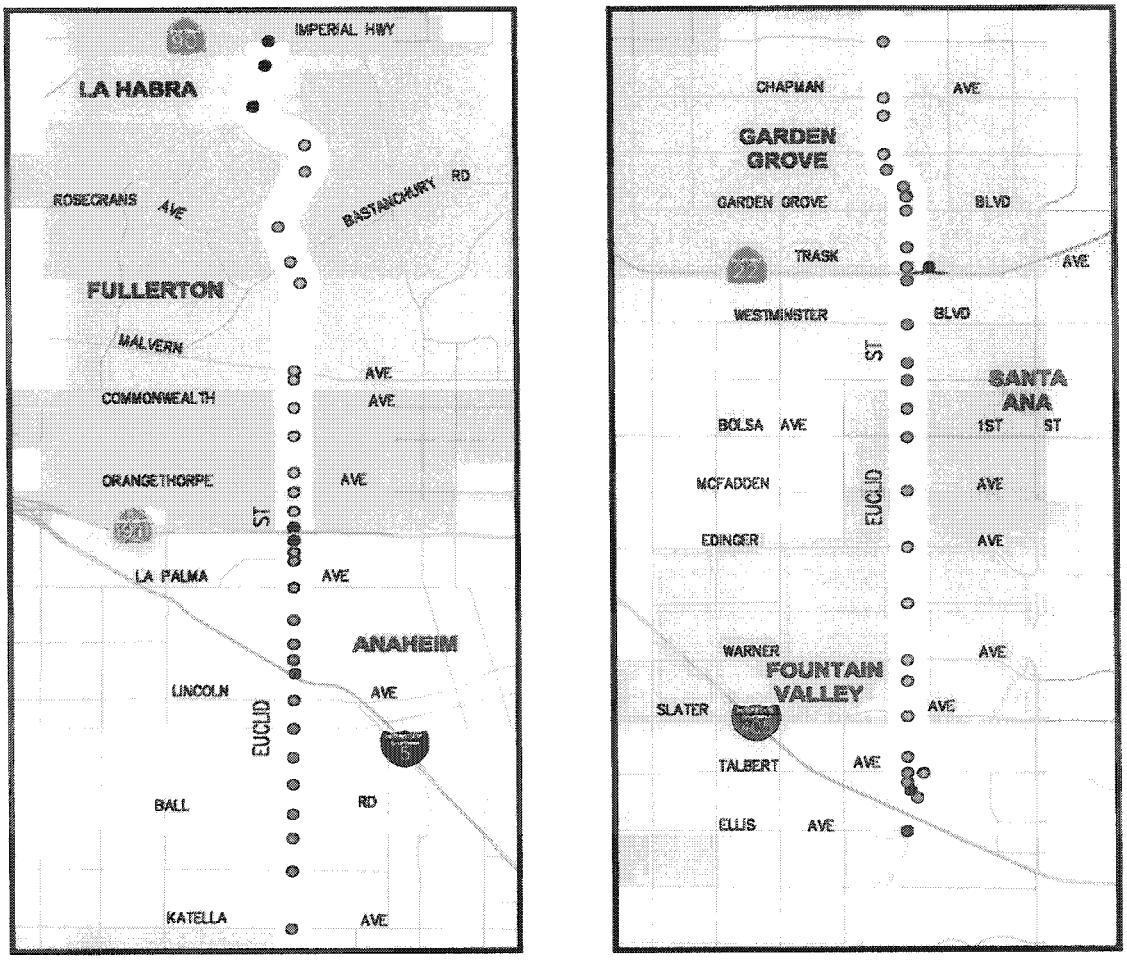
Approved by:

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

ATTACHMENT A

Euclid Street Signal Synchronization Project Map

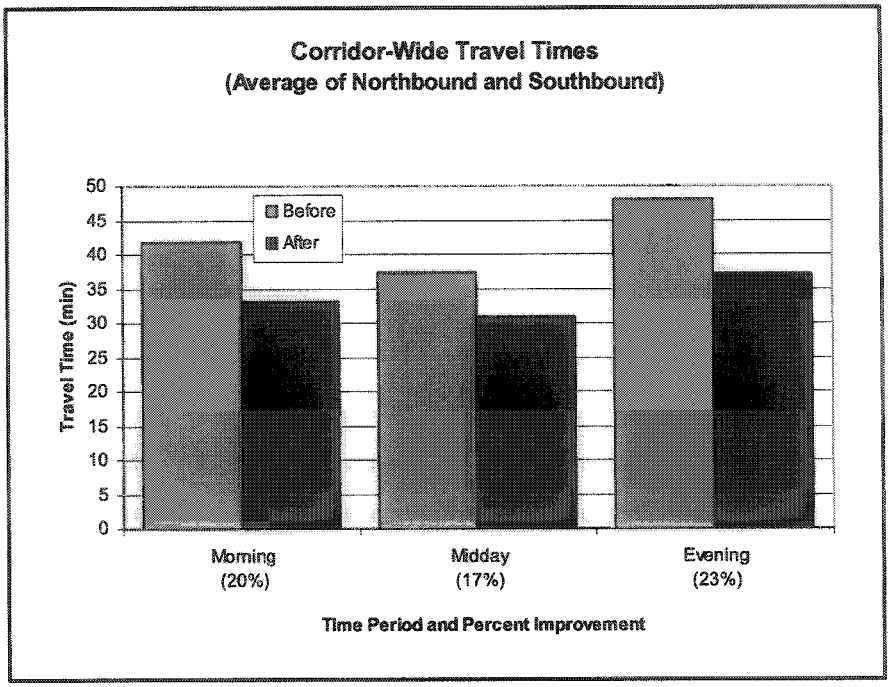
Euclid Street Signal Synchronization Demonstration Project

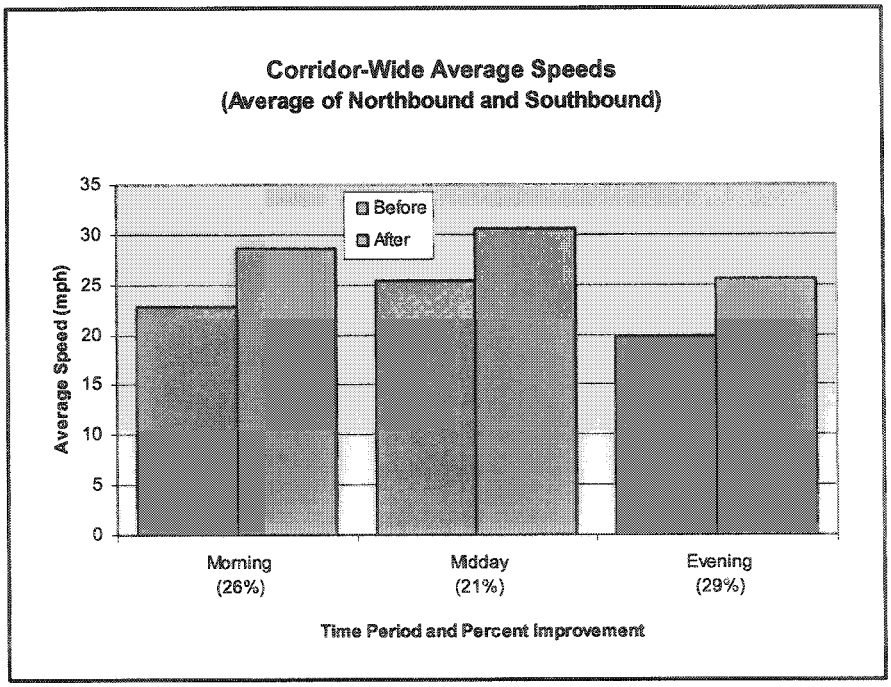


ATTACHMENT B

"Before" and "After" Study Results – Corridor-Wide Travel Times and Average Speeds

Euclid Street Signal Synchronization Demonstration Project

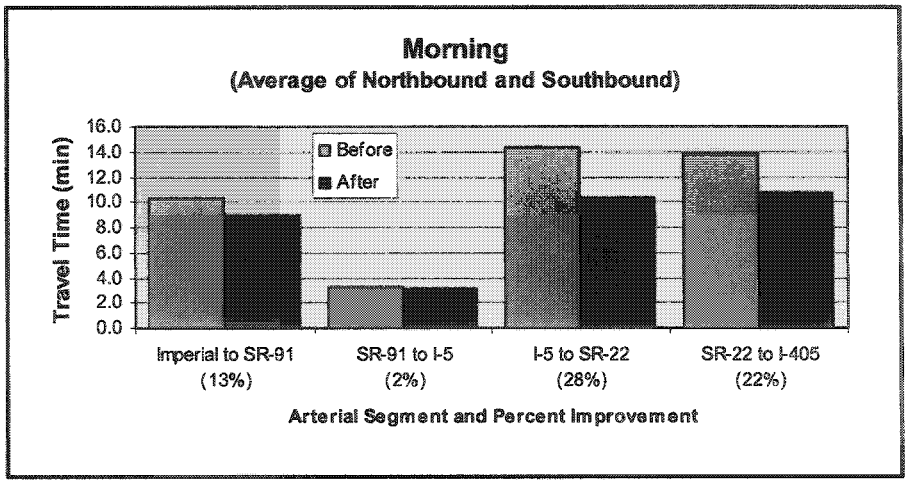


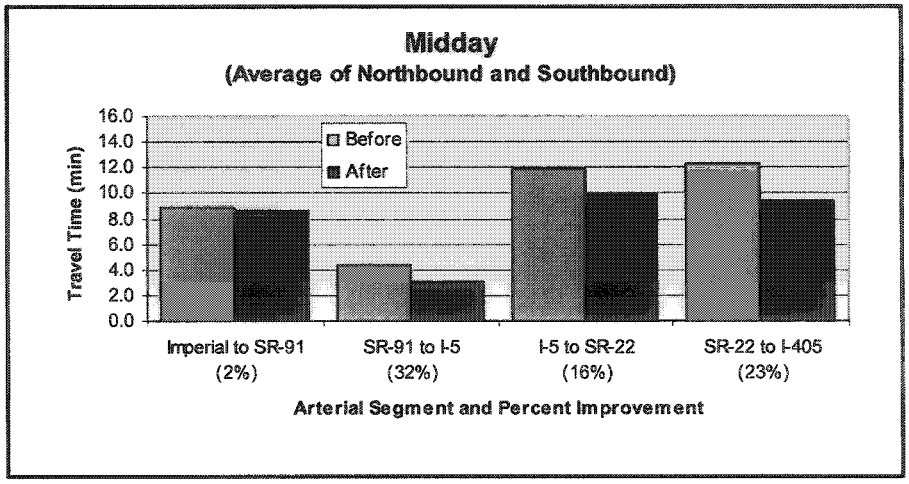


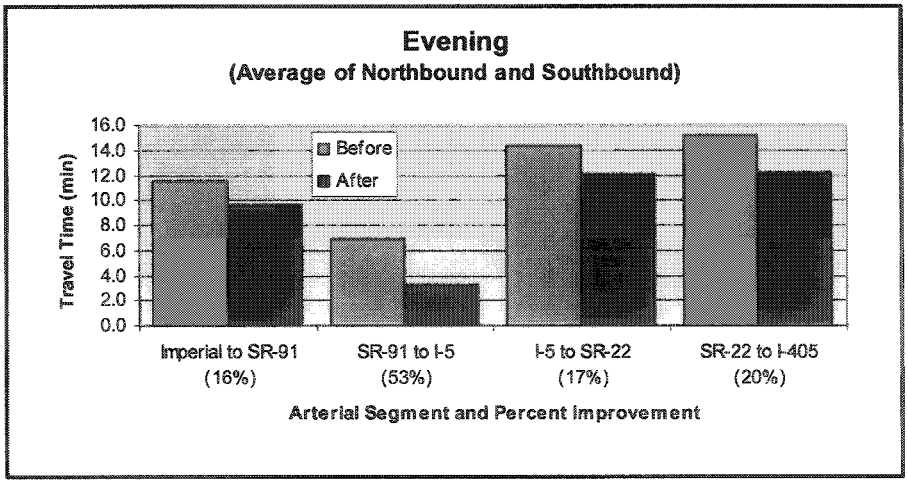
ATTACHMENT C

"Before" and "After" Travel Time Study Results - By Arterial Segment

Euclid Street Signal Synchronization Demonstration Project







16.

OCTA

August 27, 2007

To: Members of the Board of Directors

From: Arthur T. Leahy, Chief Executive Officer

Subject: Measure M Quarterly Progress Report

Overview

Staff has prepared a Measure M progress report for the second quarter of 2007. This is a regular report that highlights the Measure M projects and programs currently under development.

Recommendation

Receive and file as an information item.

Background

Measure M Ordinance No. 2 requires quarterly reports to the Orange County Transportation Authority's (OCTA) Board of Directors (Board), which present the progress of implementing the Measure M Expenditure Plan. The first quarterly report was presented to the Board on October 26, 1992. Quarterly reports highlight accomplishments for the freeway, streets and roads, and transit programs within Measure M. Reports also include summary financial information for the period and total program to date.

Discussion

This quarterly report updates progress in implementing the Measure M Expenditure Plan during the second quarter of 2007 (April through June). Highlights and accomplishments of work-in-progress for freeway, streets and roads, and transit programs along with expenditure information are presented for Board review.

Freeway Program

Prior Measure M construction projects along the Santa Ana Freeway (Interstate 5), Costa Mesa Freeway (State Route 55), and the Riverside

Freeway (State Route 91) are essentially complete with the California Department of Transportation (Caltrans) continuing to negotiate final change orders and claims. The following are highlights and major accomplishments along each of the freeway corridors:

Interstate 5 (I-5), South Projects

Measure M provided funding for several high-occupancy vehicle lanes and related improvement projects along the I-5 between El Toro Road and Pacific Coast Highway. These projects included numerous soundwalls for noise mitigation. Because of certain physical constraints, some of the areas did not receive a soundwall under the original construction contract. One of those areas remaining is the Aliso Creek community in the City of Laguna Hills. The Aliso Creek soundwall is being constructed along the southbound I-5 between Los Alisos Boulevard and Alicia Parkway. The total estimated cost of the project is $2,337,000. Construction began in early February 2007 and is approximately 82 percent complete. Currently, the project is scheduled to be complete in September 2007.

I-5, North Projects

Construction on the 13 I-5 projects from the Garden Grove Freeway (State Route 22) to just north of the I-5/State Route 91 (SR-91) interchange originally began in December 1996, and was substantially completed by the end of December 2000 as scheduled. The negotiating of final construction quantities, change orders, and construction claims for all of the completed I-5 projects is the responsibility of Caltrans. The negotiation work continued during the report period. The total anticipated Measure M construction payments are currently estimated at $235.6 million, which includes an allowance to settle outstanding change orders and construction claims.

I-5, Gateway Project

The two-mile stretch of the I-5, from just north of the I-5/SR-91 interchange to the Los Angeles County line, is the last phase of the I-5 in Orange County to be improved. The total Board-approved overall project budget is $314.3 million, with $178.9 million coming from Measure M.

The freeway widening construction package was awarded to FCI Constructors/Balfour Beatty on April 18, 2006. Various construction activities continued during the report period, with the project currently 28 percent complete.

The work associated with the Western Avenue bridge continued to progress and lanes were opened to traffic in August 2007. The abutment walls at the Artesia Boulevard interchange have been completed, and the northbound falsework continues to progress. The installation of the storm drain pipelines along Artesia Boulevard and Western Avenue continues, as does the relocation of both gas and electrical utilities along Stanton Avenue. The necessary work for the relocation of the other utilities is still in progress throughout the project limits.

The acquisitions and documentation necessary for the initial right-of-way certification have been completed. In addition to the coordination meetings with the various partner cities and agencies, OCTA continues to meet with the local businesses and neighborhoods who will be affected to varying degrees by the project. Included in this effort are weekly meetings with the City of Buena Park to coordinate and mitigate local traffic issues.

State Route 22 (SR-22)

Progress on the SR-22 continues to advance toward the overall completion of the project. As of the end of the report period, the construction effort is 95.4 percent complete based on the contract billings to date.

On April 30, 2007, all lanes along the mainline freeway, including ramps, freeway connectors, and the required local city streets were fully open to traffic, thus achieving Project Completion No. 2. Ongoing work that has been continuing since Project Completion No. 2 included median and shoulder improvements, signage installation, miscellaneous electrical work, and overall project clean-up. The lanes along Metropolitan Drive were changed into their final configuration. Work also continued on the project aesthetics, as the installation of soundwall panels and the slope paving along the project mainline is progressing. Additionally, the construction of the irrigation systems needed in preparation for landscape installation continues.

The total Board-approved overall project budget is $549.6 million, with $244.5 million coming from Measure M.

Street and Roads Programs

Substantial additional funding to cities and the County is provided by the various programs within the Measure M Local and Regional Streets and Roads Programs through OCTA's Combined Transportation Funding Program (CTFP). The CTFP encompasses Measure M streets and roads competitive programs, as well as federal sources such as the Regional Surface Transportation Program. Funds

are awarded on a competitive basis within the guidelines of each program and are used to fund a wide range of transportation projects.

In the second quarter of 2007, the CTFP contributed approximately $20.6 million for streets and roads improvements throughout the County. Of that amount, approximately $19.8 million was in initial payments and $8.7 million was in final payments, closing out existing projects. These funds were directed to 86 different projects in 20 different cities. Projects of note include: the completion of the improvements to El Toro Road in Lake Forest, from Jutewood Place to Cornelius Drive; the Harbor Boulevard/Ball Road intersection improvements; and the Irvine Boulevard/Jeffrey Road intersection improvements. Additionally, there were progress payments made to the County of Orange for the Laguna Canyon Road widening; to the City of Santa Ana for the Moulton Parkway Smart Street, from Ritchey Street to Redhill Avenue; and to the City of Anaheim for the Katella Avenue Smart Street, from Ninth Street to Humor Drive.

Transit Programs

Rail Program

The OCTA rail program is comprised mainly of the Metrolink Commuter Rail Program and the associated capital improvements intended to support existing service as well as future service expansion.

Metrolink Commuter Rail Operations

Orange County's commuter rail service is provided by Metrolink. Metrolink is the service operated by the Southern California Regional Rail Authority (SCRRA). Formed in 1991, the SCRRA is a joint powers authority of five member agencies, representing the five Southern California counties of Ventura, Los Angeles, San Bernardino, Riverside, and Orange.

Commuter rail service in Orange County includes three routes: the Orange County (OC) line operating from Oceanside to Los Angeles, the Inland Empire – Orange County (IEOC) line, serving passengers who travel from San Bernardino and Riverside to Orange County and Oceanside, and the 91 line operating from Riverside to downtown Los Angeles via Fullerton. The OC line provides 19 weekday and six weekend trips between Orange County and Los Angeles, including two reverse-commute roundtrips that offer service from Los Angeles to employment centers in Orange County. The IEOC line provides 16 weekday trips and five weekend trips, and the 91 line provides nine weekday trips. In addition, under the Rail 2 Rail program, monthly pass holders are allowed

to ride Amtrak trains providing weekday and up to 22 additional weekend trains for Orange County riders at no additional charge.

The expansion of the Rail 2 Rail program continues. Through the combined efforts of OCTA, Caltrans, Metrolink, and Amtrak, the Metrolink service area will be making a number of improvements. Currently, this program allows only those with a monthly Metrolink Pass to ride Amtrak trains within the service area at no additional fee; however, OCTA has continued to work with the various stakeholders to expand this to a new ten-trip ticket program. This new Amtrak ten-trip ticket will be usable on Metrolink trains in the service area. This effort has been ongoing for some time, and is currently in software development at Amtrak. This has been necessary to ensure that new privacy and security standards imposed by Visa and MasterCard can be met.

In the second quarter of 2007, Metrolink ridership in Orange County experienced continued growth on two of the three lines. The OC line, including the Metrolink riders on Amtrak trains under the Rail 2 Rail program, averaged 8,059 daily passengers, which represents a 4 percent increase over the second quarter of 2006. The IEOC line averaged 4,773 daily riders, an 8 percent increase over the second quarter of 2006. The 91 line averaged 2,280 riders, which is a 3 percent decrease compared to the second quarter of 2006.

Capital Improvement Projects

The Orange station pedestrian undercrossing project continues to progress. Comments received from the Office of the State Architect have been addressed by the design team and architectural details are being finalized with the City of Orange. The SCRRA is the lead agency for design and construction. Construction on the project began in June 2007 with the installation of communications and signal improvements at the site. The SCRRA expects to award the major construction contract during the third quarter of 2007.

Another ongoing project, aimed at improving the efficiency and capacity on this corridor, is the second main track, or double track, in Santa Ana. Metrolink is the lead agency on this project, which is currently in construction. Despite numerous complications, the necessary utility relocations and improvements have been completed. Once the second track is put into service, there will be additional work that the contractor must complete, including the restoration and repaving of Lincoln Avenue. The project is anticipated to be complete by the end of September 2007.

Another significant capital improvement project will be the addition of the Buena Park Intermodal Commuter Rail Facility (BPIF). The BPIF is the latest

station to be built on the OC line, and will provide commuters with convenient bus and rail connections. The facility encompasses a 4-acre site located at Lakeknoll Drive and Dale Avenue in the City of Buena Park. A half-acre property was added to the original 3.5-acre site to enable the incorporation of a bus layover zone into the current construction effort.

During the report period, the City of Buena Park continued to take the lead in managing the project's construction, and OCTA continued to provide project management oversight and technical assistance. The Burlington Northern Santa Fe Railroad third track was completed in May 2007. The Orange County Flood Control permit requirements for the Malvern Avenue improvements were approved. Additionally, elevator design changes were required to comply with new State of California safety codes. These changes are in process. The grand opening for the BPIF is currently scheduled for September 4, 2007.

Metrolink Service Expansion Program

On November 14, 2005, the Board authorized the implementation of the Metrolink Service Expansion (Expansion) Program. Not all improvements associated with the Expansion Program are funded by Measure M. Only those elements supported by Measure M funding are discussed here.

During this period, considerable effort was spent negotiating a cooperative agreement between SCRRA and OCTA. The agreement outlines the respective roles and responsibilities of both agencies in support of the design, construction, and construction management of all rail infrastructure improvements necessary for implementation of 30-minute service between the stations located in Fullerton and Laguna Niguel/Mission Viejo. It will also establish OCTA's funding obligations to SCRRA for its portion of the design and construction. Under the agreement, OCTA will be responsible for environmental analysis and approval, right-of-way acquisition, utility relocation, as well as providing funding for the construction of the needed improvements. The value of the agreement is estimated to be $87 million.

In accordance with the cooperative agreement, SCRRA issued a task order to initiate design work for the planned track improvements in June 2007. The SCRRA consultant has begun this task and 30 percent design should be completed by January 2008.

The preparation of required environmental documentation was also initiated in June 2007. The documentation will be complete in October 2007. Potentially impacted right-of-way elements were identified during this period as a basis for

proceeding into preliminary engineering and design of the facility. These tasks are being performed through OCTA's project management consultant.

The commuter rail program was made possible by the rapid implementation of a comprehensive capital improvement plan made up of 36 percent Measure M funds. Also helping the commuter rail program is $115 million in the long-term rail operating fund, the Commuter Urban Rail Endowment, established in 1992 and funded by Measure M.

City-Initiated Transit Extensions to Metrolink

On May 14, 2007, the Board approved cooperative agreements and project concepts for the Go Local program with the cities of Cypress and La Palma. These cities will each receive $100,000 to collaborate in planning efforts with the City of Buena Park to identify opportunities to provide transit extensions to the Metrolink transit station scheduled to open in Buena Park later this year. Key destinations to be a primary focus of this study include the Knott's Berry Farm area in Buena Park, the La Habra Senior Center, the Los Alamitos Racetrack, and Cypress College.

With this action, the Board has approved 20 cooperative agreements. Five other cities are actively engaged in processing their cooperative agreements through the city council approval process.

San Diego Freeway (Interstate 405)/State Route 55 (SR-55) Interchange and Transitway

In February 2001, construction began on the second phase of the Interstate 405 (I-405)/SR-55. The estimate at completion for the construction is $65.7 million. The project is complete and is currently in the closeout phase. Caltrans will continue to take the lead in the negotiation of the remaining change orders and claims.

On October 14, 2005, the Board approved the execution of cooperative agreements with the cities of Santa Ana and Costa Mesa (Cities) for a follow-on landscaping project at the I-405/Bristol Street and the SR-55/MacArthur Boulevard interchanges. Heavy use of these areas for construction staging made it difficult to maintain the existing landscaping during the four years of construction that were involved in both phases of the I-405/SR-55 interchange project. OCTA is funding the project, with the Cities implementing all elements of work.

Currently, the Cities are separately coordinating the work associated with their portion of the project. The construction of the City of Costa Mesa's portion of the project is complete and in the plant establishment period. The contract for construction of the City of Santa Ana's portion of the project was awarded on March 29, 2007, and the work effort is progressing. The construction is scheduled to be complete in October 2007. Project costs are estimated at $1,343,000, with any increases to be the responsibility of the Cities.

Financial Status

As required in Measure M, all Orange County eligible jurisdictions receive 14.6 percent of the sales tax revenue based on population ratio, Master Plan of Arterial Highways miles, and total taxable sales. There are no competitive criteria to meet, but there are administrative requirements such as having a Growth Management Plan. This money can be used for local projects as well as ongoing maintenance of local streets and roads. The total amount of Measure M turnback funds distributed since program implementation is $453.2 million. Distributions to individual agencies, from inception to-date and for the report period, are detailed in Attachment A.

Net Measure M expenditures through June 30, 2007, total $2.918 billion. Net expenditures include project specific reimbursements to Measure M from cities, local agencies, and Caltrans. Total net tax revenues consist primarily of Measure M sales tax revenues and non-bond interest minus estimated non-project related administrative expenses through 2011. Net revenues, expenditures, estimates at completion, and summary project budgets, per the Measure M Expenditure Plan, are presented in Attachment B. The basis for project budgets within each of the Measure M Expenditure Plan programs is identified in the notes section of Attachment B. Additional details and supporting information to the Measure M Revenue and Expenditure Summary are provided under Attachment C.

Budget Variances

Project budget versus estimate at completion variances generally relate to freeway and transitway elements as these programs have existing defined projects. Other programs, such as regional and local streets and roads, assume all net tax revenues will be spent on existing and yet to be defined future projects.

No changes to the project budgets or estimates at completion occurred during the report period. Measure M estimate at completion increases associated with the I-5 Gateway Project update, which is to be presented to the Board on August 27, 2007, as well as increases associated with the Board-approved

Renewed Measure M Early Action Plan, will be included in the next quarterly update.

Summary

As required in Measure M Ordinance No. 2, a quarterly report is provided to update progress in implementing the Measure M Expenditure Plan. This report covers freeways, streets and roads, transit program highlights, and accomplishments from April through June 2007.

