Date:	**Monday, January 25, 2010**
Time:	**9:00 a.m.**
Where:	**Orange County Transportation Authority Headquarters 600 South Main Street, First Floor - Conference Room 154 Orange, California 92868**

OCTA

BOARD AGENDA

Orange County Transportation Authority Board Meeting
Orange County Transportation Authority Headquarters
First Floor - Room 154, 600 South Main Street
Orange, California
Monday, January 25, 2010, at 9:00 a.m.

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.

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 Card's 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.

Public Availability of Agenda Materials
All documents relative to the items referenced in this agenda are available for public inspection at www.octa.net or through the Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.

Call to Order

Pledge of Allegiance
Director Campbell

Invocation
Director Cavecche

OCTA

BOARD AGENDA

Special Matters

1. **Presentation of Resolution of Appreciation to Director Chris Norby**

   Present Orange County Transportation Authority Resolution of Appreciation No. 2009-09 to Director Chris Norby for his service on the Board of Directors.

2. **Presentation of Resolutions of Appreciation for Employees of the Month for January 2010**

   Present Orange County Transportation Authority Resolutions of Appreciation Nos. 2010-001, 2010-002, 2010-003 to Jan Wagner, Coach Operator; Loyd Dao, Maintenance; and Charles Oliver, Administration, as Employees of the Month for January 2010.

3. **Chairman's Goals**

   Jerry Amante, Chairman of the Orange County Board of Directors, will provide an overview of results he wants to create during his tenure as Chairman.

4. **Chief Executive Officer's Goals**

   Working with the Chairman of the Board, Chief Executive Officer, Will Kempton, has developed goals for the Orange County Transportation Authority for calendar year 2010. This report provides an outline of those goals.

5. **Sacramento Advocate's Report**
   Wendy Villa/Kristine Murray

   Sacramento advocates Moira Topp and Kevin Sloat of Sloat Higgins Jensen and Associates will present an overview of the Governor's budget proposals.

OCTA

BOARD AGENDA

Consent Calendar (Items 6 through 25)

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

6. **Approval of Minutes**

Of the Orange County Transportation Authority and affiliated agencies' regular meeting of January 11, 2010.

7. **Approval of 2010 Committee Assignments**

Overview

A roster of Board of Directors' Committee assignments for 2010 is presented for Board consideration.

Recommendation

Approve the proposed 2010 roster of Board of Directors' Committee assignments.

8. **State Legislative Status Report**
Manny Leon/Kristine Murray

Overview

The fiscal year 2010-11 state budget proposal was released on January 8, 2010. A summary and analysis of the state budget is provided in this report. In addition, an update on a potential ballot initiative is provided.

Recommendation

Receive and file as an informational item.

OCTA

BOARD AGENDA

9. **Federal Legislative Status Report**
Richard J. Bacigalupo/Kristine Murray

Overview

This federal legislative status report provides an overview of activities conducted in the United States Congress prior to its holiday recess. Prior to its break, Congress enacted the fiscal year 2010 transportation appropriations bill and extended the current transportation authorization program until February 18, 2010. The United States House of Representatives also passed a second stimulus bill, Jobs for Main Street Act, and an extension of the alternative fuel tax credit, both of which will be considered by the United States Senate when they return during the week of January 18, 2010.

Recommendation

Receive and file as an information item.

10. **Transportation Appropriations and Grant Application Project List**
Richard J. Bacigalupo/Kristine Murray

Overview

The Orange County Transportation Authority recommends funding requests totaling $52 million to support nine projects for submittal to the Orange County United States Congressional Delegation. The requests are to be submitted for consideration in the federal fiscal year 2011 Transportation Appropriations Bill and as federal grant funding opportunities become available throughout the year.

Recommendations

A. Review and approve the recommended list of transportation projects and authorize staff to pursue funds through the fiscal year 2011 federal appropriations process and as grant funding opportunities become available throughout the year.

B. Direct staff to pursue Federal Transit Administration Bus Livability Program funds in support of the Anaheim Regional Transportation Intermodal Center, as the only viable Orange County transit project that meets federal requirements for project readiness as part of this new grant program.

OCTA

BOARD AGENDA

11. **<u>2010 State Transportation Improvement Program</u>**
Adriann Cardoso/Kia Mortazavi

Overview

Every two years, the Orange County Transportation Authority prepares a program of projects for state funding through the State Transportation Improvement Program. Due to the state budget crisis, there is no new funding in 2010 for highway or transit projects. Agencies are being held to 2008 funding levels and previously approved projects may be delayed. Staff has developed the 2010 State Transportation Improvement Program recommendations for Board of Directors' consideration and approval. This program holds previously approved project schedules.

Recommendations

A. Approve the Orange County Regional Transportation Improvement Program for the 2010 State Transportation Improvement Program covering fiscal years 2010-11 through 2014-15 for a total of $298.3 million as follows: (1) $185.3 million for highway projects, (2) $92.3 million in transit projects, and (3) $20.7 million for a transportation enhancement call for projects.

B. Direct staff to make all necessary amendments to the State Transportation Improvement Program and the Federal Transportation Improvement Program, as well as execute any necessary agreements to facilitate the above action.

12. **<u>Regional Bicycle and Pedestrian Project Funding</u>**
Ben Ku/Kia Mortazavi

Overview

On January 21, 2008, the Orange County Transportation Authority Board of Directors awarded Transportation Development Act funds to regional bicycle and pedestrian projects. Board of Directors' action is requested to allow additional delivery time for delayed projects and one scope modification.

12. **(Continued)**

Recommendations

A. Authorize a one-time, 12-month extension to previously approved and programmed Transportation Development Act projects.

B. Approve the City of Brea's request to modify the Rails to Trails – Phase I Project scope.

C. Authorize staff to amend the Federal Transportation Improvement Plan and execute any necessary agreements, as required, to program and implement projects.

13. **2010 Technical Steering Committee Membership**
Roger M. Lopez/Kia Mortazavi

Overview

The Orange County Transportation Authority Technical Advisory Committee provides feedback to the Orange County Transportation Authority on local streets and roads related items. The Technical Advisory Committee relies on a Technical Steering Committee for in-depth discussions of these topics. The Technical Steering Committee members must be approved by the Technical Advisory Committee, the City Engineers Association of Orange County, and the Orange County Transportation Authority Board of Directors. For 2010, six seats are up for reappointment, and a proposed roster is presented for review and approval.

Recommendation

Approve the proposed 2010 Technical Steering Committee membership roster.

14. **Fourth Quarter 2009 Debt and Investment Report**
Rodney Johnson/Kenneth Phipps

Overview

The California Government Code authorizes the Orange County Transportation Authority Treasurer to submit a quarterly investment report detailing the investment activity for the period. This investment report covers the fourth quarter of 2009, October through December, and includes a discussion on the Orange County Transportation Authority's debt portfolio.

14. (Continued)

Recommendation

Receive and file the Quarterly Investment Report prepared by the Treasurer as an information item.

15. Rideshare Program Update
Sandy Boyle/Ellen S. Burton

Overview

The Orange County Transportation Authority's Rideshare Program is a transportation control measure included in the Southern California Association of Governments' Regional Transportation Plan. Program goals are to create awareness and usage of alternatives to single occupant vehicle travel such as vanpooling, carpooling, biking, and transit. This report provides an update on the program.

Recommendation

Receive and file as an information item.

Orange County Local Transportation Authority Consent Calendar Matters

16. Request to Conduct a Public Hearing on Amendment to the Measure M1 Expenditure Plan for the Freeway Program
Andrew Oftelie/Kenneth Phipps

Overview

Due to decreases in sales tax revenue, an amendment to the freeway component of the Measure M1 Expenditure Plan is required. The funding allocation for the Orange Freeway (State Route 57) line item needs to be revised to reflect available revenues. A public hearing must be set at least 30 days in advance.

16. **(Continued)**

Recommendation

Conduct a public hearing on March 8, 2010, to approve the proposed amendment to the Measure M1 Expenditure Plan.

Orange County Transit District Consent Calendar Matters

17. **Amendment to Agreement for Security Upgrades at the Anaheim, Garden Grove, Irvine Construction Circle, and Irvine Sand Canyon Bus Bases**
James J. Kramer/Darrell Johnson

Overview

On June 23, 2009, the Orange County Transportation Authority entered into an agreement with TRC Solutions, Inc., in the amount of $120,279, for development of design criteria and construction support services for security upgrades at the Anaheim, Garden Grove, Irvine Construction Circle, and Irvine Sand Canyon bus bases. Additional services are required to incorporate project elements necessary to complete the design.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement No. C-9-0329 between the Orange County Transportation Authority and TRC Solutions, Inc., in an amount not to exceed $71,134, for design and construction support services for security upgrades at the Anaheim, Garden Grove, Irvine Construction Circle, and Irvine Sand Canyon bus bases.

18. **Amendment to Agreement for Bus System Schedule Checking**
Audrey Saller/Beth McCormick

Overview

On December 10, 2007, the Board of Directors approved an agreement with Southland Car Counters, Inc., in the amount of $247,200, to provide bus system schedule checking services for a one-year period with two one-year options. Southland Car Counters, Inc., was retained in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

18. **(Continued)**

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement No. C-7-1115 between the Orange County Transportation Authority and Southland Car Counters, Inc., in an amount not to exceed $188,366, bringing the total contract value to $692,366, for schedule checking services in calendar year 2010.

Orange County Local Transportation Authority Consent Calendar Matters

19. **Metrolink Ridership and Revenue Quarterly Report**
Megan Taylor/Darrell Johnson

Overview

The Southern California Regional Rail Authority is a five-member joint powers authority that operates the 400-mile commuter rail system known as Metrolink. A report on Metrolink ridership and revenue for service in Orange County covering the first quarter of fiscal year 2009-10 is provided for Board of Directors' review.

Recommendation

Receive and file as an information item.

20. **Agreement for Construction of a Pedestrian Walkway at the Tustin Metrolink Station**
Lora Cross/Darrell Johnson

Overview

Plans and specifications have been completed for the construction of a pedestrian walkway from Dow Avenue to the east platform at the Tustin Metrolink Station. Bids were received in accordance with the Orange County Transportation Authority's public works procurement procedures. Board of Directors' approval is requested to execute the agreement.

20. **(Continued)**

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-9-0712 between the Orange County Transportation Authority and Pointer Enterprises, Inc., the lowest responsive, responsible bidder, in an amount not to exceed $212,400, for the construction of a pedestrian walkway from Dow Avenue to the east platform at the Tustin Metrolink Station.

21. **Santa Ana Second Main Track Project Closeout**
Dinah Minteer/Darrell Johnson

Overview

The Santa Ana Second Main Track construction project was substantially completed by the Southern California Regional Rail Authority in February 2008. The Board of Directors approved several follow on items to be completed through the Rail-Highway Grade Crossing Safety Enhancement and Quiet Zone Program. An additional $3,303,000 is requested in order to close out this project and fulfill the remaining obligations to the City of Santa Ana.

Recommendations

A. Authorize the completion of the Santa Ana Second Main Track project follow on items and the use of $3,303,000 of additional Commuter Urban Rail Endowment funds, increasing the total project cost to $31,190,000.

B. Authorize the completion of design and construction modifications to the grade crossings at Fairhaven and Santa Clara avenues in the City of Santa Ana and include this in the current Rail-Highway Grade Crossing Safety Enhancement and Quiet Zone Program at an estimated additional cost of $2,909,000.

C. Authorize funding to the City of Santa Ana, in an amount of $394,000, for supplemental environmental analysis, completion of the window replacement program, and construction of neighborhood monument signs.

22. **Measure M2 Local Agency Eligibility Guidelines and Requirements**
Monica Salazar/Kia Mortazavi

Overview

On November 7, 2006, Orange County voters approved Measure M2, the one-half cent transportation retail sales tax. The approval resulted in a 30-year extension of the original program with a new slate of projects, programs, and requirements. The transition from the original Measure M to Measure M2 requires an inventory of new eligibility requirements. Consistent with existing policy, an eligibility manual has been prepared to assist local jurisdictions to understand and comply with the requirements necessary to maintain eligibility to receive Measure M funds for the first three quarters of fiscal year 2010-11, and Measure M2 funds effective April 1, 2011.

Recommendation

Approve Measure M2 Eligibility Guidelines for implementation.

23. **Integration of San Diego Freeway (Interstate 5)/Avenida Pico Interchange Project with San Diego Freeway (Interstate 5) High-Occupancy Vehicle Project in the Measure M2 Early Action Plan**
Rose Casey/Kia Mortazavi

Overview

The Measure M2 San Diego Freeway (Interstate 5) High-Occupancy Vehicle Project will extend the high-occupancy vehicle lanes from San Juan Creek Road in the City of San Juan Capistrano to Avenida Pico in the City of San Clemente. Staff is recommending that the San Diego Freeway (Interstate 5)/Avenida Pico Interchange Project, another Measure M2 project currently in the conceptual engineering phase, be integrated with the San Diego Freeway (Interstate 5) High-Occupancy Vehicle Project, which is in the project approval and environmental document phase.

Recommendations

A. Approve the incorporation of the San Diego Freeway (Interstate 5)/Avenida Pico Interchange Project with the San Diego Freeway (Interstate 5) High-Occupancy Vehicle Project into the Measure M2 Early Action Plan.

23. (Continued)

B. Authorize the Chief Executive Officer to negotiate and execute an Amendment No. 1 to Agreement No. C-8-1238 with RMC, Inc., for additional services to perform preliminary engineering and environmental studies for the San Diego Freeway (Interstate 5)/Avenida Pico Interchange Project, in an amount not to exceed $350,000, bringing the total contract value to $5,059,323.

24. Supplement Budget for the Riverside Freeway (State Route 91) Westbound Lane Addition Between the Santa Ana Freeway (Interstate 5) and the Orange Freeway (State Route 57)

Dipak Roy/Kia Mortazavi

Overview

On July 13, 2009, the Orange County Transportation Authority Board of Directors approved the selection of RBF Consulting as the top-ranked firm to prepare the plans, specifications, and estimate for a westbound lane addition on the Riverside Freeway (State Route 91) between the Santa Ana Freeway (Interstate 5) and Orange Freeway (State Route 57), and authorized the Chief Executive Officer to negotiate a contract for an amount not to exceed $4 million. The scope on this Measure M2 project has since been expanded to include high-occupancy continuous access in the eastbound direction. In addition, design requirements based on further engineering and environmental studies also need to be included in the project scope. Based on the expanded scope of work, staff is requesting that the not-to-exceed amount be increased to $5 million.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-9-0244 with RBF Consulting, in an amount not to exceed $5 million.

Orange County Service Authority for Freeway Emergencies Consent Calendar Matters

25. **Fiscal Year 2009-10 Freeway Service Patrol Program Fund Transfer Agreement**
Patrick Sampson/P. Sue Zuhlke

Overview

The Orange County Freeway Service Patrol receives funding from the California Department of Transportation under the terms of annual funding agreements. The fiscal year 2009-10 funding agreement will provide a total of $3,727,010.00 for the Freeway Service Patrol program through June 30, 2010.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-9-0899 between the Orange County Transportation Authority and California Department of Transportation for fiscal year 2009-10 Freeway Service Patrol funding.

Regular Calendar

Orange County Transit District Regular Calendar Matters

26. **Agreement for Project Management, Technical Consulting, and Support for the Procurement and Implementation of the Intelligent Transit Management System**
Joseph Vicente/Beth McCormick

Overview

The Orange County Transportation Authority engaged EIGER TechSystems in April 2006 to conduct an assessment of the radio frequency communication system. In February 2008, EIGER TechSystems completed the study and submitted the findings with four alternatives to meet the needs of the Orange County Transportation Authority. On March 9, 2009, the Board of Directors approved the radio communication upgrade project based on EIGER TechSystems' recommendation and approved extending the contract with EIGER TechSystems to write the specifications.

26. (Continued)

Recommendation

Authorize the Chief Executive Officer to approve sole source Agreement No. C-9-0724 between the Orange County Transportation Authority and EIGER TechSystems, in an amount not to exceed $424,565, to provide project management, technical consulting, and support for the implementation of the Intelligent Transit Management System.

Discussion Items

27. Sales Tax Analysis and Trends
Rodney Johnson/Kenneth Phipps

Doug Jensen from Muniservices will provide an expert analysis on how sales tax collections may be affected during times of economic recession. Muniservices provides sales tax audit services in order to detect and correct point of sale distribution errors resulting in the generation of new sales tax revenue that would have not otherwise been collected by the Authority. The presentation was first presented to the Finance and Administration Committee on December 9, 2009.

28. Rail Program Quarterly Update
Darrell Johnson

Staff will provide an overview of the rail program and discuss the status of projects.

29. 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

30. **Chief Executive Officer's Report**

31. **Directors' Reports**

32. **Closed Session**

Pursuant to Government Code Section 54956.9(a) to discuss Ronald Cunningham vs. Orange County Transportation Authority, et al.; OCSC No. 30-2008-00107941.

33. **Adjournment**

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, February 8, 2010,** at Orange County Transportation Authority Headquarters.

OCTA

ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

JAN WAGNER

WHEREAS, *the Orange County Transportation Authority recognizes and commends Jan Wagner; and*

WHEREAS, *let it be known that Jan Wagner has been a principal player at the OCTA and has performed her responsibilities as a Coach Operator in a professional, safe, courteous and reliable manner; and*

WHEREAS, *Jan Wagner has demonstrated that safety is paramount by achieving 30 years of safe driving; and*

WHEREAS, *Jan Wagner has demonstrated her integrity by maintaining an excellent attendance record, and her dedication exemplifies the high standards set forth for Orange County Transportation Authority employees; and*

WHEREAS, *Jan Wagner has proven that "Putting Customers First" is the only way to conduct yourself as a professional Coach Operator at OCTA and Jan's attention to detail and concern for her customers have helped OCTA ridership grow.*

NOW, THEREFORE, BE IT RESOLVED *that the Authority does hereby declare Jan Wagner as the Orange County Transportation Authority Coach Operator of the Month for January 2010; and*

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

Dated: January 25, 2010

Jerry Amante, Chairman Orange County Transportation Authority	Will Kempton, Chief Executive Officer Orange County Transportation Authority

OCTA Resolution No. 2010-003

ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

Loyd Dao

WHEREAS, *the Orange County Transportation Authority recognizes and commends Loyd Dao; and*

WHEREAS, *be it known that Loyd Dao has been with the Authority since July 1989 starting as a part time Service Worker and worked his way up to Certified Journeyman Mechanic in 1991. He is a valued member of the Maintenance Department with his innovative contributions, service and commitment;*

WHEREAS, *Loyd is a very dedicated employee who always performs his duties to the best of his abilities. Putting customers first, Loyd always strives to improve himself and eagerly takes on new challenges;*

WHEREAS, *his commitment to teamwork, customer service and his can-do-spirit make him a valuable asset to the Garden Grove Base, the Maintenance Department and the Authority and he is recognized as an outstanding Authority employee.*

NOW, THEREFORE, BE IT RESOLVED *that the Authority does hereby declare Loyd Dao as the Orange County Transportation Authority Maintenance Employee of the Month for January, 2010; and*

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

Dated: January 25, 2010

Jerry Amante, Chairman Orange County Transportation Authority	Will Kempton, Chief Executive Officer Orange County Transportation Authority

OCTA Resolution No. 2010-002

OCTA

ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

CHARLES OLIVER

WHEREAS, *the Orange County Transportation Authority recognizes and commends Charles Oliver as a principal player at the OCTA, and in Field Operations. He has performed his responsibilities as a Section Supervisor III in a professional, safe, courteous, reliable manner; and*

WHEREAS, *Charles Oliver is recognized for his project management skills and technical abilities in the area of emergency management; and*

WHEREAS, *Charles Oliver has demonstrated that his commitment in ensuring public safety is the OCTA's number one priority, and that all personnel are trained and exercised to the highest standards, so as to effectively respond to any challenge or emergency; and*

WHEREAS, *Charles Oliver has been a key player at the County's Emergency Operations Center at Loma Ridge during San Onofre Nuclear Generating Station (SONGS) drills, including a Federal Emergency management Agency (FEMA) graded exercise, where he received a Letter of Appreciation for his participation from the Orange County Sheriff's Department of Emergency Management Bureau.*

NOW, THEREFORE, BE IT RESOLVED *that the Authority does hereby declare Charles Oliver as the Orange County Transportation Authority Administration Employee of the Month for January 2010; and*

BE IT FURTHER RESOLVED *that the Orange County Transportation Authority Board of Directors recognizes Charles Oliver's outstanding service.*

Dated: January 25, 2010

Jerry Amante, Chairman Orange County Transportation Authority	Will Kempton, Chief Executive Officer Orange County Transportation Authority

OCTA Resolution No. 2010-001

6.

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
January 11, 2010

Call to Order

The January 11, 2010, regular meeting of the Orange County Transportation Authority and affiliated agencies was called to order by Chairman Buffa at 9:00 a.m. at the Orange County Transportation Authority Headquarters, Orange, California.

Roll Call

Directors Present:	Peter Buffa, Chairman Jerry Amante, Vice Chairman Patricia Bates Arthur C. Brown Bill Campbell Carolyn Cavecche William J. Dalton Richard Dixon Paul Glaab Don Hansen Allan Mansoor John Moorlach Janet Nguyen Chris Norby Miguel Pulido Gregory T. Winterbottom Cindy Quon, Governor's Ex-Officio Member
Also Present:	Will Kempton, Chief Executive Officer James S. Kenan, 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:	Curt Pringle

Invocation

Director Glaab gave the invocation.

Pledge of Allegiance

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

Special Matters

1. **Administration of Oaths of Office to New and Returning OCTA Board Members**

   General Counsel, Kennard R. Smart, Jr, administered oaths of office to Directors Cavecche, Dalton, Glaab, and Hansen. (Due to Director Pringle not being present at this meeting, Mr. Smart administered the Oath of Office to him on January 12, 2010.)

2. **Election of Orange County Transportation Authority Board Chair**

   A motion was made by Director Cavecche and seconded by Director Dixon to nominate current Vice Chairman Jerry Amante for the office of Board Chair. Nominations were closed, and a voice vote was conducted; the motion passed unanimously.

3. **Election of Orange County Transportation Authority Board Vice Chair**

   A motion was made by Director Cavecche and seconded by Director Dixon to nominate current Director Patricia Bates for the office of Board Vice Chair. Nominations were closed, and a voice vote was conducted; the motion passed unanimously.

4. **Salute to Chairman Peter Buffa**

   A resolution of appreciation, along with a video "salute," was presented to outgoing Chairman Buffa, and several Members offered their comments of appreciation for his hard work and accomplishments over this past year on behalf of OCTA.

5. **Recognition of Staff for Completion of California Highway Patrol Inspections**

   A representative group of staff from the Anaheim, Santa Ana, and Garden Grove bases was recognized for having completed the Annual Terminal Inspections conducted by the California Highway Patrol during the last quarter of 2009 at the bus bases from which fixed route services are operated by the Orange County Transportation Authority.