Attachments

A. Measure M Local Turnback Payments
B. Measure M Revenue and Expenditure Summary as of June 30, 2007
C. Supporting Information to Measure M Revenue and Expenditure Summary

Prepared by:

Roger Lopez
Senior Project Controls Analyst
(714) 560-5438

Approved by:

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

ATTACHMENT A

MEASURE M LOCAL TURNBACK PAYMENTS

Agency	Second Quarter 2007	Total Apportionment as of 6/30/07
Aliso Viejo	$ 153,553	$ 2,553,070
Anaheim	1,431,587	49,773,124
Brea	227,894	8,110,627
Buena Park	342,417	12,113,948
Costa Mesa	602,792	21,458,805
Cypress	230,491	7,968,235
Dana Point	139,610	5,095,110
Fountain Valley	266,875	9,820,840
Fullerton	540,136	19,579,835
Garden Grove	627,137	22,270,759
Huntington Beach	800,672	29,243,043
Irvine	1,005,419	31,359,629
Laguna Beach	109,725	3,808,126
Laguna Hills	156,036	5,358,267
Laguna Niguel	288,919	9,621,406
Laguna Woods	59,459	1,287,563
La Habra	223,035	7,589,600
Lake Forest	330,851	9,810,645
La Palma	79,022	2,530,786
Los Alamitos	55,607	2,150,964
Mission Viejo	410,024	14,104,032
Newport Beach	435,484	13,855,163
Orange	680,973	23,535,554
Placentia	200,272	7,044,504
Rancho Santa Margarita	182,198	3,382,531
San Clemente	232,880	7,051,703
San Juan Capistrano	167,222	5,588,333
Santa Ana	1,227,607	44,759,156
Seal Beach	101,728	3,577,515
Stanton	128,128	4,474,399
Tustin	344,208	12,267,463
Villa Park	22,518	819,224
Westminster	375,165	13,421,518
Yorba Linda	244,625	8,396,213
County Unincorporated	734,209	29,503,973
Total County:	***$ 13,158,481***	***$ 453,285,661***

Measure M Revenue and Expenditure Summary
as of June 30, 2007

Project Description	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	To Date Net Project Cost	Percent Budget Expended	Notes
($ in thousands, escalated to year of expenditure/revenue)	A	B	C	(A - C)	(B - C)	D	(D / B)	
Freeways (43%)								
I-5 between I-405 (San Diego Fwy) and I-605	$ 1,044,179	$ 810,010	$ 801,602	$ 242,577	$ 8,408	$ 675,968	83.5%	1
I-5 between I-5/I-405 Interchange and San Clemente	72,396	57,836	59,940	12,456	(2,104)	59,262	102.5%	1
I-5/I-405 Interchange	91,888	72,802	73,075	18,813	(273)	73,075	100.4%	1
S.R. 55 between I-5 and S.R. 91	61,258	44,511	50,176	11,082	(5,665)	49,167	110.5%	1
S.R. 57 between I-5 and Lambert Road	30,629	24,128	22,750	7,879	1,378	22,755	94.3%	1
S.R. 91 between Riverside Co. line & Los Angeles Co. line	132,263	116,136	105,639	26,624	10,497	105,311	90.7%	1
S.R. 22 between S.R. 55 and Valley View St.	412,103	244,460	247,852	164,251	(3,392)	234,529	95.9%	1
Subtotal Projects	$ 1,844,716	$ 1,369,883	$ 1,361,034	$ 483,682	$ 8,849	$ 1,220,067	89.1%	
Net (Bond Revenue)/Debt Service		311,163	311,163	(311,163)	-	293,309		
Total Freeways	$ 1,844,716	$ 1,681,046	$ 1,672,197	$ 172,519	$ 8,849	$ 1,513,376	90.0%	3
Expenditures as a Percent of Total Program						51.9%		
Regional Street and Road Projects (11%)								
Smart Streets	$ 161,796	$ 159,392	$ 159,392	$ 2,404	$ -	$ 123,682	77.6%	2
Regionally Significant Interchagnes	94,381	94,381	94,381	-	-	48,792	51.7%	2
Intersection Improvement Program	134,830	134,830	134,830	-	-	62,741	46.5%	2
Traffic Signal Coordination	67,415	67,415	67,415	-	-	36,062	53.5%	2
Transportation Systems and Transporation Demand Mgmt	13,483	13,483	13,483	-	-	6,952	51.6%	2
Subtotal Projects	$ 471,905	$ 469,501	$ 469,501	$ 2,404	$ -	$ 278,229	59.3%	
Net (Bond Revenue)/Debt Service		2,404	2,404	(2,404)	-	2,266		
Total Regional Street and Road Projects	$ 471,905	$ 471,905	$ 471,905	$ -	$ -	$ 280,495	59.4%	2
Expenditures as a Percent of Total Program						9.6%		

ATTACHMENT B

Measure M Revenue and Expenditure Summary
as of June 30, 2007

Project Description	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	To Date Net Project Cost	Percent Budget Expended	Notes
($ in thousands, escalated to year of expenditure/revenue)	A	B	C	(A - C)	(B - C)	D	(D / B)	
Local Street and Road Projects (21%)								
Master Plan of Arterial Highway Improvements	$ 177,202	$ 177,202	$ 177,202	$ -	$ -	$ 68,045	38.4%	2
Streets and Roads Maintenance and Road Improvements	623,705	623,705	623,705	-	-	453,350	72.7%	2
Growth Management Area Improvements	100,000	100,000	100,000	-	-	63,304	63.3%	2
Subtotal Projects	$ 900,907	$ 900,907	$ 900,907	$ -	$ -	$ 584,699	64.9%	
Net (Bond Revenue)/Debt Service						-		
Total Local Street and Road Projects	$ 900,907	$ 900,907	$ 900,907	$ -	$ -	$ 584,699	64.9%	
Expenditures as a Percent of Total Program						20.0%		
Transit Projects (25%)								
Pacific Electric Right-of-Way	$ 20,758	$ 15,000	$ 14,000	$ 6,758	$ 1,000	$ 13,788	91.9%	
Commuter Rail	380,568	373,340	391,645	(11,077)	(18,305)	289,363	77.5%	
High-Technology Advanced Rail Transit	470,520	461,583	464,580	5,940	(2,997)	45,252	9.8%	
Elderly and Handicapped Fare Stabilization	27,678	20,000	20,000	7,678	-	15,190	76.0%	
Transitways	172,985	146,381	126,079	46,906	20,302	123,592	84.4%	1
Subtotal Projects	$ 1,072,509	$ 1,016,304	$ 1,016,304	$ 56,205	$ -	$ 487,185	47.9%	
Net (Bond Revenue)/Debt Service		56,205	56,205	(56,205)	-	52,980		
Total Transit Projects	$ 1,072,509	$ 1,072,509	$ 1,072,509	$ -	$ -	$ 540,165	50.4%	
Expenditures as a Percent of Total Program						18.5%		
Total Measure M Program	$ 4,290,037	$ 4,126,367	$ 4,117,518	$ 172,519	$ 8,849	$ 2,918,735	70.7%	

Notes:

1. Project Budget based on escalated value of 1996 Freeway Strategic Plan plus subsequent Board approved amendments.
2. Project Budget and Estimate at Completion equal to Total Net Tax Revenues as all funds collected will be expended on future projects.
3. Due to a change in reporting practices, Estimates at Completion now include approximately $10 million of OCTA direct project labor not included in Project Budgets.

Supporting Information to Measure M Revenue and Expenditure Summary

Schedule 1

Measure M
Statement of Revenues, Expenditures and Changes in Fund Balance
as of June 30, 2007

($ in thousands)	Quarter Ended June 30, 2007	Year to Date June 30, 2007 *(A)*	Period from Inception to June 30, 2007 *(B)*
Revenues:			
Sales taxes	$ 76,379	$ 275,646	$ 3,072,674
Other agencies share of Measure M costs			
Project related	8,102	12,541	373,255
Non-project related	-	-	97
Interest:			
Operating:			
Project related	154	332	612
Non-project related	9,169	23,643	193,957
Bond proceeds	-	-	136,067
Debt service	688	4,946	70,539
Commercial paper	91	216	5,911
Orange County bankruptcy recovery	-	-	42,268
Capital grants	2,311	13,918	129,672
Right-of-way leases	41	258	3,774
Miscellaneous	-	-	801
Total revenues	96,935	331,500	4,029,627
Expenditures:			
Supplies and services:			
State Board of Equalization (SBOE) fees	689	2,562	46,298
Professional services:			
Project related	(2,923)	5,058	135,799
Non-project related	898	2,126	24,984
Administration costs:			
Project related	545	2,024	13,799
Non-project related	1,385	5,694	67,613
Orange County bankruptcy loss	-	-	78,618
Other:			
Project related	8	21	1,077
Non-project related	24	180	15,047
Payments to local agencies:			
Turnback	13,158	41,126	453,334
Competitive projects	34,165	65,042	428,112
Capital outlay	27,125	126,868	1,814,034
Debt service:			
Principal payments on long-term debt	-	67,325	696,110
Interest on long-term debt and commercial paper	361	22,293	516,040
Total expenditures	75,435	340,319	4,290,865
Excess (deficiency) of revenues over (under) expenditures	21,500	(8,819)	(261,238)
Other financing sources (uses):			
Transfers out:			
Project related	(7,925)	(28,358)	(250,548)
Non-project related	(13)	(53)	(5,153)
Transfers in project related	30	42	1,607
Proceeds on sale of capital assets	837	1,994	17,598
Bond proceeds	-	-	1,169,999
Advance refunding escrow	-	-	(931)
Payment to refunded bond escrow agent	-	-	(152,930)
Total other financing sources (uses)	(7,071)	(26,375)	779,642
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	$ 14,429	$ (35,194)	$ 518,404

Measure M
Schedule of Calculations of Net Tax Revenues and Net Bond Revenues (Debt Service)
as of June 30, 2007

($ in thousands)	Quarter Ended June 30, 2007 (actual)	Year Ended June 30, 2007 (actual)	Period from Inception through June 30, 2007 (actual)	Period from July 1, 2007 through March 31, 2011 (forecast)	Total
		(C.1)	*(D.1)*	*(E.1)*	*(F.1)*
Tax revenues:					
Sales taxes	$ 76,379	$ 275,646	$ 3,072,674	$ 1,200,555	$ 4,273,229
Other agencies share of Measure M costs	-	-	97	-	97
Operating interest	9,169	23,643	193,957	24,282	218,239
Orange County bankruptcy recovery	-	-	20,683	-	20,683
Miscellaneous	-	-	801	-	801
Total tax revenues	85,548	299,289	3,288,212	1,224,837	4,513,049
Administrative expenditures:					
SBOE fees	689	2,562	46,298	19,581	65,879
Professional services, non-project related	826	1,988	16,292	5,896	22,188
Administration costs, non-project related	1,385	5,694	67,613	20,456	88,069
Operating transfer out, non-project related	13	53	5,153	-	5,153
Orange County bankruptcy loss	-	-	29,792	-	29,792
Other, non-project related	24	180	5,948	5,983	11,931
	2,937	10,477	171,096	51,916	223,012
Net tax revenues	$ 82,611	$ 288,812	$ 3,117,116	$ 1,172,921	$ 4,290,037
		(C.2)	*(D.2)*	*(E.2)*	*(F.2)*
Bond revenues:					
Proceeds from issuance of bonds	$ -	$ -	$ 1,169,999	$ -	$ 1,169,999
Interest revenue from bond proceeds	-	-	136,067	-	136,067
Interest revenue from debt service funds	688	4,946	70,539	13,018	83,557
Interest revenue from commercial paper	91	216	5,911	-	5,911
Orange County bankruptcy recovery	-	-	21,585	-	21,585
Total bond revenues	779	5,162	1,404,101	13,018	1,417,119
Financing expenditures and uses:					
Professional services, non-project related	72	138	8,692	-	8,692
Payment to refunded bond escrow	-	-	153,861	-	153,861
Bond debt principal	-	67,325	696,110	307,845	1,003,955
Bond debt interest expense	361	22,293	516,040	46,418	562,458
Orange County bankruptcy loss	-	-	48,826	-	48,826
Other, non-project related	-	-	9,099	-	9,099
Total financing expenditures and uses	433	89,756	1,432,628	354,263	1,786,891
Net bond revenues (debt service)	$ 346	$ (84,594)	$ (28,527)	$ (341,245)	$ (369,772)

Measure M
Schedule of Revenues and Expenditures Summary
as of June 30, 2007

Project Description	Net Tax Revenues Program to date Actual	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures through June 30, 2007	Reimbursements through June 30, 2007	Net Project Cost	Percent of Budget Expended
(G)	*(H)*	*(I)*	*(J)*	*(K)*	*(L)*	*(M)*	*(N)*	*(O)*	*(P)*	*(Q)*
($ in thousands)										
Freeways (43%)										
I-5 between I-405 (San Diego Fwy) and I-605 (San Gabriel Fwy)	$ 758,694	$ 1,044,179	$ 810,010	$ 801,602	$ 242,577	$ 8,408	$ 753,838	$ 77,870	$ 675,968	83.5%
I-5 between I-5/I-405 Interchange and San Clemente	52,603	72,396	57,836	59,940	12,456	(2,104)	69,620	10,358	59,262	102.5%
I-5/I-405 Interchange	66,765	91,888	72,802	73,075	18,813	(273)	98,157	25,082	73,075	100.4%
S.R. 55 (Costa Mesa Fwy) between I-5 and S.R. 91 (Riverside Fwy)	44,510	61,258	44,511	50,176	11,082	(5,665)	55,339	6,172	49,167	110.5%
S.R. 57 (Orange Fwy) between I-5 and Lambert Road	22,255	30,629	24,128	22,750	7,879	1,378	25,614	2,859	22,755	94.3%
S.R. 91 (Riverside Fwy) between Riverside Co. line & Los Angeles Co. line	96,101	132,263	116,136	105,639	26,624	10,497	123,917	18,606	105,311	90.7%
S.R. 22 (Garden Grove Fwy) between S.R. 55 and Valley View St.	299,431	412,103	244,460	247,852	164,251	(3,392)	509,772	275,243	234,529	95.9%
Subtotal Projects	1,340,359	1,844,716	1,369,883	1,361,034	483,682	8,849	1,636,257	416,190	1,220,067	
Net (Bond Revenue)/Debt Service			311,163	311,163	(311,163)	-	293,309		293,309	
Total Freeways	$ 1,340,359	$ 1,844,716	$ 1,681,046	$ 1,672,197	$ 172,519	$ 8,849	$ 1,929,566	$ 416,190	$ 1,513,376	
%				40.6%					51.9%	
Regional Street and Road Projects (11%)										
Smart Streets	$ 117,560	$ 161,796	$ 159,392	$ 159,392	$ 2,404	$ -	$ 127,171	$ 3,489	$ 123,682	77.6%
Regionally Significant Interchanges	68,577	94,381	94,381	94,381	-	-	48,938	146	48,792	51.7%
Intersection Improvement Program	97,967	134,830	134,830	134,830	-	-	62,797	56	62,741	46.5%
Traffic Signal Coordination	48,983	67,415	67,415	67,415	-	-	36,194	132	36,062	53.5%
Transportation Systems Management and Transportation Demand Management	9,797	13,483	13,483	13,483	-	-	7,101	149	6,952	51.6%
Subtotal Projects	342,884	471,905	469,501	469,501	2,404	-	282,201	3,972	278,229	
Net (Bond Revenue)/Debt Service			2,404	2,404	(2,404)	-	2,266		2,266	
Total Regional Street and Road Projects	$ 342,884	$ 471,905	$ 471,905	$ 471,905	$ -	$ -	$ 284,467	$ 3,972	$ 280,495	
%				11.5%					9.6%	

Measure M
Schedule of Revenues and Expenditures Summary
as of June 30, 2007

Project Description	Net Tax Revenues Program to date Actual	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures through June 30, 2007	Reimbursements through June 30, 2007	Net Project Cost	Percent of Budget Expended
(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)
($ in thousands)										
Local Street and Road Projects (21%)										
Master Plan of Arterial Highway Improvements	$ 100,707	$ 177,202	$ 177,202	$ 177,202	$ -	$ -	$ 68,144	$ 99	$ 68,045	38.4%
Streets and Roads Maintenance and Road Improvements	453,181	623,705	623,705	623,705	-	-	453,350	-	453,350	72.7%
Growth Management Area Improvements	100,707	100,000	100,000	100,000	-	-	63,735	431	63,304	63.3%
Subtotal Projects	654,595	900,907	900,907	900,907	-	-	585,229	530	584,699	
Net (Bond Revenue)/Debt Service							-		-	
Total Local Street and Road Projects	$ 654,595	$ 900,907	$ 900,907	$ 900,907	$ -	$ -	$ 585,229	$ 530	$ 584,699	
%				21.9%					20.0%	
Transit Projects (25%)										
Pacific Electric Right-of-Way	$ 15,083	$ 20,758	$ 15,000	$ 14,000	$ 6,758	$ 1,000	$ 16,135	$ 2,347	$ 13,788	91.9%
Commuter Rail	276,519	380,568	373,340	391,645	(11,077)	(18,305)	350,123	60,760	289,363	77.5%
High-Technology Advanced Rail Transit	341,878	470,520	461,583	464,580	5,940	(2,997)	51,287	6,035	45,252	9.8%
Elderly and Handicapped Fare Stabilization	20,110	27,678	20,000	20,000	7,678	-	15,190	-	15,190	76.0%
Transitways	125,691	172,985	146,381	126,079	46,906	20,302	160,258	36,666	123,592	84.4%
Subtotal Projects	779,281	1,072,509	1,016,304	1,016,304	56,205	-	592,993	105,808	487,185	
Net (Bond Revenue)/Debt Service			56,205	56,205	(56,205)	-	52,980		52,980	
Total Transit Projects	$ 779,281	$ 1,072,509	$ 1,072,509	$ 1,072,509	$ -	$ -	$ 645,973	$ 105,808	$ 540,165	
%				26.0%					18.5%	
Total Measure M Program	$ 3,117,125	$ 4,290,037	$ 4,126,367	$ 4,117,518	$ 172,519	$ 8,849	$ 3,445,235	$ 526,500	$ 2,918,735	

17.

OCTA

BOARD COMMITTEE TRANSMITTAL

August 27, 2007

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: Agreement for Radio Equipment, Installation, and Maintenance at the Santa Catalina Island Site

Transit Planning and Operations Committee — August 9, 2007

Present: Directors Brown, Dixon, Green, Moorlach, Nguyen, Pulido, and Winterbottom

Absent: Director Norby

Committee Vote

This item was passed by all Committee Members present.

Directors Nguyen and Pulido were not present to vote on this item.

Committee Recommendations

A. Authorize the Chief Executive Officer to execute Agreement C-7-0764 between the Orange County Transportation Authority and M/A-COM, in an amount not to exceed $240,950, for the purchase and installation of radio equipment to be located on Santa Catalina Island.

B. Approve a budget amendment to the approved Orange County Transportation Authority Fiscal Year 2007-08 Budget for $240,950 to fund Agreement C-7-0764.

OCTA

August 9, 2007

To: Transit Planning and Operations Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Agreement for Radio Equipment, Installation, and Maintenance at the Santa Catalina Island Site

Overview

The Orange County Transportation Authority uses an integrated transportation communication system as the communication link between central dispatch and fixed route buses. Installing a radio site on Santa Catalina Island will improve radio system coverage along the Orange County coastal area. A proposal was received in accordance with the Orange County Transportation Authority's fixed assets sole source procurement procedures for professional and technical services.

Recommendations

A. Authorize the Chief Executive Officer to execute Agreement C-7-0764 between the Orange County Transportation Authority and M/A-COM, in an amount not to exceed $240,950, for the purchase and installation of radio equipment to be located on Santa Catalina Island.

B. Approve a budget amendment to the approved Orange County Transportation Authority Fiscal Year 2007-08 Budget for $240,950 to fund Agreement C-7-0764.

Background

The Orange County Transportation Authority's (Authority) integrated transportation communications system (ITCS), providing voice and data communications to the fixed route buses, is currently serviced by four radio sites located at mountaintops through lease agreements with the County of Orange. The current system has areas of poor coverage, specifically along a section of the Pacific Coast Highway in South County. This area of coastal coverage can best be improved by locating a radio site at Santa Catalina Island (Catalina).

On February 12, 2007, the Board approved the first year of a long-term lease for tower and equipment rack space at the radio facility at Blackjack Mountain on Catalina. The lease has been signed and the site is now available for testing and installation of equipment to support the Authority's ITCS system.

Discussion

The Authority has the frequency necessary for this additional site and has secured licensing through the Federal Communications Commission (FCC). Under the proposed agreement, the Authority will install radio frequency equipment at Blackjack Mountain on Catalina, including a primary and back-up radio, which will add this site to the existing four-site ITCS infrastructure. When the Catalina site becomes operational, ongoing preventive maintenance and repair will be included in our overall M/A-COM proposed service Agreement C-6-0567.

The ITCS operates on a M/A-COM OpenSky digital radio platform. This platform is proprietary to M/A-COM, requiring this to be handled as a sole source procurement.

The Authority's Internal Audit Department conducted a price review. Repeated requests were made for M/A-COM to provide information on how prices were determined, including markup of their price on parts, labor, and shipping. M/A-COM stated that the information requested is never disclosed to any customer as a matter of policy. Internal Audit also attempted to identify contracts with other agencies for similar parts and labor, but comparable contracts or proposals were not available. Without this information, the Internal Audit Department was unable to determine if the price is fair and reasonable.

Fiscal Impact

Funds for this project were approved in the Authority's Fiscal Year 2006-07 Budget. Due to the timing of this project and the close of the previous fiscal year budget, staff is requesting a budget amendment to the approved fiscal year 2007-08 budget for this agreement in the following account: Transit Division, Maintenance Department, 2185-9027-D1111-ESV. These funds are made available through the Local Transportation Fund.

Summary

Staff recommends approval of Agreement C-7-0764 with M/A-COM, in an amount not to exceed $240,950, for the purchase and installation of radio equipment located on Santa Catalina Island along with the necessary budget amendment for this agreement.

Attachment

A. Cost Summary for Agreement for Radio Equipment and Installation at the Santa Catalina Island Site

Prepared by:

Lloyd Banta
Acting Manager, Maintenance
(714) 560-5975

Approved by:

Beth McCormick
General Manager, Transit
(714) 560-5964

Cost Summary for
Agreement for Radio Equipment and Installation at the Santa Catalina Island Site

Contract Item	Price
System Installation	
Catalina Antenna System	$5,649.76
Catalina Base Station Equipment	$115,747.20
Network Switching Center	$38,609.90
Services (Phase One Testing)	$24,000.00
Services (System Engineering, Installation, Testing)	$56,941.25
Total	$240,948.11

ATTACHMENT A

18.

OCTA

BOARD COMMITTEE TRANSMITTAL

August 27, 2007

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: Agreement for Maintenance of the Integrated Transportation Communication System Radio Service

Transit Planning and Operations Committee — August 9, 2007

Present: Directors Brown, Dixon, Green, Moorlach, Nguyen, Pulido, and Winterbottom
Absent: Director Norby

Committee Vote

This item was passed by all Committee Members present.

Directors Nguyen and Pulido were not present to vote on this item.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement C-6-0567 between the Orange County Transportation Authority and M/A-COM, in an amount not to exceed $100,000, for radio repair and maintenance service for a one-year term with five one-year options.

OCTA

August 9, 2007

To: Transit Planning and Operations Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Agreement for Maintenance of the Integrated Transportation Communication System Radio Service

Overview

The Orange County Transportation Authority's fixed route transit fleet relies upon an integrated voice and data radio system for communication to dispatch. This radio system requires periodic preventive maintenance and repair. A proposal, within the approved budget, was received from the radio supplier and processed in accordance with the Orange County Transportation Authority's sole source procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-6-0567 between the Orange County Transportation Authority and M/A-COM, in an amount not to exceed $100,000, for radio repair and maintenance service for a one-year term with five one-year options.

Background

The Orange County Transportation Authority (Authority) operates a digital M/A-COM OpenSky 800 megahertz (MHz) radio system that transmits voice and data between the Transit Division's Central Communications dispatch center and the fixed route bus fleet. The system utilizes radio equipment at one Authority dispatching site, four County of Orange radio sites, and a proposed radio site at Santa Catalina Island. This contract establishes a maintenance agreement for regular preventive maintenance and emergency repair services on that equipment.

Discussion

Maintenance for the integrated transportation communication system (ITCS) contract expired in November 2006. Since that time, M/A-COM has continued to

repair the system as needed on a "time and materials" basis and based on availability of M/A-COM staff. Establishing a contract for the work will improve the response time when emergency repairs are necessary and ensure that regular preventive maintenance is provided for all equipment at the leased County of Orange sites and the Authority's Central Communication facility in Garden Grove. This agreement also includes a service contract for radio equipment proposed for installation on Santa Catalina Island.

A proposal for the service work and material was provided by M/A-COM in response to a Scope of Work (SOW). The SOW included preventive maintenance outlined on a periodic basis for a firm fixed fee, plus hourly rates for work on an as needed basis, and the necessary material to execute the repair. The original proposal for the preventive maintenance was modified to a time and materials agreement to facilitate servicing the remote radio sites.

In addition to preventive maintenance services, the contract has provisions for a time and materials rate for normal maintenance, and emergency repairs to help ensure continuity and system operability.

The Authority's Internal Audit Department conducted a price review. Repeated requests were made for M/A-COM to provide information on how prices were determined, including the markup of their price on parts and labor. M/A-COM stated that the information requested is never disclosed to any customer as a matter of policy. Internal Audit also attempted to identify contracts with other agencies for similar preventive maintenance, but comparable contracts or proposals were unavailable. The Internal Audit Department was unable to determine if the price is fair and reasonable.

Fiscal Impact

Funding for these services is included in the Authority's Fiscal Year 2007-08 Budget, Transit Division, Maintenance Department, Account 2185-7612-D1111-EQP, and is funded through the Local Transportation Fund.

Summary

Staff recommends award of Agreement C-6-0567 to M/A-COM, in an amount not to exceed $100,000, for radio repair and maintenance services for a one-year term with five one-year options.

Attachment

A. Cost Summary for Agreement for Integrated Transportation Communication System Radio Service

Prepared by:

Lloyd Banta
Acting Manager, Maintenance
(714) 560-5975

Approved by:

Beth McCormick
General Manager, Transit
(714) 560-5341

Cost Summary for
Agreement for Integrated Transportation Communication System Radio Service

Contract Item	Price					
Four Orange County Sites	Initial Year	Option Year 1	Option Year 2	Option Year 3	Option Year 4	Option Year 5
Hourly Rates for Preventative Maintenance	$112.00	$115.36	$118.82	$122.39	$126.06	$129.84
Hourly Rates for Repair	$112.00	$115.36	$118.82	$122.39	$126.06	$129.84
Emergency Repair Hourly Rates	$168.00	$173.00	$178.00	$183.00	$189.00	$195.00
Engineering Assistance Daily Rates	$1,400.00	$1,400.00	$1,400.00	$1,400.00	$1,400.00	$1,400.00
Parts Discount	25%	25%	25%	25%	25%	25%

ATTACHMENT A

OCTA

BOARD COMMITTEE TRANSMITTAL

August 27, 2007

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: State Legislative Status Report

Legislative and Government Affairs/Public Communications Committee — August 16, 2007

Present: Directors Buffa, Bates, Glaab, Mansoor, and Rosen
Absent: Director Campbell

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations (reflects change from staff recommendations)

A. Receive and file the State Legislative Status Report as an information item.

B. Adopt an Oppose unless Amended position on SB 974 (Lowenthal, D-Long Beach) with the following amendments to be included:

1. Eliminate the air quality attainment requirement for the congestion relief funds;
2. Formula for equitable distribution defined in the bill outside of the California Transportation Commission process;
3. An ongoing updating of projects, as opposed to a one-time list of projects; and
4. Eliminate the requirement that funds be appropriated annually by the Legislature.

NOTE: The Committee was provided information regarding SB 974 (Transmittal Attachment A).

SB 974 (Lowenthal, D-Long Beach) Excerpt from State Legislative Status Report of the August 13, 2007 Board of Directors Meeting

SB 974 (Lowenthal, D-Long Beach)/Principles for a Container Fee Program

The week of July 16, the Orange County Transportation Authority's (OCTA) Transportation 2020 Committee and the Legislative and Government Affairs/Public Communications (LGA) Committee reviewed and approved a set of principles to be used as guidelines in the development of a container fee program. On July 23, these principles were approved by OCTA's Board of Directors. OCTA staff was directed to utilize the approved principles when discussing the development of a container fee program affecting the Ports of Los Angeles, Long Beach, and Oakland.

One of the major proposals before the State Legislature at this time is SB 974 (Lowenthal, D-Long Beach). SB 974 levies a $30 fee per container on goods coming through the Ports of Long Beach, Los Angeles, and Oakland to address congestion and air quality impacts related to goods movement. On April 19, 2007, SB 974 was first brought to the LGA Committee where the Committee voted to direct OCTA staff to monitor SB 974 as it progresses through the Legislature. Since that time, SB 974 has been amended twice (April 30 and May 24) and is currently pending before the Assembly Appropriations Committee.

SB 974 distributes the collected fees in the following manner: 50 percent going to congestion relief and the other 50 percent going to mitigation. Separate accounts would be established and maintained for Northern and Southern California based on funds collected at the respective ports in the region. This bill also allocates funding authority to the California Transportation Commission (CTC) for the congestion relief projects and to the California Air Resources Board (CARB) for the mitigation projects. The bill contains a prohibition against the transfer or loan of these funds to the state General Fund.

It also contains guidance for the CTC to consider projects along the entire Southern California corridor serving Los Angeles and Long Beach ports such as grade crossings, expanded rail capacity, on-dock rail improvements, and areas such as the Colton Crossing. The list of projects must be adopted by the CTC by September 1, 2008, and once the projects are fully funded, the container fee can no longer be collected.

With respect to the air quality funds, SB 974 specifies that by September 1, 2008, CARB must adopt a list of projects consistent with the Emission Reduction Plan adopted by the state in April 2006. It further specifies that funding can also be provided to meet the goals of the San Pedro Bay Clean Air Action Plan. Once the emission reduction goals are met, the container fee will no longer be assessed.

OCTA Principles

The principles adopted by the OCTA Board serve as a set of recommendations to be considered in the development of a container fee program. A comparison of OCTA's Principles to SB 974, in its current form, has many similarities. Both the principles and SB 974 direct the levied fees to provide traffic congestion relief and mitigate air quality due to port activity, set timelines for fees to be collected, and provide for some means of sunsetting the program.

Although Senator Lowenthal agreed to work on amending SB 974 recently in the Assembly Transportation Committee, this bill contains a few provisions that are so far inconsistent with OCTA's principles. First, along with OCTA, many Southern California local government agencies have raised the issue of local control over the use of funds collected on each container. Currently, SB 974 calls for the CTC and CARB to set up a competitive process where sponsoring agencies can apply for funds for eligible projects. A competitive process does not guarantee that all affected counties will receive funding necessary to mitigate the impacts associated with port activity.

Second, SB 974 differs from OCTA's principles in that SB 974 places restrictions on the Ports of Los Angeles and Long Beach that requires the port complex to meet emission reduction goals as specified in the San Pedro Bay Ports Clean Air Action Plan or lose its eligibility to receive congestion mitigation funds. SB 974, in its current form, makes all counties in the Southern California region responsible for meeting the Ports' emission reduction goals in order to receive funding for projects and constitutes an unfunded mandate. More importantly, any potential congestion mitigation funds OCTA would receive for eligible congestion relief projects would be in jeopardy. The bill does not place similar restrictions on the Port of Oakland. OCTA's principles call for a "fair and equitable" distribution of funds and that selected projects should not be intended to impose additional regulations, obligations or unfunded mandates on local government agencies.

Lastly, SB 974 establishes a one-time list of projects that could potentially be obsolete shortly after adoption and does not consider whether specific outcomes have been achieved (an ongoing reduction in congestion).

A comparison between OCTA's adopted principles and SB 974 can be found in Attachment B. As the Legislature is in session until September 14, 2007, staff recommends that OCTA work with the author to secure amendments that will help address the inconsistencies noted above.

Due to the August 2, 2007, Legislative and Government Affairs/Public Communications Committee meeting being canceled, this matter was heard by the Executive Committee on August 6, 2007. The Executive Committee recommended the following:

A. Adopt a Support with Amendments position on SB 974 (Lowenthal, D-Long Beach) with the following amendments to be included:

   a. Eliminate the air quality attainment requirement for the congestion relief funds;
   b. Formula for equitable distribution defined in the bill outside of the California Transportation Commission process; and
   c. An ongoing updating of projects, as opposed to a one-time list of projects.

B. Chairman to draft a letter to the Governor encouraging support if amendments are made or urging a veto if amendments are not incorporated.

ATTACHMENT B

Comparison of OCTA Principles for a Container Fee Program & SB 974 (Lowenthal, D-Long Beach)

OCTA Principles:	Provisions of SB 974:
• The port system in Southern California is defined as the entire network which supports the movement of goods to and from the Ports of Los Angeles and Long Beach including directly impacted infrastructure and communities in the counties of Los Angeles, Orange, Riverside, and San Bernardino.	• Requires the CTC to select projects which improve the rail and cargo transportation systems to and from the Ports of Los Angeles and Long Beach. The CTC is required to consult with counties within the port system including the counties of Orange, Riverside, and San Bernardino when selecting congestion relief projects.
• A fee levied on port containers should be used to mitigate congestion and air quality issues directly associated with the movement of cargo from California Ports.	• Levies a fee on containers processed at three California ports to fund congestion management and air quality improvement projects related to the ports.
• Fees which are levied are placed into accounts which are allocated based on geographic region and dedicated to specific project categories.	• Fees are collected are placed into one of four accounts based geographic region and project category.
• A container fee program should establish a timeline in which fees will be collected, continuously appropriate funds, sunset once specified project outcomes have been achieved, and be sufficiently firewalled to prohibit diversions by the State or any government agency for another purpose.	• Requires a payment schedule be created to collect fees, requires fees to be continuously appropriated to the identified accounts in order to finance projects, requires that container fees expire upon projects being fully funded, and restricts the State from transferring or loaning funds derived from fees into the General Fund.
• Projects which are identified for each funding category should be intended to improve the efficiency of transporting cargo and mitigating the effects of port activity.	• Specifically identifies eligible projects or project qualifications for congestion relief projects selected by the CTC. Specifies eligible projects or project qualifications for air quality mitigation projects selected by CARB.

OCTA Principles (continued):

- Selected projects should be clearly defined, have separate individual accounts, and accounts should be eligible for port and inland transportation and air quality mitigation projects.

- Fees collected from the Los Angeles/Long Beach port complex should be collected and distributed in a fair and equitable manner to local and regional government agencies in Los Angeles, Orange, Riverside, and San Bernardino Counties.

- The State should not impose any unfunded mandates on agencies which administer a container fee program. Program funds should not be used to impose additional regulations and/or obligations on local government entities.

Provisions of SB 974 (continued):

- Four accounts are created in the state treasury separated by two Northern and two Southern California accounts, and further separated by a congestion relief account and mitigation relief account for the north and south.

- Fees collected are allocated on a competitive process by the CTC and CARB (eligible projects are awarded funds with no assurances those funds will be distributed in an equitable manner between Southern California Counties or distributed to projects which have the greatest impact on the local communities).

- Requires the Los Angeles and Long Beach port complex to meet emission reduction goals of the 2006 San Pedro Bay Clean Air Action Plan. CTC will not award funding to any project, including congestion relief projects, if these goals are not met. This includes potential projects which are located outside the port complex in Orange, Riverside, and San Bernardino Counties.

- SB 974, in its current form, does not possess language which prohibits the designated agencies from selecting projects which are regulatory and/or obligate a local government agency to implement additional requirements.

AMENDED IN SENATE MAY 24, 2007

AMENDED IN SENATE APRIL 30, 2007

AMENDED IN SENATE APRIL 9, 2007

SENATE BILL No. 974

Introduced by Senator Lowenthal
(Principal coauthor: Assembly Member De La Torre)
(Coauthors: Senators Kehoe, Kuehl, Migden, and Steinberg)
(Coauthors: Assembly Members Carter, *DeSaulnier, Hancock,* and Karnette)

February 23, 2007

An act to add Article 10 (commencing with Section 63049.70) to Chapter 2 of Division 1 of Title 6.7 of the Government Code, to amend and renumber Section 1760 of, to add a heading to Chapter 1 (commencing with Section 1720) of, and to add Chapter 2 (commencing with Section 1740) to, Part 2 of Division 6 of, the Harbors and Navigation Code, relating to ports, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 974, as amended, Lowenthal. Ports: congestion relief: environmental mitigation: regulatory fee.

(1) Existing law regulates the operation of ports and harbors.

This bill would require the Ports of Los Angeles, Long Beach, and Oakland to collect a user fee on the owner of container cargo moving through the Port of Los Angeles, the Port of Long Beach, or the Port of Oakland at a rate of $30 per twenty-foot equivalent unit (TEU).

The bill would require the Ports of Los Angeles and Long Beach to transmit ½ of the funds derived from imposition of the fee to the Southern California Port Congestion Relief Trust Fund, which the bill

would establish in the State Treasury, and ½ to the Southern California Port Mitigation Relief Trust Fund, which the bill would establish in the State Treasury. The bill would require the Port of Oakland to transmit ½ of the funds derived from imposition of the fee to the Northern California Port Congestion Relief Trust Fund, which the bill would establish in the State Treasury, and ½ to the Northern California Port Mitigation Relief Trust Fund, which the bill would establish in the State Treasury.

The bill would require the moneys transmitted to the Southern California Port Congestion Relief Trust Fund and the Northern California Port Congestion Relief Trust Fund to be available, upon appropriation, for expenditure by the California Transportation Commission exclusively for the purposes of funding projects that improve the flow and efficiency of container cargo to and from those ports, and funding the administrative costs of this program. The bill would prohibit moneys deposited in those funds from being loaned or transferred to, or allocated or appropriated in any other way to, the General Fund. The bill would prohibit the commission from using the funds to construct, maintain, or improve highways, with certain exceptions.

The bill would require the moneys transmitted to the Southern California Port Mitigation Relief Trust Fund and the Northern California Port Mitigation Relief Trust Fund to be available, upon appropriation, for expenditure by the State Air Resources Board to develop a list of projects to mitigate environmental pollution caused by the movement of cargo to and from those ports, and for the administration of this program. The bill would prohibit moneys deposited in those funds from being loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.

The bill would establish a state-mandated local program by imposing these additional duties upon the ports.

(2) Existing law sets forth the duties of the Infrastructure and Economic Development Bank and its board of directors generally in performing various financing transactions, including the issuance of bonds.

This bill would authorize the bank to enter into financing agreements with participating parties to finance or refinance Southern California and Northern California port congestion relief projects and Southern California and Northern California port mitigation relief projects. The bank would be authorized to issue revenue bonds. User fees on container

ships from the Southern and Northern California Port Congestion Relief Trust Funds and the Southern and Northern California Mitigation Relief Trust Funds would be continuously appropriated to the bank to secure any revenue bonds.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Article 10 (commencing with Section 63049.70) is added to Chapter 2 of Division 1 of Title 6.7 of the Government Code, to read:

Article 10. Financing of Port Congestion Relief and Port Mitigation Relief

63049.70. The definitions contained in this section are in addition to the definitions contained in Section 63010 and together with the definitions contained in that section shall govern the construction of this article, unless the context requires otherwise:

(a) "Credit facility" means all obligations, including principal, interest, fees, costs, indemnities, and all other amounts incurred by the bank under or in connection with any credit enhancement or liquidity agreement, including a letter of credit, standby purchase agreement, reimbursement agreement, liquidity facility, or other similar arrangement entered into by the bank.

(b) "Northern California port congestion relief container fee revenue" means all of the following:

(1) Income and receipts derived by the bank from Northern California port congestion relief container fees.

(2) Interest and other income from investment of money in any fund or account established pursuant to an indenture for Northern California Port Congestion Relief Container Fee Revenue Bonds, other than any fund established to rebate investment earnings to the federal government.

(A) Amounts on deposit in these funds and accounts, other than any fund or account established to rebate investment earnings to the federal government and any fund or account established to hold the proceeds of a drawing on any liquidity or credit support facility for these bonds.

(B) Net income and net receipts derived by the bank on account of interest rate swaps with respect to these bonds.

(c) "Northern California Port Congestion Relief Container Fee Revenue Bonds" means revenue bonds issued pursuant to this article that are payable from Northern California port congestion relief container fee revenue.

(d) "Northern California port congestion relief container fees" means all user fees that are imposed pursuant to Section 1747 of the Harbors and Navigation Code and remitted to the Northern California Port Congestion Relief Trust Fund in the State Treasury.

(e) "Northern California port congestion relief project" means each project for public development facilities and economic development facilities for which the expenditure of funds has been approved by the California Transportation Commission pursuant to Section 1751 of the Harbors and Navigation Code.

(f) "Northern California port mitigation relief container fee revenue" means all of the following:

(1) Income and receipts derived by the bank from Northern California port mitigation relief container fees.

(2) Interest and other income from investment of money in any fund or account established pursuant to an indenture for Northern California Port Mitigation Relief Container Fee Revenue Bonds, other than any fund established to rebate investment earnings to the federal government.

(A) Amounts on deposit in these funds and accounts, other than any fund or account established to rebate investment earnings to the federal government and any fund or account established to hold the proceeds of a drawing on any liquidity or credit support facility for these bonds.

(B) Net income and net receipts derived by the bank on account of interest rate swaps with respect to these bonds.

(g) "Northern California Port Mitigation Relief Container Fee Revenue Bonds" means revenue bonds issued pursuant to this article that are payable from Northern California port mitigation relief container fee revenue.

(h) "Northern California port mitigation relief container fees" means all user fees that are imposed pursuant to Section 1747 of the Harbors and Navigation Code and remitted to the Northern California Port Mitigation Relief Trust Fund in the State Treasury.

(i) "Northern California port mitigation relief project" means each project for public development facilities and economic development facilities for which the expenditure of funds has been approved by the State Air Resources Board pursuant to Section 1753 of the Harbors and Navigation Code.

(j) "Southern California port congestion relief container fee revenue" means all of the following:

(1) Income and receipts derived by the bank from Southern California port congestion relief container fees.

(2) Interest and other income from investment of money in any fund or account established pursuant to an indenture for Southern California Port Congestion Relief Container Fee Revenue Bonds, other than any fund established to rebate investment earnings to the federal government.

(A) Amounts on deposit in these funds and accounts, other than any fund or account established to rebate investment earnings to the federal government and any fund or account established to hold the proceeds of a drawing on any liquidity or credit support facility for these bonds.

(B) Net income and net receipts derived by the bank on account of interest rate swaps with respect to these bonds.

(k) "Southern California Port Congestion Relief Container Fee Revenue Bonds" means revenue bonds issued pursuant to this article that are payable from Southern California port congestion relief container fee revenue.

(*l*) "Southern California port congestion relief container fees" means all user fees that are imposed pursuant to Sections 1745 and 1746 of the Harbors and Navigation Code and remitted to the Southern California Port Congestion Relief Trust Fund in the State Treasury.

(m) "Southern California port congestion relief project" means each project for public development facilities and economic development facilities for which the expenditure of funds has been approved by the California Transportation Commission pursuant to Section 1750 of the Harbors and Navigation Code.

(n) "Southern California port mitigation relief container fee revenue" means all of the following:

(1) Income and receipts derived by the bank from Southern California port mitigation relief container fees.

(2) Interest and other income from investment of money in any fund or account established pursuant to an indenture for Southern California Port Mitigation Relief Container Fee Revenue Bonds, other than any fund established to rebate investment earnings to the federal government.

(3) Amounts on deposit in these funds and accounts, other than any fund or account established to rebate investment earnings to the federal government and any fund or account established to hold the proceeds of a drawing on any liquidity or credit support facility for these bonds.

(4) Net income and net receipts derived by the bank on account of interest rate swaps with respect to these bonds.

(o) "Southern California Port Mitigation Relief Container Fee Revenue Bonds" means revenue bonds issued pursuant to this article that are payable from Southern California port mitigation relief container fee revenue.

(p) "Southern California port mitigation relief container fees" means all user fees that are imposed pursuant to Sections 1745 and 1746 of the Harbors and Navigation Code and remitted to the Southern California Port Mitigation Relief Trust Fund in the State Treasury.

(q) "Southern California port mitigation relief project" means each project for public development facilities and economic development facilities for which the expenditure of funds has been approved by the State Air Resources Board pursuant to Section 1752 of the Harbors and Navigation Code.

63049.71. (a) The bank may enter into financing agreements with participating parties for the purpose of financing or refinancing Southern California port congestion relief projects and Southern California port mitigation relief projects.

(b) The bank may issue bonds pursuant to this chapter as Southern California Port Congestion Relief Container Fee Revenue Bonds to finance or refinance Southern California port congestion relief projects and as Southern California Port Mitigation Relief Container Fee Revenue Bonds to finance or refinance Southern California port mitigation relief projects. The aggregate principal

amount of the bonds that may be issued is unlimited, but the aggregate principal amount of the bonds that may be outstanding at any one time is five billion dollars ($5,000,000,000). The revenue bonds may also be issued to finance necessary reserves, capitalized interest, credit enhancement costs, and costs of issuance of the revenue bonds. The last date for payment of principal of any revenue bond may not be more than 30 years after the date of issuance of the revenue bond.

(c) Principal of and interest and redemption premiums on Southern California Port Congestion Relief Container Fee Revenue Bonds and Southern California Port Mitigation Relief Container Fee Revenue Bonds shall be payable from, and secured by, Southern California port congestion relief container fee revenue and Southern California port mitigation relief container fee revenue, respectively, as and to the extent provided in the constituent instruments defining the rights of the holders of the bonds.

63049.72. (a) The bank may enter into financing agreements with participating parties for the purpose of financing or refinancing Northern California port congestion relief projects and Northern California port mitigation relief projects.

(b) The bank may issue bonds pursuant to this chapter as Northern California Port Congestion Relief Container Fee Revenue Bonds to finance or refinance Northern California port congestion relief projects and as Northern California Port Mitigation Relief Container Fee Revenue Bonds to finance or refinance Northern California port mitigation relief projects. The aggregate principal amount of the bonds that may be issued is unlimited, but the aggregate principal amount of the bonds that may be outstanding at any one time is five billion dollars ($5,000,000,000). The revenue bonds may also be issued to finance necessary reserves, capitalized interest, credit enhancement costs, and costs of issuance of the revenue bonds. The last date for payment of principal of any revenue bond may not be more than 30 years after the date of issuance of the revenue bond.

(c) Principal of and interest and redemption premiums on Northern California Port Congestion Relief Container Fee Revenue Bonds and Northern California Port Mitigation Relief Container Fee Revenue Bonds shall be payable from, and secured by, Northern California port congestion relief container fee revenue

and Northern California port mitigation relief container fee revenue, respectively, all as and to the extent provided in the constituent instruments defining the rights of the holders of the bonds.

63049.73. (a) The bank may pledge all or any portion of the Southern California port congestion relief container fees to secure Southern California Port Congestion Relief Container Fee Revenue Bonds, and credit facilities for these bonds, and all or any portion of the Southern California port mitigation relief container fees to secure Southern California Port Mitigation Relief Container Fee Revenue Bonds, and credit facilities for these bonds. All Southern California port congestion relief container fees and Southern California port mitigation relief container fees so pledged are hereby continuously appropriated, notwithstanding Section 13340, without regard to fiscal years, to the bank, and, if the bank so directs, shall be paid to the indenture trustee for these bonds each month, from the Southern California Port Congestion Relief Trust Fund and the Southern California Port Mitigation Relief Trust Fund for so long as any of the bonds are outstanding. Any Southern California port congestion relief container fees and Southern California port mitigation relief container fees that are not required to be retained by the indenture trustee pursuant to the constituent instruments defining the rights of the holders of the bonds shall be remitted by the indenture trustee to the Southern California Port Congestion Relief Trust Fund and the Southern California Port Mitigation Relief Trust Fund and shall be disbursed at the request and direction of the California Transportation Commission and the State Air Resources Board, respectively, for Southern California port congestion relief projects and Southern California port mitigation relief projects that are not being financed with revenue bonds issued by the bank, and these funds are ~~hereby continuously appropriated, notwithstanding Section 13340, without regard to fiscal years~~ *available upon appropriation by the Legislature*, for that purpose.

(b) The state hereby pledges to and agrees with the holders of revenue bonds issued pursuant to this article, and each provider of a letter of credit, standby purchase agreement, reimbursement agreement, liquidity facility, or other similar arrangement for the benefit of the revenue bonds, that the state will not limit, alter, or restrict each pledge of Southern California port congestion relief container fees and Southern California port mitigation relief

container fees permitted hereby and any other terms of any agreement made with or for the benefit of the holders of the revenue bonds or the providers or in any way impair the rights or remedies of the holders of the bonds or the providers or reduce or terminate the fees while any of the bonds remain outstanding.

63049.74. (a) The bank may pledge all or any portion of the Northern California port congestion relief container fees to secure Northern California Port Congestion Relief Container Fee Revenue Bonds, and credit facilities for these bonds, and all or any portion of the Northern California port mitigation relief container fees to secure Northern California Port Mitigation Relief Container Fee Revenue Bonds, and credit facilities for these bonds. All Northern California port congestion relief container fees and Northern California port mitigation relief container fees so pledged are hereby continuously appropriated, notwithstanding Section 13340, without regard to fiscal years, to the bank, and, if the bank so directs, shall be paid to the indenture trustee for the bonds each month, from the Northern California Port Congestion Relief Trust Fund and the Northern California Port Mitigation Relief Trust Fund for so long as any of the bonds are outstanding. Any Northern California port congestion relief container fees and Northern California port mitigation relief container fees that are not required to be retained by the indenture trustee pursuant to the constituent instruments defining the rights of the holders of the bonds shall be remitted by the indenture trustee to the Northern California Port Congestion Relief Trust Fund and the Northern California Port Mitigation Relief Trust Fund and shall be disbursed at the request and direction of the California Transportation Commission and the State Air Resources Board, respectively, for Northern California port congestion relief projects and Northern California port mitigation relief projects that are not being financed with revenue bonds issued by the bank, and these funds are ~~hereby continuously appropriated, notwithstanding Section 13340, without regard to fiscal years~~ *available upon appropriation by the Legislature*, for that purpose.

(b) The state hereby pledges to and agrees with the holders of revenue bonds issued pursuant to this article, and each provider of a letter of credit, standby purchase agreement, reimbursement agreement, liquidity facility, or other similar arrangement for the benefit of the revenue bonds, that the state will not limit, alter, or

restrict each pledge of Northern California port congestion relief container fees and Northern California port mitigation relief container fees permitted hereby and any other terms of any agreement made with or for the benefit of the holders of the revenue bonds or the providers or in any way impair the rights or remedies of the holders of the bonds or the providers or reduce or terminate the fees while any of the bonds remain outstanding.

63049.75. Notwithstanding any other provision of law, Article 3 (commencing with Section 63040), Article 4 (commencing with Section 63042), and Article 5 (commencing with Section 63043) of this chapter do not apply to any financing provided by the bank pursuant to this article, and the principal amount of revenue bonds issued pursuant to this article and Chapter 5 (commencing with Section 63070) shall not count against the limit stated in the first sentence of subdivision (b) of Section 63071.

SEC. 2. The heading of Chapter 1 (commencing with Section 1720) is added to Part 2 of Division 6 of the Harbors and Navigation Code, immediately preceding Section 1720, to read:

CHAPTER 1. PORT FACILITY CONSTRUCTION

SEC. 3. Chapter 2 (commencing with Section 1740) is added to Part 2 of Division 6 of the Harbors and Navigation Code, to read:

CHAPTER 2. PORT CONGESTION RELIEF AND PORT MITIGATION RELIEF

Article 1. General Provisions

1740. The Legislature hereby finds and declares all of the following:

(a) There is a need to mitigate the enormous burden imposed on the highway transportation system serving the Ports of Los Angeles, Long Beach, and Oakland by the overland movement of cargo shipped from and to those ports.

(b) The operation of the ports causes environmental pollution that requires mitigation.

(c) The improvement of goods movement infrastructure would benefit the owners of container cargo moving through the ports

by allowing the owners of the cargo to move container cargo more efficiently and to move more cargo through those ports.

(d) The reduction of goods movement pollution would benefit the owners of container cargo moving through the ports by meeting federal air quality standards, which will allow for continued federal funding of goods movement infrastructure projects.

(e) Accordingly, it is the intent of the Legislature to alleviate these burdens by imposing a fee on shipping containers processed through those ports and using the funds derived from that fee to do both of the following:

(1) Improve the rail system that serves as an alternative to shipping on the highway by commercial vehicle, including, but not limited to, the ondock rail facilities at those ports.

(2) Mitigate the environmental pollution caused by port operations.

1741. (a) There is hereby established in the State Treasury the Southern California Port Congestion Relief Trust Fund.

(b) There is hereby established in the State Treasury the Southern California Port Mitigation Relief Trust Fund.

(c) There is hereby established in the State Treasury the Northern California Port Congestion Relief Trust Fund.

(d) There is hereby established in the State Treasury the Northern California Port Mitigation Relief Trust Fund.

1743. For purposes of this chapter, the following definitions apply:

(a) "Board" means the State Air Resources Board.

(b) "Commission" means the California Transportation Commission.

(c) "Northern California Congestion Fund" means the Northern California Port Congestion Relief Trust Fund.

(d) "Northern California Mitigation Fund" means the Northern California Port Mitigation Relief Trust Fund.

(e) "Port" means the Port of Los Angeles, Port of Long Beach, or Port of Oakland, as appropriate.

(f) "Southern California Congestion Fund" means the Southern California Port Congestion Relief Trust Fund.

(g) "Southern California Mitigation Fund" means the Southern California Port Mitigation Relief Trust Fund.

Article 2. User Fee

1745. (a) Beginning January 1, 2008, the Port of Los Angeles shall develop a process for notifying the owner of, and collecting a user fee from the owner of, container cargo moving through the port.

(b) No later than June 1, 2008, the port shall notify the owner of cargo moving through the port that it will be assessed a user fee not to exceed thirty dollars ($30) per 20-foot equivalent unit (TEU). The notice shall include, but not be limited to, the process for payment of the user fee, the frequency for payment of the user fee, and that the user fee is being assessed to improve the goods movement infrastructure serving the port, to reduce pollution from all forms of equipment, vehicles, locomotives, and ships that operate at the port and bring containers to and from the port.

(c) Beginning January 1, 2009, the port shall assess a user fee on the owner of container cargo moving through the port not to exceed thirty dollars ($30) per TEU. The port shall collect the fee at least twice a year.

(1) The port shall remit one-half of the user fee to the Southern California Congestion Fund. Upon appropriation, moneys deposited in that fund shall be available for expenditure by the commission exclusively for the purposes of funding projects that improve the flow and efficiency of container cargo to and from the Port of Los Angeles, and to fund the administrative costs of this program. Moneys deposited in that fund shall not be loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.

(2) The port shall remit one-half of the user fee to the Southern California Mitigation Fund. Upon appropriation, moneys deposited in that fund shall be available for expenditure by the board to mitigate environmental pollution caused by the movement of cargo to and from the Port of Los Angeles by commercial motor vehicles, oceangoing vessels, and rail, and to fund the administrative costs of this program. Moneys deposited in that fund shall not be loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.

(d) The port may contract with PierPass for the collection of the user fee authorized pursuant to this section.

1746. (a) Beginning January 1, 2008, the Port of Long Beach shall develop a process for notifying the owner of, and collecting a user fee from the owner of, container cargo moving through the port.