   Beth McCormick, General Manager of Transit, also expressed appreciation to OCTA's contractors, MV Transit and Veolia, for their efforts during the inspections.

Consent Calendar (Items 6 through 8)

Chairman Amante 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

6. **Approval of Minutes**

   A motion was made by Director Moorlach, seconded by Director Campbell, and declared passed by those present, to approve the minutes of the Orange County Transportation Authority and affiliated agencies' regular meeting of December 14, 2009,

   Director Hansen abstained from voting on this item.

   Directors Glaab and Pulido were not present for this vote.

7. **Agreement for 91 Express Lanes Electronic Toll and Traffic Management System Upgrade**

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

   A. Authorize the Chief Executive Officer to execute Agreement No. C-8-1379 between the Orange County Transportation Authority and Sirit Corporation, in the amount of $1,842,826, for the upgrade of the 91 Express Lanes' Electronic Toll and Traffic Management system.

   B. Transfer funds, in the amount of $1,000,000, from the State Route 91 Toll Road, Account 0036-9027/B0001-H3E and amend the State Route 91 Toll Road budget, in the amount of $842,826, to fund the remaining portion.

   Directors Glaab and Pulido were not present for this vote.

Orange County Transit District Consent Calendar Matters

8. **<u>Selection of Consultants for On-Call Architectural and Engineering Services for Facility Modifications</u>**

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

A. Select Dahl, Taylor & Associates, Inc., Jacobs Engineering Group, Inc., MVE Institutional, Inc., NAC Architecture, Inc., dba Jubany-NAC/Architecture, and STV, Inc., as the top-ranked firms to provide on-call architectural and engineering services for facility modifications.

B. Authorize the Chief Executive Officer to request a cost proposal from Dahl, Taylor & Associates, Inc., Jacobs Engineering Group, Inc., MVE Institutional, Inc., NAC Architecture, Inc., dba Jubany-NAC/Architecture, and STV, Inc., and negotiate agreements for the firms' services.

C. Authorize the Chief Executive Officer to execute agreements between the Orange County Transportation Authority and Dahl, Taylor & Associates, Inc. (Agreement No. C-9-0859), Jacobs Engineering Group, Inc. (Agreement No. C-9-0856), MVE Institutional, Inc. (Agreement No C-9-0857), NAC Architecture, Inc., dba Jubany-NAC/Architecture (Agreement No. C-9-0589), and STV, Inc. (Agreement No. C-9-0858), in an aggregate amount not to exceed $2,000,000, for architectural and engineering services for facility modifications.

Vice Chair Bates and Director Nguyen abstained from voting on this item.

Directors Glaab and Pulido were not present for this vote.

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

9. **<u>Memorandum of Understanding for Improved Passenger Rail Services on the Los Angeles – San Diego – San Luis Obispo Rail Corridor</u>**

Darrell Johnson, Executive Director, Rail Division, presented this item to the Board and provided details on the Memorandum of Understanding for this rail corridor and the work which the project managers would undertake.

Director Moorlach inquired as to why the salary for a project manager was so high, and Mr. Johnson responded the amount indicated was actually for two project managers, and it was far less costly to hire independent contractors, rather than hire full-time individuals with burdened salaries.

9. (Continued)

Vice Chair Bates commented that there is a large constituency that is anxiously awaiting a resolution of issues along that corridor and received numerous inquiries routinely, and feels concern that they should be shared with the Los Angeles-San Diego-San Luis Obispo Rail Corridor (LOSSAN) Board regarding an open-ended contract and suggest that it be something that is subjected to negotiations.

A motion was made by Director Brown, seconded by Director Dixon, and declared passed by those present, to:

A. Authorize the Chief Executive Officer to enter into a memorandum of understanding with the eight member agencies of the Los Angeles – San Diego – San Luis Obispo Joint Powers Authority, the California High-Speed Rail Authority, National Railroad Passenger Corporation, Southern California Association of Governments, and Southern California Regional Rail Authority for improved passenger rail service in the Los Angeles – San Diego – San Luis Obispo rail corridor.

B. Authorize the use of $20,000 in Commuter Urban Rail Endowment funds for fiscal year 2009-10 to initiate work efforts discussed in the memorandum of understanding.

C. Share concern with the Los Angeles-San Diego-San Luis Obispo Rail Corridor (LOSSAN) Board regarding an open-ended contract and suggest that it is subjected to negotiations.

Director Pulido was not present for this vote.

10. <u>Results of 91 Express Lanes 2009 Customer Satisfaction Survey</u>

Stella Lin, Marketing Manager, introduced Barbara Foster, consultant from Insights Worldwide Research, who provided a presentation summarizing the results of this survey of customers using the 91 Express Lanes.

Ms. Foster explained the goals and methodology of the survey and highlighted customers' responses in relation to questions regarding their toll road usage, perception and attitudes, level of satisfaction, and customer service.

No action was taken on this receive and file item.

Discussion Items

11. Short Message Service (SMS) for Bus Arrival Schedules

Stella Lin, Marketing Manager, provided a demonstration of the Short Message Service (SMS) for riders to use in obtaining information on bus arrival schedules

Ms. Lin informed the Board Members about the new mobile communication program, Text For Next, has been developed to enable Orange County Transportation Authority customers to obtain next bus arrival schedules via their cell phones. This program was soft-launched in November and has enjoyed wide use to date.

It is hoped that this new service will reduce the number of calls to the Customer Service Center, thereby reducing operating costs.

Director Campbell inquired if the information received by riders is scheduled information or real-time information, and was informed it is scheduled bus information.

Director Campbell requested a disclaimer be added to marketing materials and text messages related to this program indicating times provided are in terms of scheduled times, rather than real-time.

Public comment was heard from James Suazo, who commended staff on this program and its usefulness. He did, however, state that there is confusion on the cassettes at bus stops, and showed a comparison of the previous format, which he felt was more explanatory regarding route information.

12. State Budget Update

Kenneth Phipps, Executive Director of Finance and Administration, provided an update on the state budget situation, and included information from the Governor's release of the 2010-2011 fiscal year state budget proposal on January 8.

Mr. Phipps reported that major expenditure cuts are anticipated to all programs including additional cuts to transit. He stated that Finance staff will continue to assess the impact on the Orange County Transportation Authority's financial assumptions and bus service reduction plan.

13. OCTA Board Committee Meetings

Chairman Amante provided opening comments on a potential plan to holding less Board Committee meetings, and distributed a memo with the proposed meeting cycles and dates. Chairman Amante indicated this change would reduce the frequency of meetings while preserving transparency of issues and the Board's commitment to provide information to those who are working with the OCTA on various issues.

Chief Executive Officer (CEO), Will Kempton, stated that this proposal saves a great number of hours for staff, and will mean far less meetings for Board Members to attend at the Committee level. A reduction in Board meetings (currently two per month) was not proposed as part of this discussion.

Deputy Chief Executive Officer, James S. Kenan, led a brief discussion regarding Board Committee meeting frequency, and he highlighted the soft cost savings which were identified and explained in the hand-out memo.

A motion was made by Director Norby, seconded by Director Brown, and declared passed by those present, to approve the recommendations set forth for purposes of discussion.

Discussion followed, and the consensus was to adopt Alternative 1 for Executive Committee meetings (continue current schedule which meets at 8:30 a.m. on the first Monday of each month) and the other committees' dates listed. It was understood that each Committee would formally adopt a schedule at the first meeting of their Committee in 2010, most occurring in January.

14. Public Comments

Chairman Amante 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.

Roy Shahbazian, resident of Orange, addressed the Board and asked that consideration be given to bikeways projects and to a timeline for implementing a bus rapid transit system.

15. Chief Executive Officer's Report

CEO, Will Kempton, reported that a fatality had occurred on a Metrolink track in the City of Orange earlier in the morning, which was reportedly a suicide.

Mr. Kempton reported on upcoming meetings and events.

16. Directors' Reports

Director Brown reported that at the Southern California Association of Governments' Board meeting last week, a presentation was given on chokepoints throughout the region, and one of the main chokepoints shown was the State Route 91 at the State Route 57 freeway.

Director Brown stated that he used a Netbook to access the electronic Board agenda today, as part of the pilot project team, and it worked extremely well.

Director Moorlach mentioned an article in the Los Angeles Times regarding local port issues and how the situations in Long Beach and Los Angeles are suffering. Further, he requested an update on legislative positions OCTA has taken regarding port issues.

Director Moorlach thanked Director Cindy Quon, Caltrans District 12, for her support regarding a Bolsa Chica wetlands bridge for a channel crossing at Warner.

Lastly, Director Moorlach requested that when possible, Tuesday lunch-time events be avoided as they conflict with the meetings of the Board of Supervisors.

Director Hansen expressed his appreciation to those who have reached out to him after his election to the Board and stated that he is looking forward to his term and working with his colleagues on the Board.

Director Norby encouraged the new Chair to rearrange seating at the dais if he feels it is suitable. He further stated that if he prevails in the Special Election on January 12, he does plan to attend the OCTA Board meeting on January 25.

Director Dixon asked staff to coordinate with Metrolink regarding Closed Session items and update the OCTA Board as appropriate.

Director Glaab commented that he has concerns regarding some Metrolink issues as they may impact OCTA and stated that he will propose a meeting with the OCTA Chairman and Directors Brown and Dixon to address those concerns.

17. Closed Session

A Closed Session was held pursuant to Government Code Section 54957.6 to discuss negotiations with Teamsters Local 952 regarding the coach operators. The lead negotiator for the Orange County Transportation Authority is Paddy Gough, and the Teamsters Local 952 negotiator is Patrick Kelly.

Vice Chair Bates and Directors Nguyen, Norby, and Pulido were not present.

18. Adjournment

The meeting adjourned at 12:20 p.m. The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, January 25, 2010,** at Orange County Transportation Authority Headquarters.

ATTEST

Wendy Knowles
Clerk of the Board

Jerry Amante
OCTA Chairman

7.

OCTA

January 25, 2010

To:	Members of the Board of Directors
From:	Chairman Jerry Amante
Subject:	Approval of 2010 Committee Assignments

Overview

A roster of Board of Directors' Committee assignments for 2010 is presented for Board consideration.

Recommendation

Approve the proposed 2010 roster of Board of Directors' Committee assignments.

Background

The Orange County Transportation Authority (OCTA) is governed by an 18-member Board of Directors comprised of:

- √ Ten city members elected by certain members of the Orange County City Selection Committee;
- √ All five Orange County Supervisors;
- √ Two Public Members selected by the other Board Members; and
- √ The Governor's Ex-Officio Member is a non-voting member and serves a four-year term. (Appointed by the Governor of California.)

To better organize its efforts, the Board of Directors established committees to focus on specific areas within the OCTA's structure.

Discussion

Each year, the OCTA Chairman has the prerogative of assigning Members to committees, and those appointments are then confirmed by the full Board. A request was made of each member to determine their interest and availability to serve on the various committees. To the extent practicable, Directors' requests for appointments have been honored.

Provided below are the recommended Committee assignments, including a number of interagency organizations to which individual Board Members have been assigned.

Executive Committee

Jerry Amante, Chairman
Patricia Bates, Vice Chair
Bill Campbell, Chairman of the Finance and Administration Committee
Carolyn V. Cavecche, Chairman of the Legislative and Communications Committee
Paul Glaab, Chairman of the Highways Committee
Janet Nguyen, Chairman of the Transit Committee
Peter Buffa, Immediate Past Chairman
Curt Pringle, Chairman of the Transportation 2020 Committee

Highways Committee

Paul Glaab, Chairman
Richard Dixon, Vice Chairman
Patricia Bates
Carolyn V. Cavecche
Don Hansen
Allan Mansoor
Curt Pringle

Transit Committee

Janet Nguyen, Chairman
Gregory T. Winterbottom, Vice Chairman
Arthur C. Brown
William J. Dalton
Richard Dixon
Paul Glaab
Miguel Pulido

Transportation 2020 Committee

Curt Pringle, Chairman
Bill Campbell, Vice Chairman
Jerry Amante
Arthur C. Brown
Peter Buffa
Carolyn V. Cavecche
Richard Dixon

Finance and Administration

Bill Campbell, Chairman
Carolyn Cavecche, Vice Chairman
Patricia Bates
Arthur C. Brown
Peter Buffa
Don Hansen
John Moorlach

Legislative and Communications Committee

Carolyn Cavecche, Chairman
Peter Buffa, Vice Chairman
Jerry Amante
Patricia Bates
William J. Dalton
Paul Glaab
Allan Mansoor

ARTIC Ad Hoc Committee

Jerry Amante
Peter Buffa
Bill Campbell
Carolyn V. Cavecche
Curt Pringle

State Route 91 Advisory Committee*

Jerry Amante
Arthur C. Brown
Bill Campbell
Carolyn Cavecche
Curt Pringle

Riverside Orange Corridor Authority*

Bill Campbell
Carolyn Cavecche
Richard Dixon

*These Committee is comprised of representatives from both Orange and Riverside counties. The Chairman and Vice Chairman are selected by the Committee.

Orange County Council of Governments (OCCOG)

Arthur C. Brown, Member
William J. Dalton, Alternate

California Assn. of Councils of Government (CALCOG)

Arthur C. Brown, Member
Richard Dixon, Alternate

Southern California Regional Rail Authority (Metrolink)

Arthur C. Brown, Member
Richard Dixon, Member
Paul Glaab, Alternate

LOSSAN Corridor Agency

Arthur C. Brown, Member
Richard Dixon, Alternate

Central Orange County Corridor Major Investment Study Committee

Jerry Amante
Bill Campbell
Carolyn V. Cavecche
William J. Dalton
Don Hansen
Allan Mansoor
John Moorlach
Janet Nguyen

Security Working Group

Carolyn V. Cavecche, Chairman
Bill Campbell, Vice Chairman
Arthur C. Brown
Richard Dixon
Janet Nguyen
Gregory T. Winterbottom

Sustainable Communities Strategy Working Group
Peter Buffa
Carolyn V. Cavecche
Richard Dixon

SCAG Regional Council
Arthur C. Brown, Member

South Coast AQMD Mobile Source Review Committee
Gregory T. Winterbottom, Member
Miguel Pulido, Alternate

Task Force on Measure M Subsidy for Senior Citizens and Disabled
Gregory T. Winterbottom, Member
Arthur C. Brown, Alternate

Summary

A roster of committee assignments for 2010 is presented for Board approval.

Attachments

None

Prepared by:

Wendy Knowles

Wendy Knowles
Clerk of the Board
714/560-5676

8.

OCTA

MEMO

January 20, 2010

To: Members of the Board of Directors

WK

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

January 21, 2010

To: Legislative and Communications Committee

From: Will Kempton, Chief Executive Officer

Subject: State Legislative Status Report

Overview

The fiscal year 2010-11 state budget proposal was released on January 8, 2010. A summary and analysis of the state budget is provided in this report. In addition, an update on a potential ballot initiative is provided.

Recommendation

Receive and file as an informational item.

Background

On January 8, 2010, Governor Schwarzenegger released the fiscal year (FY) 2010-11 state budget proposal. The budget proposal attempts to resolve an estimated $19.9 billion General Fund deficit over the next 18 months. Specifically, the General Fund deficit encompasses a $6.6 billion shortfall for the current fiscal year, a $12.3 billion shortfall for FY 2010-11, and maintenance of a $1 billion reserve. A number of variables have contributed to the growing deficit figure including, but not limited to, declining revenue estimates ($3.4 billion), federal and state court decisions ($4.9 billion), erosions in previously enacted budget solutions ($2.3 billion), and increased caseload expenditures ($1.4 billion). The budget proposal attempts to close this $19.9 billion gap through series of expenditure reductions ($8.5 billion), fund shifts ($4.5 billion), and an increase in federal assistance ($6.9 billion), with no proposed revenue increases.

For FY 2010-11, the Governor's proposal estimates General Fund revenues will be $85.4 billion and expenditures will total $82.9 billion, including a $1 billion General Fund reserve. Debt service on General Obligation bonds will total an estimated $5 billion or approximately 6 percent of General Fund expenditures. While the current enacted budget proposal provides sufficient cash resources to cover the repayment of revenue anticipation notes, the

FY 2010-11 budget proposal acknowledges a potential cash resource issue arising in March 2010 unless corrective action is taken by the State Legislature.

Additionally, Governor Schwarzenegger used the authority granted under Proposition 58 (2004) to declare a fiscal emergency, which requires the Legislature to address the budget shortfall within 45 calendar days. The Legislature cannot take action on any other legislation if the body fails to act within this period.

Federal Assistance

The budget proposal assumes the state will receive $6.9 billion in FY 2010-11 from the federal government for a variety of expenditures. For FY 2010-11, the state will be seeking reimbursements for expenditures including Medi-Cal, In-Home Supportive Services (IHSS), medical costs associated with inmates in the state corrections system, and costs associated with the incarcerations of undocumented immigrants. If these reimbursements are not achieved, the budget proposal would trigger a series of expenditure and program reductions to mental health services, Medi-Cal eligibility, a total of 15 percent reduction in employee compensation (including compensation, benefits, and pension contributions), and the elimination of the IHSS and state welfare programs. The proposal would further trigger the extension of several tax expenditure provisions enacted in the FY 2009-10 state budget, including the net operating loss deferment for businesses, the "single sales" tax factor for corporations, and the extension of dependent credit reduction on personal income tax claims.

Transportation Component of the Governor's Budget

The Governor's budget proposes to provide additional General Fund relief by permanently modifying several transportation revenue sources and as a result, further reduces the state's financial obligations for transit. The Governor's budget eliminates the state's portion of the sales tax on gasoline (Proposition 42 revenues) and instead the state gas excise tax (gas tax) will increase by 10.8 cents, dedicated to specifically outlined programs.

Currently, the gas tax is levied at 18 cents per gallon of gasoline and would increase to 28.8 cents. The elimination of the state sales tax on gasoline would eliminate the state's obligation to fund Proposition 42 expenditures and also eliminate "spillover" revenue (a calculation of the difference between a portion of the state sales tax on all goods and the sales tax on gasoline). Furthermore, this complex revenue swap would also eliminate the two base revenue sources for the Public Transportation Account (PTA): the sales tax on diesel and

Proposition 111 sales tax. The Administration maintains that the revenue swap will result in a net five cents per gallon decrease at the pump.

The programmatic effect of this revenue swap is that it will remove any state obligations to transit and permanently realigns funding for other transportation programs. The new transportation funding allocation for FY 2010-11 is shown below:

- $2 billion State Highway Account (SHA)
- $629 million Local Streets and Roads
- $629 million State Transportation Improvement Program (STIP)
- $675 million Transportation Debt Service
- $976 million in savings at the pump

Essentially, this proposal holds non-transit Proposition 42 programs harmless, such as the STIP and Local Streets and Roads programs. The revenues that were previously dedicated to the PTA for transit purposes are being allocated to debt service and a per gallon decrease at the pump.

With respect to the remaining revenues in the PTA, the budget proposal shifts $254 million to additional debt service retirement in FY 2010-11 and diverts $72 million in SHA revenue which was previously obligated for PTA expenditures to cover Proposition 116 debt service in the current fiscal year. Total transportation revenues dedicated to debt service would be $929 million under the Governor's proposal. Moreover, repayment of Proposition 1B bonds would now be covered under the gas tax increase with annual appropriations fluctuating with required bond payments.

Intercity Rail

The Governor's budget proposes to utilize the previously diverted funds that were ordered to be repaid as a result of the lawsuit filed by the California Transit Association (CTA) to fund intercity rail at $131 million and transportation planning expenditures for the California Department of Transportation (Caltrans) at $19 million for FY 2010-2011. Intercity rail funding will continue until the PTA becomes insolvent in FY 2011-12. At this point, the Governor's budget states that intercity rail will need to find an alternative funding source.

Funding to Attract Creation of Public-Private Partnerships

The budget proposes the expenditure of $3.5 billion over the next 30 years (about $115 million per year) to be used to attract private partners and investors in the creation of public-private partnership (P3) lease agreements for transportation projects. This funding will be used to compliment the authority granted under SBX2 4 (Chapter 2, Statutes of 2009-10 Second Extraordinary Session) for the creation of unlimited P3 transportation projects until 2017. The proposed budget language specifies that the funding will be used to pay private partners for a portion of costs to construct or maintain new or rehabilitated portions of the state highways system, under terms dictated by SBX2 4. However, the Governor's proposal does not specify a funding source for this expenditure at this point.

High-Speed Rail

The budget proposes that $581.4 million in Safe, Reliable High-Speed Passenger Train Bond Act (Proposition 1A, 2008) be allocated for the development of the state high-speed rail system. In addition, the budget proposes $375 million in federal American Recovery and Reinvestment Act (ARRA) funding for the high-speed rail system. However, with multiple states competing for this funding, there is no guarantee that California will officially receive these ARRA funds.

According to the proposed budget, these funds will be used primarily on the Los Angeles-Anaheim, San Francisco-San Jose, and Fresno-Bakersfield segments. The budget also assumes that these segments will have grade separations, electrification, and maintenance and testing facility construction projects beginning in FY 2011-12, using yet-to-be allocated ARRA funding.

Proposition 1B

Overall, the proposed budget estimates that there will be about $4 billion available for Proposition 1B projects. Of this total amount, $350 million will be allocated for the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA). With the passage of AB 1072 (Chapter 271, Statutes of 2009) last year, the same formula used in past years will again be used to distribute the funds allocated this year. However, as with all programs funded pursuant to Proposition 1B, these allocations will be dependent on the state's ability to sell bonds.

Grant Anticipation Revenue Vehicles Bonds to Accelerate Specified Projects

Another budget proposal is the issuance of $680 million in Grant Anticipation Revenue Vehicles (GARVEE) bonds to accelerate the delivery of the following three State Highway Operation and Protection Program (SHOPP) projects:

- Doyle Drive in San Francisco
- The Santa Monica Freeway (Interstate 10) and the San Gabriel Freeway (Interstate 605) interchange in Los Angeles
- The Long Beach Freeway (Interstate 710) rehabilitation in Los Angeles

It is expected that debt service costs will be paid over the next 12 years, $185 million of which will be by federal funds.

Impacts on Orange County

The elimination of Proposition 42 funding and its resulting impacts on the PTA and "spillover" will create even greater cost pressures for transit operators. Under current law, Proposition 42 revenue would generate $315 million and $897 million in "spillover" for the PTA. Under these provisions, the Orange County Transportation Authority (OCTA) would have expected to receive $13.9 million from Proposition 42 and $13.2 million from "spillover" totaling approximately $27.1 million respectively. This $27.1 million does not include the revenue loss associated with five-year suspension of base PTA revenue for the State Transit Assistance Program (STA) which, if included, would total an estimated $45 million loss for FY 2010-11.

STIP highway funding would remain the same under both current law and the proposed tax swap, granting OCTA $30.6 million for FY 2010-11.

Although the Governor's budget proposes to allocate $581.4 million in Proposition 1A (bonds), staff is unable to accurately calculate the amount appropriated for the Anaheim to Los Angeles segment until further details are released and contingent on the state's ability sell bonds.

OCTA's apportionment of the PTMISEA funds allocated this year is estimated to be about $20.6 million. These funds are eligible to be used for transit capital projects and are also subject to the state's ability to sell bonds.

Local Taxpayer, Public Safety, and Transportation Protection Act of 2010

The CTA, in partnership with the League of California Cities, the California Alliance for Jobs, and other public safety, local government, transportation, business, labor, and public transit leaders, announced that the signature gathering effort began on December 23, 2009, for the Local Taxpayer, Public Safety, and Transportation Protection Act of 2010.

This measure aims to prevent further state diversions from local government, transportation, and public transit funds. While the CTA's recent court victory affirmed that previous state diversions of such funds were unconstitutional, the court decision does not immediately restore funding and prevent future diversions. The state's ongoing budget problems will continue to cause burdens, absent the establishment of stronger protections for these transportation programs, for agencies that are also coping with diminishing local funds. If approved, this measure would restore the funding sources for these services back to October 2009, essentially invalidating any diversions that may be approved during the 2010 legislative session.

In order to qualify the measure for the November 2010 ballot, the initiative's proponents must collect more than 1.1 million signatures to ensure it meets the required 694,354 valid signatures needed to qualify a constitutional amendment for the statewide ballot.

Summary

On January 8, 2010, the Governor released the FY 2010-11 state budget proposal. A summary and analysis of the state budget impacts are provided in this report. Information related to a potential ballot measure is also provided.

Attachment

None.

Prepared by:

Wendy Villa
State Relations Manager
(714) 560-5595

Approved by:

Kristine Murray
Executive Director, Government Relations
(714) 560-5908

9.

OCTA

MEMO

January 20, 2010

To: Members of the Board of Directors

WK

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

January 21, 2010

To:	Legislative and Communications Committee
From:	Will Kempton, Chief Executive Officer
Subject:	Federal Legislative Status Report

for

Overview

This federal legislative status report provides an overview of activities conducted in the United States Congress prior to its holiday recess. Prior to its break, Congress enacted the fiscal year 2010 transportation appropriations bill and extended the current transportation authorization program until February 18, 2010. The United States House of Representatives also passed a second stimulus bill, Jobs for Main Street Act, and an extension of the alternative fuel tax credit, both of which will be considered by the United States Senate when they return during the week of January 18, 2010.

Recommendation

Receive and file as an information item.

Discussion

On December 16, 2009, the President signed the fiscal year (FY) 2010 transportation appropriations bill. The final bill also included five appropriations measures for other executive departments, and is formally titled the Consolidated Appropriations Act (CAA). The CAA provides FY 2010 obligation authority for $42.79 billion to the federal highway program and $10.73 billion to the transit program; both totals represent modest increases over FY 2009 levels. In addition, the conference report provides an appropriation of $2.5 billion for high-speed and intercity passenger rail and $600 million for national transportation infrastructure investment to continue the discretionary investment programs initiated under the American Recovery and Reinvestment Act (ARRA) passed last February. The CAA makes $50 million available for positive train control (PTC) implementation nationwide and earmarks $487,000 for Metrolink PTC implementation.

Specific earmarks for Orange County Transportation Authority (OCTA) projects total $2.76 million, detailed as follows with specific member attribution:

- San Diego Freeway (Interstate 5):Widening and Improvements
  $935,000 Representative Calvert

- San Diego Freeway (Interstate 405) Improvements:
  $750,000 Representative Rohrabacher

- Anaheim Regional Transportation Intermodal Center (ARTIC)
  $725,000 Representatives Miller, Sanchez, Royce; Senators Feinstein and Boxer

- Bristol Street Widening
  $350,000 Representative Sanchez

In addition, as part of the Defense Appropriation Act, the United States (U.S.) Congress enacted a short-term extension of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) until February 18, 2010, at current authorized levels.

The U.S. House of Representatives (House) took action on two items before its holiday recess, which need to be considered by the U.S. Senate (Senate) when they return in January. The first item is a stimulus bill entitled the Jobs for Main Street Act (JMSA). This bill narrowly passed the House late last year with opposition of all Republicans and 38 conservative Democrats. The measure has an uphill battle in the Senate where strong opposition is expected by Senate conservatives.

The JMSA would expend $154 billion for economic stimulus, including $36.7 billion in additional funds for highways, transit, and Amtrak. The House proposes to pay for the measure by using unspent funds from the Troubled Asset Relief Program (TARP). The distribution of highway and transit funding under JMSA would be nearly the same as the ARRA, and 10 percent of the transit formula funding would be available for transit operations, consistent with ARRA transit formula funds allocation. There is a provision in JMSA which would accelerate expenditures by requiring that funds be under contract within 90 days of apportionment. This is substantially earlier than ARRA expenditure requirements.

In addition, the JMSA bill would extend SAFETEA-LU authorization through September 30, 2010. It would also provide a short-term fix to the Highway Trust Fund (HTF) solvency issue by crediting the HTF with $19.5 billion from the general fund for foregone, past interest payments and allowing accrued interest on future HTF balances to stay within the fund.

The second item for Senate consideration is House action to extend existing tax breaks, including the alternative fuel tax credit for another year, until December 31, 2010. The extension would be retroactive to December 31, 2009, which has the expiration date of the existing credit. The chair of the Senate Finance Committee has promised to act swiftly on this provision upon the Senate's return.

Summary

Congress passed into law a FY 2010 transportation appropriations measure and extended SAFETEA-LU temporarily until February 18, 2010. The House passed a second stimulus bill, Jobs for Main Street Act, and extended the alternative fuel tax credit, sending both measures to the Senate for consideration upon return from the holiday recess. The monthly reports for Potomac Partners DC and Smith, Dawson and Andrews, are included as Attachments A, and B.

Attachments

A. Monthly Reports of Potomac Partners, DC
B. Monthly Reports of Smith, Dawson and Andrews

Prepared by:

Richard Bacigalupo
Federal Relations Manager
(714) 560-5901

Approved by:

Kristine Murray
Executive Director, Government Relations
(714) 560-5908

Report to Orange County Transportation Authority from Potomac Partners DC
May 2009

Partners contributing to the work in this report include: Rick Alcalde, Dan Feliz, and Lesli McCollum Gooch.

1. Transportation Reauthorization & "Goods Movement"

Chairman Oberstar has set a benchmark of crafting a $450B Transportation bill and passing it in the House before SAFETEA-LU expires on September 30, 2009. With an already packed legislative agenda for the summer it will be a challenge to finalize a bill in the full committee and carve out floor time to debate key policy issues like a potential increase in the federal "gas tax" to pay for the new spending and preserve the Highway Trust Fund (HTF).

The Department of Transportation has already reached out to Congressional leaders and told them about the declining cash balances in the HTF. DOT has further indicated that it will not be able to sustain daily reimbursements of state voucher claims if Congress does not pass the re-authorization before September or increase the cash balance with a transfer from the general fund to the HTF in the amount of $5-10B before the end of the fiscal year. The danger of an insolvent HTF is a strong impetus for the committee to finish writing the bill, which we expect to be available in draft form in early June. Chairman Oberstar continues to re-iterate his desire to complete the legislation that will guide long-term transportation policy and infrastructure development rather than rely on short term HTF fixes with comparatively small balance transfers from the general fund.

For many Members the most important aspect of the bill is receiving funding for local projects that the Committee has designated as High Priority Projects (HPPs). During the month of May, Members including most Republicans submitted $136.3B in requests for HPPs. The administration has already signaled its willingness to accept earmarks with the $410B Omnibus packaged signed into law earlier this year. We are continuing to work with the Southern California delegation to re-iterate their support for the OCTA's regional projects throughout the process with the committee.

Committee leaders like Jim Oberstar, John Mica, Corrine Brown, and Bill Shuster also hope to put more emphasis in this bill on rail and other modes of transportation than in past re-authorizations. Rep. Brown has told us that they are diligently working on a separate rail title that will address the funding needed for goods movement and grade separations in our major rail corridors around the Country, which will be a great benefit for Orange County.

The Senate has not yet set a time table for consideration of their version of the legislation. In past authorizations, the Environment and Public Works (EPW) and the Banking, Housing and Urban Affairs Committees have taken the lead on the transportation policy aspects of the Senate bill. Recently the Democrat leaders of the Senate Commerce Science and Transportation Committee have expressed interest in having a greater role in developing transportation policy in this reauthorization.

Senators Rockefeller and Lautenberg introduced legislation in May declaring a series of goals and objectives for the national surface transportation system and directing the Secretary of Transportation to take steps to achieve those goals. The legislation (S. 1036) would amend chapter 3 of the title 49, Untied State Code by including these new surface transportation policy and goals. The Senate Commerce Science and Transportation Committee's involvement could foreshadow a more robust rail title in the Senate re-authorization bill as well, since the Commerce Committee has jurisdiction over rail issues.

Potomac Partners DC (PPDC) is advancing the concept of a dedicated funding stream for a **Good's Movement Program** in the re-authorization. We believe that a likely place in the legislation to describe the implementation of that program will be in both the "rail title" and in the "Projects of National Significance." One strategy in advancing this Good's Movement initiative is building a coalition of ports in key regions to help advocate for a dedicated "walled-off" funding source with both local Congressional Members and key leaders on the T&I committee. To this end, PPDC in May has facilitated meetings with OCTA Board Members and the Port Director of Miami and another meeting with Port Director of Fort Lauderdale to discuss the program and the most important needs that it should address. Additional meetings in Florida that we hope to facilitate in the near term are with the Port of Tampa, Port of Everglades, Port Canaveral, and Jacksonville Port Authority. Other meetings may include Ports of Houston, New Orleans, Boston, Oakland, Seattle, and Norfolk. Another important coalition member may also include the Chicago Airport System.

2. Transportation Stimulus Discretionary Grants

Competitive funds of $1.5 billion are now available from the U.S. Department of Transportation under the Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants Program. A broad array of transportation projects will be eligible. Applications are due Sept. 15. The DOT website describing the discretionary program is *www.dot.gov/recovery*.

3. FY 10 Appropriations Update

Prior to the break the **Fiscal Year 2009 War Supplemental Appropriations Bill (H.R. 2346)** passed by a vote of 368-60 in the House on May 14th. It passed the Senate on May 21st 86-3. Democratic leaders postponed a House-Senate conference meeting they hoped would produce a compromise bill during the first week of June after it appeared they might not have enough votes to pass the measure in the House. The "supplemental" provides funding for the wars in Iraq and Afghanistan and also includes additional funds for combating pandemic flu and funds for the IMF. Floor consideration of the Conference report will still likely take place in the next couple of weeks despite the slowed progress with the conference committee meetings.

We have been working with House Appropriators to include language in the conference report to allow transit agencies to use some of the formula transit stimulus funds for desperately needed operating costs.

Once the Supplemental is singed into law, the House plans to take up all 12 of the Appropriations bills before the August recess, which will place pressure on the Senate to follow suit. Many Appropriators are hopeful this timely action in the House will preempt the need for a Continuing Resolution, which has become commonplace in past appropriations cycles. Senate Majority Leader Harry Reid said on June 1st that, with GOP cooperation, he would like to see the Senate clear some appropriations bills before July 4th.

Each Appropriations sub-committee has already been holding hearings on funding priorities and members' requests. We have been told to expect a mark up of the Transportation Housing and Urban Development (THUD) bill in June by the subcommittee. A full committee markup will likely follow in early July.

4. Cap and Trade Legislation: H.R. 2454, The American Clean Energy and Security Act (ACESA)

The Waxman-Markey Climate Change/Cap & Trade legislation was marked-up and passed out of the House Energy & Commerce Committee by a vote of 33-25 before the Memorial Day recess, but its future remains uncertain with numerous Democrats to include a large number of Conservative Blue Dog Democrats like freshman Rep. Bobby Bright (D-AL) vowing to oppose it on the floor. The committee action came after a marathon committee session that spent 37 hours over four days methodically rejecting 56 separate Republican efforts to learn the full cost of the bill, and to prevent scams in its trading system. The bill does not contain any additional funding assistance for transit, which has a proven ability to provide energy savings and reduce emissions. The most important issue for many GOP members remain the skyrocketing cost that American people will incur if the legislation becomes law.

PPDC has met with a number of key House Commerce committee Members like Rep. Lee Terry (R-NB) to discuss additional changes to the bill that would include a significant transit investment. Other committees may seek sequential jurisdiction over the bill, but will have a very short window to schedule hearings and markups. We have also met with Senators Richard Shelby and Jeff Sessions from Alabama who together will be working to ensure any future Senate version has significant differences to the current House bill.

4. High Speed Rail (HSR)

In April, President Obama released a strategic plan outlining his vision for high-speed rail. We have been working with key leaders on the Transportation and Appropriations Committees to help provide Congressional input in the implementation of that strategic plan. The plan identifies $13 billion in federal funds -- $8 billion in the Recovery Act and $5 billion requested in the President's budget -- to jump-start a potential world-class passenger rail system and sets the direction of transportation policy for the future. Detailed guidance for up to the first $8 billion in federal grant applications will be announced by the end of June and the first round of grants are expected to be awarded as soon as late summer 2009.

On June 4th Secretary LaHood testified before the THUD Appropriations subcommittee about department's efforts on spending stimulus funds, future budget priorities, and the discretionary HSR grants. With regard to the HSR grants, the Secretary would encourage the States to guide HSR proposals so that are integrated with the current transportation infrastructure and can help foster "livable communities." He also specifically mentioned California as an important proving ground for HSR in America.

5. Other Activities on Behalf of OCTA

- In the month of May PPDC facilitated a visit for Congressman Bill Shuster, Ranking Member of the Railroad subcommittee for the Transportation and Infrastructure Committee to Orange County. Rep. Shuster will be an important advocate for the Good's Movement program in the re-authorization. Congressman Shuster indicated that his trip to the County was very informative and he has a strong desire to join with his colleague Rep. Corrine Brown to include a comprehensive Good's Movement program in the re-authorization.

- In May PPDC attended the Coalition for America's Gateway and Trade Corridors briefing with Joel Szabat. Deputy Assistant Secretary for Transportation Policy. The focus of Mr. Szabat's talk was on the DOT's opportunity to demonstrate to Congress how efficiently it can manage the

TIGER Discretionary Grants Program. Mr. Szabat hopes that this program could become a model for future programs to improve multi-model transportation systems around the Country.

- **H.R. 2200 - Transportation Security Administration Authorization Act** – This legislation would authorize $15.7 billion in funding for FY10-FY11 for air and surface transportation security. It triples surface transportation security spending over the FY09 level. A vote was schedule in the House before the Memorial Day recess but was subsequently postponed till after the recess. On June 4th the bill passed the House by a vote of 397-25.

Report to Orange County Transportation Authority from Potomac Partners DC June 2009

Partners contributing to the work in this report include: Rick Alcalde, Dan Feliz, and Lesli McCollum Gooch.

1. Surface Transportation Authorization Act (STAA) of 2009 Update

On June 22nd Chairman Jim Oberstar unveiled his draft bill, the Surface Transportation Authorization Act (STAA) of 2009. Chairman Oberstar and Ranking Member John Mica together are leading a concerted, bi-partisan effort to push this bill to the floor of the House despite the Administration's desire to hold off on the bill and instead enact an 18 month extension of the previous SAFETEA-LU. Potomac Partners DC is continuing to study the 775-page draft bill and look for opportunities to suggest improvements in the legislative language for OCTA and a "Goods Movement" program.

In general, the STAA is an ambitious six-year surface transportation authorization bill that hopes to transform DOT's ability to deliver projects that improve our national transportation infrastructure. The STAA draft bill currently does not contain any authorization funding levels, budget authority, obligation ceilings, or apportionment formulas. The bill, a "work in progress," also contains no earmarked project lists. A more complete version of this bill to include a list of Members' High Priority Projects (HPPs) is expected to be marked up by the full committee in July, but that is contingent on a financing and revenue deal being reached with the Ways and Means Committee, the Democratic leadership, and the Obama Administration.

The near term challenge for the T&I committee is how to maintain a solvent Highway Trust Fund (HTF), while the bill works its way through the Congressional process. In the past, Congress has approved a transfer for funds from the General Fund to the HTF to stave off any potential shortfalls. The Administration, however, is now contemplating offsetting this round of aid to the HTF, and Chairman Oberstar does not want to introduce a stop-gap measure that could slow the progress of STAA until it is absolutely necessary.

The overall financing deal that Oberstar and Mica hope to finalize soon could include a mix of new pilot programs for Vehicles Miles Traveled (VMT) and an increase in the federal gas tax. CBO has estimated that will require $140 billion in new revenues above existing gasoline tax baseline funding. The Ways and Means Committee, however, has shown little inclination to raise that kind of money at this point. Chairman DeFazio has suggested other alternatives for raising the needed revenues such as indexing the gas tax for inflation after two years, which could be used to back a bond issue raising $50 billion to $60 billion, including $13 billion available upfront in FY10. Another proposal would raise $190 billion through a 0.02 percent tax on crude oil futures and a 0.5 percent tax on crude oil options transactions.

June 25th STAA Markup

On June 25, the House Highways and Transit Subcommittee approved, by voice vote and without amendment, the draft bill that Oberstar had circulated three days prior. The markup session was mostly ceremonial, as Democrats had agreed not to offer any amendments during the subcommittee markup and Republicans had agreed to offer a few amendments, but then withdraw them without a vote in the hopes that the chairmen and ranking minority members would continue to work on those issues before the bill is marked up in full committee. Oberstar did use the opportunity to make a passionate plea for his colleagues to continue working on the legislation and not be deterred by the Administration's fear that they are moving too fast. Oberstar and others at the markup also pointed out this STAA is an important economic "stimulus" bill that is needed now more then ever with increasing unemployment. With some key administration officials and Democrat Members of Congress contemplating a *second stimulus bill*, the likelihood of STAA becoming that vehicle is possible.

The following amendments were offered and then withdrawn during the subcommittee markup session on June 25th:

- Moran (R-KS) amendment allowing states to use not less than five percent of their Critical Asset Investment formula funds on off-system bridges.
- Gary Miller (R-CA) amendment striking the requirement in section 1508 of the bill that metropolitan planning take into account land use patterns, adequate housing supply, and greenhouse gas emission reductions.
- Gary Miller (R-CA) amendment making the existing Surface Transportation Project Delivery Pilot Program permanent and ensuring California's continued participation therein.
- Brown (R-SC) requiring DOT to consider emergency evacuation time, Interstate designation, and Interstate segment completion as factors when evaluating Projects of National Significance.
- Capito (D-WV) amendment allowing West Virginia a truck weight exemption for trucks up to 126,000 pounds on a specific 11-mile stretch of Interstate 77.
- Mario Diaz-Balart (R-FL) amendment striking section 1119(a) of the bill which repeals 23 U.S.C. 126 and allowing continued transferability of bridge apportionments.
- Dent (R-PA) amendment declaring vehicles powered by hydrogen blend fuel cells to be "clean fuel vehicles".
- Mack (R-FL) amendment repealing Davis-Bacon Act applicability to the federal-aid highway and public transportation programs.

- Mario Diaz-Balart (R-FL) amendment expressing the sense of Congress that the final bill should have a 92 percent rate of return for highway donor states.
- Fallin (R-OK) amendment raising the threshold for a project having to file a financial plan from $500 million to $1 billion.
- Fallin (R-OK) amendment exempting trucks carrying certain agricultural shipments from federal hours of service requirements.
- Schock (R-IL) amendment requiring the Secretary take into account equitable geographic distribution and rural/urban balance when distributing Projects of National Significance funds.

Additional amendments are expected to be offered at the full committee markup. Chairman Oberstar is hard at work galvanizing House Leadership support to move forward with the bill. At this time, however, it appears that the Senate is acquiescing to the Administration's desire for that 18 month extension and not pressing forward with its own bill.

2. FY 10 Appropriations Update

The House and Senate finally passed the **Conference Report on H.R. 2346 - Supplemental Appropriations Act, 2009** (on June 16th and June 18th respectively) clearing the way for Congress to continue with the FY 2010 Appropriation process. The President signed the Supplemental into law on June 24th. Included in the Supplemental Appropriations Act was the provision that allows up to ten percent of funds apportioned in the Recovery Act for the urbanized (Section 5307) and non-urbanized (Section 5311) formula programs to be used for operating assistance. As FTA Administrator, Peter Rogoff, mentioned in his June 24th letter, "this provision should provide some much needed relief to transit agencies that have been required to layoff employees and/ or curtail service during this period of economic uncertainty." Rogoff also point out that "while this new law alters the eligible purposes of ARRA funds, it does not alter in any way the requirement that 50 percent of ARRA transit formula funds be obligated by September 1st."

The *House appropriations schedule* for the THUD bill in July is as follows:

July 15: SUB: THUD
FLOOR: Energy and Water

July 21: FULL: THUD

July 28: FLOOR: THUD

July 29: FLOOR: THUD

July 30: FLOOR: THUD

3. Cap and Trade Legislation: H.R. 2454, The American Clean Energy and Security Act (ACESA)

On June 26th the House passed a contentious cap and trade bill. The American Clean Energy and Security Act (ACESA), HR 2454, passed 219-212 with 44 Democrats voting NO and 8 Republicans voting YES. The bill's future is uncertain in the Senate, and many Senators believe it is unlikely to be brought up in the same form given the difficulty they had in passing it in the House. Senator Boxer has publicly stated that she would like to schedule a hearing in July with a possible mark-up before the August recess. With a stronger Democrat Majority in the Senate it is possible the bill could be fast-tracked. Republicans, however, are making a strong case that this system will increase energy bills for the average American and will put some people involved in big industries out of work. Centrist Democrats in the Senate are also working to slow the progress of the bill.

The House-passed ACESA unfortunately does not invest any of the allowance revenues created under a cap-and-trade program in public transportation and other transportation infrastructure that reduces emissions. This major short coming of the bill could potentially be addressed in a Senate compromise bill, if the Senate Majority Leader decides to schedule floor time.

4. Other Activities on Behalf of OCTA

- In June we investigated the current disposition of the request for right of way acquisitions by OCTA at Naval Weapons Station Seal Beach. We are following up with our personal contacts at Naval Facilities Command Southwest Region and are standing by to provide additional advocacy support with the Department of the Navy, when directed by OCTA.

- Following Ranking Member Shuster's visit to Orange County in May, he expressed great interest in the "goods movement" issue and asked Potomac Partners DC if we could facilitate additional tours of key projects in the County and a tour of the Port of Long Beach and LA. Rep. Shuster plans to be key proponent of the "goods movement" program in the next STAA that recognizes the impact that it has on the local communities and the shared transportation infrastructure.

**Report to Orange County Transportation Authority from
Potomac Partners DC
July 2009**

Partners contributing to the work in this report include: Rick Alcalde, Dan Feliz, and Lesli McCollum Gooch.

1. Surface Transportation Authorization Act (STAA) of 2009 Update

In June Chairman Jim Oberstar introduced his Surface Transportation Authorization Act in draft form, and the Highways subcommittee proceeded with a mark up of that bill on June 25th. While Oberstar anticipated a full committee markup of that bill in July, he was not able to move the House Ways and Means Committee to finalize its proposals for funding the bill. Oberstar was also thwarted by the Senate, which was inclined to support the Administration's request for an 18 month extension of the SAFETEA LU transportation bill.