(b) No later than June 1, 2008, the port shall notify the owner of cargo moving through the port that it will be assessed a user fee not to exceed thirty dollars ($30) per 20-foot equivalent unit (TEU). The notice shall include, but not be limited to, the process for payment of the user fee, the frequency for payment of the user fee, and that the user fee is being assessed to improve the goods movement infrastructure serving the port, to reduce pollution from all forms of equipment, vehicles, locomotives, and ships that operate at the port and bring containers to and from the port.

(c) Beginning January 1, 2009, the port shall assess a user fee on the owner of container cargo moving through the port not to exceed thirty dollars ($30) per TEU. The port shall collect the fee at least twice a year.

(1) The port shall remit one-half of the user fee to the Southern California Congestion Fund. Upon appropriation, moneys deposited in that fund shall be available for expenditure by the commission exclusively for the purposes of funding projects that improve the flow and efficiency of container cargo to and from the Port of Long Beach, and to fund the administrative costs of this program. Moneys deposited in that fund shall not be loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.

(2) The port shall remit one-half of the user fee to the Southern California Mitigation Fund. Upon appropriation, moneys deposited in that fund shall be available for expenditure by the board to mitigate environmental pollution caused by the movement of cargo to and from the Port of Long Beach by commercial motor vehicles, oceangoing vessels, and rail, and to fund the administrative costs of this program. Moneys deposited in that fund shall not be loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.

(d) The port may contract with PierPass for the collection of the user fee authorized pursuant to this section.

1747. (a) Beginning January 1, 2008, the Port of Oakland shall develop a process for notifying the owner of, and collecting a user fee from the owner of, container cargo moving through the port.

(b) No later than June 1, 2008, the port shall notify the owner of cargo moving through the port that it will be assessed a user fee not to exceed thirty dollars ($30) per 20-foot equivalent unit (TEU). The notice shall include, but not be limited to, the process for payment of the user fee, the frequency for payment of the user fee, and that the user fee is being assessed to improve the goods movement infrastructure serving the port, to reduce pollution from all forms of equipment, vehicles, locomotives, and ships that operate at the port and bring containers to and from the port.

(c) Beginning January 1, 2009, the port shall assess a user fee on the owner of container cargo moving through the port not to exceed thirty dollars ($30) per TEU. The port shall collect the fee at least twice a year.

(1) The port shall remit one-half of the user fee to the Northern California Congestion Fund. Upon appropriation, moneys deposited in that fund shall be available for expenditure by the commission exclusively for the purposes of funding projects that improve the flow and efficiency of container cargo to and from the Port of Oakland and to fund the administrative costs of this program. Moneys deposited in that fund shall not be loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.

(2) The port shall remit one-half of the user fee to the Northern California Mitigation Fund. Upon appropriation, moneys deposited in that fund shall be available for expenditure by the board to mitigate environmental pollution caused by the movement of cargo to and from the port by commercial motor vehicles, oceangoing vessels, and rail, and to fund the administrative costs of this program. Moneys deposited in that fund shall not be loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.

(d) The port may contract with PierPass for the collection of the user fee authorized pursuant to this section.

Article 3. Congestion Relief and Mitigation Relief Projects

1750. (a) Beginning January 1, 2008, the commission shall develop a list of projects that would improve the overall efficiency of container cargo movement to and from the Ports of Los Angeles and Long Beach by improving the rail system and container

transportation systems that transport container cargo from and to those ports and the ondock rail facilities at those ports. In the process for selecting projects, the commission shall consult with the transportation commissions for the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura, the Port of Los Angeles, the City of Los Angeles, the Port of Long Beach, the City of Long Beach, and the Southern California Association of Governments. The commission shall hold public hearings to seek further input on developing these projects, with at least one hearing at or near the Port of Los Angeles and the Port of Long Beach.

(b) No later than September 1, 2008, the commission, at a public hearing, shall finalize a list of projects that would improve the overall efficiency of container cargo movement to and from the Ports of Los Angeles and Long Beach by improving the rail system and container transportation systems that transport container cargo from and to those ports and the ondock rail facilities at those ports. This will be the final list, of infrastructure projects at the Ports of Los Angeles and Long Beach, eligible to be funded by the user fee authorized pursuant to this chapter.

(c) Projects eligible to be on the final list shall not be used to construct, maintain, or improve highways, unless the highway or road improvement is part of a rail grade separation, or the highway improvement is done to separate container cargo from motor vehicle traffic by creating on ramps or off ramps for port container truck traffic.

(d) In awarding funds pursuant to this section, the commission shall give priority to those projects that have been designed to measurably reduce air pollution and environmental impacts to local communities, and to assist in achieving and maintaining state and federal air quality standards and enhancing environmental performance, while addressing the overall efficiency of container cargo movement.

(e) On January 1, 2009, and annually thereafter, the Ports of Long Beach and Los Angeles shall report to the commission on the implementation of the Final 2006 San Pedro Bay Clean Air Action Plan. Each port shall report to the commission on whether the emission reduction goals for the source specific categories have been achieved as follows:

(1) Heavy-duty vehicles by 2011.

(2) Cargo handling equipment, 2010, 2012, and 2014.

(3) Harbor craft, 2008 and 2011.

(4) Locomotives, 2008, 2011, and 2014.

If any of the source specific emission reduction goals have not been met, the commission shall not award funding to any project, and the commission shall not fund any further projects until the source specific emission reduction goals are achieved, other than projects that have been awarded funding prior to this finding.

(f) For all construction projects funded pursuant to this section, a contractor shall ensure that all mobile nonroad equipment used on the project will be equipped with a California Air Resources Board (CARB) verified diesel particulate filter that obtains at least an 85-percent reduction in emissions, unless any of the following circumstances exists, and the contractor is able to provide proof that any of these circumstances exists:

(1) A piece of specialized equipment is unavailable in a controlled form within the state, including through a leasing arrangement.

(2) A contractor has applied for incentive funds to put controls on a piece of uncontrolled equipment planned for use on the project, but the application is not yet approved, or the application has been approved, but funds are not yet available.

(3) A contractor has ordered a control device for a piece of equipment planned for use on the project, or has ordered a new piece of controlled equipment to replace the uncontrolled equipment, but that order has not been completed by the manufacturer or dealer, and the contractor has attempted to lease controlled equipment, but no dealer within 200 miles of the project has the controlled equipment available for lease.

(g) Projects eligible to be considered by the commission include, but are not limited to, all of the following:

(1) A project to separate at-grade crossings to reduce conflicts between trains and motor vehicles in Los Angeles, Orange, Riverside, and San Bernardino Counties, also known as the Alameda Corridor East Project.

(2) A project to improve rail capacity by adding additional tracks to existing rail lines in Los Angeles, Orange, Riverside, and San Bernardino Counties.

(3) A project to separate at-grade rail crossings in San Bernardino County, also known as the Colton crossing.

(4) A project to improve ondock rail infrastructure at the Ports of Los Angeles and Long Beach.

(h) In determining which projects to select, the commission shall also take into account the entire rail and trade corridor servicing the Ports of Los Angeles and Long Beach.

(i) The commission shall only use the funds received from the Southern California Congestion Fund to fund projects authorized pursuant to this section.

(j) Once the projects on the final list are completed and fully funded, the commission shall notify the Ports of Los Angeles and Long Beach that the infrastructure projects are completed and to no longer collect the one-half of the user fee for infrastructure projects. The commission may also make a finding that a project on the final list has either been funded by another source or is no longer worthy of funding.

1751. (a) Beginning January 1, 2008, the commission shall develop a list of projects that would improve the overall efficiency of container cargo movement to and from the Port of Oakland by improving the rail and container transportation systems that transport container cargo from and to that port and the ondock rail facilities at that port. In the process for selecting projects, the commission shall consult with the transportation commissions for the Counties of Alameda and Contra Costa, the Port of Oakland, the City of Oakland, and the Bay Area Association of Governments. The commission shall hold public hearings to seek further input on developing these projects, including at least one hearing in the City of Oakland.

(b) No later than September 1, 2008, the commission, at a public hearing, shall finalize a list of projects that would improve the overall efficiency of container cargo movement to and from the Port of Oakland by improving the rail and container transportation systems that transport container cargo from and to that port and the ondock rail facilities at that port. This will be the final list, of infrastructure projects at the Port of Oakland, eligible to be funded by the user fee authorized pursuant to this chapter.

(c) Projects eligible to be on the final list shall not be used to construct, maintain, or improve highways, unless the highway or road improvement is part of a rail grade separation, or the highway improvement is done to separate container cargo from motor

vehicle traffic by creating on ramps or off ramps for port container truck traffic.

(d) In awarding funds pursuant to this section, the commission shall give priority to those projects that have been designed to measurably reduce air pollution and environmental impacts to local communities, and to assist in achieving and maintaining state and federal air quality standards and enhancing environmental performance, while addressing the overall efficiency of container cargo movement.

(e) For all construction projects funded pursuant to this section, a contractor shall ensure that all mobile nonroad equipment used on the project will be equipped with a California Air Resources Board (CARB) verified diesel particulate filter that obtains at least an 85 percent reduction in emissions, unless any of the following circumstances exists, and the contractor is able to provide proof that any of these circumstances exists:

(1) A piece of specialized equipment is unavailable in a controlled form within the state, including through a leasing arrangement.

(2) A contractor has applied for incentive funds to put controls on a piece of uncontrolled equipment planned for use on the project, but the application is not yet approved, or the application has been approved, but funds are not yet available.

(3) A contractor has ordered a control device for a piece of equipment planned for use on the project, or has ordered a new piece of controlled equipment to replace the uncontrolled equipment, but that order has not been completed by the manufacturer or dealer, and the contractor has attempted to lease controlled equipment, but no dealer within 200 miles of the project has the controlled equipment available for lease.

(f) Projects eligible to be considered by the commission include, but are not limited to, projects to separate at-grade crossings to reduce conflicts between trains and motor vehicles and ondock rail improvements at the Port of Oakland.

(g) In determining which projects to select, the commission shall also take into account the entire rail and trade corridor servicing the Port of Oakland.

(h) The commission shall only use the funds received from the Northern California Congestion Fund to fund projects authorized pursuant to this section.

(i) Once the projects on the final list are completed and fully funded, the commission shall notify the Port of Oakland, that the infrastructure projects are completed and to no longer collect the one-half of the user fee for infrastructure projects. The commission may also make a finding that a project on the final list has either been funded by another source or is no longer worthy of funding.

1752. (a) Beginning January 1, 2008, the board shall develop a list of projects that reduce air pollution caused by the movement of container cargo to and from the Ports of Los Angeles and Long Beach. The projects on the list shall be consistent with the Emission Reduction Plan (ERP) adopted April 2006, and shall be designed to reduce air pollution at those ports in order to achieve and maintain state and federal air quality standards and to meet the ERP's goals for 2010, 2015, and 2020, as well as the goals for the Air Quality Management Plan prepared by the South Coast Air Quality Management District, and the San Pedro Bay Clean Air Action Plan. In developing the list, the board shall consult with the South Coast Air Quality Management District, the Gateway Council of Governments, and the Ports of Los Angeles and Long Beach. The board shall hold public hearings before developing the list of projects, with at least one hearing being held at or near the Ports of Los Angeles and Long Beach.

(b) The board shall work with the South Coast Air Quality Management District, the Port of Los Angeles, and the Port of Long Beach in order to ensure that projects within the Air Quality Management Plan prepared by the South Coast Air Quality Management District and within the San Pedro Bay Clean Air Action Plan are completed or implemented. The board may provide funding to the district in order to implement the Air Quality Management Plan prepared by the district, and to the ports in order to implement the San Pedro Bay Clean Air Action Plan.

(c) No later than September 1, 2008, the board, at a public hearing, shall finalize a list of projects that meet the ERP's goals for 2010, 2015, and 2020, in order to meet federal air quality attainment standards.

(d) The board may determine, at a public hearing, that the emission reduction goals for 2020 have been met or exceeded and that federal air quality standards have been met in the South Coast Air Basin, including full implementation of the Air Quality Management Plan prepared by the South Coast Air Quality

Management District. Once the determination is made, and ensuring that all approved projects have been funded, the board shall notify the Port of Los Angeles of this determination, and the Port of Los Angeles shall no longer collect the one-half of the user fee for air quality projects meant to reach these goals and federal air quality attainment standards.

(e) The board may determine, at a public hearing, that the emission reduction goals for 2020 have been met or exceeded and that federal air quality standards have been met in the South Coast Air Basin, including full implementation of the Air Quality Management Plan prepared by the South Coast Air Quality Management District. Once the determination is made, and ensuring that all approved projects have been funded, the board shall notify the Port of Long Beach of this determination, and the Port of Long Beach shall no longer collect the one-half of the user fee for air quality projects meant to reach these goals and federal air quality attainment standards.

(f) The board shall only use the funds received from the Southern California Mitigation Fund to fund projects authorized pursuant to this section.

1753. (a) Beginning January 1, 2008, the board shall develop a list of projects that reduce air pollution caused by the movement of container cargo to and from the Port of Oakland. The projects on the list shall be consistent with the Emission Reduction Plan (ERP) adopted April 2006, and shall be designed to reduce air pollution at the port in order to achieve and maintain state and federal air quality standards and to meet the ERP's goals for 2010, 2015, and 2020. In developing the list, the board shall consult with the Bay Area Air Quality Management District and the Port of Oakland.

(b) If the Bay Area Air Quality Management District and the Port of Oakland develop a plan to reduce emissions from the Port of Oakland, then the board shall work with the district and the port in order to ensure that projects within the plan are completed or implemented. The board may provide funding to the district or the port in order to achieve the goals of the plan.

(c) No later than September 1, 2008, the board, at a public hearing, shall finalize a list of projects that meet the ERP's goals for 2010, 2015, and 2020, in order to meet federal air quality attainment standards.

(d) The board may determine, at a public hearing, that the emission reduction goals for 2020 have been met or exceeded and that federal air quality standards have been met within the Bay Area Air Quality Management District, and once the determination is made, and ensuring that all approved projects have been funded, the board shall notify the Port of Oakland of this determination, and the Port of Oakland shall no longer collect the one-half of the user fee for air quality projects meant to reach these goals and federal air quality attainment standards.

(e) The board shall only use the funds received from the Northern California Mitigation Fund to fund projects authorized pursuant to this section.

SEC. 4. Section 1760 of the Harbors and Navigation Code is amended and renumbered to read:

1730. (a) For purposes of this section, "council" means the California Marine and Intermodal Transportation System Advisory Council, a regional subunit of the Marine Transportation System National Advisory Council chartered by the federal Secretary of Transportation under the Federal Advisory Council Act (P.L. 92-463).

(b) The council is requested to do all of the following:

(1) Meet, hold public hearings, and compile data on issues that include, but need not be limited to, all of the following:

(A) The projected growth of each maritime port in the state.

(B) The costs and benefits of developing a coordinated state program to obtain federal funding for maritime port growth, security, and congestion relief.

(C) Impacts of maritime port growth on the state's transportation system.

(D) Air pollution caused by movement of goods through the state's maritime ports, and proposed methods of mitigating or alleviating that pollution.

(E) Maritime port security, including, but not limited to, training, readiness, certification of port personnel, exercise planning and conduct, and critical marine transportation system infrastructure protection.

(F) A statewide plan for continuing operation of maritime ports in cooperation with the United States Coast Guard, the federal Department of Homeland Security, the Office of Emergency Services, the state Office of Homeland Security, and the California

National Guard, consistent with the state's emergency management system and the national emergency management system, in the event of a major incident or disruption of port operations in one or more of the state's maritime ports.

(G) State marine transportation policy, legislation, and planning; regional infrastructure project funding; competitiveness; environmental impacts; port safety and security; and any other matters affecting the marine transportation system of the United States within, or affecting, the state.

(2) Identify all state agencies that are involved with the development, planning, or coordination of maritime ports in the state.

(3) Identify other states that have a statewide port master plan and determine whether that plan has assisted those states in improving their maritime ports.

(4) Compile all information obtained pursuant to paragraphs (1) to (3), inclusive, and submit its findings in a report to the Legislature not later than January 1, 2006. The report should include, but need not be limited to, recommendations on methods to better manage the growth of maritime ports and address the environmental impacts of moving goods through those ports.

(c) The activities of the council pursuant to this section shall not be funded with appropriations from the General Fund.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

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The Port of Long Beach

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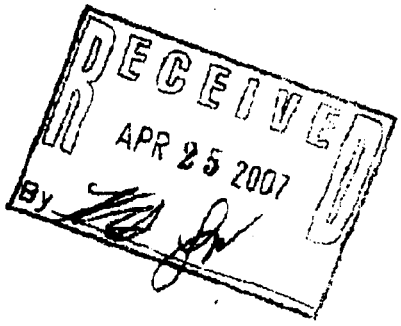

April 20, 2007

Honorable Alan Lowenthal
Chair, Senate Transportation and Housing Committee
State Capitol, Room 2032
Sacramento, CA 95814

RE: SB 974 (Lowenthal) - SUPPORT (IF AMENDED)

Dear Senator Lowenthal:

It was a pleasure meeting with you and Mayor Foster recently to discuss SB 974, and conceptually container fees is an issue that we can all agree is important. At the April 16th meeting of the Port of Long Beach Board of Harbor Commissioners, the Board voted to support SB 974, only if amended. The Board's decision is predicated upon your office amending the bill to address the following issues:

1. The bill must require that user fee funds be spent where collected.
2. The bill must allow the use of user fee funds for port-related highway projects, such as the Gerald Desmond Bridge replacement project and the SR47 project.
3. The bill must not restrict the use of user fee funds if Clean Air Action Plan (CAAP) emission reduction goals are not achieved due to circumstances beyond the reasonable control of the Ports.

While the Port is supportive of the goals enumerated in the SB 974 amendments, our concerns are related to the unintended consequences and their broader application. Recently, the South Coast Air Quality Management District (AQMD) adopted bond funding conditions that are similar to the approved amendments in SB 974. Unfortunately, those conditions create a number of obstacles for both the Port and the City of Long Beach in implementing its air quality improvement programs. Those conditions placed similar constraints on the use funds for rail infrastructure projects.

As one example, language regarding rail infrastructure could be interpreted to restrict funding for projects like the Alameda Corridor East if the U.S. Environmental Protection Agency (EPA) failed to promulgate strict and timely locomotive standards. It now appears that EPA will not meet those goals. As a result, if those conditions were adopted many rail mitigation projects important to communities throughout the South Coast Air Basin could be in jeopardy. Again, the Port supports the goals of both the AQMD conditions and the amendments to SB 974, but remains concerned that as worded the amendments hold the Port to a standard that may be beyond its control.

Below please find two alternatives to the language incorporated in the bill:

Alternative Version 1:
(e) On January 1, 2009, and annually thereafter, the Ports of Long Beach and Los Angeles shall report to the commission and the board on the implementation of the most recently approved San Pedro Bay Clean Air Action Plan. Each port shall report to the commission and board on whether the emission reductions for the source specific categories have been achieved by:
(1) Heavy-duty vehicles.
(2) Cargo handling equipment.
(3) Harbor craft.
(4) Locomotives.

Alternative Version 2:
(e) On January 1, 2009, and annually thereafter, the Ports of Long Beach and Los Angeles shall report to the commission and the board on the implementation of the most recently approved San Pedro Bay Clean Air Action Plan. Each port shall report to the commission and board on whether the emission reduction goals for the source specific categories have been achieved as follows:
(1) Heavy-duty vehicles by 2012.
(2) Cargo handling equipment, 2011.

If any of the source specific emission reduction goals have not been met, due to circumstances outside of the control of the ports, the commission shall weigh the Ports' ability to achieve the emission reduction when determining whether to award funding to any project.

The reasons for these necessary amendments to the original language include:

- The CAAP does not estimate emission reductions associated with rail or harborcraft, because of the speculative nature of the emission reductions, and therefore the Ports have no control over these sources.
- While rail emission reductions are not quantified (with the exception of Pacific Harbor Line), the rail measures are dependent on EPA regulatory action.
- The California Environmental Quality Act (CEQA) will ensure that all projects are mitigated. As described in the CAAP, CAAP measures will be incorporated into each CEQA document and subsequent lease.
- The CAAP is dependent on lease requirements and, hence, project approvals. If a project is delayed (i.e. Middle Harbor), the Port will be unable to meet the emission reduction goals outlined.
- Some events are beyond the Ports control. Pacific Harbor Line's (PHL) agreement, which is included in the CAAP, requires the use of emulsified diesel fuel. Unfortunately, the vendor has removed the product from the market as of January 1, 2007. As a result, we will not be able to achieve all the emission reductions described for PHL.
- The Port faces serious litigation challenges that may take years to resolve and may tie-up programs like Heavy Duty Vehicle-1 and prevent implementation or, potentially much worse, courts may rule against the Port.

- Emission reductions associated with low sulfur, distillate marine fuels are dependent on the fuel availability. If the fuel availability study being conducted jointly by California Air Resources Board (CARB) and the ports reveal insufficient fuel to meet our demands, the Port would not meet its estimated emission reductions.

The Port of Long Beach is committed to improving air quality in the greater Long Beach and Los Angeles metropolitan area and has voluntarily developed a number of aggressive programs aimed at significantly reducing emissions. As you may know, the Ports of Long Beach and Los Angeles are being studied and emulated by national and international ports in regards to our programs. We are proud that our dedication to these goals has resulted in the Ports becoming the standard for environmentally-friendly Port operations.

The Board is prepared and willing to work with you, Mayor Bob Foster and members of the Long Beach City Council to amend SB 947 in an effort to collectively develop a bill that addresses air quality and congestion challenges, ultimately benefiting the region, state and nation.

Thank you for your consideration and leadership. We will continue to monitor the bill as it moves through the legislative process. Should you have any questions, please do not hesitate to contact me or Dick Steinke, our Executive Director, at 562-590-4100.

We look forward to discussing these conditions with you further.

Respectfully,

James C. Hankla
President

cc: Long Beach Board of Harbor Commissioners
Members of the California Senate Environmental Quality Committee
The Honorable Jenny Oropeza, California State Senate
The Honorable Edward Vincent, California State Senate
The Honorable Betty Karnette, California State Assembly
The Honorable Laura Richardson, California State Assembly
The Honorable Mervyn Dymally, California State Assembly
The Honorable Bob Foster, Mayor, City of Long Beach
Honorable Members of the City Council, City of Long Beach
Mr. Gerald R. Miller, City Manager, City of Long Beach
Mr. Anthony Gonsalves, Sacramento Advocate, Port of Long Beach

Los Angeles County
Metropolitan Transportation Authority

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Metro

March 28, 2007

The Honorable Alan Lowenthal
California State Senate, Room 2032
Sacramento, CA 95814

SB 974 – SUPPORT – WORK WITH AUTHOR

Dear Senator Lowenthal:

On behalf of the Los Angeles Metropolitan Transportation Authority (Metro), I am writing to inform you that Metro's Board of Directors voted on March 22, 2007 to adopt a Support - Work with Author position on your measure, SB 974, which would establish a user fee on the owner of container cargo handled at the Ports of Long Beach, Los Angeles and Oakland for congestion relief and environmental mitigations.

The Ports of Los Angeles and Long Beach currently handle 40% of the nation's cargo and approximately 80% of the containers processed at ports in California. The amount of cargo moving through these two ports is expected to triple by the year 2020.

Metro believes that a container fee is necessary to fully fund the infrastructure needs and mitigations resulting from the growth in container traffic at the Ports of Los Angeles and Long Beach. This investment coupled with funds from Proposition 1B will allow the region to accommodate this growth, mitigate adverse impacts and ensure that this important sector of our State's economy continues to function in a competitive and environmentally friendly manner.

As currently drafted, SB 974 prohibits container fee revenue to be expended on highway projects except for grade separations and to create ramps that separate cargo traffic from vehicular traffic. This provision of the bill raises concerns for Metro. Metro would like to work you to evaluate the ability to allow for expanded use of the fees on state highways.

Metro looks forward to working with you on SB 974. Please feel free to contact me at 213.922.6888 if you have any questions on this matter.

Sincerely,

Roger Snoble
Chief Executive Officer

The California Trade Coalition

A Coalition Working to Keep California Competitive in a Global Economy

American Chemistry Council

APL Ltd.

Associated General Contractors of California

California Association of Port Authorities

California Business Properties Association

California Business Roundtable

California Chamber of Commerce

California Manufacturers & Technology Association

California Nevada Cement Promotion Council

California Railroad Industry

California Retailers Association

Consumer Electronics Association

Grocery Manufacturers of America

Industrial Environmental Association

International Council of Cruise Lines

International Council of Shopping Centers

Matson Navigation Company

Maersk Inc.

Pacific Merchant Shipping Association

Retail Industry Leaders Association

Society of the Plastics Industry

SSA Marine

Western Home Furnishings Association

TO: **Members, Senate Committee on Transportation and Housing**
FROM: **California Trade Coalition (CalTrade)**
RE: **SB 974 (Lowenthal) – OPPOSE – Set for Hearing 4/17/2007**
DATE: **April 10, 2007**

On behalf of the members of the ***California Trade Coalition (CalTrade)***, we are writing in opposition to SB 974 (Lowenthal). CalTrade is comprised of trade-related businesses and organizations dedicated to keeping California competitive in the global economy.

SB 974 would require the Ports of Los Angeles, Long Beach and Oakland to impose a tax of $30 per twenty-foot equivalent unit (TEU) on cargo owners, which would be used to fund rail expansion and pollution mitigation projects. While the dual goals of improved infrastructure and environmental mitigation are laudable, this funding mechanism proposed in this bill will not achieve those goals; it will instead damage our state's economy, violate the United States Constitution and blatantly usurp basic international law.

As much as 40% of the cargo arriving at the ports of Los Angeles and Long Beach is discretionary, meaning it is destined for locations outside of the state and can be brought into the country from ports in other states or nations. Because there is competition among ports of entry, the taxes required by SB 974 are not looked at as marginal expenses compared to the total value of the product being imported or exported by shippers, instead they are looked at as one factor in the cumulative cost of transportation. Given the high degree of discretionary cargo in our ports, this would likely force shippers to look for more cost-effective alternatives to California ports, which they will find in Canada, the Pacific Northwest, the Eastern Seaboard and the Gulf of Mexico, damaging our state's economy and reducing anticipated State revenues.

We believe that this legislation also exposes the state to significant legal expenses as the proposed fee violates the United States Constitution, specific federal fee authorizing statutes, and international trade agreements, such as article VII of the General Agreement on Trade and Tariffs (GATT). Not only would costly litigation ensue but an international dispute at the World Trade Organization (WTO) could result. In addition, containers are simply instruments of trade under the International Convention on Containers and "taxes, fees and other charges" are prohibited with respect to empty containers that are temporarily within the United States as part of their use in international shipping.

Based on these concerns, we respectfully request your **"NO"** vote on SB 974 (Lowenthal) when it is heard.

CalChamber
CALIFORNIA CHAMBER OF COMMERCE

April 9, 2007

The Honorable Alan Lowenthal
California State Senate
State Capitol, Room 2032
Sacramento, CA 95814

SUBJECT: SB 974 (LOWENTHAL) – PORTS: CONTAINER TAX
SCHEDULED FOR HEARING – APRIL 17, 2007
OPPOSED

Dear Senator Lowenthal:

The California Chamber of Commerce is **OPPOSED** to your **SB 974 (Lowenthal)**, which would impose a tax of $30 per twenty-foot equivalent unit (TEU) on containers processed through the Ports of Los Angeles, Long Beach and Oakland and would require that the money be spent on congestion relief and environmental mitigation.

From a practical standpoint, **SB 974 (Lowenthal)** would put California's largest ports at a disadvantage in the goods movement arena because no other port facilities in the state or the nation would be subject to this tax. The economic impacts of this type of unique tax, while unknown, are potentially disastrous for the state of California. For example, the Port of Long Beach alone supports nearly 319,000 jobs and $16.3 Billion in wages in the state of California. The Port of Los Angeles creates 259,100 jobs regionally, which translates into $8.6 Billion in regional wages and salaries. **SB 974 (Lowenthal)** would put California's economic engines at a significant disadvantage in the goods movement arena, which would have negative impacts across the state of California.

This Container Tax also comes at a time when the goods movement industry has seen funds earmarked for transportation infrastructure be funneled into the state's General Fund to finance the ongoing budget deficit. Our members represent various components of the interrelated goods movement chain that would be negatively affected by this bill; many already pay millions in port-related fees, and if mandated to pay more, these costs would likely be passed onto consumers. In addition, the industry will be asked to augment Proposition 1B funding at a rate of at least 1:1. To claim the industry is not paying their fair share is not accurate.

It is likely that the tax proposed by **SB 974 (Lowenthal)** violates the United States Constitution Commerce Clause and breaches current obligations under various international trade agreements, such as Article VII of the General Agreement on Trade and Tariffs (GATT). Instead of imposing a controversial tax on containers, California should focus on appropriate implementation of the historic bond measures and encouraging public-private partnerships.

For the above reasons, the California Chamber of Commerce **OPPOSES SB 974 (Lowenthal)**.

Sincerely,

Jason Schmelzer
Policy Advocate

JS:dw

1215 K Street, Suite 1400
Sacramento, CA 95814
916 444 6670
www.calchamber.com

Date of Hearing: July 9, 2007

ASSEMBLY COMMITTEE ON TRANSPORTATION
Pedro Nava, Chair
SB 974 (Lowenthal) - As Amended: May 24, 2007

SENATE VOTE : 22-12

SUMMARY : Imposes a maximum $30 fee on each shipping container processed at the Ports of Los Angeles, Long Beach, and Oakland to fund congestion management and air quality improvement projects related to the ports. Specifically, this bill :

1) Establishes various definitions to terms as specified.

2) Makes various findings and declarations relative to the burden imposed on the state's highway system due to the sharp increases in "overland" traffic resulting from containers arriving and departing from the ports; needed mitigation of the environmental pollution that is created by the operations at the ports; and the improvement of goods movement infrastructure and reduction of goods movement pollution.

3) Establishes the following four funds in the State Treasury: Southern California Port Congestion Relief Trust Fund; Southern California Port Mitigation Relief Trust Fund; Northern California Port Congestion Relief Trust Fund; and Northern California Port Mitigation Relief Trust Fund.

4) Requires the Ports of Long Beach, Los Angeles, and Oakland, by January 1, 2008, to develop a process to notify and collect user fees from container cargo owners. The ports must notify the cargo owners by June 1, 2008, that a maximum $30 per twenty-foot equivalent unit (TEU) user fee will be assessed. Certain information must be provided, such as the process and frequency of payment, and that the user fee is being assessed to improve goods movement infrastructure serving the port, and to reduce pollution from all forms of port-related equipment.

5) Requires the three ports to assess the $30 (not to be exceeded) TEU user fee beginning January 1, 2009, and collect the fee twice a year, with 50% of the fees directed to a California Transportation Commission (CTC)-administered congestion relief fund (to fund projects that improve the flow

and efficiency of container cargo) and 50% to an California Air Resources Board (ARB)-administered mitigation fund (to mitigate environmental pollution caused by cargo movement). Moneys deposited in the funds cannot be loaned or transferred to the General Fund.

6) Establishes a process, beginning January 1, 2008, for CTC to select eligible congestion relief infrastructure projects for funding from the Southern California and Northern California Congestion Relief Funds, giving priority to those projects that have been designed to measurably reduce air pollution and environmental impacts to local communities, and assisting in attaining state and federal air quality goals, while addressing the overall efficiency of container cargo movement. Emission requirements are specified for all mobile non-road equipment used on projects.

7) Establishes a process, beginning January 1, 2008, for ARB to select port mitigation projects for funding from the Southern and Northern California Port Mitigation Trust Funds that reduce air pollution caused by movement of container cargo at the ports, and are designed to reduce air pollution at the ports in order to reach federal air quality attainment standards.

8) Requires the Ports of Long Beach and Los Angeles to report to CTC on implementation of the Final 2006 San Pedro Bay Clean Air Action Plan, and if certain goals are not met, prohibits CTC from awarding funding to any project until the goals are met (other than projects awarded funding prior to this finding).

9) Authorizes the California Infrastructure and Economic Development Bank (I-Bank) to enter into financing agreements and issue revenue bonds for the purpose of financing or refinancing port congestion relief and mitigation projects, and specifies parameters for doing so.

EXISTING LAW :

1) Establishes 11 ports in the state: Humboldt Bay, Hueneme, Long Beach, Los Angeles, Oakland, Redwood City, Richmond, Sacramento, San Diego, San Francisco, and Stockton. The law allows each port to lay out, plan, and establish a general plan and port system improvements and prescribe the

specifications for such improvements.

2) Requires, pursuant to the California Coastal Act, that each port governing body prepare and adopt a port master plan that includes:

   a) Proposed uses of land and water areas.

   b) Projected design and location of port land areas, water areas, berthing, and navigation ways and systems intended to serve commercial traffic within the area of jurisdiction of the port governing body.

   c) An estimate of the effect of development on habitat areas and the marine environment, a review of existing water quality, habitat areas, and quantitative and qualitative biological inventories and proposals to minimize and mitigate any substantial adverse impact.

   d) Adequate public hearing and public participation in port planning and development decisions.

3) Establishes the California Marine and Intermodal Transportation System Advisory Council (CALMITSAC) and requests it to study and compile information on the impacts of port growth on the state's transportation system and report its findings to the Legislature with recommendations on methods to better manage port growth and address the environmental impacts of moving goods through the ports. Establishes it as a regional subunit of the Marine Transportation System National Advisory Council chartered by the federal Secretary of Transportation under the Federal Advisory Council Act.

4) Requires a public agency to approve certain mitigation for port projects involving filling of subtidal habitats within ocean or inland ports (Harbors and Navigation Code 1720 et seq.).

5) Establishes CTC and sets various duties and procedures for CTC. CTC is responsible for the programming and allocating of funds for the construction of highway, passenger rail and transit improvements throughout California.

6) Authorizes ARB to coordinate efforts to attain and maintain

ambient air quality standards and specifies its powers.

7) Creates I-Bank and specifies its powers.

FISCAL EFFECT : According to the Senate Appropriations

Committee, start-up costs of $200,000/year to ARB from the Air Pollution Control Fund and $100,000/year to CTC from the State Highway Account. Ongoing costs funded by fee revenues. I-Bank administrative costs funded through financing agreements. Fees revenues estimated to reach $500 million in 2008/09, growing to over $1.5 billion annually by 2020 if the projected container volume growth continues as expected. The fees would discontinue after the eligible projects are constructed and any revenue bonds are paid off.

COMMENTS : Ports are local government agencies governed by port commissions that are responsible for developing, maintaining, and overseeing the operation of shore side facilities for the intermodal transfer of cargo between ships, trucks, and railroads. In some cases, certain ports have jurisdiction over affiliated airports, build and maintain terminals for the passenger cruise ship industry, or manage marinas and other public facilities. Many industrial, manufacturing, and other businesses locate their facilities near ports to take advantage of the low-cost inbound transportation of raw materials and cost-efficient outbound shipments of products for both domestic and foreign markets.

As public entities, and due to their geographical location, ports are regulated by several state and local government agencies, including the Business, Transportation and Housing Agency, State Resources Agency, Bay Conservation and Development Commission, State Air Resources Board, and the South Coast Air Quality Management District.

California's 11 public ports, located along the coast from San Diego to Humboldt and inland along the Sacramento and San Joaquin Rivers, are the global gateways for goods movement. Governed by "port commissions," these local government bodies develop, maintain, and oversee the operation of shore side facilities for the intermodal transfer of cargo between ships, trucks, and railroads. A significant number of jobs in the state are tied to trade, and the value of international trade alone exceeds $350 billion. Ports are seen as integral to

keeping California the sixth largest economy in the world.

According to a 2006 report by ARB, pollution from our state's ports causes 2,400 premature deaths annually. ARB recently estimated that over the next 15 years, polluting activity from operations at California's ports will have an aggregate health impact equivalent to approximately $200 billion in present value dollars.

A disproportionate number of communities impacted by port pollution are low-income communities of color, the state currently shoulders much of these port-caused health costs. By 2020, ports and freight transport operations will be the largest source of particulate matter (PM) and nitrogen oxide (NOx) emissions in the state, producing more diesel PM than all passenger vehicles, off-road equipment and stationary sources combined.

According to the Los Angeles Economic Development Corp., Southern California must spend at least $10.5 billion to improve railroads, rail yards and highways to keep up with surging international trade or risk losing more than 500,000 new jobs and more than $1 billion of taxes a year. Inefficiencies in the freight transport system are costly to the state. Improving our rail system will reduce the number of diesel trucks on our freeways and alleviate congestion. For example, "on-dock rail" is a less polluting and more efficient alternative to trucking goods on our freeways. Congestion costs Southern California more than $10 billion in 2003.

Southern California risks losing $12.1 billion in federal highway funds if federal Clean Air Act standards aren't met. So far, the basin has failed to meet national standards for ozone or for particulate emissions.

Trade activity loss/diversion?: The results from two research studies examining the potential for diversion expressly due to container fees suggest that significant diversion is unlikely with a $30/TEU container fee. A study commissioned by the Southern California Association of Governments between 2003 and 2005 found that cargo volumes are more sensitive to congestion than to cargo fees. Without congestion relief, the study found that even a modest container fee would result in the diversion of some cargo. With congestion relief, however, volume cargos would remain constant with a container fee up to $200/TEU. A

study titled "Cargo on the Move in California: Evaluating Container Fee Impacts on Port Choice" conducted by Energy and Environmental Research Associates LLC found that a $30/TEU fee at the Ports of Los Angeles and Long Beach would increase a shipper's voyage costs 1.5% to 2.5%, but given the high demand for those ports, diversion is estimated to be less than 1.5%. The same fee imposed at the Port of Oakland would increase voyage costs 1.5% to 2.7%, and diversion is estimated to range from 2% to 4.7%. Given that trade activity at the ports is expected to double or triple by 2020, the authors conclude that any diversion that occurs as a result of a $30/TEU container fee would be rendered "unobservable."

Fee and commerce clause issue: Due to concerns that the SB 974 user fee is a tax, Legislative Counsel concludes that "it is our opinion that a court faced with the question would find that the charge proposed under Section 1745 is a valid regulatory fee imposed under the police power of the state, as long as the amount of the charge assessed does not exceed the reasonable cost of providing the services described, and that amount bears a reasonable relationship to the burdens created by the marine terminal operators."

Regarding the commerce clause issue, Legislative Counsel concludes that "there is not federal legislation relating to the subjects addressed under [Section 1745]. Thus, it is our view that, generally, the state may legislate in this area" and that "we conclude that the charge proposed under Section 1745 would survive scrutiny under the commerce clause of the United States Constitution as a legitimate regulatory fee imposed under the police power of the state."

Port of Oakland: The Port of Oakland proposes several amendments that basically would allow them to control the funds, since they are locally-collected, instead of statewide authorities as identified in the bill.

Port of Long Beach: The Port of Long Beach voted to support this bill provided the bill is amended as follows:

1) Require that user fees must be spent where collected.

2) Allow the use of user fee funds for port-related highway projects, such as the Gerald Desmond Bridge replacement project and the State Highway 47 project.

3) Eliminate restrictions placed upon the port if emission reduction goals are not achieved due to circumstances beyond their reasonable control.

San Pedro Bay Ports Clean Air Action Plan: Approved by the governing boards of the Ports of Los Angeles and Long Beach on November 20, 2006, the San Pedro Bay Ports Clean Air Action Plan is "the most comprehensive strategy to cut air pollution and reduce health risks ever produced for a global seaport complex." Additionally, port staff were directed to develop: A truck replacement program to phase out all "dirty" diesel trucks from the ports in five years, replaced with a new generation of clean or retrofitted vehicles and driven by people who earn at least the prevailing wage; aggressive milestones with measurable goals for air quality improvements; recommendations to eliminate emissions of ultra-fine particulates; a technology advancement

program to reduce green house gases; and a public participation process with environmental organizations and the business communities.

CALMITSAC: AB 2043 (Lowenthal) Chapter 942, Statutes of 2004, requires CALMITSAC to hold public hearings, compile comprehensive data on port-related issues, and report to the Legislature on its findings. The report was released on May 1, 2007. The report indicates that "The bond initiative alone won't solve California's goods movement problems however. Other solutions are needed. The shipping industry strongly opposes legislatively imposed container fees and Customs carve-outs. CALMITSAC opposes both in this report. This does not mean that industry arbitrarily opposes all user fees; but there should be a clear distinction between a legislatively imposed fee and a negotiated fee for projects that benefit the industry. Project-specific revenue streams for focused, well-managed projects can be protected for the benefit of bondholders and users alike. Specific plans of finance must be developed around a limited set of high-priority projects; i.e., future success stories, that all stakeholders agree are absolutely essential, as opposed to mandating user fees through legislation."

Opposition: Tax opposition agencies contended that this bill really imposes a new tax and that taxes called fees are an end-run around the Constitution. They believe that the tax/fee should require a two-thirds vote for approval and imposition. These opponents also cite general opposition to majority-vote

taxes disguised as fees and that such charges damage future economic growth in the state. They believe the new fees will increase the costs of goods and services and place a drag on the economy.

The Hawaiian Chamber of Commerce says that its 1100 local businesses are joining to ask California legislators to vote against California SB 974. Hawaii is dependent on goods being shipped there from California. The chamber and Hawaii shippers estimate that the fee would cost businesses $68 million dollars a year, or $50 for every man, woman and child in Hawaii.

Committee questions: This bill places an unequal burden upon the Ports of Long Beach and Los Angeles that is not concurrently placed upon the Port of Oakland regarding the withholding of locally-collected funds in the event emission reduction goals as identified in existing regional and local emission reduction plans are not met. As the San Pedro ports have developed a voluntary port air emission reduction plan, to have their locally-generated funds withheld from allocation to them, should identified goals not be met, does not seem justifiable,

especially when considering that the Port of Oakland is not held to the same funding requirement and that emission increases could be attributed to sources beyond their control. The author may wish to speak to this conditioned inequity that is placed upon the southern ports and not Oakland.

Related legislation: SB 927 (Lowenthal) and SB 760 (Lowenthal) 2006, would have imposed a fee on containers that are discharged at the Ports of Long Beach and Los Angeles in order to fund rail system improvements, pollution mitigation measures, and port security enhancements. SB 760 was held under submission by the Assembly Appropriations Committee. SB 927 was vetoed by the Governor indicating that "this measure is flawed in its construction, application, lack of accountability and failure to coordinate with other public and private financing sources ignoring opportunities to leverage additional funding."

REGISTERED SUPPORT / OPPOSITION :

Support

Alameda Corridor-East	Gateway Chamber Alliance

Construction Authority	Gateway Council of Governments
American Academy of Pediatrics,	(27 cities)
California Division	Interfaith Environmental
American Cancer Society	Council
American Heart Association	Lakewood Chamber of Commerce
American Lung Association of	Long Beach Alliance for
California	Children with Asthma
Asthma Coalition of Los Angeles	Long Beach Unified School
County	District
Bay Area Air Quality Management	Los Angeles Alliance for a New
District	Economy
Breast Cancer Fund	Los Angeles County Metropolitan
Breathe California	Transportation Authority
California Air Pollution	Mayor, Todd Campbell, City of
Control Officers Association	Burbank
California League of	Mayor, Curt Pringle, City of
Conservation Voters	Anaheim
California Natural Gas Vehicle	Medical Advocates for Healthy
Coalition	Air
California Nurses Association	Natural Resources Defense
California Teamsters	Council
California Thoracic Society	Parents for a Safer Environment
Cerritos Chamber of Commerce	Parents for Safer Schools
City of Burbank	Physicians for Social
City of Cudahy	Responsibility

City of Downey	Planning and Conservation
City of Lakewood	League
City of Long Beach	Plug In America
City of Commerce	Port of Long Beach (support
City of Signal Hill	only if amended)
City of South Gate	Progressive Christians Uniting
Coalition for Clean Air	Regional Asthma Management &
Coalition for A Safe	Prevention Initiative
Environment	San Gabriel Valley Council of
Coalition on the Environment	Governments
and Jewish Life	San Gabriel Valley Economic
of Southern California	Partnership
Communities for Clean Ports	Santa Barbara County Air
Community Action to Fight	Pollution Control District
Asthma	San Francisco Medical Society
Consumer Attorneys of	SEIU Local 721 (85,000 members)
California	Sierra Club California
Downey Chamber of Commerce	South Coast Air Quality
East Yard Communities for	Management District
Environmental Justice	South Bay Cities Council of

Elizabeth Hudson Elementary	Governments	
School -	Strategic Concepts in	
Environmental Committee	Organizing & Policy Education	
Environmental Entrepreneurs	South Gate Chamber of Commerce	
End Oil	Union of Concerned Scientists	
	Environment California	West Lo
Environmental Defense	West Oakland Environmental	
Friends of the Earth	Indicators	

Opposition

Abercrombie and Fitch	California Retailers
ACG Cotton Marketing LLC	Association
Ag Processing, Inc.	California Seed Association
Agricultural Council of	California Taxpayers
California	Association
Agriculture Transportation	California Trade Coalition
Coalition	California Trucking Association
Allenberg Cotton Co.	California Warehouse
Allen Group	Association
Aloha Airlines	Carriere Family Farms
American Apparel and Footwear	Castle & Cooke Homes Hawaii,
Association	Inc.
American Chemistry Council	Casual Male Retail Group, Inc.

American Cotton Shippers Association	Central Pacific Bank
American Council for Food Safety and Quality	Chamber of Commerce of Hawaii
American Eagle Outfitters Inc.	Charming Shoppes, Inc.
American Electronics Association	Circuit City
American Foods Group	Coalition Opposed to SB 974
American Forest and Paper Association	Coca-Cola Bottling Company of California
American Import Shippers Association	Coca-Coal Bottling Co. of Southern CA
Anheuser-Busch Companies, Inc.	Colorado Food Products
Anzco Foods North American, Inc.	Columbine Vineyards of Delano, CA
APL	Corona Chamber of Commerce
	Crain Walnut Shelling, Inc.
	Crate & Barrel
	CTP Transport, Inc.

Association of International Automobile Manufacturers	Dairy America, Inc.
Association of Recycling Industries	Del Monte Foods
Badger Forest Products	Derco Associates, Inc.
Bank of Hawaii	Diamond Foods, Inc.
Beall's, Inc.	Distilled Spirits Council
Belk, Inc.	Dole Food Company, Inc.
Best Buy	Dressbarn, Inc.
Blue Diamond Growers	Duncan and Sons Lines, Inc.
Bonanza Foods and Provisions, Inc.	DVN Louis Dreyfus Corporation
Bon-Ton Stores, Inc.	E.I. DuPont de Nemours & Co.
Border Valley Trading LTD	ECOM USA, Inc.
Borders Group, Inc.	Edwards Luggage
Borges of California	EFI Logistics, Inc.
Boscov's Department Stores, LLC.	Ethan Allan Global, Inc.
Braun Export	First Hawaiian Bank
Burger King, Inc.	Food Marketing Institute
CA Commodity Export Corporation	Gap Inc.
Calcot LTC	Grain Millers, Inc.
California Bean Shippers Association	Greater Bakersfield Chamber of Commerce
California Business Properties Association	Grocery Manufacturers/Food Products Association
California Cattlemen's Association	Harland M. Braun and Company
California Chamber of Commerce	Hawaii Island Chamber of Commerce
California Citrus Mutual	Hawaii Korean Chamber of Commerce
California Cotton Ginners and Growers Association	Hawaii Tourism Authority
California Farm Bureau	Hedley Construction and Development
	Heineken USA, Inc.
	Hewlett-Packard Company
	Home Depot

Federation	Howard Jarvis Taxpayers Association
California Fisheries and Seafood Institute	Institute of Scrap Recycling Industries
California Grain and Feed Association	Intel Corporation
California Grape and Tree Fruit League	JC Penny
California Grocers Association	Jo-Ann Fabric and Craft Stores
California Independent Grocers Association	Jockey International
California League of Food Processors	Kailua Chamber of Commerce
	Kohl's Corporation
	Lake Elsinore Valley Chamber of Commerce

□

California Manufacturers & Technology Association	Leading Lady
California Metals Coalition	
California Nevada Soft Drink Association	
California Railroad Industry	
California Restaurant Association	
California Taxpayers' Association	

Levi Strauss & Co.	Refuse Removal Council
Limited Brands, Inc.	Rekerdres and Sons Insurance
Limtiaco Company	Retail Industry Leaders Association
Linens-N-Things	Retail Merchants of Hawaii
Liz Claiborne Inc.	Rite-Aid
Long Beach Area Chamber of Commerce	Rocky Brands, Inc.
Lowes	Safeway, Inc.
Macy's/Macy's West	SAMPCO, Inc.
Mallory Alexander International Logistics	San Rafael Luggage Center
	Seaboard Foods LP
Mathiesen Maritime Services, Inc.	Securakey
	Seven-Eleven
Matson Navigation Company	Smurfit-Stone Container Company
Maurice's, Inc.	Sonnet Technologies
Mazda North American Operations	Southlands Organic Ltd
Meat Importers Council of America	Southwest California Legislative Council
Meridian Nut Growers LLC	Southwest Hide Company
Michaels Arts and Crafts	Specialty Crop Trade Council
Midwest Shippers Association	Spencer Gifts LLC
Miller Brewing Company	Spirit Halloween Superstores
Milpitas Chamber of Commerce	Sporting Goods Manufacturers

Mohawk Industries	Association
Murphy Imports, LLC	SSA Marine
Murrieta Chamber of Commerce	Starboard Alliance Company
NAIOP Inland Empire	Stop Hidden Taxes Coalition
NAIOP SoCal	Sunview Marketing International
National Association of Industrial and Office Properties - CA State Council	Target
	Temecula Valley Chamber of Commerce

National Association of Manufacturers	The Kitchen Collection, Inc.
National Chicken Council	The Refrigerated Shipping Association
National Coffee Association	TJX Companies, Inc.
National Federation of Independent Business	Toy Association of Southern California
National Industrial Transportation League	Toy Industry Association, Inc.
National Retail Federation	Transgroup Worldwide Logistics
National Turkey Federation	Travel Goods Association
Natural & Organic Imports	U.S. Association of Importers of Textiles & Apparel
Neiman Marcus	U.S. Chamber of Commerce
New Balance Athletic Shoe, Inc.	United Chambers of Commerce of the San Fernando Valley
Newell Rubbermaid Inc.	United Laundry Services, Inc.
Nike, Inc.	United States Council for International Business
Nisei Farmers League	U.S. Dairy Export Council
North Dakota Department of Agriculture	USA Poultry & Egg Export Council
Office Depot	Valley Industry and Commerce Association
OZ Logistics Inc.	Vergel N. Adonis Realty Inc.
Pacific Coast Council of Customs Brokers & Freight Forwarders	VF Outdoor, Inc.
Pacific Egg and Poultry Association	Voit Development Company
Pacific Merchant Shipping Association	Walgreens
Panasonic Corporation of North America	Wal-Mart Stores, Inc.
Payless Shoe source	Washington State Potato Commission
Perry Ellis International	Waterfront Coalition
Pier 1 Imports	Weil Brothers Cotton, Inc.
Polo Ralph Lauren Corporation	Western Cotton Shippers Association
Preferred Freezer Services	Western Growers
Ralphs Grocery Company	Western Home Furnishings Association
Red Wing Shoe Company	Western United Dairymen
Redondo Beach Chamber of Commerce	Wilson Homecare
Regional Legislative Alliance - Venture/Santa Bara Counties	Wine Institute
	World Sake Imports
	WS Badcock Corp, DBA Badcock

	Home Furnishings and More

Analysis Prepared by : Ed Imai / TRANS. / (916) 319-2093

OCTA

August 16, 2007

To: Legislative and Government Affairs/Public Communications Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: State Legislative Status Report

Overview

Recently, the California Air Resources Board moved forward on measures to comply with deadlines under both the Global Warming Solutions Act of 2006 and federal national ambient air quality standards. Two of these measures include the adoption of an in-use, off-road, diesel vehicle regulation and the approval of discrete early action measures to reduce greenhouse gas emissions.

Recommendation

Receive and file as an information item.

Discussion

The California Air Resources Board (CARB) has been the focus of national attention in its endeavor to reduce pollutant emissions in order to meet deadlines imposed under both federal national ambient air quality standards (NAAQS) and AB 32 – the Global Warming Solutions Act of 2006 (Chapter 488, Statutes of 2006). CARB's latest actions were to adopt a regulation for in-use, off-road, diesel vehicles and to approve a list of discrete early action measures to implement AB 32.

In-Use, Off-Road Diesel Vehicle Regulation

On July 26, 2007, CARB adopted a landmark regulation that aims to reduce diesel emissions from the state's estimated 180,000 in-use, off-road diesel vehicles. These vehicles are used in a variety of industries including construction, mining, and airport ground support.

The measure originated from the 2002 California Diesel Reduction Plan, which called for diesel emission reductions of 85 percent below 2000 levels by 2020.

Through the adopted regulation, CARB estimates particulate matter (PM) will be reduced by 74 percent and smog forming nitrogen oxide (NOx) by 32 percent.

All fleets operating at more than 25 horsepower combined are affected by the regulation. Deadlines to meet the yearly emission reductions outlined in the regulation vary based on combined fleet horsepower. For all fleets, beginning in 2009, the following requirements will be enforced:

- Labeling and annual reporting of all regulated vehicles
- Idling limits
- Limitations on adding "dirty vehicles" to fleets (those without emission control technologies)

Following these initial requirements, deadlines for emission reductions achieved through either fleet average targets or best available control technology (BACT) measures will be imposed as follows:

- Small fleets, with a combined horsepower of 2500 or less, will have compliance requirements beginning in 2015
- Medium fleets, with a combined horsepower of 2501 to 5000, will have compliance requirements beginning in 2013
- Large fleets, with a combined horsepower over 5000, will have compliance requirements beginning in 2010

To comply, the fleet can do one of the following: install NOx or PM exhaust filters, buy used or new vehicles, install engine repowers, or retire or designate equipment as low-use. CARB estimates that it could cost up to $40,000 to purchase a particulate filter for a single million-dollar scraper.

Exceptions or compliance extensions will be allowed for low-use vehicles, vehicles in attainment areas, or manufacturer delays. In addition, there will be no retrofit requirements for engines in vehicles less than five years old, when no retrofit is available, or where the retrofit is not safe. There will be no turnover requirements in small fleets, certain specialty vehicles, where the equipment is less than 10 years old, or where there has been a retrofit in the past six years.

CARB staff estimated the cost of implementing the regulation to be $3.5 billion over its lifetime, which may increase construction costs by 0.3 percent, or by $1,000 for a $450,000 home. According to CARB estimates, implementation will prevent at least 4,000 premature deaths statewide and avoid $18-26 billion in health care costs. However, CARB staff also acknowledges the rule will cause a loss of between 1,400 and 3,400 jobs a year.

Construction industry groups maintained throughout the rulemaking process that costs from the implementation of the rule can go as high as $13 billion. The cost estimates by both CARB and the construction industry vary widely due to differences over the turnover rate, new vehicle estimates, and the projected ability for fleets to meet the fleet average requirements.