In July two versions of the Senate 18 month extension were introduced: the first by Senator Boxer for the EPW Committees, and the second by Senator Baucus for the Finance Committee. Depending on the House action in September many Senate staffers believe the Baucus bill could receive floor time or be merged with the Boxer bill. If such an extension does become necessary, Chairman Oberstar has frequently stated that he would endeavor to keep it as short as possible and would continue to push his multi-year bill. The Obama Administration, on the other hand, has indicated that it has no appetite for a potential tax increase on motor fuels or other potential funding mechanisms for Oberstar's transportation bill, while they are in the midst of a major legislative push for cap-and-trade and health care reform that may include additional tax increases.

As a consequence of the current legislative impasse with Oberstar's multi-year authorization bill and the repeated warnings of the Federal Highway Administration that without additional funds for the Highway Trust Fund (HTF), they would not be able to guarantee payments to states through the end of the fiscal year, Congress was forced to act. With time running out before the August recess, the House moved to shore up the HTF with a $7B infusion from the General fund. The House passed H.R. 3357 on July 29th by a vote of 363-68.

Prior to passage of H.R. 3357 Chairman Oberstar addressed the issue of the faltering economy on the House floor and he pointed out that in the first time since the establishment of the HTF the number of vehicles miles traveled on the nation's highway interstate system decreased thus reducing the amount of revenue realized through the federal motor fuels tax. He went on to say that it is his strong belief that improving the national infrastructure will make passenger travel and goods movement more efficient thus making our economy more efficient and helping mollify this deepening recession.

Passage of H.R. 3357 was considered a victory for House Transportation and Infrastructure Committee leaders who do not want to extend SAFETEA LU beyond this fiscal year when the bill expires in order to keep pressure on lawmakers to act on a multi-year surface transportation reauthorization bill in September. The Senate on July 30th followed the lead of the House and approved the short term fix to the federal highway program and did not extend current law beyond Sept 30th.

Senator Inhofe (R-OK), the Ranking Member of the EPW committee, and one of the more fiscally conservative Senators voted against the Vitter amendment to H.R. 3357 that would have diverted stimulus money to the HTF instead of a general fund transfer. In defending his vote Senator Inhofe said that infrastructure spending is an important exception to his fiscal policy. With the bill now cleared by Congress, the President is expected to sign it into law. Other sections of H.R. 3357 besides the HTF fix included the following:

- Sec. 2 Amends the FY09 Act to strike the bill's $22M repayable advanced to the Unemployment Trust Fund and replaced it with "such sums as necessary" to prevent the Trust Fund from running out of money.
- Sec. 3 Amends the FY09 Appropriations Act to increase the FHA mortgage insurance program loan limit from $315B-$400B.
- Sec. 4 Amends the FY09 Appropriations Act to increase the Government National Mortgage Association- Guarantees of Mortgage Back Securities Loan Guarantee Program loan limit form $300B-$400B.

Chairman Oberstar is currently working with the House Ways and Means Committee to find the additional funding mechanisms to pay for the level of funding Congressional leaders deem necessary. On July 23rd, the Ways and Means held a hearing to discuss the long-term financing options for the highway trust fund. At the hearing Chairman James Oberstar again spoke against the administration's plan to extend the current transportation bill and put off a new transportation authorization act.

There was a general consensus with both Democrat and Republican Members at the hearing that a new bill was needed and that this multi-year reauthorization would act as a second stimulus and create new stable jobs while investing back into a deteriorating highway system. Chairman Oberstar also called for $3 billion cash infusion for the HTF to prevent a September shortfall before the new transportation reauthorization can be passed. (*Note*: Based on the Senate's insistence of an additional cushion in the HTF, that number was later increased to $7B in H.R. 3357. It is believed that the $7B number will keep the HTF in the black through the rest of 2009. An extension of contract authority, however, will still be necessary if Chairman Oberstar fails to muscle through Congress his multi-year authorization in September.)

Also at the hearing Representative Mica pointed out that public/private partnerships are going to be critical in funding the long term projects of the STAA of 2009, which would be a great benefit to the OCTA and the innovative programs like the SR-91. Like many he believes the current gas tax is no longer raising sufficient revenues. Mr. Mica also continued to support Chairman Oberstar's plan to move forward with the multi-year authorization.

Following Mr. Mica's testimony, Congressmen Peter DeFazio reiterated the need of the Congress to create new revenue streams and he proposed a $1 tax/barrel of crude oil, a tax that would generate more than $24 billion over 6 years. Other suggestions that he and Oberstar later addressed included a transfer of $27.5 billion from the general fund to the HTF, the issuance of $60 billion of ten-year Treasury bonds to be deposited immediately into the HTF and be repaid beginning in FY2012.

After the opening statements, Oberstar himself also referenced the recent Financing Commission report regarding other possible users' fees like increasing the Heavy Vehicle Use Tax, and imposing national vehicle registrations fees. Oberstar also proposed establishing a fee on intermodal cargo containers and goods movement to pay for infrastructure improvements.

Along with the ranking members of the Transportation and Infrastructure Committee, other Members testified before the Ways and Means Committee to introduce their proposals for long-term financing options for the highway trust fund. A summary of those proposals include the following:

Bill #	**Bill Name**	**Bill Description**
H.R. 947	ON TIME Act (Rep. Calvert, Rep. Jackson)	The ON TIME Act is designed to target funds to key transportation improvement projects in areas surrounding points of entry across the United States. The On TIME Act has five major components: (1) directs the D.O.T. to designate key trade transportation corridors, referred to as National Trade Gateway Corridors. (2) creates a capped, ad valorem fee on all goods entering and exiting through official ports of entry. The ad valorem fee shall be equal to .075% of value of shipment, with a cap maximum of $500, which will be paid equally on both imports and exports. (3) appropriation of all funds collected by the newly established fee to transportation improvement projects within the National Trade Gateway Corridor in which it was collected. (4) only projects located within a National Trade Gateway Corridor are defined as eligible to receive funding. These projects must also be eligible for assistance under Chapter 1 of Title 23 of the U.S. Code. (5) requires D.O.T to establish a comprehensive project selection process each state must follow when determining which projects receive funding.

H.R. 2707	National Freight Mobility Infrastructure Act (Rep. Smith)	Establishes a program to improve freight mobility and the National Freight Mobility Infrastructure Fund. The Secretary shall establish a program to provide grants to States and designated entities for projects to improve the efficiency of freight mobility in areas that are eligible under the criteria in section 104 of the bill. In carrying out the program, the Secretary shall seek to minimize administrative costs, including overhead, enforcement, and auditing costs. Projects financed under this bill will be done so with Full Funding Grant Agreements. There is established in the Treasury a separate account which shall be known as the `National Freight Mobility Infrastructure Fund'. The account shall consist of amounts transferred to the Fund under section 4286 of the Internal Revenue Code of 1986. Not more than 4 percent of the amounts made available to the Secretary under this section for a fiscal year may be used for administrative expenses of the Secretary in carrying out this Act. The bill also imposes upon taxable ground transportation of property within the United States a tax equal to 1 percent of the fair market value of such transportation.
H.R. 1806	Freight Rail Infrastructure Capacity Expansion Act of 2009 (Rep. Meek)	Amends the Internal Revenue Code to allow: (1) a tax credit for 25% of the cost of new qualified freight rail infrastructure property and qualified locomotive property; and (2) a taxpayer election to expense the cost of qualified freight rail infrastructure property (i.e., deduct all costs in the current taxable year). Terminates such credit and expensing election after 2015. Requires compliance with federal wage rate requirements under the Davis-Bacon Act as a condition of eligibility for the tax credit and expensing allowance provided by this Act.

In addition to these proposals Congressmen Brady from Texas offered up additional policy ideas for the authorization bill. For instance, he proposes the establishment of a National Mobility Summit to discuss current funding problems and determine the best solutions for closing those funding gaps in the HTF. Additionally, he would like to further consider how the bill could accelerate highway construction projects and reduce regulatory burdens.

2. FY 10 Appropriations Update

Before adjournment the House managed to pass all 12 of the FY10 Appropriations bills (a rare feat in recent history). The main reason for the swift floor passage of the 12 House bills was the Democrat leadership's use of a closed rule on the floor, which limited the number of amendments the minority party could offer and limited time for debate. The Senate is working through its remaining nine appropriations bills with committee action complete for all bills except the Defense Appropriations bill, which the committee plans to take up quickly in September. With Senate floor passage of these bills also expected in September, the next major step in the appropriation process will be the House and Senate conference committees getting together to work out the differences in each chambers' bills. If this pace continues, we expect the appropriations process to be concluded in September and the bills to be signed into law before the current fiscal year ends forgoing any additional supplemental appropriations.

It is our strategy for the OCTA to engage House and Senate Appropriations Committee and potential conferees to protect current funding levels and look for opportunities to increase funding.

FY 10 THUD Appropriations

On July 23rd the House passed the THUD appropriations bill for fiscal year 2010 by a mostly party-line vote of 256-168. H.R. 3288 contains a total of $68.8 billion in discretionary spending, an increase of $13 billion or 25 percent above the non-emergency discretionary spending level for FY 2009. The Senate Appropriations Committee marked up its bill on July 29th, but floor time will likely wait until September. The Senate Committee hopes to file its report on August 5th making additional details available. A major difference in the Senate bill is that it contains no funding for the National Infrastructure Bank. The House version contains a provision that if a Bank was authorized by October 1, 2010 $2B of the $4B appropriated for High Speed Rail would be transferred to the new bank. The Senate also provides only $1.2B for High Speed Rail. The additional money in the Senate bill is instead diverted to $900M for highway formula, and extra $500M for the TIFIA loan program, and $480M for transit new starts.

Currently in the House bill, the OCTA earmarks are as follows:

- **ARTIC**: $750,000; Sanchez, Royce, Miller
- **San Diego Freeway (I-5 widening and improvements)**: $750,000; Calvert
- **I-405 Widening and Improvements**: $750,000; Rohrabacher
- **Bristol Street Widening**: $350,000; Sanchez

Currently in the Senate version only $500,000 is provided for Metrolink's Positive Train Control.

3. Cap and Trade Legislation: H.R. 2454, The American Clean Energy and Security Act (ACESA)

Cap and Trade Legislation is still being considered by the Senate after the House of Representatives passed H.R. 2454 on June 26th. Senator Boxer held a hearing on July 30th focusing on climate change and national security. Throughout the hearing the Senator Boxer stressed the importance of building a new American clean energy economy. The Ranking Senator Inhofe offered a skeptical view of the efficacy of H.R. 2454 in building that clean energy economy and pointed out that Waxman-Markey won't achieve the main goal its supporters routinely trumpet. He added that in the EPA's own analysis of Waxman-Markey, they found that cap-and-trade would not "substantially change consumer behavior in their vehicle miles traveled or vehicle purchases at the prices at which low GHG emitting automotive technologies can be produced." HE also pointed out that Waxman-Markey creates little incentive for the introduction of low-GHG automotive technology.

A markup of a Senate version of Cap and Trade could be possible this fall and remains a legislative priority for Congressional Democrats and the Administration. A potential Senate version of Cap and Trade would be the prime target for including legislative language that provides for an investment of the potential allowance revenues created under a cap-and-trade program in public transportation and other transportation infrastructure that reduces emissions.

4. Positive Train Control Funding

The Rail Safety Improvement Act of 2008 (RSIA) (signed by the President on October 16, 2008) mandates the widespread implementation of "interoperable" positive train control systems for Class I freight and passenger rail carriers. It also authorizes $250 million in "Railroad Safety Technology Grants" ($50 million per year) to help operators implement the technology. The grants require a 20% local match, and priority will be given to projects that advance PTC technology and benefit both freight and passenger rail. So far a small fraction of that authorization has been appropriated for PCT.

As mentioned above, in the Senate FY 10 THUD Appropriations Bill, Senators Feinstein and Boxer earmarked $500,000 for Metrolink Positive Train Control in the FRA Research and Development account. PPDC's strategy for increasing that funding is to work with House Appropriators and help them communicate to conferees the need for additional appropriations funding that is much closer to the authorized amount in the Conference THUD appropriation bill. PPDC has already had positive discussions with Ranking Member Lewis' office regarding this subject.

5. Other Activities on Behalf of OCTA

- In July Potomac Partners DC PPDC coordinated a follow-up trip by Rep. Bill Shuster, Ranking Member of the Railroad's subcommittee for the House T&I committee, to the Ports of LA and Long Beach. Rep. Shuster is a strong advocate for transportation infrastructure and is now engaged in addressing the impacts of goods movement in key transportation corridors in Southern California. Potomac Partners DC is working to incorporate a new proposal for the Transportation bill that would recognize the negative impacts of congestion and air pollution as result of the *goods movements* that are borne mostly by the communities in close proximity to the ports and address those impacts with a dedicated federal funding stream for those key gateway corridors.

- On July 20th, Potomac Partners DC participated in a Mobility 21 meeting in DC to discuss the agenda for the group's proposed Hill meetings and the current outlook for Transportation reauthorization. Other attendees of the meeting included SANBAG, AAA, LA Chamber, METRO, RCTC, and SCAG. Based on the House and Senate disagreement on a multi-year bill versus an extension of current law it was determined by the Mobility 21 group that the agenda items for any upcoming Hill meetings should include re-iterating the region's support for Positive Train Control funding, High Speed Rail in Southern California, protecting CMAQ for Southern California, ARRA projects' progress in the region, and linking transit funding to climate change legislation. Potomac Partners DC also suggested they communicate their support for an extension of the alternative fuel tax credit that will expire at the end of 2009.

Report to Orange County Transportation Authority from Potomac Partners DC August 2009

Partners contributing to the work in this report include: Rick Alcalde, Dan Feliz, and Lesli McCollum Gooch.

The House adjourned on July 31st and the Senate one week later for the August recess. Both Chambers are scheduled to reconvene on September 8th. During this recess period, Members returned to their districts to interact with constituents and primarily discuss health care reform in a variety of town hall forums, while Congressional staff focused on preparing for Congress's September return.

At the start of the session, President Obama plans to address a joint session of Congress on September 9th to lay out specifics of his proposed healthcare overhaul. With Health Care and Cap and Trade becoming politically vexing for some Democrats, it is likely these issues will not receive floor time in the Senate right away in September and instead shift Congress's focus on other legislative items like completing the FY 10 appropriations and the extension of SAFETEA LU. To date none of the appropriations bills have been reconciled in a House-Senate conference, though Senate Appropriations subcommittees have been working during the recess to set up a conference schedule for mid-September. During August PPDC met with Senate Appropriations staff who indicated that they will likely proceed with the Transportation Housing and Urban Development appropriations bill on the Senate floor the second week of September and with the remaining bills quickly thereafter.

With the passing of Senator Edward Kennedy there will also be a shake up of committee assignments in the Senate. Kennedy's chairmanship of the Health Education, Labor and Pensions (HELP) committee will likely be taken up by either Senator Chris Dodd (CT) or Senator Tom Harkin (IA). If Senator Dodd assumes the chairmanship of HELP, this would open up the Chairmanship of the Banking, Housing, and Urban Affairs to Sen. Tim Johnson (SD) or Sen. Jack Reed (RI). The chairmanship roster should be sorted out in September.

Surface Transportation Authorization Act (STAA) of 2009 Update

Despite Chairman Oberstar's efforts to drive legislative action on a multi-year authorization bill, STAA of 2009, the House Ways and Means Committee has indicated it has no time in September to develop a comprehensive plan to finance a multi-year transportation authorization bill. The

Ways and Means committee has also echoed the Administration's concern over a possible federal gas tax increase, which could force President Obama to go back on his promise not to raise taxes on the middle class. There is also a concern that any additional spending on top of the any proposed health care overhaul, the FY09 ARRA legislation (stimulus) and the annual appropriations bills would be politically difficult and also put in jeopardy the bi-partisan support the transportation authorization process currently enjoys. In August for example, the Administration acknowledged a $1.5 trillion deficit this year, with a 10 year projected deficit of nearly $10 trillion highlighting the recent stimulus spending in a negative way.

As a result of the current legislative financing roadblocks on a multi-year authorization, T&I Committee will soon begin work on an extension bill of the current SAFETEA LU. Senior T&I staff have indicated that Chairman Oberstar will not be calling for an 18-month extension in order to maintain leverage on the Senate to continue working toward his multi-year bill by the end of the year. The House T& I Committee also plans on having a potential mark-up of a draft multi-year authorization bill to help perfect some of the policy aspects of the current bill, but not report out a final bill until the revenue piece is added by the House Ways and Means Committee. This draft bill will also not include any member designated projects, funding amounts, or funding formulas at this time.

**Report to Orange County Transportation Authority from
Potomac Partners DC
September 2009**

Partners contributing to the work in this report include: Rick Alcalde, Dan Feliz, and Lesli McCollum Gooch.

After the August recess, Congress retuned to Washington D.C. on September 8th to tackle the pending health care legislation and to finish the Appropriations bills for the Fiscal Year 2010, which began on October 1st. As a consequence of ongoing negotiations to resolve the differences in the House and Senate Appropriations bills, Congress was forced to enact a Continuing Resolution (CR) to keep the Federal Government operating beyond October 1st by funding it at the FY 09 level. That CR also granted new contract authority to be apportioned from the Highway Trust Fund for 30 days. It was passed by the House and Senate on the last possible day in September.

For October the important federal legislative interest items for the OCTA include the following:

- Enacting the Transportation Housing and Urban Development (THUD) FY 2010 Appropriations Bill
- Passing another SAFETEA-LU (Highway Reauthorization Bill) extension that will include an extension of contract authority and restoring funding for the $8.7B recession that has taken effect on October 1st.
- Extending the Alternative Fuel Tax Credit that is set to expire at the end of 2009.

Surface Transportation Authorization Act (STAA) of 2009 Update

Despite the vigorous efforts of Chairman Oberstar and his Transportation and Infrastructure (T&I) Committee staff, they were not able to persuade the Ways and Means Committee to make progress on the financing mechanism for his multi-year authorization bill. One of the major obstacles remains a lack of political will in Congress to increase the federal gas tax or provide another method of increasing revenue in order to maintain a solvent Highway Trust Fund (HTF). Chairman Oberstar had planned on scheduling a full committee mark up of his bill, but instead was forced to shift his focus on a short term extension of the current SAFETEA-LU authorization set to expire on October 1st. Chairman Oberstar has yet to schedule any markups for October. As mentioned earlier, a stop gap measure that allowed for 30 days of contract authority was included on the Appropriations CR. Congress will need to enact the next extension by October 31st. The future of Oberstar's Surface Transportation Authorization Act (STAA) of 2009 remains uncertain as the near term necessity of extending current contract authority again continues to be debated by both chambers. The Senate and the House continue to be at odds over the length of the extension. The Senate still seems intent on a long term (18 month) extension that pushes the process into the next Congress. Mr. Oberstar believes strongly that finishing the multi-year authorization should be a priority this year to stem the rise in unemployment and get people back to work rebuilding America's infrastructure.

SAFETEA-LU Extension and Repeal of the Rescission

On September 23rd the House passed a three month extension (H.R. 3617) of SAFETEA-LU. This House extension did not include the repeal of the $8.7B recession that took effect at the start of the new fiscal year. The extension bill was considered under the expedited "suspension of the rules" procedure, which requires a two-thirds margin for passage. Consideration of the bill had been delayed due to objections by the Republican leadership. Up to this point there had been strong bi-partisan support in the House for Chairman Oberstar's plan to complete his multi-year authorization and not capitulate to the Senate and Administration's desire to delay a much needed infrastructure investment for another 18 months. After initially pulling the bill from the schedule, Chairman Oberstar insisted that it be brought to the floor despite the possibility that it may lose Republican support. On the floor, T&I ranking minority member John Mica (R-FL) made clear that the leadership of his party had directed him to oppose passing the bill under suspension of the rules because that procedure prevents any amendments from being offered to the bill. Mica said that his leadership wanted the bill to go through the Rules Committee and be considered under majority vote "regular order" because under that scenario, Republicans would get to offer one germane amendment at minimum (in the form of a motion to recommit the bill with amendatory instructions). Mica indicated that if the bill were brought to the floor under regular order, he would support it. However, all Democrats in attendance voted for the bill, and Republicans were split with 86 yeas and 85 nays.

After the House extension bill passed, Senator Leaders on the EPW committee began bi-partisan and bi-cameral negotiations on the Senate's extension bill. Senator Boxer hoped to replace the House language with a Senate Amendment in the nature of a substitute and send it back to the House for final Congressional approval before it is sent the President. During this period, Potomac Partners DC weighed in both with key members in the House and Senate (Authorizers and Appropriators) and the respective committee staff on the importance of repealing the rescission for region along with a number of other OCTA priorities. Senator Boxer and Senator Inhofe both had agreed to include a repeal of the $8.7B rescission in their extension. The Senate leaders also seemed willing to shorten the extension to 3 months in order to appease Chairman Oberstar. On September 30th, however, the Senate adjourned for the evening without taking action on the surface transportation authorization and as a result the scheduled $8.7 billion rescission **will** take place on October 1st. Those funds, however, could be restored in the next extension. PPDC is also continuing to work with the House Appropriations committee to also possibly restore the funding on the THUD Appropriations bill or potentially an "Omnibus" Appropriations bill.

The language of the next extension has not been finalized and negotiations with the House are ongoing, but likely to be concluded before mid-October. Chairman Oberstar issued a statement on September 30th urging the Senate to act on the last day of the fiscal year, to clear this measure for the President and provide continuity of funding for surface transportation infrastructure projects and highway safety programs across the country. He also expressed concern that the proposed Senate Amendment in the nature of a substitute to H.R. 3617 may violate the pay-as-you-go (PAYGO) requirements of clause 10 of Rule XXI of the Rules of the House because the amendment does not provide for accompanying spending reductions or revenue increases to offset the increased spending in the amendment with regard to the repeal of the $8.7B rescission. Senator Boxer in response to Chairman Oberstar hopes to find a solution to make the Senate extension "budget neutral." One proposal that had some bi-partisan support was using TARP funding to offset the additional money. Another option that has been proposed is making use of unobligated balances of funds made available by the American Recovery and Reinvestment Act of 2009 (Stimulus) to offset the repeal of the rescission.

FY 10 Appropriations Update

On September 23rd House passed a Continuing Resolution (CR), which was attached the Legislation Branch Appropriations bill (conference report to H.R. 2918) which would keep the federal government (including DOT) funded for 30 days or until the remaining FY 10 Appropriations bill are passed. As mentioned earlier, in that CR conference report, the House included additional language that would also extend SAFETEA- LU contract authority from the HTF for 30 days. Rep. Lewis and LaTourette's amendment to repeal that rescission on the CR failed in conference committee. However, it is also important to note there was a drafting error in the CR which miss-numbered the sections of that conference report effectively making that extension of contract authority for those highway funds non-existent. The House passed a concurrent resolution after the mistake was noticed correcting the section numbers. The CR and the concurrent resolution correcting the drafting error were both passed by the Senate on September 30th.

The House and Senate are now planning on finishing the remaining Appropriations Bills that need to be reconciled in Conference. They hope to avoid having to enact another CR as well as resorting to an Omnibus Appropriations bill that combines the remaining Appropriations bill into a single legislative vehicle, but an Omnibus may become necessary with limited floor time. Appropriations Committee staff are continuing to hammer out difference in the House and Senate bills behind the scenes for the other remaining bill like the THUD Appropriations bill before the formal conference committees begin.

Alternative Fuel Tax Credit Extension

PPDC has been working with House Ways and Means Committee on possible legislative options to extend the Alternative Fuel Tax Credit Extension. Currently the "New Alternative Transportation to Give Americans Solutions Act of 2009" (NAT GAS Act), sponsored by Reps. Dan Boren (D-OK) and John Larson (D-CT), which would *extend for 18 years the alternative fuel credit for natural gas, the natural gas fueled vehicle credit, and the natural gas vehicle refueling property credit* is unlikely to be passed by both the House and Senate before the end of this year.

After speaking with Congressman Becerra's office and the Ways and Means committee staff another option may be to include the legislative language to extend the alternative fuel tax credit for Public Transit agencies like OCTA is a potential "Tax Extenders" bill that will also include a modification of the current Estate Tax law. If Congress takes no action this year (an unlikely scenario) the estate tax will expire in 2010, but only for one year, which the Democrat majority would not like to see happen given the decrease it tax receipts for this year.

Cap and Trade Legislation

Potential **Clean Energy and Client Change legislation** is also working its way through the Congress after a flurry of activity in the House earlier this summer. On September 29th, Senator Boxer and Senator Kerry unveiled their legislation in draft form with hope of garnering public support. Already in the First week of October a number of business leaders from utilities, manufacturers and clean-energy companies plan to "swarm" Capitol Hill to press for quick action on the Boxer-Kerry bill and more clean energy incentives. The 801 page bill, to be formally introduced in the Environment and Public Works Committee later this month, aims for a 20% reduction in U.S. greenhouse gas emissions by the year 2020, which is greater than the House bill of 17%. To achieve this goal, the Senate proposal builds on the Markey-Waxman clime bill (**H.R. 2445- The American Clean Energy and Security Act (ACESA)** that the House passed in June. According to the Senate Majority Leader office, the timetable for completing this legislation has slipped into the next year. However, Senator Boxer plans to hold hearings before her EPW Committee in October with a mark up of the bill to follow before the end of the year.

Currently included in the Boxer-Kerry bill are incentives to help make transportation systems more efficient. For example "Section 113-TRANSPORTATION GRANT PROGRAM-" of the draft bill directs the Secretary of Transportation to provide grants to States and metropolitan planning organizations to support the developing and updating of transportation greenhouse gas reduction targets and strategies. An amount of money and the source of money for this transportation investment have not yet been identified in the Senate legislation. The House-passed ACESA does not similarly invest in public transportation and other transportation infrastructure that reduces emissions. PPDC is continuing to work to enhance this Senate language and include additional alternative fuel tax credits to increase funding for public transit.

Sen. Jeff Bingaman has already marked up his energy bill (S. 1462) in the Energy and Natural Resources Committee. Sen. Bingaman has made it clear that he will protect his committee's jurisdiction over Energy legislation in the Senate. His bill includes a nationwide renewable electricity standard that may eventually be included in the Boxer-Kerry Bill. It is also unlikely that Sen. Bingaman's bill will receive floor time this year. It is important to note that the Senate Democrats at this point appear reluctant to include the "Cap-and-Trade" portion of H.R. 2454 that establishes a market for "carbon credits" in their legislative proposals and instead would rather focus on other pollution reduction measures and incentives.

Report to Orange County Transportation Authority from Potomac Partners DC October 2009

Partners contributing to the work in this report include: Rick Alcalde, Dan Feliz, and Lesli McCollum Gooch.

After more legislative procrastination, Congress was forced to enact another Continuing Resolution (CR) that was included in the House Conference Report accompanying H.R. 2996, Department of the Interior and Related Agencies Appropriations Act to fund federal transportation programs until December 18th at the FY 09 level. That CR also granted new contract authority to be apportioned from the Highway Trust Fund. This bill was signed by the President on October 30th.

The House and Senate have each passed versions of the Transportation Housing and Urban Development (THUD) Appropriations Act bill, but refuse to begin a formal conference meeting between the two bodies until they have reached consensus on the final timing of the THUD bill, which some believe may become a vehicle for a year-end "Omnibus" bill that will package the remaining appropriations acts into one spending measure.

Another reason for the ongoing delay with the THUD bill is the Senate and House wrangling over spending levels and policy governing the National Infrastructure Bank and High Speed Rail (HSR). The debate over the level and use of HSR funding is further exacerbated by the Department of Transportation (DOT)'s inability to distribute current funds allotted for HSR in the previous stimulus bill. According to the Federal Rail Administration, they now expect a major award for intercity and HSR to be delayed until "winter" of 2009-2010.

The Obama administration has also weighed in on these two items giving strong support for the creation of the National Infrastructure Bank (not included in the Senate version) and a similar support for High Speed Rail. The administration is also encouraging future conferees not to adopt the Senate version of the HSR language that would prohibit the use of HSR funding for planning purposes.

As the key federal transportation legislative schedule continues to be pushed off until the end of the calendar year session, the important federal legislative interest items for the OCTA include the following:

- Enacting the Transportation Housing and Urban Development (THUD) FY 2010 Appropriations Bill with Member directed projects.

- Passing another SAFETEA-LU (Highway Reauthorization Bill) extension that will include an extension of contract authority and restoring funding for the $8.7B rescission that has taken effect at the end of last fiscal year.
- Extending the Alternative Fuel Tax Credit that is set to expire at the end of 2009.

There has also been some discussion of a second "stimulus" bill. It is uncertain how this bill will be introduced or what type of federal spending it will include. Many Republicans have already lined up to criticize the notion of a second stimulus as admission of failure of the first stimulus, which was passed by Congress largely without Republican input or support. It is also important to note that Speaker Pelosi and other members of her leadership team met with the President at the White House to discuss their concern with the disappointing unemployment numbers and the potential impact on the 2010 midterm elections. It was reported that the House leadership team suggested to President that transportation funding will spur job creation and he should reconsider his position on delaying the next Surface Transportation Authoritzation bill. This dynamic could create a strong impetus for completion of some form of Surface Transportation Authorization.

Surface Transportation Authorization & SAFETEA-LU Extension Recap

The House and Senate remain at odds over the timing of the next surface transportation authorization bill. The primary reason for the Senate wanting to delay the bill is their lack of interest in finding new revenue measures to pay for the new spending and keep the Highway Trust Fund (HTF) solvent this year. Specifically, the Senate Democratic leaders do not think it is politically expedient to consider an increase in the federal gasoline tax during this economic recession while other Senate Republicans are concerned about mounting spending and tax increases. The administration has shown reluctance to increase the gas tax and has come out in favor of delaying a multi-year authorization bill until after midterm elections and other more contentious legislative proposals like health care reform and cap-and-trade are complete.

Chairman Jim Oberstar, however, has insisted that the House complete this bill before the year-end and has begun to gain the support of the House Democrat leadership in his efforts. Chairman Oberstar believes that a multi-year authorization could serve as a major economic stimulus while also addressing much needed highway maintenance and construction.

Nevertheless, the current impasse has resulted in the House and Senate having to twice extend the current SAFETEA-LU legislation that originally expired on September 30th. As mentioned earlier an extension of an additional month and half was included on the House Conference Report accompanying H.R. 2996, Department of the Interior and Related Agencies Appropriations Act. This bill also includes a Continuing Resolution that extended funding for the remaining appropriations bills until December 18th. The Senate had originally proposed an eighteen-month extension but has since shortened their extension proposal to six months in order to put more pressure on the House to capitulate in moving the bill before the end of October. After the Senate leadership attempted to "hotline" the bill on October 26th by gaining all 100 senators' support, plans for the extension temporarily died after at least two Republicans objected and time ran out to finish a bill this week under normal procedure.

One Republican, Senator Gregg, the Ranking Member on the Budget Committee from New Hampshire, was adverse to the EPW Committee's desire to include a provision that would repeal the $8.7B rescission of contract authority that took place at the end of fiscal year 2009. Despite this objection, PPDC is continuing to shore up support in both the House and Senate for the repeal of this rescission that would cost the OCTA a significant amount of federal transportation funding.

Senate staff working on "hotlining" the bill had admitted to PPDC that even if the Senate had succeeded in passing a six-month extension the last week of October, a deal with the House would have been difficult. House Transportation and Infrastructure Chairman Oberstar remained opposed to an extension past the end of the calendar year. Oberstar's preference is for the Senate to take up the three-month extension (HR 3617) that was passed by the House in September.

Rep. John Mica (R-FL), the ranking Republican on T&I, who PPDC had met with during the extension negotiations, said he recommended a six-month bill to the chairman, since he believed it would be impossible to finish a full bill before the December holidays. Rep. Duncan, the ranking Republican on the highways subcommittee, also indicated to PPDC that it would difficult for Chairman Oberstar to move a bill unilaterally to the floor before the end of the year without losing bi-partisan support. Most transportation coalitions, union and interest groups, including road builders, carpenters, general contractors and public transportation groups also supported passage of a six-month extension in order to buy enough time to hammer out key policy items in the bill.

Currently with the pressure off to pass any form of extension until December 18th, Chairman Oberstar has told PPDC that he intends to continue working on his multi-year Authorization bill and his office and committee staff both are refraining from discussing the next extension at this time. A House Member, who had subsequent conversation with the Chairman, has indicated that Rep. Oberstar is privately considering this extension.

Senators on the EPW committee continue to be optimistic that they may overcome current objections to a six month extension and pass it in the Senate by amending Oberstar's three month extension during the first half of November, thus pushing the next deadline for action to the spring of 2010. The Senate

Majority Leader has indicated that he will make the needed floor time available. Some on the EPW committee staff hope that the pressure from major transportation agencies and coalitions would bring Oberstar on board. This Senate strategy for an extension remains the most viable solution for retroactively repealing the $8.7B rescission. If the Senate does manage to pass such an extension, it would need to return to the House for a vote.

FY 10 Appropriations Summary

The House approved the conference report on the FY10 Interior-Environment Appropriations bill, which contains a second continuing resolution for unfinished spending bills through Dec. 18. Those bills include:

- Commerce/Science/Justice Appropriations Act
- Defense Appropriations Act
- Financial Services Appropriations Act
- Labor Health and Human Service and Education Appropriations Act
- Veterans Appropriations Act
- State/Foreign Operation Appropriations Act
- Transportation Housing and Urban Development Appropriations Act

After the House passed the bill, the Senate quickly acted on the CR and passed it on October 29th by a vote of 72-28 and sent the legislation to the President for his signature, who signed the bill into law on October 30th. (Note: Previously the House passed a Continuing Resolution (CR), which was attached to the Conference Report accompanying H.R. 2918, the Legislation Branch Appropriations bill.) PPDC has been discussing the possibility with senior Members on the Appropriations Committee and THUD subcommittee staff the possibility of increasing the funding levels for Positive Train Control (PTC). Currently the House version provides no money for PTC and the Senate version provides $50M.

Alternative Fuel Tax Credit Extension

PPDC has been working with Reps. Dan Boren (D-OK) and John Larson (D-CT), to help obtain support letters and co-sponsors for their legislation which would extend for 18 years the alternative fuel credit for natural gas, the natural gas fueled vehicle credit, and the natural gas vehicle refueling property credit. With support for the Boren-Larson bill growing, the current strategy is to encourage Speaker Pelosi to request that the legislative language to extend the alternative fuel tax credit be included in a year-end "Tax Extenders" bill in order to buy time to pass the Boren-Larson bill next year.

Cap and Trade Legislation

Senator Boxer has already begun a series of hearings on her clean energy and climate change legislation before the Environment and Public Works (EPW) Committee. The "Boxer-Kerry" bill has already garnering significant support from transit agencies across the county for its focus on making transportation systems more efficient and encouraging more mass transit investment. The bill has yet to ascribe a specific percentage or amount of funding for "green" transportation projects, but initial discussions have indicated that the amount may be a significant investment in mass transit. Sen. Boxer also intends to start marking up climate legislation in November, although some Republicans like Senator Inhofe might try to derail the markup set for early November and push it to a future date as late in the session as possible to make it unlikely that a bill can be reported out of the EPW committee this year.

Report to Orange County Transportation Authority from
Potomac Partners DC
November 2009

Partners contributing to the work in this report include: Rick Alcalde, Dan Feliz, and Lesli McCollum Gooch.

The push for health care reform legislation dominated the Congressional legislative calendar during the month of November. The Senate debate on their Health Care proposal will consume most the December legislative calendar, which will likely last until December 22nd. Another major concern is the unfinished FY2010 Appropriations. Given the full legislative schedule, the opportunity to advance the next Surface Transportation Authorization has slipped away again in 2009. The major transportation-related legislative priorities in December include the following:

1. Passage of a SAFETEA-LU extension and THUD Appropriations Act
2. A repeal of the $8.7B rescission that took effect at the start of fiscal year 2010
3. Passage of the Tax Extenders Bill of 2009 that includes an extension of the Alternative Fuel Tax Credit

Surface Transportation Authorization & SAFETEA-LU Extension

As mentioned earlier, on account of a limited time for legislative debate and Democratic leaders' lack of focus on the major transportation policy issues like new funding mechanisms for the Highway Trust Fund (HTF) little progress has been made on a long-term Surface Transportation Authorization bill. Instead, transportation leaders in the House and Senate during the past month have been working out the details of a short-term re-authorization of SAFETEA-LU that will likely last for the first 6-8 months of 2010. However, Chairman Oberstar, will still request that this extension be kept as short as possible unless a firm timetable of completing a multi-year Surface Transportation Authorization is included.

Rumors had been circulating throughout November of a possible18-24 month authorization that would be labeled as a "job creation" bill. In conversation with House T&I committee staff, it seems unlikely that they will have enough time before the current extension of SAFETEA-LU expires on December 18th to complete negotiating a two year authorization that identifies ways to keep the HTF solvent for the duration without a major cash infusion from the general fund. Nevertheless, Chairman Oberstar has been working with Chairman Obey to provide for a major cash infusion to the HTF that would build up a cash reserve in fuel tax receipts while they continue to work on the next Surface Transportation Authorization. A "jobs bill" bill, however, is still a top priority for the House

Democratic Leadership, but will likely be introduced as Appropriations spending bill similar to the first "stimulus bill" with transportation infrastructure being a major component. This bill would likely **not** include any new transportation policy measures or raise the federal gas tax to pay for the surface transportation infrastructure spending. In conversation with Chairman Oberstar, he believes a "jobs bill" for ready-to-go projects will be an important temporary solution for the aging transportation infrastructure, but would not likely satisfy the need for long term planning that is required for the "mega transportation projects." We are continuing to monitor the progress of the SAFETEA-LU extension that could be included in an Appropriations bill, as it has been done before.

FY 10 Appropriations Update

The House and Senate Appropriations committees had been endeavoring over the past month to finalize the conference committee reports for Commerce/Science/Justice Appropriations Act, the Defense Appropriations Act, and the Transportation, Housing and Urban Development Appropriations Act, which would be the last step before final passage and then being sent to the President. The President has already signed into law the Energy and Water Appropriations Act, Homeland Security Appropriations, Interior and Environment Appropriations Act, and the Legislative Brach Appropriation (which also served as the vehicle for the previous Continuing Resolution).

The other four appropriations measures (Labor Health and Human Service and Education Appropriations Act, the Financial Services Appropriations Act, the Veterans Appropriations Act, and the State/Foreign Operations Appropriations Act) continue to linger without a formal conference beginning between the House and Senate. The Senate did manage to pass the Military/Veterans Appropriations Act on November 17th before the Senate turned to its focus to the health care legislation. The Military/Veterans Bill rarely produces controversial conference agreements and could quickly be finalized in the first half of December. It is possible that Appropriation committee could package these remaining spending measures in an omnibus legislation. The likely vehicle for the "Omnibus" would be the THUD or Defense Appropriations Acts. The alternative to an "Omnibus" would be trying to complete "conferencing" as many bills as possible before the House and Senate adjourn and then pass another 2-3 month CR.

As mentioned in previous reports, there has also been some discussion of a second "stimulus" bill. It remains uncertain how this bill will be introduced or what type of federal spending it will include. The direction of the plan will likely become clearer after the first week of December, when President Barack Obama will host business leaders, union officials and economists at the White House for a jobs summit. Majority Leader Hoyer (D-MD) announced that Democrats may have a "jobs bill" (aka second stimulus) on the House floor as early as the third week of December or as the first legislation of the New Year, but Senate action may come much later as they continue to debate Health Care reform. It does appear that the Democrats will likely introduce the bill unilaterally without Republican input. The lack of Republican participation may draw partisan opposition to the bill. In response, Republicans are already claiming that the jobs bill is a result of the Democrats finally realizing that their $787 billion "stimulus" was a failure and are criticizing the Administration's efforts to report progress from the ARRA bill. Despite the legislative challenges of passing a second stimulus, plans for more infrastructure spending and expanding small businesses' access to credit have gained momentum in Congress and may help move the bill through a Democrat controlled House before December 22nd or early next year.

Alternative Fuel Tax Credit Extension

Potomac Partners DC has been working with the Natural Gas Vehicle Association to obtain a commitment to include the extension of the Alternative Fuel Tax Credit in the Tax Extenders Bill of 2009 currently being drafted by the Ways and Means Committee. As it stands right now the provision will be the bill and will last for one year (through 2010).

Throughout the month of December Potomac Partners DC will be participating in the lobbying activities with NGVA to make sure this commitment stays firm. We will be sharing the OCTA support letter again with the key members on the Ways and Means committee and the co-sponsors of the Boren-Larson bill.

Cap and Trade Legislation

On November 5th Senator Boxer and EPW committee reported out of the EPW Committee *S. 1733, the Clean Energy Jobs and American Power Act.* During this meeting no Republican Senators participated, thus ensuring Committee approval of the bill without any bi-partisan support or Republican input. It does not appear this is bill will see any floor action this calendar year. Senator Inhofe remains a strong opponent of the legislation and has been successful in cobbling together bi-partisan opposition to moving this bill in the near term.

Other Actions On Behalf of the OCTA

Potomac Partners DC facilitated meetings on Capitol Hill for the OCTA delegation that included Chairman Peter Buffa, CEO Will Kempton, Kris Murray and Richard Bacigalupo on November 17th. Those meetings included the following:

- Ranking Appropriations Committee Member Jerry Lewis

- Chairman James Oberstar, House Transportation & Infrastructure (T&I) Committee
- Ranking Member John Mica, House Transportation & Infrastructure (T&I) Committee
- Chairwoman Corrine Brown, Railroads Subcommittee of T&I
- Ranking Member Bill Shuster, Railroads Subcommittee of T&I

Agenda items for those meetings included the following:

- Treatment of Section 1301/1302 Projects SAFETEA-LU Extension
- Effects of Rescission of Contract Authority
- Goods Movement Issues
- High-Speed Rail
- Alternative fuel tax credit extension

Report
to the
ORANGE COUNTY TRANSPORTATION AUTHORITY

From
Smith, Dawson & Andrews

Focus: Presidential, Congressional & DOT Action regarding ARRA, Budget & Appropriations
May 2009

Highlights

The Fiscal 2010 budget completed House and Senate action on April 28, which coincided with the President's 100th day in office. Support for the President's $3.56 trillion spending plan was drawn along party lines with no Republican support and 17 House Democrats in opposition to the approach. The total amount of discretionary spending was $1.086 trillion. Of the $1.086, $529.8 billion was allocated for non-defense spending and $556.1 billion was allocated for defense spending. Non-defense discretionary spending totals were approved at $10 billion less than the President requested, but substantial funding goals for transportation remained: $324 billion for surface transportation, including one billion for high speed rail. However, language was incorporated into the budget, which allows the funding for surface transportation to increase as long as a financing mechanism can provide for the additional spending levels.

Some key controversies related to Senate approval of federal health care changes and education loan programs by a simple majority (reconciliation), increasing the deficit, and approval of a tax increase for individuals making more than $200,000 a year were left unchanged in the final version.

In parallel action, Congressional offices are compiling requests for appropriations earmarks and projects that can be called "High Priority Projects" to be included in the next transportation reauthorization bill. The process for submitting these projects requires total transparency with all requests sent forward also posted on the sponsoring Member's individual Web site. Once the President releases his budget during the first week of May, appropriators will begin their legislative deliberations.

Regarding reauthorization, House Transportation & Infrastructure Chairman James Oberstar (MN) and Subcommittee on Highways and Transit Chairman Peter DeFazio (OR) both agree on moving a bill forward to the House floor by June. The bill is now in draft circulation among Members. Several meetings were called to discuss the reauthorization process and schedule. One over the last month included House and Senate leadership. Another brought stakeholders such as state and local government Washington representatives together. The transit industry has called for a portion of the revenues to fund energy efficiencies in public transportation, while the nation's mayors seek a portion to annually fund the Energy Efficiency Block Grant. A bill summary can be accessed at http://energycommerce.house.gov/Press_111/20090331/acesa_sectionsummary.pdf

Movement of U.S. DOT appointments picked up speed as well with the following confirmations concluded by Senate voice vote the last week of April: Federal Railroad Administrator Joe Szabo; DOT Under Secretary for Policy Roy Kienitz; DOT General Counsel Robert Rivkin; DOT Assistant Secretary for Governmental Affairs Dana Gresham; and Research and Innovative Technology Administrator Peter Appel.

SDA Outreach

Contact on Capitol Hill on behalf of OCTA

-Gaines with *Sens. Feinstein and Boxer, Congresswoman Sanchez* on appropriations and authorizing committee staff on recovery funding distributions, 2010 appropriations as well as schedule for reauthorization;

-Andrews with *Sen. Patty Murray and Rep. John Olver* staff on status on fiscal 2010 and appropriations process;

- Smith with T&I Committee--*Reps. Dan Lipinski, Pete DeFazio; and Jim Oberstar* staff--to discuss timing and direction of reauthorization.

-Garson—attended April 28th hearing on High Priority Projects and April 29th hearing on the 10-week progress report regarding transportation and infrastructure funds in ARRA.

Contact with relevant organizations on behalf of OCTA

-Burrell—attended April 7 conference on Investing in a Strong and Better Democracy (sponsored by Economic Policy Institute) about infrastructure funding and green jobs

-Burrell—met with Leslie Wollack, senior transportation policy advisor, at the National League of Cities regarding ARRA and reauthorization

-Garson and Lopez--US Conference of Mayors and National Association of Counties update meetings

-SDA group--outreach to Republican and Democratic leadership and Administration officials regarding activities related to ARRA funds distribution, appropriations preparations and reauthorization discussions

-SDA group--review of important Congressional hearings and press conferences related to OCTA goals; information about Administration official travel and other events to grow awareness of OCTA solutions, opportunities and challenges to providing 21st century mobility options.

two chairmen are openly calling for support for their reauthorization bill schedule and completing hearings on all its subject matter. .