In order to further assist federal non-attainment regions in their efforts to meet federal particulate matter (PM 2.5) standards, CARB created the South Coast/San Joaquin Valley Off-Road Opt-in for NOx (SOON) Program, which will allow non-attainment areas to opt into a stricter regional program if incentive funds are available. Currently, this provision will only apply to the South Coast Air Quality Management District (SCAQMD) and the San Joaquin Air Pollution Control District. In order to assist in this endeavor, SCAQMD will offer construction companies $120 million in incentives to purchase particulate filers or buy new machines.

Given the heavy scrutiny this rule making has received, CARB agreed to several benchmarks where available technology could be further evaluated over time and rules adjusted as needed. The following review dates have been set :

- January 1, 2009: Staff to report to CARB on the availability of CARB verified retrofit devices for off-road applications.
- January 1, 2013: Staff to report to CARB regarding the status of engine and vehicle manufacturers' progress towards supplying compliant Tier 4 engines (engines capable of achieving all emission targets without further retrofitting) and vehicles into the California market.
- January 1, 2017: Staff to report to CARB on the introduction of Tier 4 engines into California, and an assessment of the availability of vehicles necessary for fleets to meet the 2020 fleet average targets in the regulation.

AB 32 Discrete Early Action Measures

AB 32 directs CARB to develop and adopt an overall plan to reduce greenhouse gas (GHG) emissions within the state to 1990 levels by the year 2020. AB 32 mandates that CARB identify a list of discrete early action GHG reduction measures by June 30, 2007. Once on the list, the measures are to be developed into regulations and made enforceable by January 1, 2010.

On April 20, 2007, CARB released a list of 36 proposed early actions. These proposed actions were introduced in a three-tier format. The first tier, which only included three proposed actions, were those CARB felt most accurately met the narrow definition of discrete early action GHG reduction measures. The second tier included those measures that CARB has recently started to

explore, but have potential to be developed into regulations within the next couple of years. Finally, the third tier included 10 measures, which were targeted at pollutants regulated under federal NAAQS, but which would also have concurrent climate co-benefits.

On June 21, 2007, CARB took the first step in the implementation of early action measures to reduce GHG by approving the following three discrete early actions:

- A low carbon fuel standard to reduce the carbon intensity of the state's fuels, as directed by Governor Schwarzenegger
- A restriction on the sale of "do-it-yourself" automotive refrigerants
- New standards to require the use of state-of-the-art methane capture technologies at landfills, and to require installation of such systems at landfills that do not already use them

At that meeting, CARB directed staff to provide an update within six months on any other measures that could also be implemented as discrete early actions. In response to strong criticism from legislators and the public, newly appointed CARB Chair Mary Nichols, at the July 27, 2007, Board Meeting, directed staff to expedite the process and report back with recommendations at the October Board Meeting. Measures recommended by the California Air Pollution Control Officers Association and the SCAQMD are also to be considered, including:

- Prioritize State Implementation Plan reductions to maximize GHG reductions and list those measures to be effective by 2010
- Review existing local rules and identify statewide measures or local enhancements with the assistance of local air district resources
- Coordinate with local air districts to develop a strategy to use existing permit programs and the California Environmental Quality Act review and mitigate GHGs from significant stationary sources
- Rely on local air districts to implement early reductions through coordinated voluntary programs
- Accelerate plug-in hybrids
- Implement evaporative emission standards for recreational boats and off-road recreational vehicles

In addition, at the same meeting CARB received the Market Advisory Committee (MAC) report on the implementation of a cap-and-trade program from GHG within the state, as directed by AB 32. By Executive Order, the Governor created the MAC to study and advise CARB on the implementation of a cap-and-trade program. In their formally submitted non-binding recommendations, the MAC recommended the following principles:

- If a cap-and-trade program is adopted, it should eventually include all major greenhouse gas-emitting sectors of the economy.
- To address emissions associated with imported electricity within a state - based cap-and-trade program, a "first-seller" approach should be used where the legal obligation of compliance would be on the entity that first sells electricity to the California electric market.
- In order to most effectively distribute emission allowances, a combined approach should be used in which some share of allowances is allocated free of charge initially, while the remaining allowances are auctioned. The percentage of allowances will then increase over time.
- The program should recognize offsets generated both within and outside the state's borders.
- California should encourage linkages with other mandatory GHG cap-and-trade systems.

If CARB chooses to adopt these recommendations, it will be included within the Scoping Plan, which is to be approved by January 1, 2009. The Scoping Plan will outline the chosen means to reach the emission reductions required by AB 32. Below is a timeline for implementation:

• October 2007:	Board Hearing – Early Action Measures
• November/December 2007:	Sector-based workshops on measures and tools
• December 2007:	Board Hearing – 1990 Baseline Board Hearing – Mandatory Reporting Rule
• March 2008:	Workshop on Scenarios
• June 2008:	Draft Scoping Plan released
• June/July 2008:	Workshops
• October 2008:	Final Staff Proposal Released
• November 2008:	Board Hearing: Scoping Plan

Legislative Deadlines

Important legislative deadlines remaining in this session are provided below:

August 20
Legislature reconvenes from Summer Recess.

August 31
Last day for fiscal committees to meet and report bills to Floor.

September 3 -14
Floor session only. No committees, other than the Committee on Rules or conference committees, may meet for any purpose.

September 7
Last day to amend bills on the Floor.

September 14
Last day for each house to pass bills. Final recess begins at end of this day's session.

October 14
Last day for Governor to sign or veto bills passed by the Legislature before September 14 and in his possession on or after September 14.

Summary

CARB's newly adopted regulation for in-use, off-road diesel vehicles will assist the state in reaching attainment under federal NAAQS requirements, while their adoption of discrete early action measures will provide the first step to reducing greenhouse gas emissions under AB 32. Information is also provided about deadlines for the last month of the legislative session.

Attachment

A. Orange County Transportation Authority Legislative Matrix

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ATTACHMENT A

Orange County Transportation Authority Legislative Matrix

(► Denotes changes from the last report)

OCTA Sponsored Legislation

AB 256

AUTHOR: Huff (R)
TITLE: State Highway Operation and Protection Programs
LAST AMEND: 4/25/2007
LOCATION: Assembly Appropriations Committee
COMMENTARY:
Relates to the state highway operation and protection program. Appropriates to the department, from funds in the State Highway Account the amount identified for traffic safety projects.
STATUS:
5/31/2007 In ASSEMBLY Committee on APPROPRIATIONS: Heard, remains in Committee.
Position: Sponsor

AB 387

AUTHOR: Duvall (R)
TITLE: Design-Build: Transit Contracts
LAST AMEND: 4/17/2007
LOCATION: Assembly Business and Profession Committee
COMMENTARY:
Amends law that authorizes transit operators to enter into design-build contract according to specified procedures. Provides that the prequalification process is optional for technology or surveillance procurements designed to enhance safety, disaster preparedness, and homeland security efforts.
STATUS:
5/08/2007 In ASSEMBLY Committee on BUSINESS AND PROFESSIONS: Failed passage.
5/08/2007 In ASSEMBLY Committee on BUSINESS AND PROFESSIONS: Reconsideration granted.
Position: Sponsor

AB 1228

AUTHOR: Solorio (D)
TITLE: High-Speed Passenger Train Bond Act
INTRODUCED: 2/23/2007
LOCATION: Assembly Appropriations Committee
COMMENTARY:
Relates to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century. Provides that Anaheim is to be the Southern terminus of the initial segment of the high-speed train system. Provides that for the Anaheim-Irvine segment, no general obligation bond funds shall be available for construction, but that those funds shall be available only for eligible planning, environmental, and engineering costs.
STATUS:
5/31/2007 In ASSEMBLY Committee on APPROPRIATIONS: Heard, remains in committee.
Position: Co-Sponsor

AB 1306

AUTHOR: Huff (R)
TITLE: Sales Tax on Gasoline
INTRODUCED: 2/23/2007
LOCATION: Assembly Transportation Committee
COMMENTARY:
Reduces the portion of gasoline sales tax revenues that are deposited in the Public Transportation Account by eliminating what is commonly known as the spillover formula. Increase revenues from the sales tax on gasoline that are deposited in the General Fund. Requires those revenues to be transferred to the Transportation Investment Fund.
STATUS:

4/23/2007	In ASSEMBLY Committee on TRANSPORTATION: Failed passage.
4/23/2007	In ASSEMBLY Committee on TRANSPORTATION: Reconsideration granted.
Position:	Sponsor

►SB 184

AUTHOR: Alquist (D) and Correa (D)
TITLE: Transportation Projects
INTRODUCED: 2/06/2007
LAST AMEND: *7/06/2007*
LOCATION: *Assembly Appropriations Committee*
COMMENTARY:
Limits provisions of existing law that authorizes a regional or local entity that is the sponsor of, or is eligible to receive funding for, a project contained in the state transportation improvement program to expend its own funds for any component of a project within its jurisdiction that is included in an adopted state transportation improvement program, and for which the California Transportation Commission has not made an allocation to projects advanced for expenditure by an eligible entity.
STATUS:

7/18/2007	*In ASSEMBLY Committee on Appropriations: To Suspense File.*
Position:	Co-Sponsor

SB 442

AUTHOR: Ackerman (R)
TITLE: Public Contracts: Transit Projects: Design-Build
LAST AMEND: 4/09/2007
LOCATION: Senate Transportation and Housing Committee
COMMENTARY:
Amends existing law that authorizes transit operators to enter into design-build contracts. Specifies that such provisions apply only to transit projects, and that transit projects do not include highway construction or local street and road projects. Specifies that project include, but are not limited to, high-occupancy vehicle lane connecting the Garden Grove Freeway (State Route 22) to the San Diego (Interstate 405) and the San Gabriel (Interstate 605) freeways.
STATUS:

4/24/2007	In SENATE Committee on TRANSPORTATION AND HOUSING: Failed passage
4/24/2007	In SENATE Committee on TRANSPORTATION AND HOUSING: Reconsideration granted.
Position:	Sponsor

Bills with Official Positions

►AJR 14

AUTHOR: Jeffries (R)
TITLE: Customs Duties and Importation Revenues
INTRODUCED: 2/23/2007
LOCATION: *Chaptered*
COMMENTARY:
Memorializes the President and Congress to enact legislation that will ensure that a substantial increment of new revenues derived from customs duties and importation fees be dedicated to mitigating the economic, mobility, security, and environmental impacts of trade in this state and in other trade-affected states.
STATUS:
7/03/2007 *Chaptered by Secretary of State*
7/03/2007 *Resolution Chapter No. 73.*
Position: Support

SB 56

AUTHOR: Runner (R)
TITLE: Highway Construction Contracts
LAST AMEND: 5/01/2007
LOCATION: Senate Appropriations Committee
COMMENTARY:
Declares the intent of the Legislation to authorize a demonstration program that would allow a careful examination of the benefits and challenges of using a design-build method of procurement for transportation projects. Authorizes certain state and local transportation entities to use a design-build process for contracting on transportation projects. Requires a transportation entity to implement a labor compliance program for design-build projects. Establishes a procedure for submitting bids.
STATUS:
5/31/2007 *In SENATE Committee on APPROPRIATIONS: Not heard.*
Position: Support

► SB 124

AUTHOR: Ducheny (D)
TITLE: Evasion of Tolls: Registered Owner
LAST AMEND: 4/09/2007
LOCATION: *Enrolled*
COMMENTARY:
Defines registered owner, for purposes of liability for a toll evasion violation, to include a person registered as the owner of the vehicle by the appropriate agency or authority of another state, the District of Columbia, or a territory or possession of the United States.
STATUS:
7/20/2007 *In ASSEMBLY. Read third time, urgency clause adopted. Passed ASSEMBLY. To ENROLLMENT.*
Position: Support

► SB 375

AUTHOR: Steinberg (D)
TITLE: Transportation Planning: Travel Models: Reviews
LAST AMEND: *7/17/2007*
LOCATION: *Assembly Appropriations Committee*
COMMENTARY:
Relates to guidelines for travel demand guidelines used in regional transportation plans, the requirement a regional transportation plan include a preferred growth scenario designed to achieve goals for the reduction of vehicle miles in the region, an environmental document under the Environmental Quality Act that examines specific impacts of a transportation project located in a local jurisdiction that has amended its general plan and the legislative body finds the project meets specified criteria.
STATUS:
7/17/2007 *In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.*
Position: Oppose

► AB 801

AUTHOR: Walters (R)
TITLE: Vehicles: License Plates
LAST AMEND: *7/16/2007*
LOCATION: *Senate Appropriations Committee*
HEARING DATE: *8/20/07, 10 am*
COMMENTARY:
Prohibits the use of a device that would obstruct or impair the reading or recognition of a license plate by an electronic device operated by state or local enforcement, or by an electronic device operated in connection with a toll road, high-occupancy lane, toll bridge, or other toll facility. Provides that a person who sells a product or device that obscures or is intended to obscure the reading or recognition of a license plate is guilty of a misdemeanor.
STATUS:
7/16/2007 *In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.*
Position: Support

SB 872

AUTHOR: Ackerman (R)
TITLE: State-Local Partnership Program
LAST AMEND: 5/8/2007
LOCATION: Senate Appropriations Committee
COMMENTARY:
Creates the State-Local Partnership Program and appropriates a specified amount per year for 5 years beginning in the 2010-11 fiscal year. Provides for allocation of state funds to eligible highway and mass transit guideway projects nominated by local agencies are to be funded with at least 50% of local funds derived from a locally imposed transportation sales tax.
STATUS:
5/31/2007 *In SENATE Committee on APPROPRIATIONS; Not heard.*

Position: Support

Bills Being Monitored

► AB 38

AUTHOR: Nava (D)
TITLE: Department of Emergency Services and Homeland Security
LAST AMEND: 5/01/2007
LOCATION: Senate Public Safety Committee
COMMENTARY:
Merges the Office of Homeland Security and the Office of Emergency Services to establish the Department of Emergency Services and Homeland Security.
STATUS:

7/10/2007	*In SENATE Committee on PUBLIC SAFETY: Failed Passage*
7/10/2007	*In SENATE Committee on PUBLIC SAFETY: reconsideration granted*

► AB 57

AUTHOR: Soto (D)
TITLE: Highways: Safe Routes to School Construction Program
LAST AMEND: *7/20/2007*
LOCATION: *Senate Appropriations Committee*
COMMENTARY:
Deletes the January 1, 2008, repeal date of the Safe Routes to School construction program, thereby extending the provisions indefinitely. Deletes the January 1, 2008, repeal date of provisions authorizing state and local entities to secure and expend federal funds for programs related to bicycles and pedestrian safety and traffic-calming measures in high-hazard locations.
STATUS:

7/20/2007	*In SENATE Committee on APPROPRIATIONS with Author's Amendments.*
7/20/2007	*In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS*

► AB 109

AUTHOR: Nunez (D)
TITLE: Global Warming Solutions Act of 2006: Annual Report
INTRODUCED: 1/05/2007
LAST AMEND: *7/18/2007*
LOCATION: *Senate Appropriations Committee*
HEARING DATE: *8/20/2007*
COMMENTARY:
Requires the Governor, Treasurer's Office, the Public Employees' Retirement and State Teachers' Retirement systems to annually report to the Legislature information relating to greenhouse gas emissions and green investments. Requires all land conservancies to report to the Legislature on past, current, and future activities to sequester greenhouse gas emissions. Requires an annual report on the Global Warming Solutions Act. Includes the reduction of such gases in the Environmental Goals and Policy Project.
STATUS:

7/18/2007	*In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS*

AB 169

AUTHOR: Levine (D)
TITLE: Joint Powers Authorities: Indian Tribes
INTRODUCED: 1/23/2007
LOCATION: Senate Local Government Committee
COMMENTARY:
Provides that 16 federally recognized Indian tribes may participate in the Southern California Association of Governments, a joint powers authority, for specified purposes and subject to specified conditions in the 6-county region of the Southern California Association of Governments.
STATUS:
5/23/2007 To SENATE Committee on LOCAL GOVERNMENT

AB 242

AUTHOR: Blakeslee (R)
TITLE: Emissions of Greenhouse Gases: Reduction
LAST AMEND: 3/29/2007
LOCATION: Assembly Natural Resources Committee
COMMENTARY:
Requires that an entity that has voluntarily reduced its emissions of greenhouse gases through cost-effective investments receive credit from the state Air Resources Board for early action. Authorizes an entity that has received credit for early action to further minimize its carbon footprint through the purchase of offsets for the emission of greenhouse gases as authorized by the board.
STATUS:
4/16/2007 In ASSEMBLY Committee on NATURAL RESOURCES: Not heard

► AB 867

AUTHOR: Davis (D)
TITLE: Transportation Analysis Zones
INTRODUCED: 2/22/2007
LAST AMEND: *7/10/2007*
LOCATION: *Senate Appropriations Committee*
HEARING DATE: *8/20/2007*
COMMENTARY:
Requires each metropolitan planning organization and each transportation planning agency, in developing the regional transportation plan, to factor the mobility of low-income and minority residents into its computer analysis of regional transportation analysis zones. Requires results of such analysis to be availed to the public.
STATUS:
7/10/2007 *In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS*

► AB 995

AUTHOR: Nava(D)
TITLE: Goods Movement Emission Reduction Program
INTRODUCED: 2/22/2007
LAST AMEND: *7/17/2007*
LOCATION: *Senate Appropriations Committee*
HEARING DATE: *8/20/2007*
COMMENTARY:

Relates to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act. Provides that projects eligible for funding from the Trade Corridors Improvement fund receive priority if they meet specified requirements. Requires the Transportation Commission to coordinate with the Air Resources Board in evaluating project applications. Requires the Board to release a preliminary list of projects being considered for funding, hold public hearings, and adopt a final list of funded projects.

STATUS:

7/17/2007 *In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.*

► AB 1161

AUTHOR: Tran (R)
TITLE: Eminent Domain
LAST AMEND: 5/01/2007
LOCATION: Assembly Appropriations Committee
COMMENTARY:

Requires the Department of Transportation, upon acquiring property through eminent domain, to designate the particular project for which the property is being acquired and would require the department to use the property for that purpose within a certain number of years, plus an extension if obtained, or to otherwise sell the property. Requires the property to be offered to the original owner, or his or her descendants, at the original purchase price. Repeals a provision relating to property taxation.

STATUS:

5/31/2007 *In ASSEMBLY Committee on APPROPRIATIONS: Heard, remains in committee.*

► AB 1351

AUTHOR: Levine (D)
TITLE: Transportation: State-Local Partnerships
INTRODUCED: 2/23/2007
LAST AMEND: *7/12/2007*
LOCATION: *Senate Appropriations Committee*
HEARING DATE: *8/20/2007*
COMMENTARY:

Amends the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. States the intent of the Legislature to appropriate a specified amount of funds for the State-Local Partnership Program for funding transportation projects for a specified period. Defines local funds under the program relating to a local match as revenues from any locally imposed transportation related sales tax. Requires certain related reports.

STATUS:

7/12/2007 *In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.*

► AB 1358

AUTHOR: Leno (D)
TITLE: Planning: Circulation Element: Transportation
LAST AMEND: 7/18/2007
LOCATION: *Senate Appropriations Committee*
HEARING DATE: *8/20/2007*
COMMENTARY:
Requires that the legislative body of a city or county, upon any revision of the circulation element of the general plan, modify the circulation element to specify how this element will provide for the routine accommodation of all users of the highway and public transportation systems, to include motorists, pedestrians, bicyclists, children, individuals with disabilities, seniors, and users of public transportation. Requires the Office of Planning and Research to prepare or amend related guidelines.
STATUS:
7/18/2007 *In SENATE. Read second time and amended. Re-referred to committee on APPROPRIATIONS.*

► AB 1672

AUTHOR: Nunez (D)
TITLE: California Transportation Commission
LAST AMEND: 7/16/2007
LOCATION: *Senate Appropriations Committee*
COMMENTARY:
Requires the State Transportation Commission to consult with the Chairs of the appropriate legislative committees prior to changes to any guidelines for the expenditure of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Act. Expands the Commission to 13 members, with one additional voting member each appointed by the Speaker of the Assembly and the Senate on Rules, who would not be subject to Senate confirmation.
STATUS:
7/16/2007 *In SENATE. Read second time and amended. Re-referred to Committee on RULES.*
7/16/2007 *Withdrawn from Senate Committee on RULES.*
7/16/2007 *Re-referred to SENATE Committee on APPROPRIATIONS*

► ACA 1

AUTHOR: Dymally (D)
TITLE: Elections: Redistricting
LAST AMEND: *6/20/2007*
LOCATION: *Assembly Appropriations Committee*
COMMENTARY:
Proposes an amendment to the Constitution to require the appointment of the Independent Redistricting Commission that would be charged with establishing, by February 28 of each year ending in the number one, congressional, Assembly, Senate, and State Board of Equalization districts of equal population in compliance with the United States Constitution, pursuant to a mapping process for each district in accordance with specified goals.
STATUS:
6/20/2007 *In ASSEMBLY. Read second time and amended. Re-referred to committee on APPROPRIATIONS*

► ACA 2

AUTHOR: Walters (R)
TITLE: Eminent Domain
LAST AMEND: *7/05/2007*
LOCATION: *Assembly Judiciary Committee*
COMMENTARY:
Proposes an amendment to the Constitution of the State to permit private property to be taken or damaged only for a stated public use and only when just compensation has been paid to, or into court for, the owner of the property. Prohibits, with respect to both new and pending eminent domain projects that involve the exercise of the power of eminent domain, a community redevelopment agency, commission, or joint powers agency that has the power of eminent domain from exercising such power unjustly.
STATUS:

7/10/2007	*In ASSEMBLY committee on JUDICIARY: Failed Passage.*
7/10/2007	*In ASSEMBLY committee on JUDICIARY: Reconsideration Granted.*

► ACA 3

AUTHOR: Gaines (R)
TITLE: Expenditure Limits
LAST AMEND: *6/04/2007*
LOCATION: *Assembly Education Committee*
COMMENTARY:
Limits total state General Fund and special fund expenditures to an annual increase of no more than the increase in the cost of living, multiplied by the percentage increase in state population. Requires excess revenues to be allocated in prescribed amounts to a reserve account, to the State School Fund, and to personal income taxpayers.
STATUS:

6/04/2007	*In ASSEMBLY committee on EDUCATION with author's amendments.*
6/04/2007	*In ASSEMBLY. Read second time and amended. Re-referred to committee on EDUCATION.*

► SB 9

AUTHOR: Lowenthal (D)
TITLE: Trade Corridor Improvement: Transportation Project
LAST AMEND: *7/19/2007*
LOCATION: *Assembly Appropriations Committee*
COMMENTARY:
Amends existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act. Requires for funding emphasis to be on consideration of specified emissions associated with the construction and operation of the project and the project's potential to reduce emissions associated with trade activity. Requires inclusion of a plan to mitigate emissions associated with their projects. Provides funding for projects that support movement of freight with zero emissions.
STATUS:

7/19/2007	*From ASSEMBLY Committee on APPROPRIATIONS with author's amendments.*
7/19/2007	*In ASSEMBLY, Read second time and amended. Re-referred to Committee on APPROPRIATIONS.*

► SB 19

AUTHOR: Lowenthal (D)
TITLE: Trade Corridor: Projects to Reduce Emissions: Goods
LAST AMEND: *7/17/2007*
LOCATION: *Assembly Appropriations Committee*
COMMENTARY:
Relates to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Specifies a list of projects eligible for this funding. Requires that the Air Resources Board ensure that these funds are supplemented and matched with funds from federal, state, local, and private sources to the maximum extent feasible. Requires applicants for this funding to include with their application for funding a plan to reduce emissions associated with goods movement activity.
STATUS:
7/17/2007 *From ASSEMBLY Committee on APPROPRIATIONS with author's amendments.*
7/17/2007 *In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.*

► SB 33

AUTHOR: Simitian (D)
TITLE: Vehicles: Wireless Telephones and Mobile Service
LAST AMEND: *7/12/2007*
LOCATION: *Assembly Third Reading File*
COMMENTARY:
Prohibits a person under the age of 18 years from driving a motor vehicle using a wireless telephone equipped with a hands-free device or while using a mobile service device. Provides that the prohibition would not apply to a person using a wireless telephone or mobile service device for emergency purposes.
STATUS:
7/12/2007 *In ASSEMBLY. Read third time and amended. To Third Reading File.*

► SB 45

AUTHOR: Perata (D)
TITLE: Transportation Funds: Transit System Safety
LAST AMEND: 6/04/2007
LOCATION: *Assembly Appropriations Committee*
COMMENTARY:
Establishes the application process for the portion of the bond funds from Proposition 1B to be made available for allocations for capital projects that provide increased protection against safety or security threat. Allocations would be made by the Office of Homeland Security to transit operators under specified formulas.
STATUS:
7/09/2007 *From ASSEMBLY Committee on TRANSPORTATION: Do pass to Committee on APPROPRIATIONS.*

SB 47

AUTHOR: Perata (D)
TITLE: Transportation Bonds
LOCATION: Senate Rules Committee
COMMENTARY:
States the intent of the Legislature to enact provisions governing project eligibility, matching fund requirements, and the application process relative to allocation of bond proceeds of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 to the State-Local Partnership Program.
STATUS:
1/18/2007 To SENATE Committee on RULES.

► SB 61

AUTHOR: Runner (R)
TITLE: *High-Occupancy Toll Lanes and Toll Roads*
LAST AMEND: 5/01/2007
LOCATION: *Assembly Transportation Committee*
COMMENTARY:
Authorizes the Department of Transportation to apply to the State Transportation Commission for the development and operation of a high-occupancy toll land or toll road project sponsored by the department. Deletes the 4-project limitation and the requirement for the Legislature to approve each project by statute.
STATUS:
6/07/2007 *To ASSEMBLY Committee on TRANSPORTATION*

SB 113

AUTHOR: Calderon R (D)
TITLE: Presidential Primary Election
INTRODUCED: 1/22/2007
ENACTED: 3/15/2007
LOCATION: Chaptered
COMMENTARY:
Requires that the presidential primary election be held on the first Tuesday in February in any year evenly divisible by the number 4.
STATUS:
3/15/2007 Signed by GOVERNOR.
3/15/2007 Chaptered by Secretary of State. Chapter No. 2

► SB 286

AUTHOR: Dutton (R) and Lowenthal *(D)*
TITLE: Transportation Bonds: Implementation
LAST AMEND: *7/16/2007*
LOCATION: *Assembly Appropriations Committee*
COMMENTARY:
Requires Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act funds for local street and road purposes to be allocated in cycles. Requires the Controller to use the population figures from the Department of Finance in making allocations to cities. Requires an applicant for these funds to submit a list of projects expected to be funded with bond funds to the Department of Finance and to report various information to the Department of Finance. *Requires the funds to be allocated within 3 fiscal years of the date of allocation.*
STATUS:
7/16/2007 *In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.*

► SB 343

AUTHOR: Negrete McLeod (D)
TITLE: Local Agencies: Open Meetings: Documents
LAST AMEND: *6/21/2007*
LOCATION: *Assembly Third Reading File*
COMMENTARY:
Amends the Ralph M. Brown Act. Provides if a writing that is a public record, and it relates to an agenda item for an open session of a regular meeting of the legislative body of a local agency, it is distributed less than 72 hours prior to that meeting, the writing shall be made available for public inspection at a public office or location the agency shall designate. Requires the office or location address to be on agendas for all meetings of the legislative body of the agency. Requires Internet posting.
STATUS:
7/05/2007 *In ASSEMBLY. Read second time. To third reading.*

► SB 445

AUTHOR: Torlakson (D)
TITLE: Road User Task Force
LAST AMEND: *6/04/2007*
LOCATION: *Assembly Transportation Committee*
COMMENTARY:
Creates the Road User Task Force to hold public hearings around the state and to report on alternatives to the current system of taxing road users through per-gallon fuel taxes.
STATUS:
7/02/2007 *In ASSEMBLY Committee on TRANSPORTATION. Not heard.*

► SB 716

AUTHOR: Perata (D)
TITLE: Transit Operators
LAST AMEND: *7/11/2007*
LOCATION: *Assembly Appropriations Committee*
COMMENTARY:
Relates to appropriations for transportation agencies for transit capital projects pursuant to a specified order. Specifies requirements for an eligible project sponsor to receive an allocation of funds appropriated from the account. Requires the Transportation Commission and the Controller to administer these provisions.
STATUS:
7/11/2007 *In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS*

► SB 717

AUTHOR: Perata (D)
TITLE: Transportation Investment Fund
LAST AMEND: *5/10/2007*
LOCATION: *Assembly Appropriations Committee*
COMMENTARY:
Continues the Transportation Investment Fund in existence and specifies the use of revenues deposited in that fund from gasoline sales tax revenues subject to Article XIX B beginning in the 2008-09 fiscal year.
STATUS:
7/09/2007 *From Assembly Committee on TRANSPORTATION: Do pass to Committee on APPROPRIATIONS.*

► SB 841

AUTHOR: Calderon (D)
TITLE: Vehicles: Mature Driver Improvement Course
LAST AMEND: *6/27/2007*
LOCATION: *Assembly Third Reading File*
COMMENTARY:
Amends existing law that requires the Director of Motor Vehicles to establish standards and develop criteria for approval of initial and renewal mature driver improvement courses. Specifies that a course may be offered in an Internet format, if the course if educationally equivalent to the course provided in the classroom format.
STATUS:
7/16/2007 *In ASSEMBLY. Read second time. To third reading.*

► SB 886

AUTHOR: McLeod (D)
TITLE: Management Districts: District Board
LAST AMEND: *7/12/2007*
LOCATION: *Assembly Appropriations Committee*
COMMENTARY:
Relates to the Air Quality District Boards. Deletes prohibitions on a member serving more than a specified number of terms as a chairperson. Relates to the South Coast Air Quality Management District, the Sacramento Metropolitan Air Quality Management District and the Mojave Desert Air Quality Management District. Provides for a specified increase in the south coast district board and additional duties on cities within the district.
STATUS:

7/12/2007	*From ASSEMBLY Committee on APPROPRIATIONS with author's amendments.*
7/12/2007	*In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.*

SB 947

AUTHOR: Hollingsworth (R)
TITLE: Consultation: Transportation Facilities
LAST AMEND: 4/30/2007
LOCATION: Assembly Natural Resources Committee
COMMENTARY:
Requires notice of at least one scoping meeting to be provided to transportation planning agencies or public agencies required to be consulted concerning a project proposed by a lead agency which requires an environmental impact report under the California Environmental Quality Act. Requires the project's effect on overpasses, on-ramps, and off-ramps to be included in that consultation.
STATUS:

4/30/2007	To ASSEMBLY Committees on TRANSPORTATION and NATURAL RESOURCES .

► SB 964

AUTHOR: Romero (D)
TITLE: Local Agencies
LAST AMEND: 5/10/2007
LOCATION: Assembly Third Reading File
COMMENTARY:
Relates to local agencies and open meetings. Provides that when the members of a local legislative body are authorized to access a writing of the body or of the agency in the performance of their duties, the local agency shall not discriminate between or among any of those members as to which writing or portion thereof is made available or when, and shall not charge any of those members a fee to inspect or obtain a copy of that writing. Establishes other prohibitions for local legislative bodies.
STATUS:

7/16/2007	*In ASSEMBLY. Read second time. To third reading.*

► SB 974

AUTHOR: Lowenthal (D)
TITLE: Ports: Congestion Relief: Environmental Mitigation
LAST AMEND: *5/24/2007*
LOCATION: *Assembly Appropriations Committee*
COMMENTARY:
Requires the Ports of Los Angeles and Long Beach to transmit 1/2 of the funds derived from imposition of the fee to the Southern California Port Congestion Relief Trust Fund. Requires the Port of Oakland to transmit 1/2 of the funds derived from imposition of the fee to the Northern California Port Congestion Relief Trust Fund and 1/2 to the Northern California Port Mitigation Relief Trust Fund.
STATUS:
7/09/2007 *From ASSEMBLY Committee on TRANSPORTATION: Do pass to Committee on APPROPRIATIONS.*

SCA 1

AUTHOR: McClintock (R)
TITLE: Eminent Domain: Condemnation Proceedings
LAST AMEND: 2/05/2007
LOCATION: Senate Judiciary Committee
COMMENTARY:
Proposes an amendment to the Constitution to provide that private property may be taken or damaged only for a stated public purpose and not without the consent of the owner for purposes of economic development, increasing tax revenue, or any other private use, nor for maintaining the present use by a different owner. Provides that if the property ceases to be used for the public use, the former owner would have right to require the property at its fair market value. Provides reevaluation procedures.
STATUS:
2/05/2007 From SENATE Committee on JUDICIARY with author's amendments.
2/05/2007 In SENATE. Read second time and amended. Re-referred to Committee on JUDICIARY.

SCA 5

AUTHOR: McClintock (R)
TITLE: State and Local Government Finance: Taxes
INTRODUCED: 1/30/2007
LAST AMEND: 3/21/2007
LOCATION: Senate Revenue and Taxation Committee
COMMENTARY:
Proposes an amendment to the Constitution to establish a constitutional definition of a tax as any monetary exaction imposed by a governmental entity. Recasts the definition of a special tax. Conditions the imposition by the state or local government of a new tax, or a change in a tax, that increases the amount of any tax levied upon the approval of 2/3 membership of the governing body and voter approval. Prohibits new tax without voter approval. Provides exceptions.
STATUS:
4/25/2007 In SENATE Committee on REVENUE AND TAXATION: Heard, remains in Committee.

OCTA

MEMO

August 21, 2007

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: **Board Committee Transmittal for Agenda Item**

The following item is being discussed at a Committee meeting which takes place subsequent to distribution of the Board agenda. Therefore, you will be provided a transmittal following that Committee meeting (and prior to the Board meeting) informing you of Committee action taken.

Thank you.

OCTA

August 23, 2007

To: Transit Planning and Operations Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Rail-Highway Grade Crossing Enhancement Program Implementation Options

Overview

On June 13, 2005, the Orange County Transportation Authority Board of Directors approved initial funding and implementation of the Rail-Highway Grade Crossing Enhancement Program. On August 13, 2007, the Orange County Transportation Authority Board of Directors approved the Renewed Measure M Early Action Plan, which called for the implementation of rail-highway grade crossing and quiet zone improvements at 53 at-grade rail-highway crossings in Orange County. Staff is providing a progress report and proposing an implementation method for Board of Directors consideration.

Recommendations

A. Approve the implementation strategy for a comprehensive rail-highway grade crossing enhancement program including additional improvements needed to meet Federal Railroad Administration standards for reduced sounding of locomotive horns.

B. Authorize the Chief Executive Officer to enter into a cooperative agreement with the Southern California Regional Rail Authority to act as lead agency to deliver design and construction of the rail-highway grade crossing enhancements and improvements needed to meet Federal Railroad Administration standards for reduced sounding of locomotive horns.

C. Continue with the current cost sharing formula of 88 percent provided by the Orange County Transportation Authority and 12 percent provided by the participating cities.

D. Approve a program budget of $60 million funded by $10 million in Commuter Urban Rail Endowment funds, $42.8 million in Renewed Measure M funds, and $7.2 million in local city funds.

E. Direct staff to work with Southern California Regional Rail Authority, the City of San Clemente, the Federal Railroad Administration, and the California Public Utilities Commission to determine the applicability of the final federal rule on the use of locomotive horns at rail-highway grade crossings to pedestrian-only crossings in the City of San Clemente.

F. Approve the contribution of $150,000 of Commuter Urban Rail Endowment funds for the development of rail-highway and pedestrian-only grade crossings design criteria and procedures for the Southern California Regional Rail Authority system.

Background

On June 13, 2005, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved an initial allocation of $10 million to fund the Rail-Highway Grade Crossing Enhancement Program (Program) estimated at $19.5 million. The Program covers 53 at-grade rail-highway crossings on the OCTA-owned right-of-way known as the Orange and Olive subdivisions and on the Burlington Northern Santa Fe Railway San Bernardino subdivision (Attachment A). The cities of Anaheim, Dana Point, Irvine, Fullerton, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin committed to providing a minimum 12 percent local agency match for crossings located in their respective city. In addition to proving a local financial contribution, city responsibilities included review of plans and issuance of no-fee encroachment permits. There are 13 other crossings with passenger rail operations that are not currently included in this program due to improvements that are either underway or planned in the near future (Attachment A).

On June 24, 2005, the Federal Railroad Administration (FRA) released its Final Rule on the Use of Locomotive Horns at Rail-Highway Grade Crossings (Final Rule). The Final Rule establishes a basic requirement for trains to sound horns at all public rail-highway grade crossings except in quiet zones established under the procedures set forth in the Final Rule. The Final Rule identifies the installation of supplemental safety measures needed for the reduction in the sounding of locomotive horns to establish a quiet zone.

On February 15, 2006, OCTA entered into a Memorandum of Understanding with the Southern California Regional Rail Authority (SCRRA) acting as lead

agency to implement the Program. The SCRRA is the operator of the Metrolink commuter rail service in Orange, Los Angeles, Riverside, San Bernardino, and Ventura counties.

Beginning in April 2006 and continuing through November 2006, field diagnostic review meetings were completed at all 53 at-grade rail-highway crossings with full participation from OCTA, SCRRA, the California Public Utilities Commission (CPUC), and the local cities in which the at-grade rail-highway crossing was located. Foreseeing the eventuality of quiet zone improvements, the team included scope enhancements needed to meet FRA standards for reduced sounding of locomotive horns. Quiet zone improvements were tracked separately and provided as information for cities' use in the event cities pursued future application to qualify for a designated FRA quiet zone. On April 9, 2007, revised estimated Program costs were presented to the OCTA Board (Attachment B). The Board directed staff to provide the updated cost estimates to the affected cities for review and approval, and further authorized staff to work with affected cities in the development of policies and procedures for establishment of quiet zones.

Discussion

Working Group on Quiet Zone Policy Development

As a result of the April 9, 2007, Board direction, the Quiet Zone Working Group was established. The Quiet Zone Working Group first convened on May 9, 2007, and held an informational session with participation from OCTA staff, the Chairman of the Board, city elected officials, and city staff to begin the development of consistent policies and procedures for the establishment of railroad corridor quiet zones in Orange County.

The Quiet Zone Working Group met again on June 27, 2007, and explored two implementation options for program delivery. Option 1 would be a comprehensive approach led by SCRRA, acting as the implementing agency on behalf of OCTA. Option 2 would establish a grant program similar to the way in which OCTA provides grants for streets and roads to local cities. These options are discussed in Attachment C.

Under both delivery options, cities will be expected to complete a construction and maintenance agreement with SCRRA to outline roles and responsibilities for the funding, construction, and maintenance of the rail-highway grade crossing improvements.

At their meeting on June 27, 2007, members of the Quiet Zone Working Group selected Option 1 as the preferred method of program delivery; however, it was suggested that cities be allowed to pursue implementation of rail-highway grade crossing enhancements and quiet zone improvements on their own and be reimbursed by OCTA. OCTA staff recommends that this be reviewed on a case-by-case basis with interested cities to determine scope, schedule, budget, and potential impacts on track and infrastructure projects that are occurring as part of the Metrolink Service Expansion Program, as well as other ongoing railroad capital and rehabilitation projects.

Indemnification

Additionally, in order to establish a quiet zone under the proposed implementation of Option 1, the city must indemnify, defend, and hold harmless SCRRA and its member agencies, including OCTA, as well as their respective board members, member agencies, officers, agents, volunteers, contractors, operating railroads, and employees (SCRRA Indemnities) from any and all liability, loss, expense (including reasonable attorneys' fees and other defense costs), demands, suits, liens, damages, costs, claims, including but not limited to, claims for bodily injury, death, personal injury, or property damage, that are incurred by or asserted against the SCRRA Indemnities arising out of or connected with any negligent acts or omissions on the part of the city, its council, officers, agents, contractors, or employees under or in connection with any work, authority or jurisdiction delegated to the city related to establishment and operation of a quiet zone at a rail-highway grade crossing.

Pedestrian-Only Crossings

The City of San Clemente has four pedestrian-only at-grade rail crossings. Two were recently installed as part of the OCTA-funded pedestrian beach trail. The other two have been in place for many years, and at the completion of phase II of the beach trail project there will be a total of seven pedestrian-only at-grade rail crossings. Current CPUC regulations require the sounding of locomotive horns at pedestrian-only crossings. The current OCTA-approved Program has only focused on the improvement of the 53 at-grade rail-highway crossings. The existing Program cost does not include any cost estimates for improvements or changes to the pedestrian-only crossings in San Clemente. City of San Clemente staff has requested that OCTA consider the inclusion of the seven pedestrian-only crossings in the Program, specifically to include improvements that would result in the reduction of locomotive horn noise at pedestrian-only crossings. OCTA and SCRRA staff have discussed the issue of pedestrian-only crossing quiet zones with CPUC and FRA staff. At this time,

a definitive conclusion has not been reached about the applicability of the Final Rule to pedestrian-only crossings. OCTA staff recommends that the Board direct staff to work with SCRRA, the City of San Clemente, FRA, and CPUC to determine the applicability of the Final Rule on pedestrian-only crossings in the City of San Clemente. Once a definitive conclusion has been reached, staff will return to the Board for further direction.

Development of System-Wide Grade Crossing Design Criteria

The SCRRA currently has responsibility for maintaining 255 at-grade rail-highway crossings in the Metrolink system. Due to the OCTA Program and other related SCRRA initiatives, SCRRA staff is proposing to develop system-wide grade crossing design criteria, including design of pedestrian safety requirements, to ensure consistent approaches to rail-highway grade crossing enhancements. The total cost for this development effort is $342,245. Given the size, complexity, and accelerated schedule of the OCTA program, OCTA staff concurs with this approach as it will facilitate the final design of the grade crossing improvements and will serve as a standard for all improvements with in Orange County and the Metrolink system. OCTA staff requests the use of $150,000 in Commuter Urban Rail Endowment (CURE) funds to contribute to this effort.

Program Budget

Staff is recommending a program budget of $60 million for the combined rail-highway grade crossing enhancements and quiet zone improvements at 53 at-grade rail-highway crossings in Orange County. This cost estimate has been developed by SCRRA staff as a result of the 53 on-site diagnostic meetings held between April and November 2006. An updated program cost sharing between OCTA and the cities is shown in Attachment D.

This cost estimate includes program and project management by SCRRA, and design, construction, and construction management for the entire Program. This cost estimate does not include costs for any improvements to city traffic signal systems that may or may not be needed to support this Program. The estimated scope and cost of these improvements will be determined as an early design task by SCRRA. Once the estimated scope and costs are determined, staff will return to the Board to seek direction on funding and cost sharing with the impacted cities. Additionally, the current cost estimate does not include any improvements to pedestrian-only crossings, nor does it include any additional maintenance that may occur as the result of adding additional equipment to the railroad system such as extra crossing gates.

Rail-highway grade crossing improvements in support of the Final Rule are still a very new area and there is considerable risk in the scope, schedule, and budget for a program of this size and complexity. For this reason, staff proposes to update the Board on scope, schedule, and budget upon the completion of 35 percent design, which is currently scheduled for completion in the first quarter of 2008.

Renewed Measure M Early Action Plan

On August 13, 2007, the Board adopted the Final Renewed Measure M Early Action Plan, which included rail-highway grade crossing enhancements and quiet zones improvements as part of Project R, High Frequency Metrolink Service. The Board further adopted the Renewed Measure M Budget Amendment for fiscal year 2007-08, which provides the required resources in fiscal year 2007-08 to begin implementation of the plan.

Fiscal Impact

Approve a program budget of $60 million comprised of $52.8 million in OCTA funds and $7.2 million in local city funds. The OCTA funds are comprised of the previously approved $10 million of CURE funds, plus $42.8 million in Renewed Measure M funds.

Summary

OCTA staff is in the process of implementing the Program approved by the Board on June 13, 2005, and is requesting Board approval for additional improvements needed to meet FRA standards for reduced sounding of locomotive horns. Staff proposes that SCRRA act as the lead agency to deliver a comprehensive grade crossing improvement program.

Attachments

A. Passenger At-Grade Rail-Highway Crossings in Orange County
B. Rail-Highway Grade Crossing Program Staff Report, dated April 9, 2007
C. Rail-Highway Grade Crossing Enhancement Program Implementation Options
D. Program Budget and Cost Sharing

Prepared by:

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Approved by:

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Executive Director, Development
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Passenger At-Grade Rail-Highway Crossings in Orange County

At-Grade Rail-Highway Crossings Included in Program*

	City	Street Name	Railroad Subdivision	Status
1	Anaheim	State College Blvd.	Orange	Included in Program
2	Anaheim	Ball Rd.	Orange	Included in Program
3	Anaheim	La Palma Ave.	Orange	Included in Program
4	Anaheim	E. Sycamore St.	Orange	Included in Program
5	Anaheim	Cerritos Ave.	Orange	Included in Program
6	Anaheim	Orangethorpe Ave.	Orange	Included in Program
7	Anaheim	E. South St.	Orange	Included in Program
8	Anaheim	La Palma Ave.	Olive	Included in Program
9	Anaheim	Broadway	Orange	Included in Program
10	Anaheim	Jefferson St.	Olive	Included in Program
11	Anaheim	Miraloma Ave.	Olive	Included in Program
12	Anaheim	E. Vermont Ave.	Orange	Included in Program
13	Anaheim	Tustin Ave.	Olive	Included in Program
14	Anaheim	E. Santa Ana St.	Orange	Included in Program
15	Dana Point	Palisades/ Beach Rd.	Orange	Included in Program
16	Fullerton	Raymond Ave.	BNSF** - San Bernardino	Included in Program
17	Fullerton	Acacia Ave.	BNSF - San Bernardino	Included in Program
18	Irvine	Sand Canyon Ave.	Orange	Included in Program
19	Irvine	Harvard Ave.	Orange	Included in Program
20	Orange	Chapman Ave.	Orange	Included in Program
21	Orange	Glassell St.	Olive	Included in Program
22	Orange	Batavia St.	Orange	Included in Program
23	Orange	Riverdale Ave.	Olive	Included in Program
24	Orange	Meats Ave.	Olive	Included in Program
25	Orange	Lincoln Ave.	Olive	Included in Program
26	Orange	Main St.	Orange	Included in Program
27	Orange	Taft St.	Olive	Included in Program
28	Orange	Collins Ave.	Olive	Included in Program
29	Orange	Walnut St.	Orange	Included in Program
30	Orange	Palmyra Ave.	Orange	Included in Program
31	Orange	Katella Ave.	Olive	Included in Program
32	Orange	La Veta Ave.	Orange	Included in Program
33	Orange	Palm Ave.	Orange	Included in Program
34	Orange	Almond Ave.	Orange	Included in Program
35	Orange	Eckhoff St.	Orange	Included in Program

* Program - Rail-Highway Grade Crossing Enhancement Program
** BNSF - Burlignton Northern Santa Fe Railway

ATTACHMENT A

At-Grade Rail-Highway Crossings Included in Program

	City	Street Name	Railroad Subdivision	Status
36	San Clemente	Avenida Estacion	Orange	Included in Program
37	San Clemente	Pier Service Rd.	Orange	Included in Program
38	San Juan Capistrano	Oso Rd.	Orange	Included in Program
39	San Juan Capistrano	Del Obispo St.	Orange	Included in Program
40	San Juan Capistrano	La Zanja St.	Orange	Included in Program
41	San Juan Capistrano	Avenida Aeropuerto	Orange	Included in Program
42	San Juan Capistrano	Rancho Capistrano Pvt Cr.	Orange	Included in Program
43	Santa Ana	McFadden St.	Orange	Included in Program
44	Santa Ana	Lyon St.	Orange	Included in Program
45	Santa Ana	17th Street	Orange	Included in Program
46	Santa Ana	Santa Ana Blvd.	Orange	Included in Program
47	Santa Ana	Ritchey St.	Orange	Included in Program
48	Santa Ana	Grand Ave.	Orange	Included in Program
49	Santa Ana	Fourth St.	Orange	Included in Program
50	Santa Ana	Chestnut St.	Orange	Included in Program
51	Santa Ana	Santa Clara Ave.	Orange	Included in Program
52	Santa Ana	Fairhaven Ave.	Orange	Included in Program
53	Tustin	Red Hill Ave.	Orange	Included in Program

Other At-Grade Rail-Highway Crossings

	City	Street Name	Railroad Subdivision	Status
1	Placentia	Kellogg Dr.	BNSF - San Bernardino	Improved under City Program
2	Placentia	Lakeview Ave.	BNSF - San Bernardino	Improved under City Program
3	Placentia	Richfield Rd.	BNSF - San Bernardino	Improved under City Program
4	Placentia	Van Buren St.	BNSF - San Bernardino	Improved under City Program
5	Placentia	Jefferson St.	BNSF - San Bernardino	Improved under City Program
6	Placentia	Tustin Ave.	BNSF - San Bernardino	Improved under City Program
7	Placentia	Orangethorpe Ave.	BNSF - San Bernardino	Improved under City Program
8	Placentia	Kraemer Blvd.	BNSF - San Bernardino	Improved under City Program
9	Placentia	Bradford Ave.	BNSF - San Bernardino	Closed
10	Placentia	Placentia Ave.	BNSF - San Bernardino	State environmental approval completed
11	Fullerton	State College Blvd.	BNSF - San Bernardino	In final design for separation
12	Yorba Linda / Anaheim / County	Imperial Highway	BNSF - San Bernardino	Grade separation underway
13	Irvine	Jeffery Rd.	Orange	Grade separation underway

* Program - Rail-Highway Grade Crossing Enhancement Program
** BNSF - Burlignton Northern Santa Fe Railway

ATTACHMENT B

OCTA

BOARD COMMITTEE TRANSMITTAL

April 9, 2007

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: Rail-Highway Grade Crossing Program

Transit Planning and Operations Committee — March 22, 2007

Present: Directors Brown, Dixon, Moorlach, Norby, Pulido, and Winterbottom
Absent: Director Green

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

A. Direct staff to provide updated cost estimates of the Rail-Highway Grade Crossing Enhancement Program to the cities for review and approval.

B. Continue with the current implementation strategy limited to grade crossing enhancements.

C. Authorize staff to work with affected cities in the development of consistent polices and procedures for the establishment of quiet zones by cities, which include the indemnification of the Orange County Transportation Authority and the Southern California Regional Rail Authority and which adhere to a higher standard of safety in the design of grade crossings that make grade crossings safer than they were before.

D. Direct staff to develop a process for the funding and implementation priorities of a Rail-Highway Grade Separation Program in Orange County, beginning with identifying potential candidate projects to compete for funding under the Trade Corridor Investment Fund made available with the passage of Proposition 1B.

OCTA

March 22, 2007

To: Transit Planning and Operations Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Rail-Highway Grade Crossing Program

Overview

On June 13, 2005, the Orange County Transportation Authority Board of Directors approved an implementation strategy, allocation of $10 million of Commuter and Urban Rail Endowment funds, and authorization to enter into a Memorandum of Understanding with affected jurisdictions and the Southern California Regional Rail Authority for funding and implementation of the Rail-Highway Grade Crossing Enhancement Program. Staff is providing a progress report on the program, as well as providing information on the establishment of railroad quiet zones and the development of a countywide Rail-Highway Grade Separation Program.

Recommendations

A. Direct staff to provide updated cost estimates of the Rail-Highway Grade Crossing Enhancement Program to the cities for review and approval.

B. Continue with the current implementation strategy limited to grade crossing enhancements.

C. Authorize staff to work with affected cities in the development of consistent polices and procedures for the establishment of quiet zones by cities, which include the indemnification of the Orange County Transportation Authority and the Southern California Regional Rail Authority and which adhere to a higher standard of safety in the design of grade crossings that make grade crossings safer than they were before.

D. Direct staff to develop a process for the funding and implementation priorities of a Rail-Highway Grade Separation Program in Orange County, beginning with identifying potential candidate projects to

compete for funding under the Trade Corridor Investment Fund made available with the passage of Proposition 1B.

Background

There are three main railroad lines providing passenger and freight railroad service in Orange County. There are a total of 64 at-grade rail-highway crossings on these three rail lines.

The Orange County Transportation Authority (OCTA) is the owner of the Orange and Olive subdivisions. The Orange subdivision stretches from the San Diego County line to the junction with the Burlington Northern Santa Fe (BNSF) in the City of Fullerton. Rail traffic on the Orange subdivision consists of Metrolink Orange County (OC) line and Inland Empire-Orange County (IEOC) line service, Amtrak Pacific Surfliner trains, and a minimal number of freight trains. There are 41 at-grade rail-highway crossings on the Orange subdivision. The Olive subdivision stretches from just north of the City of Orange Metrolink station to the junction with the BNSF in the City of Placentia. Rail traffic on the Olive subdivision consists of Metrolink IEOC line trains and a minimal number of freight trains. There are 11 at-grade rail-highway crossings on the Olive subdivision.

The BNSF is the owner of the San Bernardino subdivision in Orange County. The San Bernardino subdivision in Orange County stretches from the Orange County/Riverside County line near the City of Yorba Linda to the Orange County/Los Angeles County line in the City of Buena Park. The BNSF San Bernardino subdivision runs through the cities of Yorba Linda, Anaheim, Placentia, Fullerton, and Buena Park and is frequently referred to as the Orangethorpe Corridor or the Alameda Corridor East. Rail traffic on the BNSF San Bernardino subdivision consists largely of BNSF freight trains and a minimal number of Metrolink 91 line, IEOC line (over a portion of the line), and Amtrak trains. There are 12 at-grade rail-highway crossings on the San Bernardino subdivision in Orange County.

As a result of planned increases in passenger and freight rail traffic on the three rail lines described above, a renewed focus should be placed on grade crossing improvements. Improvements to at-grade rail-highway crossings can cover a wide spectrum, beginning with basic safety improvements (improving crossing surfaces, re-applying of pavement markings, and enhancing signing), to the installation of supplemental safety measures that allow for the discontinuance of locomotive horn blowing (quiet zones), to grade crossing closures and rail-highway grade separations that completely separate rail traffic from vehicular and pedestrian traffic.

OCTA, the City of Placentia, the Riverside County Transportation Commission, the San Bernardino Associated Governments, and the Alameda Corridor East Construction Authority have conducted a number of studies over recent years addressing grade crossing enhancements, quiet zones, and grade separations covering all three rail lines described above. These studies have provided significant amounts of data that has allowed each individual crossing to be examined for enhancements as well as the potential for separation. This existing data provides the ability to examine and prioritize grade crossing improvements on a countywide level.

Rail-Highway Grade Crossing Enhancement Program

Completed in 2003, the Orange County Grade Crossing Study provided an inventory of automatic warning devices and safety equipment, in addition to assessment of rail-highway grade crossings located in Orange County and made recommendations for enhanced motorist and pedestrian safety consistent with current California Public Utilities Commission (CPUC) standards. The study further ranked the crossings based on their impact to safety and a cost-benefit analysis.