On April 28, a Highways & Transit Subcommittee hearing was held to discuss HPPs. A summary of the hearing can be found at http://transportation.house.gov/hearings/hearingDetail.aspx?NewsID=883 .

In addition, the Senate conducted a hearing on the nation's future surface transportation policy in the Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety and Security of the Committee on Commerce Science & Transportation. Committee Chairman Frank Lautenberg welcomed input from DOT Secretary Ray LaHood. Summary of the hearing can be found at http://commerce.senate.gov/public/index.cfm?FuseAction=Hearings.LiveStream&Hearing_id=9aa6998e-e216-44a0-9fa9-a90527bb98b4 .

Another hearing of note took place on April 29 before the House T&I Committee. It focused on a 10-week progress report regarding transportation and infrastructure funds in American Reinvestment & Recovery Act. DOT Secretary LaHood presented and made mention for the first time that guidance regarding the $1.5 discretionary program for projects of national significance would be released, once cleared by OMB. He indicated his suggestion that these funds be used for port and intermodal projects. A summary of this hearing can be found at http://transportation.house.gov/hearings/hearingDetail.aspx?NewsID=881 .

Several ARRA grant programs are now moving towards application phase. The Federal Railroad Administration delivered its plan for the $8 billion high speed rail program on April 17; this can be accessed at http://www.fra.dot.gov/Downloads/RRdev/hsrstrategicplan.pdf . Briefly, the plan calls for proposal guidelines to be released on June 17 and suggests there will be three "tracks" of funding. The first will seek applications that are "ready to go" projects with environmental review, engineering and design virtually completed. The second will seek "cooperative agreements" for the development of phases or geographic sections of a corridor that have completed environmental review and can identify specific projects but are not near construction phase yet. And the third would seek "cooperative agreements" that demonstrate the beginning of the process for planning a high speed rail corridor.

The American Clean Energy and Security Act continues to move towards a vote, as mark up in the House Energy Committee is expected in May. The two sponsors of the legislation Committee Chairman Henry Waxman (CA) are calling for final action before Memorial Day. However the language does not yet include an allowance or allocation section, which is slated for circulation in the first week of May. Negotiations continue over how credits for CO_2 and methane emissions will be quantified and disseminated. Other questions remain about how revenues from these credits will be collected and then directed. For example, the

Report
to the
ORANGE COUNTY TRANSPORTATION AUTHORITY

From
Smith, Dawson & Andrews

Focus: Presidential, Congressional & DOT Action regarding ARRA, Budget & Appropriations
June 2009

Highlights

Much work continues around the FY 2010 appropriations and submitted project requests for the House transportation reauthorization, which is expected to be released in draft around June 9. No timeline is set for appropriations at this time, other than completion is expected before the August recess, but the first House markup took place Thursday, June 4th of the Commerce Justice & Science bill which passed. Senator Reid in his pen and pad session indicated that he intended to pass the Legislative Branch and Homeland Security bills before the July 4th recess and plans to complete 5 more bills before the August recess, with the remainder scheduled for September. The House schedule has not been released, but it appears that a number of subcommittees intend to markup their bills before August.

Although T&I was scheduled to mark up its reauthorization bill by the end of May, this deadline continues to be postponed. Chairman Oberstar in a speech June 3rd indicated that the committee staff had several weeks of drafting still ahead of them, but that he hoped to be out of Committee by the July recess. Mr. Oberstar said he would not sponsor nor support any extensions of SAFETEA-LU beyond September 30th, despite the fact that there were 12 required during the 2005 reauthorization process—it is unclear if the House Leadership is supportive of that or not. By the end of May, House leadership called on the Ways & Means Committee to begin hearings on alternative options for funding the next federal transportation law. Technically, once the committee reports out the transportation reauthorization bill, it cannot be considered on the House floor until its financing mechanism (a bill reported out of Ways & Means) complements the bill to be considered in tandem for final passage.

The House Subcommittee on Select Revenue Measures will hold two weeks of hearings in June on federal transportation financing, but no dates have been posted yet.

On the Senate side of the reauthorization process, Senate Commerce, Science and Transportation Committee Chairman John Rockefeller (WV) and Senator Frank Lautenberg (NJ) introduced the Federal Surface Transportation Policy and

Planning Act. The bill provides a set of principles for future federal transportation programs. Details of the bill and its announcement are linked here: http://commerce.senate.gov/public/index.cfm?FuseAction=PressReleases.Detail&PressRelease_id=6e1be4c5-07d4-41e9-8fda-4f0655b31848&Month=5&Year=2009

The American Clean Energy and Security Act completed mark-up in the House Energy Committee before the House adjourned for Memorial Day recess. However, the bill does not include any allocations or mention of revenues disbursements for transit systems. A huge protest about the omission of transit in the deliberations and language of the bill continues with letters to both Energy & Commerce and Transportation & Infrastructure being sent from APTA as well as individual transit authorities from across the country. There is no clear path or timeline for this bill to be considered on the House floor. It was referred to eight other committees sequentially for mark-up: Agriculture; Education and Labor; Financial Services; Foreign Affairs; Natural Resources; Science & Technology; Transportation & Infrastructure; and Ways and Means. Parliamentary procedure requires each of these committees to deliberate only on the specific language contained in the bill that is related to their jurisdiction. Some believe it will be difficult if not impossible for a committee, such as T&I, to introduce new language into the bill regarding transit, because none exists at the moment. A summary of the house-passed bill is located in the following link: http://energycommerce.house.gov/index.php?option=com_content&view=article&id=1622&catid=155&Itemid=55

DOT ARRA grant programs continue to move closer to the application phase. The TIGER (Transportation Investment Generating Economic Recovery) grant program was the topic of U.S. Department of Transportation guidance regarding the $1.5 discretionary grant program. It was published in the Federal Register on on May 18: http://edocket.access.gpo.gov/2009/pdf/E9-11542.pdf . The DOT Secretary's office will administer this grant program with help from all modal offices. Multi-modal applications are thought to be the focus of this program, but applications can be submitted for all kinds of transportation projects. Applications are due by September 15 and grants are expected to be decided and announced before the end of the year.

The Federal Railroad Administration completed its seven stakeholder outreach workshops regarding ARRA's high speed rail program. The next step in the high speed rail ARRA program calls for FRA to release an interim guidance by June 17.

On May 29, the White House ethics office released revised guidance on lobbying activity regarding ARRA to require all information requests or other discussion with federal agencies or White House staff to be communicated in writing once any application for any ARRA grant programs has been submitted.

More U.S. DOT appointments continue with the confirmation of John Porcari (former Maryland Secretary of Transportation) as Deputy Secretary, and Peter Rogoff (former Majority staff leader of Senate Subcommittee on Transportation Appropriations) as Federal Transit Administrator.

<u>SDA Outreach</u>

Contact on Capitol Hill on behalf of OCTA

-Smith with appropriations and authorizing committee staff on recovery funding distributions, 2010 appropriations as well as movement on reauthorization and climate change legislation;

-Andrews with *Sen. Patty Murray and Rep. John Olver* and Senate EPW staff on status on fiscal 2010 appropriations process and reauthorization;

-Gaines with Rep. Loretta Sanchez staff on W&M hearing, climate change legislation and earmarks process

-Newman with House Energy & Commerce Committee staff on timeline for Committee-passed version of climate change legislation; FRA action on high speed rail

- Burrell and Garson with T&I Committee--*Rep. Pete DeFazio and* staff--on timing and direction of reauthorization and lack of transit in climate change legislation.

-Garson—attended May 19th hill visits with Coalition for America's Gateways and Trade Corridors

-SDA group--review of important Congressional hearings and press conferences related to OCTA goals; information about Administration official travel and other events to grow awareness of OCTA solutions, opportunities and challenges to providing 21st century mobility options.

Contact with relevant organizations on behalf of OCTA

-Burrell with APTA's Bill Millar on climate change and high speed rail hearings

-Burrell & Garson—attended May 19 and 20 meeting of Coalition for America's Gateways & Trade Corridors

-Burrell—attended May 5 & 12 southern California Washington reps meetings on legislative and DOT activity

-Garson and Lopez--US Conference of Mayors and National Association of Counties update meetings

-SDA group--outreach to Republican and Democratic leadership and Administration officials regarding activities related to ARRA funds distribution, appropriations preparations and reauthorization discussions

Report
to the
ORANGE COUNTY TRANSPORTATION AUTHORITY

From
Smith, Dawson & Andrews

Focus: Presidential, Congressional & DOT Action regarding Reauthorization, ARRA & Appropriations
August 2009

Highlights

Congressional focus for the summer months will start with transportation appropriations. House mark up is slated for July 15. Unclear is how action to address the reported $20 billion Highway Trust Fund shortfall will unfold. Senate appropriations is not yet on the calendar.

As the Surface Transportation Reauthorization Act of 2009 was introduced and marked up less than a week later, several new elements to federal transportation programs were included: the establishment of the number three position in DOT leadership--the Under Secretary for Intermodalism; the establishment of a livability program as well as a public benefit program as well as a freight program; streamlining procedures; expediting project delivery processes; advancement of high speed rail adoption; and a new metropolitan mobility program. Several items were also missing: the source of the total $500 billion funding needed to execute the bill; the section on high priority projects; and a section titled Transportation Discretionary Pending Guarantee.

The House Subcommittee on Highways and Transit passed this version of the next reauthorization on June 24. That same day a letter to the President signed by the full committee membership conveyed total disappointment in the Administration's approach to delaying action on a new federal transportation program until 2011.

During the Subcommittee markup, members largely praised committee leadership, condemned the Administration's recommendation of an 18-month delay and praised the bipartisan nature of the deliberations so far. In addition, Members voiced their concern for various issues in the bill, such as addressing the donor/donee issue. A handful of amendments were offered, but due to a previously agreed to procedure, all amendments were immediately withdrawn, to be taken up at the full committee mark up in July. House Transportation & Infrastructure Chairman James Oberstar has asked that any amendments to be offered at full committee be discussed with committee leadership and staff prior to the mark up, presumably so issues can be resolved and the committee can move through mark up swiftly.

Because DOT Secretary Ray LaHood officially called for an 18-month delay in deliberations on reauthorization, and was then followed by Senate Environment & Public Works Chair Barbara Boxer supporting the Administration in seeking a delay, further action on the House reauthorization bill is facing significant obstacles. T&I Chairman Oberstar has not adjusted his goals for full committee mark up in July and House passage before the August recess. He firmly believes a new federal transportation law must be enacted before the end of September or all the benefits of ARRA will dissipate as transportation construction, especially on major projects, comes to a halt.

Other hearings during the month added to the complexity of comprehensive and coordinated action needed to ensure a new federal transportation program. Although the House Subcommittee on Select Revenue Measures indicated it would hold two weeks of hearings in June on federal transportation financing, only one hearing was held on June 25. Discussion focused on the HTF dilemma and the need to address its needs rather than future financing options for the next reauthorization. That same day, during a Senate Environment & Public Works hearing on the Highway Trust Fund, no clear solutions were agreed upon or floated by the Administration or the legislators about near term action on the HTF's emerging funding gap.

In July, the Senate EPW Committee is expected turn its attention to the climate change bill that completed House action on June 27--- the American Clean Energy and Security Act or ACES. It is important to note that climate change language to increase benefits slated for transit still needs to be solidified in more concrete terms through the Senate action. ACES added a provision that permits states to use up to one percent of their allocations as potential revenue for surface transportation projects that could include transit.

American Reinvestment and Recovery Act activity related to high speed rail continued to unfold with the U.S. DOT June 17 release of the High Speed Intercity Passenger Rail Program interim program guidance. It delineates how States and regions will be able to apply for these funds with the application requirements and procedures.

Also of note is the June 16 joint announcement by DOT Secretary LaHood, Housing & Urban Development Secretary Shaun Donovan and Environmental Protection Administrator Lisa Jackson to form a Partnership for Sustainable Communities. Each pledged to ensure their activities would foster livable community options in transportation, housing and the environment. For further elaboration, a fact sheet was released with the announcement and can be found at http://www.hud.gov/content/releases/pr2009-06-16factsheet.pdf

DOT appointments continue with the addition of David Kim as Deputy Assistant Secretary for Intergovernmental Affairs. Kim, former deputy executive officer of federal advocacy & government relations for LA MTA, will focus on Senate activities.

SDA Outreach

Contact on Capitol Hill on behalf of OCTA

-Smith with appropriations and authorizing committee staff on recovery funding distributions, 2010 appropriations as well as movement on reauthorization and climate change legislation;

-Andrews with *Sen. Patty Murray and Rep. John Olver* and Senate EPW staff on status on fiscal 2010 appropriations process and reauthorization;

-Gaines with *Rep. Loretta Sanchez* staff on reprogramming appropriations, climate change legislation and earmarks process

-Newman with House Energy & Commerce Committee staff on timeline for Committee-passed version of climate change legislation; FRA action on high speed rail

-SDA group--review of important Congressional hearings and press conferences related to OCTA goals; information about Administration official travel and other events to grow awareness of OCTA solutions, opportunities and challenges to providing 21st century mobility options.

Contact with Administration on behalf of OCTA

-Burrell—June 16 lunch with David Kim, newly appointed DOT Assistant Secretary for Intergovernmental Affairs

Contact with relevant organizations on behalf of OCTA

-Burrell –National League of Cities on reauthorization and transportation livability initiative

-Garson and Lopez--US Conference of Mayors and National Association of Counties update meetings

-SDA group--outreach to Republican and Democratic leadership and Administration officials regarding activities related to ARRA funds distribution, appropriations preparations and reauthorization discussions

Report
to the
ORANGE COUNTY TRANSPORTATION AUTHORITY

From
Smith, Dawson & Andrews

Focus: Presidential, Congressional & DOT Action regarding Appropriations, Reauthorization & ARRA
September 2009

Highlights

Congress returned from their six-week-summer recess, after major focus was drawn to the controversies over health care reform in towns and cities across the country. The health care debate is notable, because it will ultimately impact the attention of Congressional decision makers, the political climate and inclination to deal with the 2010 budget in addition to solutions for transportation programs in this country over the long term.

Before they left town, the House approved a $7 billion transfer of general revenue funds to sustain the Highway Trust Fund through the end of fiscal year 2009. This is a short-term fix, and the ball is in the Senate's court as to whether the fix will remain short term or be increased. The Senate Transportation Appropriations Subcommittee included transferring $8-billion to HTF on July 10, but further action on the bill later in the month stopped after review and approval by the full committee.

Both chambers are expected to continue action on their respective appropriations bill in the month of September. The full Senate is expected to consider the transportation appropriations bill in the week Members return. Conference with the House bill will then move quickly.

The House Highways & Transit Subcommittee approved Surface Transportation Reauthorization Act of 2009 is expected to move to full committee deliberation within the first two weeks of the Members' return to work. The measure continues to outpace the efforts of House Ways & Means to provide a funding source measure, Select Revenue Subcommittee Chairman Richard Neal (MA) is reported to be working diligently on the matter.

House Highways & Transit Subcommittee Chairman Pete DeFazio has introduced bills to create an alternative source of funding for transportation projects through oil futures. HR 3379 is called, "The Lowering Oil Price Speculation for Infrastructure Dedicated to Economic Development Act of 2009" or the "LOPSIDED Oil Prices Act of 2009." No other measures have emerged thus far. Transportation reauthorization cannot proceed to House floor debate until its funding source companion bill has been reported out of the Ways & Means Committee.

The 18-month extension of current federal transportation programs that was reported out by the Senate Environment & Public Works Committee on July 15 still stands as the only measure of record on the subject. House Transportation & Infrastructure Chairman Jim Oberstar continues to vigorously and publicly object to the length of time. Reports indicate he will move something in the House that is a much shorter timeframe to continue to press for full reauthorization sooner rather than later.

No Senate Environment & Public Works hearings on transportation reauthorization were held after the 18-month extension was approved. Senate Banking, Housing and Urban Affairs conducted an August 4 hearing : Rail Modernization/Getting Transit Funding Back on Track, which is archived at http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=c5974f0c-d925-4ee2-b35c-8cecc6476215 . Federal Transit Administrator Peter Rogoff led off the witnesses and discussed safety and the FTA's April 2009 State of Good Repair report. His testimony did not discuss reauthorization.

The Senate EPW Committee is expected to continue its focus on climate change with reports that Chairwoman Barbara Boxer will introduce a version of climate change legislation that does not mirror the House-passed ACES-- American Clean Energy and Security Act. It is expected to be introduced later in September and include a larger emissions allocation---up to 10%--as a new revenue source for surface transportation projects. If the transit revenue source provision is not included in this bill, then S. 575—Clean Tea, as introduced by Sens. Tom Carper (DE) and Arlen Specter (PA), include this provision, which could be added during committee action. The House-passed bill contains use of up to one percent of these allocations for potential transit projects. These measures provide funds for capital improvement projects and do not address the pressures that the current economy has cost service and operations.

Final applications for American Reinvestment and Recovery Act activity high speed rail grants were submitted August 24. The first round of awards is still expected in the fall.

SDA Outreach

Contact on Capitol Hill on behalf of OCTA

-Smith with appropriations and authorizing committee staff on recovery funding distributions, 2010 appropriations as well as movement on reauthorization and climate change legislation;

-Andrews & Burrell with *Sen. Patty Murray and Rep. John Olver* staff on status on fiscal 2010 appropriations process and reauthorization;

-Gaines with *Sen. Barbara Boxer and Rep. Loretta Sanchez* staff on climate change legislation, transportation reauthorization

-Gaines with *Rep. Loretta Sanchez* staff on reprogramming

-Garson with House T&I staff on reauthorization, freight and financing mechanism for federal transportation programs

-Newman with House Energy & Commerce Committee staff on timeline for Committee-passed version of climate change legislation; FRA action on high speed rail

-SDA group--review of important Congressional hearings and press conferences related to OCTA goals; information about Administration official travel and other events to grow awareness of OCTA solutions, opportunities and challenges to providing 21st century mobility options.

Contact with Administration on behalf of OCTA

-Burrell with David Kim, DOT Deputy Secretary for Intergovernmental Affairs

Contact with relevant organizations on behalf of OCTA

-Burrell, Andrews, Gaines, Garson with Southern California transportation Washington reps on September 1

-Garson participation with CAGTC on September 2 & 3 hill visits

-Burrell with National League of Cities on reauthorization and appropriations

-Garson and Lopez--US Conference of Mayors and National Association of Counties update meetings

-SDA group--outreach to Republican and Democratic leadership and Administration officials regarding activities related to ARRA funds distribution, appropriations preparations and reauthorization discussions.

Report
to the
ORANGE COUNTY TRANSPORTATION AUTHORITY

From
Smith, Dawson & Andrews

Focus: Presidential, Congressional & DOT Action regarding Appropriations, Reauthorization & ARRA

Highlights

On July 31, the House began their summer recess for six weeks. Before they left town, the House approved a $7 billion transfer of general revenue funds to sustain the Highway Trust Fund through the end of fiscal year 2009. This is a short-term fix, and the Senate is expected to approve the measure as well before exiting Washington for their summer recess on August 7.

By July 23, the House had also completed Subcommittee, full Committee and floor action on the Transportation Appropriations for fiscal 2010. The bill totals $123.1 billion, which is 13 percent more than 2009 funding levels, but is $53 million below the President's request. This includes $10.4 billion for transit, an increase of $148 million over last year. A $4 billion boost to high speed and intercity passenger rail was also included as has been expected. Highway funds were approved at $41.1 billion, which is $407 million above 2009 figures. In addition, $1.48 billion was approved for AMTRAK; $64 million was included for railroad safety--an increase of $30.2 from 2009 levels. A complete summary of the House approved levels can be found at

http://appropriations.house.gov/pdf/TH_FY10_FC_Summary_07-17-2009-revised_LH.pdf

The Senate completed subcommittee mark-up of 2010 transportation appropriations on July 29 and full committee mark up the following day. The Senate will likely consider this bill either the first or second legislative week in September when they return from recess. A $1.1 billion program for significant transportation projects across modes (transit, bridges, highways, passenger and freight railroads, and ports) was added and requires that $250 million of the total be spent in rural areas. Funds totaling $43.5 billion are slated for highways only $1.2 billion was set aside for high speed and intercity passenger rail projects. For rail safety projects, including positive train control $50 million was included with two designated projects in the area: $500,000 for Caltrain PST and $500,000 for MetroLink PST. A $480 million increase was added for transit "New Starts" projects. And $100 million was included for transit energy efficiency grants that would support capital improvements in operations. A summary of the Senate Subcommittee mark can be found at

http://appropriations.senate.gov/transportation/2009_07_29_Summary_of_FY_2010_THUD_Appropriations.pdf?CFID=7938538&CFTOKEN=57635137

The House Highways & Transit Subcommittee approved Surface Transportation Reauthorization Act of 2009 has not moved to full committee deliberation. No date has been set for such action, as the bill waits for a funding source measure to be moved through the House Ways & Means Committee. A Select Revenue Subcommittee meeting was held on July 23, but no further action occurred, other than cooperation on the measure that transferred $7 billion from the treasury to the Highway Trust Fund.

When the Senate Environment & Public Works Committee extended the current surface transportation program for 18 months on July 15, the bill did not include other provisions that were suggested by the Administration. They may be part of the floor debate. The Administration seeks changes that they believe will help states and local governments' abilities to collect and analyze more data to measure transportation goals and results, such as ridership, accidents and fatalities, travel times and environmental impacts among other topics. This voluntary option would be a forerunner to tracking outcomes of federally funded projects. It may also assist in the Administration's efforts to leverage livability measures in future federal programs.

No Senate hearings on transportation reauthorization were held after the 18-month extension was approved. The Senate EPW Committee focused its attention on climate change and held three hearings on the subject: Ensuring and Enhancing U.S. Competitiveness while Moving toward a Clean Energy Economy on July 16; Clean Energy Jobs, Climate-Related Policies and Economic Growth - State and Local Views on July 21, and Climate Change and National Security on July 30. Increased funding for transit is still being pushed by APTA and individual transit agencies from across the country. No mark-up action has been scheduled for a climate change bill to match up to the House-passed ACES-- American Clean Energy and Security Act.. Reid has given six Senate committees until Sept. 28 to sign off on their pieces of a climate bill, with a floor debate tentatively slated for October. Senator's Baucus, Boxer and Kerry all said today that they plan to meet their deadlines, although that tentative deadline could slip given the press of health care legislation and the ongoing appropriations process.

Climate change language to increase benefits slated for transit are still a concern as the House passed ACES provision that permits states to use up to one percent of their allocations as potential revenue for surface transportation projects that could include transit remains unchanged.

American Reinvestment and Recovery Act activity related to high speed rail continued to unfold with the U.S. DOT announcing that they had received 278 pre-applications, which comprised a total of $102 billion. Final applications are due August 24, and the Federal Railroad Administration is expected to announce the first set of awards in the fall.

Also of note, U.S. DOT Secretary Ray LaHood indicated he will award the $1.5 billion in TIGER (Transportation Investment Generating Economic Recovery) Discretionary Grants for capital investment in surface transportation projects before the statutory February deadline. The applications for the TIGER program are due on September 15, and the Secretary intends to make announcements by December 2009 or January 2010.

SDA Outreach

Contact on Capitol Hill on behalf of OCTA

-Smith with appropriations and authorizing committee staff on recovery funding distributions, 2010 appropriations as well as movement on reauthorization and climate change legislation;

-Andrews with House T & I and Ways & Means and Senate EPW staffs on status on fiscal 2010 reauthorization process;

-Gaines with *Rep. Loretta Sanchez* staff on reprogramming appropriations (forwarded OCTA audit letter), climate change legislation and earmarks

-Newman with House Energy & Commerce Committee staff on timeline for Committee-passed version of climate change legislation; FRA action on high speed rail

-SDA group--review of important Congressional hearings and press conferences related to OCTA goals; information about Administration official travel and other events to grow awareness of OCTA solutions, opportunities and challenges to providing 21st century mobility options.

Contact with relevant organizations on behalf of OCTA

-Burrell on coordinating next meeting of Southern California Washington reps

-Burrell & Garson attendance at July 20 Mobility 21 legislative update meeting in Washington

-Burrell –National League of Cities on reauthorization and appropriations

-Garson and Lopez--US Conference of Mayors and National Association of Counties update meetings

-SDA group--outreach to Republican and Democratic leadership and Administration officials regarding activities related to ARRA funds distribution, appropriations preparations and reauthorization discussions

-Garson – Participation in CAGTC conference calls, meetings and Hill outreach.

-Garson – Attending Select Revenue Measures Subcommittee on Ways & Means Hearing on July 23rd – "Possible long-term measures that would finance the Highway Trust Fund.

Report
to the
ORANGE COUNTY TRANSPORTATION AUTHORITY

From
Smith, Dawson & Andrews

Focus: Presidential, Congressional & DOT Action regarding Appropriations, Reauthorization & ARRA
October 2009

Highlights

On October 30, Congress passed an extension of SAFETEA-LU until December 18. Before this vote, there was discussion among Senate leadership to extend the current transportation reauthorization law for six months, but this length of time continues to be resisted by Members of the Senate and House transportation leadership, especially House Transportation & Infrastructure Chairman James Oberstar. The December 18 extension was included within a CR under the 2010 Interior, Environment and Related Agencies appropriations bill.

A resolution to the SAFETEA-LU rescission provisions was not included in this CR. There is language within it to permit a bill emanating from either side of Congress' authorizing committees to supersede the CR extension. If a longer extension for SAFETEA-LU is agreed upon before December 18 by its House & Senate authorizers, then language to address the rescission issues could be added before final passage.

Federal transportation appropriations for FY 2010 is expected to be the vehicle for the final omnibus spending bill for any federal departments that have not completed floor action individually by December 18.

Action on the House version of the next federal transportation bill remains stalled and delayed by back and forth negotiations regarding the federal law's extension. Although mark-up in the full committee continues to be rumored, it has not been scheduled. And, the House Ways and Means Committee has not indicated any imminent action on advancing the funding options for what remains the $500 billion House Highways & Transit Subcommittee mark of the bill. Without clear funding proposals under review, the next federal transportation reauthorization bill cannot proceed to the House floor for debate.

During October, the Senate Environment & Public Works Committee held three hearings three days in row to review the Clean Energy Jobs and American Power Act. On the first day, the bill's co-author, Senator John Kerry and members of the Obama Administration—Secretaries of Energy, Interior and Transportation as well as the EPA Administrator and the Chairman of the Federal Energy Regulatory Commission--- testified. The second day of hearings had three panels of 28 witnesses, including Ronald Young, President of the California Association of Sanitation Agencies. The third day included 4 panels of 22 witnesses such as American Public Transportation Association President Bill Millar, California EPA Secretary Linda Adams and Sacramento Area Council of Governments Executor Director Mike McKeever.

APTA's Millar clearly stated support for several aspects of the bill including proposed new funding for the existing urban and rural transit formula programs, which he cited—Sec. 5307/5340 and Sec. 5311 of Title 49, US Code.

Links to web casts of each of the three days are:
October 27--
http://epw.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=72964ee0-802a-23ad-4a07-fb7c15201af8
October 28 –
http://epw.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=79667bd0-802a-23ad-47fc-5fe0e6a2f1ba
October 29 –
http://epw.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=7e80445f-802a-23ad-47e1-3382335f2f34

On November 3 and 4, a committee briefing of the legislation was held. No witnesses were called or participated. Here is a link to the Nov 3 Web cast http://epw.senate.gov/public/index.cfm?FuseAction=Hearings.LiveStream

Mark up of the bill is still pending. Several minority members of the committee and other Senators continue to object to myriad provisions within the legislation. Once the bill completes mark up, 60 votes on the floor will be necessary to avoid expected filibuster. Until significant action on the Clean Energy Jobs and American Power Act takes place, there is little activity expected to advance a Senate version of federal transportation reauthorization.

SDA Outreach

Contact on Capitol Hill on behalf of OCTA

-Smith, Andrews, Gaines, Garson with appropriations and authorizing committee staff on 2010 appropriations, repeal of SAFETEA-LU rescission as well as movement on reauthorization and climate change legislation;

-Gaines with *Sen. Barbara Boxer and Rep. Loretta Sanchez* staff on rescission repeal, climate change legislation, transportation reauthorization and reprogramming appropriations

-Garson with House T&I staff on reauthorization, freight and financing mechanism for federal transportation programs

-Newman with House Energy & Commerce Committee staff on climate change legislation; FRA action on high speed rail

-SDA group--review of important Congressional hearings and press conferences related to OCTA goals; information about Administration official travel and other events to grow awareness of OCTA solutions, opportunities and challenges to providing 21st century mobility options.

Contact with Administration on behalf of OCTA

-Burrell with US DOT Deputy Chief of Staff Marlise Streitmatter, and DOT Deputy Assistant Secretary for Governmental Affairs David Kim

Contact with relevant organizations on behalf of OCTA

-Smith, Gaines, Burrell attended APTA Annual Conference, October 4 - 7

-Burrell, Smith, Andrews, Garson with Southern California transportation Washington reps on October 13

-Burrell attended Brookings Institution briefing on Metropolitan Planning for Sustainable Growth and FTA Deputy Administrator Therese Watkins McMillan presentation at APTA , October 13

-Burrell with National League of Cities on reauthorization and appropriations

-Garson and Lopez--US Conference of Mayors and National Association of Counties update meetings

-SDA group--outreach to Republican and Democratic leadership and Administration officials regarding activities related to ARRA funds distribution, appropriations preparations and reauthorization discussions

Miscellaneous

-Gaines and Burrell attended breakfast meeting with Rick Bacigalupo October 6

Report
to the
ORANGE COUNTY TRANSPORTATION AUTHORITY

From
Smith, Dawson & Andrews

Focus: Presidential, Congressional & DOT Action regarding Appropriations, Reauthorization & ARRA
November 2009

Highlights

The extension of SAFETEA-LU until December 18, which was included in a Continuing Resolution for all pending fiscal 2010 appropriations has remained as it was passed in late October. Discussions continue between House and Senate as to what length of extension is feasible after the December 18 deadline. With unemployment continuing to increase across the country, talk of a "jobs" bill often includes a measure that could emanate through transportation legislation. But no clarity has emerged on the SAFETEA-LU extension or the incomplete appropriations process.

Senate transportation leadership has been reported to seek a cloture vote to extend federal programs for six months. Majority and minority leaders of Senate Environment & Public Works, Banking, Commerce, and Finance were said to be urging Senate Majority Leader Harry Reid to press for a cloture vote to bring the item up for debate. It is believed that a $10.3 billion increase in contract authority would not increase the deficit, according to reported analysis by the Congressional Budget Office.

However, the Senate debate on health care reform, which began on November 30, has consumed all other Senate activity. Every other piece of legislation—major or minor---is spoken of until health care is completed in the Senate.. House transportation leadership is rumored to be discussing a jobs bills, while continuing to push for reauthorization sooner rather than later. An omnibus appropriations measure looms on the December 18th horizon in tandem with a potential jobs bill and an extension of federal transportation programs.

Other pending transportation measures such as the alternative fuels tax credit may also move with the omnibus bill. A tax extenders bill is expected by year's end. Although, Senate transportation staff have also stated that the Senate will not have time to complete an extenders bill this year. However, it is highly probable that a major piece of legislation that includes all moving parts—appropriations, debt ceiling limit, SAFETEA-LU extension, estate tax and extenders—that are slated to be completed or must be completed by the end of the year will pass before Congress leaves for the year. If history repeats itself, then the LNG/CNG tax credit measure will be extended by being attached to a moving target to provide tax rebate to transit systems without a gap.

Elements of the jobs bill, whether grounded in transportation trust funds or general fund relief, are expected to emerge after President Obama conducts a White House summit on jobs December 3rd. House and Senate leadership are putting options together. House Majority Leader Steny Hoyer believes it is important to craft a bill that will work. He indicated it could move before the end of the year, but it is more likely to move in January of 2010.

No further activity has occurred to move the Clean Energy Jobs and American Power Act to Senate floor debate. Several minority members of the committee and other Senators continue to object to myriad provisions within the legislation. Many articles on the subject are in the forefront as the President heads to the Copenhagen meeting on Climate Change in December. Yet, no significant action on the Clean Energy Jobs and American Power Act is expected. And, the Senate version of federal transportation reauthorization continues to be stalled within the Senate Environment & Public Works Committee.

A new grant program to advance livability projects was announced by DOT Secretary Ray LaHood, while traveling in New Orleans. The program is expected to provide $280 million in grants for urban circulator projects like streetcars, bus rapid transit and other circulator systems. The goal is to offer seed money to advance the "Livability Initiative," which is a compact among federal DOT, Housing and Urban Development and the Environmental Protection Agency. The program will seek to fund innovative approaches to livability. The Federal Register is expected to publish a Notice of Funding Availability by the second week of December with grant announcements projected for early 2010.

SDA Outreach

Contact on Capitol Hill on behalf of OCTA

-Smith, Andrews, Gaines, Garson with appropriations and authorizing committee staff on 2010 appropriations, repeal of SAFETEA-LU rescission as well as movement on reauthorization and climate change legislation;

-Gaines and Garson with *Sen. Barbara Boxer and Rep. Loretta Sanchez* staff on rescission repeal, climate change legislation, transportation reauthorization and reprogramming appropriations

-Andrews, Garson with House T&I staff on reauthorization, freight and financing mechanism for federal transportation programs

-Garson with Senate transportation staffers in Committees of relevant jurisdiction

-Newman with House Energy & Commerce Committee staff on climate change legislation; FRA action on high speed rail

-SDA group--review of important Congressional hearings and press conferences related to OCTA goals; information about Administration official travel and other events to grow awareness of OCTA solutions, opportunities and challenges to providing 21st century mobility options.

Contact with Administration on behalf of OCTA

-Burrell with DOT Deputy Assistant Secretary for Governmental Affairs David Kim

Contact with relevant organizations on behalf of OCTA

-Burrell attended APTA Transportation Tuesdays presentation by HUD Senior Advisor on Livability Shelley Poticha, November 10

-Burrell attended Brookings Institution briefing on Fiscal Challenges Facing Cities, November 19th

-Burrell with National League of Cities on reauthorization, appropriations and climate change

-Garson and Lopez--US Conference of Mayors and National Association of Counties update meetings

-SDA group--outreach to Republican and Democratic leadership and Administration officials regarding activities related to ARRA funds distribution, appropriations preparations and reauthorization discussions

10.

OCTA

MEMO

January 20, 2010

To: Members of the Board of Directors

WK

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

January 21, 2010

To:	Legislative and Communications Committee
From:	Will Kempton, Chief Executive Officer
Subject:	Transportation Appropriations and Grant Application Project List

Overview

The Orange County Transportation Authority recommends funding requests totaling $52 million to support nine projects for submittal to the Orange County United States Congressional Delegation. The requests are to be submitted for consideration in the federal fiscal year 2011 Transportation Appropriations Bill and as federal grant funding opportunities become available throughout the year.

Recommendations

A. Review and approve the recommended list of transportation projects and authorize staff to pursue funds through the fiscal year 2011 federal appropriations process and as grant funding opportunities become available throughout the year.

B. Direct staff to pursue Federal Transit Administration Bus Livability Program funds in support of the Anaheim Regional Transportation Intermodal Center, as the only viable Orange County transit project that meets federal requirements for project readiness as part of this new grant program.

Background

Each year, in preparation for its annual appropriations process, the United States (U.S.) House and Senate Appropriations Committees request that congressional members submit a list of projects for consideration and possible inclusion in the legislation authorizing discretionary spending for federal programs. Individual congressional members have established a process and timetable for constituents to provide them with appropriation requests.

Orange County Transportation Authority
550 South Main Street / P.O. Box 14184 / Orange / California 92863-1584 / (714) 560-OCTA (6282)

In 2009, the Orange County Transportation Authority (OCTA) submitted eight projects for federal fiscal year (FY) 2010 at a requested federal funding level of $48 million. A description of those projects is contained in Attachment A. The list reflected OCTA's federal funding priorities for highways, goods movement, and transit projects.

On December 16, 2009, the President signed the FY 2010 Consolidated Appropriations Act (CAA) which provides funding for all federal transportation, housing and urban development programs for this year. The CAA adopted the appropriation requests, which were agreed to by the House and Senate as part of an earlier transportation conference report.

OCTA received four specific appropriations in the conference report as follows: $935,000 for the San Diego Freeway (Interstate 5) widening and improvements (submitted by Representative Calvert [R-CA]); $750,0000 for San Diego Freeway (Interstate 405) improvements (submitted by U.S. Representative Rohrabacher [R-CA]); $350,000 for Bristol Street widening (submitted by Representatives Sanchez [D-CA]); and $725,000 for the Anaheim Regional Transportation Intermodal Center (ARTIC) (submitted by Representatives Miller [R-CA], Sanchez [D-CA], Royce [R-CA], U.S. Senators Boxer [D-CA] and Feinstein [D-CA]). The total for these specific appropriations is $2.76 million (Attachment A). Additionally, the CAA provided an earmark of $487,000 to support the implementation of positive train control for the Metrolink system.

Further, the CAA appropriated $600 million for national transportation infrastructure investment to continue the discretionary investment programs initiated under the American Recovery and Reinvestment Act, passed last February. These funds are intended to support transit or highway projects, passenger and freight rail projects, and port infrastructure investments. Additionally, federal grant agencies periodically make available for competition, unallocated funds authorized within their discretionary programs. For example, the CAA left approximately $150 million in unearmarked "New Starts" fixed guideway funding to be distributed at the discretion of the Department of Transportation. OCTA intends to pursue funding opportunities for the remaining unfunded portions of projects identified in the recommended project list based on their eligibility and their ability to compete within the requirements of the grant programs.

To this point, on December 8, 2009, the Federal Transit Administration (FTA) announced the availability of $150 million in unallocated Section 5309 Discretionary Bus and Bus Facilities Program funds for nationwide competition. Proposals for FTA's Bus Livability Program are due February 8, 2010. OCTA intends to submit an application to pursue funding for ARTIC under this program. ARTIC is the only Orange County transit program that qualifies for this grant funding based on project readiness requirements.

Discussion

OCTA staff worked collaboratively across all departments to develop the recommended list of project funding requests for the FY 2011 federal appropriations. These recommendations were based on the benefits to Orange County, as well as the viable status of the project and the anticipated funds needed over the next fiscal year. In compiling the project list, an effort was made to consolidate requests and focus on projects, which do not have other potential sources of funds, or where funds cannot be spent at the rate required by economic stimulus legislation.

The list for FY 2011 contains several projects for which funds were also sought in FY 2010 appropriations and continues to focus heavily on the Riverside Freeway (State Route 91) corridor and the Orange County portion of freeway corridors and rail lines that connect Los Angeles and San Diego. Staff is proposing to continue pursuing funds needed to implement positive train control (PTC) for Metrolink. Funding in the amount of $250 million allocated over five years has been authorized by the Rail Safety Improvement Act of 2008 (RSIA). The CAA provides for the first $50 million of that funding. However, the amount authorized in the RSIA is insufficient to fully implement the system nationwide.

Federal FY 2011 Appropriations Project List

The project list provided below for review and approval by the OCTA Board represents a total request of $52 million in federal funds to support nine priority OCTA projects:

A. Riverside- Freeway (State Route 91) Congestion Relief Project

This funding request for FY 2011 of $5 million is for the State Route 91 (SR-91) and Eastern Toll Road (State Route 241) interchange. A direct connection between the congestion priced lanes on SR-91 and the State Route 241 (SR-241) toll road will provide a new travel option for SR-91 commuters and allow for a more balanced distribution of travel along the highly congested SR-91 corridor. This request will fund examination of options to connect 91 Express Lanes with SR-241.

Total Project Cost: $400 million
FY 2011 Request: $5 million

B. San Diego Freeway (Interstate-405) Widening Project

OCTA has completed a project study report for Interstate 405 (I-405). Funding is requested to support capacity improvements in each direction of the facility, which includes the addition of up to two lanes from Euclid Street in Fountain Valley to San Gabriel Freeway (Interstate 605) near the Orange County/Los Angeles County border. Prior federal funding has fully supported the environmental phase of this project, which is currently underway. The requested funds would help support a portion of the final design of the project.

Total Project Cost: $1.1 billion
FY 2011 Request: $5 million

C. San Diego Freeway (Interstate 5) Segment Improvements

Funding is requested for Interstate 5 (I-5), from Pacific Coast Highway (State Route 1) to Avenida Pico. The project will add additional freeway capacity along I-5 in the south county region and consider a potential connection with planned San Diego County high-occupancy vehicle (HOV) lanes on the I-5. For FY 2011, the requested funds will be used to complete the required technical studies, including environmental documents.

Total Project Cost: $250 million
FY 2011 Request: $5 million

D. Bristol Street Multimodal Corridor Widening

Bristol Street is a major north/south arterial street through the heart of Orange County. Funding is requested to support the widening of Bristol Street in the City of Santa Ana, which also supports OCTA's plan to expand transit service on the Bristol Street corridor via bus rapid transit service. The environmental document is complete and right-of-way acquisition and constructional are under way. The funding request would support a portion of the construction costs.

Total Project Cost: $236 million
FY 2011 Request: $5 million

E. Anaheim Regional Transportation Intermodal Center (ARTIC)

The ARTIC is a regional, intermodal transportation center located in the City of Anaheim, and will serve as a hub for a variety of transit modes ranging from conventional bus service to planned regional, high technology transportation systems. In addition, ARTIC will strategically facilitate the proposed California high-speed rail alignment, as well as the Anaheim to Ontario International Airport segment of the California-Nevada interstate high-speed rail project. The project expands existing transportation infrastructure to accommodate Amtrak intercity rail, Metrolink commuter rail, Orange County bus rapid transit, and Anaheim Resort shuttles. OCTA and the City of Anaheim have acquired the necessary property for the project with local funds. This request would continue funding for the transit elements of the project.

Total Project Cost: $245 million
FY 2011 Request: $9 million

F. Grade Separations in North Orange County

Funds are requested to support grade separation improvements along the Alameda Corridor East. This effort entails the separation of road and rail traffic at five grade crossings in north Orange County. Grade separations are proposed at State College Boulevard, Kraemer Boulevard, Orangethorpe Avenue, Tustin Avenue/Rose Drive, and Lakeview Avenue. The environmental review process is complete, and OCTA requests funds to help complete construction.

Total Project Cost: $314 million
FY 2011 Request: $5 million

G. Go Local – Anaheim Fixed Guideway

Funds are requested to initiate the design and preliminary engineering phase of the Anaheim Fixed Guideway system, which will connect Metrolink commuter rail service via the ARTIC to the Anaheim Resort, Platinum Triangle and Anaheim Convention Center. The City of Anaheim is underway with the alternatives analysis and environmental phases and is expected to complete environmental clearance in May 2011.

Project Cost: $51 million
FY 2011 Request: $4 million

H. Go Local – Santa Ana-Garden Grove Fixed Guideway

Funding is requested to initiate the design and preliminary engineering phase of the Santa Ana-Garden Grove Fixed Guideway system. The system will extend the reach of Metrolink commuter rail service via the Santa Ana Regional Transportation Center (SARTC) to Bristol Street providing access to Santa Ana's downtown area, civic center complex and potential future extensions to Harbor Boulevard in the City of Garden Grove. The City of Santa Ana is underway with the alternatives analysis and environmental phases and is expected to complete environmental clearance in December 2011.

Project Cost: $9 million
FY 2011 Request: $4 million

I. Positive Train Control for Metrolink

Funds are requested to support the implementation of PTC for Metrolink to help prevent train-to-train collisions, speeding, and over-speed derailments, and movement of a train through a wrong rail segment or into track work zones. The implementation of the project will enhance the safety and security of commuter rail service, while helping to meet 2015 federal mandate enacted in the RSIA of 2008.

Total Project Cost $250 million
FY 2011 Request: $10 million

Project Priorities

Last year, instructions from Senator Feinstein's office indicated that project requests to the Senator's office needed to be limited to the two top priorities of each requesting entity. In anticipation of similar requirements, staff is recommending a similar approach for FY 2011 appropriations effort in which the SR-91 congestion relief projects and PTC Metrolink are presented as OCTA's top priorities for Senator Feinstein's office only. Staff is proposing to pursue all of the recommended projects with all of the other delegation offices.

Once this list of projects is approved, federal relations staff will work with OCTA's Washington consultants to submit the requests to the Orange County Congressional Delegation for inclusion in the FY 2011 Transportation Appropriations Act.

Summary

The OCTA Board's adoption of the FY 2011 Transportation Appropriations Project List is requested. Authorization to pursue federal funding opportunities as they become available throughout the year is also being requested to support the recommended projects.