On June 13, 2005, the OCTA Board of Directors (Board) approved an initial allocation of $10 million to fund the Grade Crossing Enhancement Program (Program) estimated at $19.5 million. Secondly, the Board authorized the Chief Executive Officer to enter into Memorandums of Understanding (MOUs) with the affected jurisdictions and the Southern California Regional Rail Authority (SCRRA) for funding and implementation of the Program. The Program covers 52 crossings on the OCTA-owned right-of-way known as the Orange subdivision, as well as three crossings on the BNSF San Bernardino subdivision. The Program does not include eight crossings located in the City of Placentia, as they have been improved through a separate city led program.

The Board-approved Program laid out a specific application process calling for Letters of Intent from affected jurisdictions (cities of Anaheim, Irvine, Fullerton, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin). During the process it was determined that one of the crossings identified in the City of San Clemente was in fact in Dana Point. All cities including Dana Point submitted Letters of Intent to participate in the Program and committed to providing a minimum 12 percent local agency match. In addition, the City of Irvine, with State Transportation Improvement Program (STIP) funding provided by OCTA, is in the final construction procurement stages to grade separate (completely separate the local street from the railroad tracks by going under or over the tracks) Jeffrey Road; therefore, this crossing was

eliminated from the Program. The parameters of the enhancements were intended to follow the OCTA 2003 Grade Crossing Study as closely as possible and any expenditures not directly associated with the goals and/or requirements of the Program (e.g. improvements beyond what is required) were not to be funded.

On February 15, 2006, OCTA entered into a MOU with Metrolink to define roles and responsibilities of the Program. OCTA oversees the funding program, participates in all project scoping meetings with regulatory agencies including CPUC, and assists in building consensus among parties in regard to the grade crossing enhancements. Metrolink implements the Program based on available funding provided by OCTA and required local match provided by the local jurisdiction. Metrolink performs day-to-day management functions utilizing a contracted project manager. Metrolink oversees the design, construction management, and construction of all enhancements. OCTA subsequently issued draft MOUs to the cities for their review and comment. The cities responsibilities include a 12 percent local match, review of plans, and issuance of no fee encroachment permits. Any potential quiet zone improvements, if implemented, were to be addressed under a separate MOU. The Program MOU included a draft sample of a Metrolink construction and maintenance agreement that the cities would enter directly into with Metrolink for on going maintenance of the crossing.

Federal Railroad Administration Final Rule on the Use of Locomotive Horns at Rail-Highway Grade Crossings

On June 24, 2005, two weeks after the Board approved the grade crossing enhancement program, the Federal Railroad Administration (FRA) released its Final Rule on the Use of Locomotive Horns at Rail-Highway Grade Crossings (Final Rule). The Final Rule establishes a basic requirement for trains to sound horns at all public at-grade rail-highway crossings except in quiet zones established under the procedures set forth in the Final Rule.

This issuance of the Final Rule in such close proximity to the adoption of the OCTA Program has led to significant interest by affected cities within Orange County to pursue the development of FRA quiet zones while OCTA and Metrolink have been working with the cities to implement the OCTA Program.

Rail-Highway Grade Separations

In June 2005, OCTA completed the Orange/Olive Grade Crossing Study (Study), which identified the top 10 candidate locations for permanent

separation of rail and vehicular traffic by placing the roadway either over or under the rail tracks. The Study ranked the top 10 candidate locations based upon forecasted future (year 2025) daily and peak hour delay anticipated to be experienced by motorists. This delay calculation was based upon forecasted future vehicular traffic and rail traffic volumes.

The Orangethorpe Corridor, which is owned by the BNSF and stretches from Buena Park to the Riverside County line has been studied extensively as part of the Alameda Corridor East Trade Corridor Plan (Plan), completed in 2001. This Plan has been the basis for annual federal appropriations requests and resulted in a $125 million federal earmark under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) in 2005. This Plan identified 14 rail-highway grade crossings as candidates for separation. Of these 14, one crossing has been closed (Bradford Avenue, City of Placentia), one crossing has been separated (Melrose Avenue, City of Placentia), and one separation project is currently underway (Imperial Highway [State Route 90], cities of Placentia and Anaheim, County of Orange). Orange County's portion of the $125 million federal earmark is $31.25 million. Current plans call for this funding to be used on the Kraemer Boulevard separation project (City of Placentia).

In mid 2006, OCTA staff updated the conceptual cost estimates for the eight crossings on the OCTA-owned corridor and the 11 crossings on the Orangethorpe Corridor. The current estimated conceptual cost estimates exceed $900 million in 2006 dollars. These costs are likely to increase in the future as the cost of right-of-way acquisition and construction costs rise.

Discussion

Rail-Highway Grade Crossing Enhancement Program

To date, all 53 field diagnostic review meetings have been completed with full participation from OCTA, Metrolink, the CPUC, and the local cities in which the grade crossing is located. During the diagnostic reviews the team met in the field at the individual railroad grade crossing and finalized the safety enhancement scope of work. A revised cost estimate was prepared and will be scheduled for individual city council approval following OCTA review and overall Transit Planning and Operations Committee (Committee) direction of the Program. The initial program was approved by the Board at a cost of $19.5 million. Due to escalation, changes in implementation costs, scope modifications and the addition of an appropriate contingency, the current estimated cost for the Program is $24.5 million; however, as part of the 53 field diagnostic reviews held, consultation with the Metrolink staff, CPUC, and

representatives from local cities, staff has identified two other areas of improvement that should be considered for funding and implementation by OCTA. First, a new type of interconnection between the railroad signal system and the local streets traffic signal system has become available and offers significant safety and traffic improvements over the conventional interconnection. The estimated cost of this new Institute of Electrical and Electronics Engineers (IEEE) 1570 signal pre-emption technology is estimated at $4.5 million for the railroad technology component. It should be noted that there will be an additional cost on the city portion of the traffic signal system that will vary by local jurisdiction and the type of existing city traffic signal systems. Metrolink and OCTA are offering a seminar to the cities on March 20, 2007, to introduce this new pre-emption technology. Secondly, Metrolink and the CPUC are in the process of formally developing a pedestrian safety policy. This policy is likely to include the addition of pedestrian crossing gates at several rail-highway grade crossings. Metrolink staff is in the process of developing cost estimates for pedestrian crossing gates. Once Metrolink finalizes a pedestrian gate policy and develops cost estimates for implementation staff will return to the Committee and Board for a recommendation for pedestrian crossing gates. The table below summarizes the current program costs and proposed additions:

Program Element	2003 Estimated Cost	2007 Estimated Cost	Change
Existing Enhancement Program	$19.5 million	$24.5 million	$ 5.0 million
IEEE 1570 Signal Interconnect	$0	$ 4.5 million*	$ 4.5 million
Program Total	$19.5 million	$29.0 million	$9.5 million

* Does not include costs for upgrade and modification of city traffic signal system.

In addition to the program elements discussed above, the diagnostic team also identified a number of improvements at each crossing that would likely be needed should a local city pursue the implementation of railroad quiet zone under the Final Rule.

The estimates for quiet zones are very subjective and have been the subject of much discussion amongst Metrolink staff, CPUC staff, OCTA staff, and city staff. The Final Rule identifies the installation of Supplemental Safety Measures (SSMs) and assigns a numerical safety risk reduction value for each

type of SSM. The numerical value is meant to identify the effectiveness of a particular SSM. For example, the Final Rule assigns a numerical value of .77 to the installation of a four quadrant gate system (all four rail crossing quadrants have a gate lowered as opposed to the traditional two quadrants), while the Final Rule assigns a numerical value of .80 to a raised center median 100 feet long. The effectiveness of either SSM is virtually identical. The capital cost of a four quadrant gate system could be as much as $750,000, while a center median could be as low as $100,000. In addition, the four quadrant gate system requires on-going annual maintenance costs of approximately $5,000 - $10,000 per year. From a capital and maintenance cost perspective, the center median is a more cost-effective SSM from OCTA's perspective; however, the installation of a 100 foot center median often times restricts or fully closes off access to driveways of businesses and / or residences adjacent to the railroad right-of-way or rail-highway grade crossing. For this reason, staff has developed a range of capital cost estimates for quiet zone implementation within Orange County. The estimated range of capital cost for quiet zones within Orange County is $5,100,000 to $11,300,000.

OCTA Quiet Zone Policy

OCTA currently does not have a policy on assisting cities with the implementation, funding, or ongoing operating costs related to quiet zones. Staff has been working to identify potential policy options for the Board to consider as it reviews the impact that the Final Rule has on Orange County cities and OCTA.

One of the most significant issues associated with the establishment of quiet zones by a city is potential liability for damages caused in accidents that will occur in the absence of an audible warning. A railroad which follows procedures to blow whistles at a grade crossing, where all warning devices are functioning properly, will generally not be held liable for damages associated with grade crossing accidents.

At this time there is no case law regarding accidents that occurred within a quiet zone, so questions remain as to the circumstances under which liability might arise. The essential question is this: If a city directs a railroad to silence its horns within a quiet zone and an accident occurs, who, if anyone, may be liable if an injured party alleges that the accident was caused in whole or in part by the railroad's failure to sound its horn?

While the industry awaits case law on questions such as this, the FRA expects that, consistent with existing, longstanding precedent findings that federal

regulation of railroads preempts state law and tort causes of action in other areas, federal preemption will be upheld in this area as well.

The SCRRA, of which OCTA is a member agency, has striven to achieve supplemental liability protection during periods of construction, but to date no insurance policy exists in the marketplace that is commercially available to cities to cover the potentially increased exposure to the city, OCTA, and SCRRA caused by the silencing of train horns on an on-going basis after implementation of a quiet zone.

Consequently, on April 21, 2006, the Metrolink Board of Directors adopted the Southern California Regional Rail Authority Quiet Zone Implementation Guidelines and Procedures (Implementation Guidelines and Procedures). The Implementation Guidelines and Procedures requires adherence to a higher standard of safety in the design of grade crossings than simple risk reduction to a level commensurate with the use of locomotive horns, or other safety measures. The SCRRA's goal is to make grade crossings not simply "as safe" as before the cessation of horn blowing, but actually safer than before.

Additionally, in order to establish a quiet zone, a city must indemnify, defend, and hold harmless SCRRA and its member agencies, including OCTA, as well as their respective board members, member agencies, officers, agents, volunteers, contractors, operating railroads, and employees (SCRRA Indemnities) from any and all liability, loss, expense (including reasonable attorneys' fees and other defense costs), demands, suits, liens, damages, costs, claims, including but not limited to, claims for bodily injury, death, personal injury, or property damage, that are incurred by or asserted against the SCRRA Indemnities arising out of or connected with any negligent acts or omissions on the part of the city, its council, officers, agents, contractors, or employees under or in connection with any work, authority or jurisdiction delegated to the city related to establishment and operation of a quiet zone at a rail-highway grade crossing.

From a risk management perspective, staff and counsel will recommend the OCTA Board adopt a quiet zone policy that is consistent with the policies of SCRRA and its member agencies, irrespective of OCTA providing funding for grade crossing improvements.

It is recommended that the Transit Planning and Operations Committee authorize staff to work with affected cities in the development of consistent policies and procedures to consider in city establishment of quiet zones that indemnify the SCRRA Indemnities, including OCTA, and adhere to a higher

standard of safety in the design of grade crossings that make grade crossings safer than they were before.

The policies will establish procedures for the cities to follow that will include proper diagnostic reviews, evaluation and selections of SSMs and other improvements, funding agreements with OCTA, and the execution of a construction and maintenance agreement between the city and the railroad. Additionally, the policy will require that the city engineer or designee approve and stamp all plans for improvements to their street and traffic signal improvements.

Finally, if OCTA approves a quiet zone policy, staff will recommend that the Program be modified to include quiet zone improvements in accordance with the adopted policy.

Rail-Highway Grade Separations

Due to the extremely high cost of individual rail-highway grade separations, it is important that the limited funding available for these types of projects be used where the most benefit will occur. OCTA staff proposes to use the Alameda Corridor East Trade Corridor Plan, completed in 2001, and the Orange/Olive Grade Crossing Study, completed in 2005, as a starting point for developing a countywide grade separation program that will result in a prioritized list of projects to compete for the limited funds that are anticipated to be available for these type of projects. Current and future funding sources include, but are not limited to, Proposition 1B Trade Corridor Investment Fund, Proposition 1B Railroad Crossing Safety Program, STIP, Section 190 Grade Separation Program, Federal Congestion Mitigation and Air Quality Program, Federal Surface Transportation Improvement Program, and Measure M Renewal.

Summary

OCTA staff is in the process of implementing the Rail-Highway Grade Crossing Program approved by the Board on June 13, 2005. Staff is providing a progress report on the program, as well as providing information on the establishment of railroad quiet zones and the development of a countywide Rail-Highway Grade Separation Program.

Attachment

None.

Prepared by:

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Approved by:

Paul C. Taylor, P.E.
Executive Director, Development
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Rail-Highway Grade Crossing Enhancement Program
Implementation Options

Option 1

Under Option 1, the Southern California Regional Rail Authority (SCRRA) would act as the implementing agency on behalf of the Orange County Transportation Authority (OCTA) for the implementation of combined rail-highway grade crossing enhancements and quiet zone improvements. The SCRRA has agreed to act as the agent for OCTA, wherein the city reviews and approves the design of improvements, and files the Notice of Intent and Notice of Establishment with the Federal Railroad Administration (FRA) as required by the Final Rule on the Use of Locomotive Horns at Rail-Highway Grade Crossings. Under this implementation option, SCRRA would design and construct both rail-highway grade crossing enhancements and quiet zone improvements that are within the railroad right-of-way and some improvements outside of the railroad right-of-way. The city would be required to construct some improvements outside of the right-of-way. A key advantage to this approach is overall program coordination by SCRRA, which would allow rail-highway grade crossing improvements to be scheduled in coordination with the track and infrastructure projects that are occurring as part of the Metrolink Service Expansion Program, as well as other ongoing railroad capital and rehabilitation projects.

Option 2

Under Option 2, the city would act as lead for implementation of combined rail-highway grade crossing enhancements and quiet zone improvements. The city would design all improvements and SCRRA would construct all improvements within the railroad right-of-way. The city would be responsible for constructing improvements outside of the railroad right-of-way. A key challenge in this approach is that overall program coordination would not be performed by OCTA or SCRRA. Each individual city would have the responsibility to coordinate directly with SCRRA. OCTA staff believes that this option would likely result in some rail-highway grade crossing enhancements and quiet zone improvements being completed prior to the completion of the track and infrastructure projects that are occurring as part of the Metrolink Service Expansion Program; however, the vast majority would likely occur subsequent to the Metrolink Service Expansion Program.

ATTACHMENT D

Program Budget and Cost Sharing

	CURE	Renewed Measure M Project R	Total
OCTA	$10 million	$42.8 million	$52.80 million
Local City Funds	$ 2.09 million	$ 5.11 million	$ 7.20 million
			$60.00 million

OCTA

MEMO

August 21, 2007

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board WK

Subject: **Board Committee Transmittal for Agenda Item**

The following item is being discussed at a Committee meeting which takes place subsequent to distribution of the Board agenda. Therefore, you will be provided a transmittal following that Committee meeting (and prior to the Board meeting) informing you of Committee action taken.

Thank you.

OCTA

August 23, 2007

To: Transit Planning and Operations Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Authority to Initiate the Right-of-Way Acquisition Process by Completing Appraisals of Real Property for the Metrolink Service Expansion Program

Overview

The Orange County Transportation Authority is working toward a major rail service expansion, the Metrolink Service Expansion Program, which is expected to become operational in December 2009. Proposed projects at Fullerton, Laguna Niguel, and Irvine, which are consistent with the goals of the Metrolink Service Expansion Program, require the acquisition of some property rights from public and private parties, adjacent to existing Metrolink right-of-way. Acquisition of properties will be conducted in accordance with the Orange County Transportation Authority Board of Directors'-approved right-of-way policies and procedures.

Recommendation

Authorize the Orange County Transportation Authority to initiate the right-of-way acquisition process by completing appraisals of the appropriate interests in real property, which are necessary for the facility improvements at Fullerton, Laguna Niguel, and Irvine, which further the objectives of the Metrolink Service Expansion Program.

Background

On November 14, 2005, the Orange County Transportation Authority (OCTA) Board of Directors (Board) authorized staff to initiate implementation of the Metrolink Service Expansion Program (MSEP). On April 23, 2007, the Board approved the updated list of individual capital projects that support the objectives of the MSEP, as depicted in Attachment A. The projects will be accomplished primarily within existing Metrolink right-of-way (ROW); however, some additional ROW is required. A brief discussion addressing the need to acquire ROW was presented to the Board on April 23, 2007, and the required parcels are now

identified in the attached Acquisition Summary List and Property Location Maps (Attachments B and C). In July 2007, OCTA retained professional services to assist in the acquisition process. Construction of these individual projects and actual acquisition of ROW to complete these projects are subject to the California Environmental Quality Act (CEQA) and will not proceed until the successful completion of the CEQA process.

Property rights are required at Fullerton, Laguna Niguel, and Irvine. The Fullerton properties are predominantly remnant, former railroad parcels that contain minimal improvements and are currently primarily used for storage and street parking. All or portions of these properties will be acquired. The Laguna Niguel properties are remnant parcels that were created by highway construction and are currently used for street parking. The Irvine properties are large parcels, which are fully improved; however, only small portions of these properties, currently primarily used for landscaping and parking, will be acquired.

Discussion

The appraisal process begins with a notice of decision to appraise letter (Notice) (Attachment D) that is sent to property owners. The Notice informs the property owner that his/her property is required for the proposed project. The Notice also provides information on the acquisition process and invites the property owner to accompany the appraiser upon the property inspection. The Notice also clearly states that it does not constitute an offer to purchase, nor does it establish eligibility for relocation assistance.

The procedure for approving an appraisal requires a multi-step process, which requires two experts, one who prepares an independent appraisal and another who performs an independent review of the appraisal. OCTA staff also performs a review to ensure fairness and compliance with OCTA's ROW policies and procedures and federal and state laws and regulations

OCTA's ROW policies and procedures prescribe the internal steps that OCTA takes to ensure federal and state laws and regulations are followed and that there is an orderly and effective process for implementing the acquisition and relocation process. The Uniform Relocation Assistance and Real Property Acquisition Policies Act (Uniform Act) was enacted by the federal government to ensure that real property was acquired and that persons, businesses, and personal property were relocated in an equitable, consistent, and equal manner. State laws and regulations were also enacted to provide benefits and safeguards better than, and in addition to, those prescribed in the Uniform Act.

As noted above, no ROW acquisition will occur for any of the individual projects until requisite CEQA review has occurred. Each individual project cannot be constructed until all required ROW has been acquired to accommodate the various project components. The required environmental documents for the Irvine and Laguna Niguel track projects are scheduled to be completed in October 2007; the Fullerton project's environmental studies are scheduled to be completed in January 2008. Once the environmental process has been concluded, OCTA staff will seek Board authorization to acquire the necessary real property in accordance with OCTA's ROW policies and procedures. OCTA staff will then present the Board with information regarding the estimated cost of the property acquisitions at that time.

Fiscal Impact

The project is included in OCTA's Fiscal Year 2007-08 Budget, Development Division, Account 0010-9081-T5406-FVP, and is funded through the Local Transportation Authority.

Summary

Staff requests the Board of Directors authorize the Orange County Transportation Authority to initiate the right-of-way acquisition process by completing appraisals of the appropriate interests in real property, which are necessary for the facility improvements at Fullerton, Laguna Niguel, and Irvine, which further the Metrolink Service Expansion Program objectives.

Attachments

A. Metrolink Service Expansion Projects Map
B. Acquisition Summary List – Metrolink Service Expansion Program
C. Property Location Maps
D. Sample Notice of Decision to Appraise

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Approved by:

Kia Mortazavi
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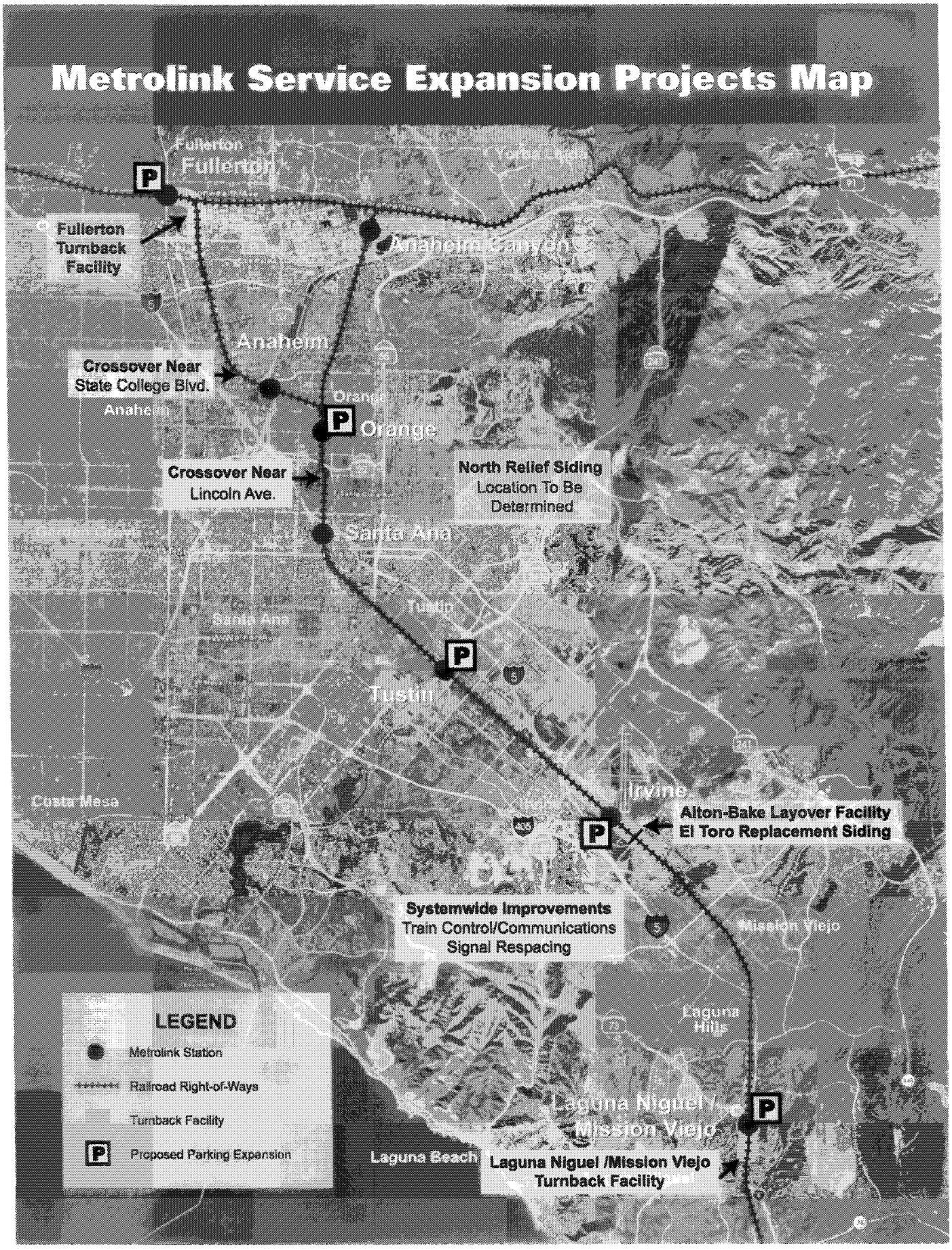
Metrolink Service Expansion Projects Map
Fullerton
Fullerton
Fullerton Turnback Facility
Anaheim Canyon
Anaheim
Crossover Near State College Blvd.
Orange
Orange
Crossover Near Lincoln Ave.
North Relief Siding Location To Be Determined
Santa Ana
Tustin
Tustin
Costa Mesa
Irvine
Alton-Bake Layover Facility
El Toro Replacement Siding
Systemwide Improvements
Train Control/Communications
Signal Respacing
Mission Viejo
Laguna Hills
Laguna Niguel / Mission Viejo
Laguna Beach
Laguna Niguel /Mission Viejo Turnback Facility
LEGEND
Metrolink Station
Railroad Right-of-Ways
Turnback Facility
Proposed Parking Expansion

ATTACHMENT B

ACQUISITION SUMMARY LIST

METROLINK SERVICE EXPANSION PROGRAM

APN #	CURRENT USE & NEED	APPROXIMATE AREA (sq ft)
Fullerton Turnback Facility		
033-030-19	Commercial/Industrial Remnant Parcel	48699
033-030-20	Commercial/Industrial Remnant Parcel	34609
033-092-02	Commercial/Industrial Remnant Parcel	29475
033-143-29	Commercial/Industrial Remnant Parcel	3808
033-143-30	Commercial/Industrial Remnant Parcel	35461
033-143-31	Commercial/Industrial Remnant Parcel	2288
033-143-38	Commercial/Industrial Remnant Parcel	32168
033-200-49	Commercial/Industrial Remnant Parcel	11522
033-200-50	Commercial/Industrial Remnant Parcel	20121
073-100-06	Commercial/Industrial Remnant Parcel	113714
Alton-Bake Parkway Layover Facility/El Toro Replacement Siding		
591-011-10	Commercial/Industrail Access Rights	N/A
591-021-04	Commercial/Industrail Partial Acquisition	13239
591-021-05	Commercial/Industrial Partial Acquisition	27282
591-021-07	Commercial/Industrial Partial Acquisition	13925
591-021-08	Commercial/Industrial Partial Acquisition	26566
591-021-14	Commercial/Industrial Access Rights	N/A
591-031-13	Commercial/Industrial Partial Acquisition	23729
591-031-14	Commercial/Industrial Partial Acquisition	12630
591-031-15	Commercial/Industrial Partial Acquisition and Access Rights	2000
591-031-16	Commercial/Industrial Partial Acquisition	13996
591-031-17	Commercial/Industrial Partial Acquisition	66693
591-031-18	Commercial/Industrial Access Rights	N/A
Laguna Niguel Turnback Facility		
637-222-03	Commercial/Industrial Remnant Parcel	3026
637-232-01	Commercial/Industrial Remnant Parcel	3109
637-232-02	Commercial/Industrial Remnant Parcel	1312
637-232-04	Commercial/Industrial Remnant Parcel	1083
637-232-05	Commercial/Industrial Remnant Parcel	364
637-232-08	Commercial/Industrial Remnant Parcel	1701
637-232-09	Commercial/Industrial Remnant Parcel	1445
637-232-10	Commercial/Industrial Remnant Parcel	884
637-232-11	Commercial/Industrial Remnant Parcel	349

SAMPLE NOTICE OF DECISION TO APPRAISE

Date

Property Owner

Dear _____:

The (Agency) is proposing to (describe the project).

Your property, located at _____, is within the project area and (indicate whether all or a portion is required) is required for the project.

The (Agency) wishes to start appraising the required properties on (date). You will be advised when the property is to be appraised so you or a representative may accompany the appraiser upon the inspection of your property if you wish to do so.

We have enclosed an informative booklet titled "(Agency Informational Brochure)", which will provide you with answers to questions owners frequently ask concerning land acquisition procedures.

All services and/or benefits to be derived from any right of way activity will be administered without regard to race, color, national origin, or sex, in accordance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d, et seq.) and Section 162(a) of the Federal Highway Act of 1973 (23 U.S.C. 324).

If the acquisition of a portion of your property will leave you with a remnant of land having little market value, the (Agency) will offer to purchase it from you.

This notice does not constitute an offer to purchase your property, nor does it establish eligibility of the owner and/or any other occupant for relocation assistance or relocation payment. Only those in occupancy at the time of the first written offer to purchase the property may be eligible for relocation payments.

Upon completion of the appraisal, an (Agency) representative will contact you for an appointment to discuss the acquisition in detail.

Very truly yours,

_____

(AGENT'S NAME)

Right of Way Agent

_____

(Agent's Phone Number)

Enclosures