Attachment

A. Summary of FY 2010 OCTA Federal Transportation Appropriations Requests

Prepared by:

Richard Bacigalupo

Richard Bacigalupo
Manager Federal Relations
(714) 560-5901

Approved by:

Kristine Murray
Executive Director, Government Relations
(714) 560-5908

ATTACHMENT A

Summary of FY 2010 OCTA Federal Transportation Appropriations Requests

	Project Name	FY10 Request	*Prior Appropriations /FY	Congressional District
	HIGHWAYS			
A	Riverside Freeway (State Route 91) Congestion Relief Project	**$5,000,000**	$712,500 /09	40, 42, 44
B	San Diego Freeway (Interstate 405) Widening	**$5,000,000**	$750,000 /10 $380,000 /09 $490,000 /08 $1,500,000 /05 $1,000,000 /06	46,48
C	San Diego Freeway (Interstate 5) Segment Improvements	**$5,000,000**	$935,000 /10 $237,500 /09 $5,000,000 /05 $800,000 /04	44,48 44 44 44
D	Santa Ana Freway (Interstate 5) Segment Improvements	**$5,000,000**		48
	STREETS & ROADS			
E	Bristol Street Widening	**$5,000,000**	$350,000 /10 $650,000 /08 $750,000 /05 $600,000 /06	47
	TRANSIT & GRADE SEPARATIONS			
F	Anaheim Regional Transportation Intermodal Center (ARTIC)	**$9,000,000**	$725,000 /10 $2,612,500 /09 $588,000 /08	40, 42, 44, 47
G	Commuter Rail Station Improvements	**$4,000,000**		40, 42, 48
H	Positive Train Control for Metrolink	**$10,000,000**	$487,000 /10	40, 42, 44, 47
	Total	**$48,000,000**	$18,567,500	

* *FY08 appropriations included a 2 percent reduction required by the 2008 Omnibus Act*

Congressional Districts
CA-47 U.S. Representative Loretta Sanchez
CA-42 U.S. Representative Gary Miller
CA-46 U.S. Representative Dana Rohrabacher
CA-40 U.S. Representative Ed Royce
CA-44 U.S. Representative Ken Calvert
CA-48 U.S. Representative John Campbell
Senator Dianne Feinstein
Senator Barbara Boxer

11.

OCTA

BOARD COMMITTEE TRANSMITTAL

January 25, 2010

To: Members of the Board of Directors

WK

From: Wendy Knowles, Clerk of the Board

Subject: 2010 State Transportation Improvement Program

Highways Committee Meeting of January 18, 2010

Present: Directors Cavecche, Dixon, Glaab, Hansen, Mansoor, and Pringle

Absent: Director Bates

Committee Vote

This item was passed by all Committee Members present.

Director Pringle was not present to vote on this matter.

Committee Recommendations

A. Approve the Orange County Regional Transportation Improvement Program for the 2010 State Transportation Improvement Program covering fiscal years 2010-11 through 2014-15 for a total of $298.3 million as follows: (1) $185.3 million for highway projects, (2) $92.3 million in transit projects, and (3) $20.7 million for a transportation enhancement call for projects.

B. Direct staff to make all necessary amendments to the State Transportation Improvement Program and the Federal Transportation Improvement Program, as well as execute any necessary agreements to facilitate the above action.

OCTA

January 18, 2010

To: Highways Committee

From: Will Kempton, Chief Executive Officer

Subject: 2010 State Transportation Improvement Program

Overview

Every two years, the Orange County Transportation Authority prepares a program of projects for state funding through the State Transportation Improvement Program. Due to the state budget crisis, there is no new funding in 2010 for highway or transit projects. Agencies are being held to 2008 funding levels and previously approved projects may be delayed. Staff has developed the 2010 State Transportation Improvement Program recommendations for Board of Directors' consideration and approval. This program holds previously approved project schedules.

Recommendations

A. Approve the Orange County Regional Transportation Improvement Program for the 2010 State Transportation Improvement Program covering fiscal years 2010-11 through 2014-15 for a total of $298.3 million as follows: (1) $185.3 million for highway projects, (2) $92.3 million in transit projects, and (3) $20.7 million for a transportation enhancement call for projects.

B. Direct staff to make all necessary amendments to the State Transportation Improvement Program and the Federal Transportation Improvement Program, as well as execute any necessary agreements to facilitate the above action.

Background

The State Transportation Improvement Program (STIP) is a major source of funding for transportation improvements throughout the State of California. Revenues from state and limited federal sources are consolidated into the STIP. The STIP is divided into two major funding categories, the Regional Improvement Program (RIP) and the Interregional Improvement Program (IIP).

Seventy-five percent of the STIP is directed to the RIP, which is then sub-allocated to counties by formula. The remaining 25 percent is programmed to the IIP, which is then allocated to the California Department of Transportation (Caltrans) for projects of interregional significance.

In Orange County, the Orange County Transportation Authority (OCTA) dedicates the RIP funds for use on projects of countywide significance consistent with the Board of Directors (Board) adoption of the Comprehensive Funding Strategy and Policy Direction and the Long-Range Transportation Plan.

Staff also considered the following in developing a recommendation for the 2010 STIP:

- Compatibility with STIP guidelines and performance measures
- Prior funding commitments
- Project readiness
- Transit projects that serve dual purposes
    - Complimentary to the Metrolink Service Expansion Program
    - Serving both transit and carpooling needs

Every two years, state and federal transportation revenues are forecasted and programmed for the subsequent five-year period. OCTA is responsible for the development and programming of the RIP portion of the STIP revenues, which is submitted to the California Transportation Commission (CTC) for approval and adoption.

Consistent with federal and state regulations, the CTC adopted the 2010 STIP Fund Estimate (FE) in October 2009. In the 2010 STIP, there is no new funding capacity for highway or transit projects. All regions are being held at the remaining 2008 STIP funding capacity for each region. As a result of the limited funding capacity in the 2010 FE, the 2010 STIP guidelines call for some projects programmed from fiscal year (FY) 2009-10 through FY 2012-13 move to later years where sufficient program capacity is estimated to be available.

Based on the FE and the 2010 STIP guidelines also adopted in October 2009 by the CTC, Orange County must submit its regional transportation improvement program (RTIP), which includes projects to be included in the 2010 STIP, by February 12, 2010. The CTC may either accept the proposed program or reject it in its entirety. Specific County fund estimates have not been provided but OCTA estimates its programming capacity for the five-year

STIP period is $185.3 million in Transportation Investment Funds (TIF) for highway projects, $92.3 million in Public Transit Account Funds for transit projects, and $20.7 million for transportation enhancement (TE) projects.

Existing project commitments included in the 2008 STIP will consume most of this funding capacity.

Discussion

The CTC has noted that due to cash flows predicted in the 2010 FE, 30-39 percent of the existing funding will need to be programmed into the last two years (FY 2013-14 and FY 2014-15) of the STIP programming cycle.

OCTA has $185.3 million available for highway projects in the 2010 STIP. Staff is recommending programming the same projects in the same year as the 2008 STIP. These projects are listed in Attachment A, which provides a table of the proposed projects and STIP programming information and Attachment B, which provides brief project descriptions for the proposed 2010 STIP projects. Based on savings from the existing highway projects, one new project is being added in the last year of the 2010 STIP FY 2014-15. The project is an environmental document for the Costa Mesa Freeway (State Route 55) widening between the San Diego Freeway (Interstate 405) and the Santa Ana Freeway (Interstate 5).

OCTA has $92.3 million available for transit projects in the 2010 STIP. Based on securing Proposition 116 funding for three of the existing 2008 STIP transit projects (Tustin Rail Station Parking Expansion, the Sand Canyon Grade Separation, and the Fullerton Transportation Center Parking Structure), $75.7 million was made available to support the Anaheim Regional Transportation Intermodal Center, Goldenwest Transportation Center Parking Structure, Anaheim Canyon Station Project, Orange Station Parking Structure, and Laguna Niguel Station Improvements. The proposed 2010 STIP transit projects are also listed in Attachments A and B.

The other programming opportunity is primarily made up of federal TE revenue which has limited uses. OCTA uses these funds for a call for projects which typically includes bicycle, pedestrian, and landscaping projects. Projects funded with TE funds will be determined through a call for projects scheduled to go to the Board for review and approval in April 2010, with projects selected in the summer of 2010.

In order to maintain OCTA's existing project delivery schedules and meet funding requirements for projects co-funded with Proposition 1B funds, OCTA has not delayed projects to later years as requested by the CTC. The CTC may request OCTA to revise the plan if sufficient delays are not received from other areas. The overall schedules for the Goldenwest Transportation Center Parking Structure, the Orange Station Parking Structure and the Laguna Niguel Station Improvements transit projects were conducive to delaying $26.5 million in funding into the later years. These projects need further engineering and environmental work prior to starting construction.

These recommendations represent a proposal to program all 2010 STIP funding capacity for Orange County. It is likely that CTC staff may request changes due to revised funding capacity constraints related to the Governor's budget. Adjustments to the recommended program may be necessary and staff will continue to work with the CTC, Caltrans, and other appropriate agencies to ensure the projects continue to move forward. Staff will keep the Board apprised if material changes are necessary.

Next Steps

With Board approval, staff will finalize the nomination packages for submittal to the CTC by February 12, 2010. The CTC will hold public hearings on the proposed 2010 STIP on March 22, 2010, in a Northern California location and on March 24, 2010, in a Southern California location. Staff will continue to pursue the projects as recommended until final approval in May 2010 by the CTC.

Summary

OCTA is responsible for the development and programming of the STIP for Orange County. The maximum programming for Orange County is estimated to be $298.3 million for the 2010 STIP period. Projects are recommended for funding through the submittal of the RTIP to the CTC.

Attachments

A. Orange County Transportation Authority – Recommended 2010 State Transportation Improvement Program
B. Orange County Transportation Authority – Regional Transportation Improvement Program for the 2010 State Transportation Improvement Program Project Descriptions

Prepared by:

Adriann K Cardoso

Adriann Cardoso
Section Manager,
State and Federal Programming
(714) 560-5915

Approved by:

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

Orange County Transportation Authority
Recommended 2010 State Transportation Improvement Program

Proposed 2010 STIP														
STIP 2010 TIF Proposed Projects:		**Project Totals by Fiscal Year (FY)**							**Project Totals by Component**					
Highway Projects	**Total**	**Prior**	**2010 STIP**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**ROW**	**Const**	**E & P**	**PS & E**	**ROW Sup**	**Con Sup**
Planning, programming, and monitoring[1]	20,257	9,492	10,765	3,215	3,215	1,445	1,445	1,445	-	20,257	-	-	-	-
SR-91, Tustin Avenue to SR-55 interchange improvements[2]	88,557	7,474	81,083	10,700	-	70,383			1,700	62,286	7,474	7,500	1,500	8,097
I-5 Jamboree Road SB off ramp and auxiliary lane[3]	8,485	1,606	6,879	6,879	-	-			16	5,920	424	1,150	16	959
SR-91 widening, SR-55 to Gypsum Canyon[3]	74,000	17,323	56,677	56,677	-	-			3,087	47,800	4,763	9,050	423	8,877
SR-90 - Kellogg Drive - La Palma Avenue landscaping[3]	1,673	233	1,440	-	1,440	-			-	1,284	30	190	9	160
I-5/SR-74 interchange improvements[3]	62,014	36,626	25,388	-	-	25,388			28,753	18,814	-	4,873	3,000	6,574
SR-55 widening I-405 to I-5[4]	3,035		3,035					3,035			3,035			
Subtotals for 2008 STIP (TIF) Program FY 2010-11 through FY 2012-13[5]:			**185,267**	**80,578**	**4,655**	**100,034**	**-**	**-**						
Subtotals for Proposed 2010 STIP (TIF) program with Caltrans proposed figures:			**185,267**	**77,471**	**4,655**	**97,216**	**1,445**	**4,480**						
Difference[6]:		**-**	**-**	**(3,107)**	**-**	**(2,818)**	**1,445**	**4,480**						
STIP 2010 PTA Proposed Projects														
Rail and Transit Projects	**Total**	**Prior**	**2010 STIP**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**ROW**	**Const**	**E & P**	**PS & E**	**ROW Sup**	**Con Sup**
Anaheim Regional Transportation Intermodal Center[7] (ARTIC)	29,219		29,219	29,219	-	-				29,219	-	-	-	-
Placentia Rail Station[3]	19,100	2,500	16,600	-	-	16,600			-	16,600	-	2,500	-	-
Goldenwest Transportation Center Parking Structure[8]	8,000		8,000					8,000		8,000				
Anaheim Canyon Station[9]	20,000		20,000		8,000	12,000			8,000	12,000				
Orange Station Parking Structure[8]	12,000		12,000				12,000			12,000				
Laguna Niguel Station Improvements[9]	6,500		6,500					6,500		6,500				
Subtotals for 2008 STIP (PTA-Transit) Program FY 2010-11 through FY 2012-13[5]:			**92,319**	**29,219**	**16,500**	**46,600**	**-**	**-**						
Subtotals for Proposed 2010 STIP (PTA - Transit) program:			**92,319**	**29,219**	**8,000**	**28,600**	**12,000**	**14,500**						
Difference:				**-**	**(8,500)**	**(18,000)**	**12,000**	**14,500**						
Transportation Enhancement (TE) Projects														
Projects	**Total**	**Prior**	**2010 STIP**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**ROW**	**Const**	**E & P**	**PS & E**	**ROW Sup**	**Con Sup**
TE Funds[10]	**20,703**		20,703	3,667	3,307	3,933	4,898	4,898		20,703				

1 - Planning, programming, and monitoring is an existing project in the 2008 STIP. Changes in funding amounts occur in FY 2012-13 through FY 2014-15 based on the amount of funding available for this purpose during that period.
2 - This is an existing project in the 2008 STIP. The only change is a reduction in the amount of funding needed in FY 2010-11 for design and right of way. The design and right of way are now estimated to cost $2.877 million less than originally anticipated. $0.230 is savings in the I-5 Jamboree Road project.
3 - This project is an existing project in the 2008 STIP. No changes have been made.
4 - This is a new project. Savings from the SR-91, Tustin Avenue to SR-55 interchange improvements will be used to fund the environmental for widening SR-55. The total project cost is estimated at $3.281 million. Additional funds may be available for this project in the 2012 STIP.
5 - Subtotals for 2008 STIP derives from the 2009 Orange Book.
6 - The difference (-3.107 million) in FY 2010-11 is from a savings in the anticipated design cost for the SR-91, Tustin Avenue to SR-55 interchange improvements. The difference in FY 2012-13 (-2.818 million) is derived dividing the available planning, programming, and monitoring funds into FY 2012-13 through FY 2014-15. The difference in FY 2013-14 (+1.445 million) is due to the addition of planning, programming, and monitoring into that FY. The difference in FY 2014-15 (+4.480) is due to the addition of planning, programming, and monitoring and of the new project for SR-55.
7 - The Board of Directors (Board) approved using STIP funds which were previously programmed to the Fullerton Transportation Center for the ARTIC project on April 27, 2009. The California Transportation Commission approved this amendment at the July 2009 meeting.
8 - This is new project for the 2010 STIP. It is being funded with STIP funds made available when Proposition 116 funds were programmed to the Tustin Rail Station parking expansion and the Sand Canyon grade separation projects.
9 - This is a new project for the 2010 STIP but was previously considered by the Board for STIP funding when the Board approved using Proposition 116 funds for projects previously programmed to receive STIP.
10 - Call for projects scheduled to go to the Board for approval in April 2010.

SR-91 - Riverside Freeway (State Route 91)
SR-55 - Costa Mesa Freeway (State Route 55)
I-5 - Santa Ana Freeway (Interstate 5)
SR-90 - Imperial Highway (State Route 90)
SR-74 - Ortega Highway (State Route 74)
I-405 - San Diego Freeway (Interstate 405)

STIP - State Transportation Improvement Program
TIF- Transportation Investment Fund
Caltrans - California Department of Transportation
PTA - Public Transit Account

ROW - Right-of-Way
Const - Construction
E & P - Environmental and Planning
PS & E - Plans, Specifications, and Estimates
ROW Sup - Right-of-Way Support
Con Sup - Construction Support

ATTACHMENT A

Orange County Transportation Authority
Regional Transportation Improvement Program for the
2010 State Transportation Improvement Program Project Descriptions

Highways

Riverside Freeway (State Route 91), Tustin Avenue to the Costa Mesa Freeway (State Route 55) interchange improvements

Implementation of this project will add a westbound auxiliary lane beginning at the northbound State Route (SR-55) to westbound State Route 91 (SR-91) connector through the Tustin Avenue interchange. The project is intended to relieve weaving congestion in this section.

Additional features of the project include the following:

- Reconstruction of Santa Ana River Bridge to accommodate additional lanes and possible reconstruction of the Riverdale Avenue overcrossing
- Partial reconstruction of the NB ramps at the Imperial Highway (State Route 90) interchange and Lambert Road exit ramp

Santa Ana Freeway (Interstate 5) Jamboree Road southbound (SB) off-ramp and auxiliary lane

This project takes place within the cities of Irvine and Tustin and will construct and auxiliary land and widen the off-ramp on Interstate 5 (I-5) southbound at Jamboree Road.

The project is needed to address existing and forecasted operational deficiencies at the I-5/Jamboree interchange. The primary objective of the project is to minimize congestion at the I-5 freeway and the Jamboree Road during both the AM and the PM peak periods. This congestion results due to lack of storage space on the SB off ramp from SB I-5. The level of service (LOS) at the Jamboree Road intersection with current conditions and existing traffic volumes is F. The proposed improvements will attain a LOS of B or D for the current or future traffic volumes.

SR-91 widening, SR-55 to Gypsum Canyon

In Anaheim, the SR-91 widening project will widen one lane in each direction from SR-55 to east of Weir Canyon Road. Also, the project will widen the existing general-purpose lanes and outside shoulders to standard widths within the project limits. This project will increase capacity to improve traffic flow.

The SR-91 widening from SR-55 to Gypsum Canyon project will provide mid-term capacity enhancements for SR-91 and improve operational characteristics, such as weaving and lane efficiency at ramp junctions. This project is expected to reduce the amount of traffic using parallel arterials, especially on La Palma Avenue and Santa Ana Canyon Road, thus helping to reduce congestion on local streets. This project is expected to reduce travel time by 15 minutes during peak periods within the project limits. The LOS will be improved from F to D. This project enhances operations, reduces delay, and improves travel times by expanding capacity.

I-5/Ortega Highway (State Route 74) interchange improvements

This project will reconstruct State Route 74 (SR-74) and the I-5 interchange in San Juan Capistrano.

The existing SR-74/I-5 interchange currently experiences congestion during the morning and afternoon peak periods resulting in unacceptable LOS. Vehicle queue lengths exceed the available distance for several turning movements. The interchange and sections of SR-74 within the interchange area operate at LOS E and F. Without any improvements, the I-5/SR-74 interchange will experience more congestion resulting in worsening levels of service.

The proposed project will reconfigure the interchange to better accommodate existing and future traffic volumes and alleviate the congestion within the interchange area.

SR-55 widening San Diego Freeway (Interstate 405) to I-5

OCTA, in cooperation with the California Department of Transportation (Caltrans) District 12, has completed a project study report (PSR)/ project development support which evaluated six alternatives to increase freeway capacity and improve traffic operations on SR-55 from post mile 6.29 (north of the Interstate 405 [I-405] connectors) to post mile 10.32 (south of I-5 connectors). The environmental phase, which would be completed with STIP funding, would narrow the alternatives to a viable project. The project is located in the cities of Santa Ana, Irvine, Tustin, and in the County of Orange.

State Route 90 (SR-90) - Kellogg Drive - La Palma Avenue landscaping

Landscaping along SR-90 from Kellogg Drive to La Palma Avenue.

Planning, programming, and monitoring

Orange County - Countywide activities - planning, programming, and monitoring (PPM)

Orange County is impacted by severe congestion on many regional and interregional facilities. Examination of the problem and potential solutions are necessary for the future construction of improvements. The PPM will be used to develop projects for the

PSR and environmental clearance stage, thus creating a shelf of projects for the future. PPM funds will also be used to support activities in the following areas:

Planning

Develop strategies to address the short- and long-term multimodal transportation needs of both Orange County and the region and to guide the expenditure of federal, state, and local transportation funds.

Programming

Consultant, management and staff support to prioritize, allocate, program and manage federal, state, and local funds for transportation improvements through the county transportation improvement program, including the regional component of the State Transportation Improvement Program (STIP), and Orange County's component of the Regional Transportation Improvement Program (RTIP). Support consultant, management and staff support activities related to: (1) regional funding programs, including technical STIP, Proposition 1B, California Transportation Commission, and Caltrans issues; (2) federal programs, including Congestion Mitigation and Air Quality Program, Regional Surface Transportation Program, Transportation Enhancement Activities, and demonstration (through the federal transportation act) programs, including shepherding Orange County projects through Caltrans District 12 and Sacramento; (3) preparation and processing of Federal Transportation Improvement Program amendments; and (4) support for the Orange County Transportation Authority's (OCTA) participation in Proposition 1B grants.

Transportation Monitoring, Data Management, and Analysis

Consultant and staff support to meet state and federal transportation data collection and monitoring requirements, thereby providing the analytical basis for countywide planning and programming decisions. In addition, consultant and staff support to monitor the development and delivery of transportation projects programmed through the STIP and RTIP. Activities may include: transportation forecasting; demographic projections, maintenance of regional transportation-related data, such as air quality planning, conformity, and regulatory processes and database coordination, and monitoring of transportation system performance and project progress.

Transit

Anaheim Regional Transportation Intermodal Center (ARTIC)

ARTIC is envisioned to be a regional transportation gateway for Orange County. OCTA and the City of Anaheim (City) are working collaboratively on the continued development of ARTIC. The long term vision or project goal is a multi-modal transit center with fully integrated transit supportive commercial mixed use development within the City.

ARTIC will become a gateway to Orange County, a destination for tourists and those that live and work in the region, a point of origin for local and regional commuters, and a place to transfer between modes of transportation. ARTIC will be a destination in itself with integration of mixed-use development including retail and office with multimodal access.

ARTIC is proposed to be built in a phased, 20-year effort, with each phase coinciding with new and/or expansion of transportation services and each phase being implemented as a stand alone project. Development of the ARTIC facility is anticipated as an opportunity for potential joint development and other private sector cost sharing and/or revenue sharing arrangements.

The first phase is defined as the minimum transit center and transit supporting facilities necessary to relocate the existing station to the ARTIC site and to support existing transit services (rail and non-rail), as well as to accommodate future transit services such as the planned Metrolink Service Expansion Program (MSEP), planned bus rapid transit, and other fixed-route services. Phase 1 will also accommodate transit-oriented retail, mixed-use commercial development, and civic space. Phase 1 is planned to focus on preparing the site infrastructure to accommodate additional conventional rail passenger services.

Placentia Rail Station

The proposed Placentia Rail Station is located on the 91 Line serving Riverside, Corona, Anaheim, Fullerton, Buena Park, Norwalk/Santa Fe Springs, Commerce, and Los Angeles. The station will be located in the City of Placentia, east of the Orange Freeway (State Route 57) and Melrose Avenue and north of Crowther Avenue. One new rail siding will be constructed to accommodate the freight rail movement without impacting passenger movement especially when passenger trains are at the station. The new siding is to be approximately 4,800 feet.

The following key elements will be incorporated at the station:

- Two side platforms, 680 feet in length
- A minimum of 500 surface parking spaces
- Provisions for future 3-4 story parking structure

Goldenwest Transportation Center Parking Structure

The existing transportation center is located at 7301 Center Avenue on the northeast corner of Gothard Street and Center Avenue in Huntington Beach in Orange County. The Goldenwest Transportation Center Parking Structure will be located on the surface parking area west of the existing bus facility. There are currently 10 service bus bases at this site along with approximately 124 parking spaces for passenger vehicles. The existing parking is being used at 100% capacity. The project will construct a four level parking garage of approximately 300 spaces which will continue to serve as a park and ride facility.

The project will construct a four level parking garage of approximately 300 spaces which will continue to serve as a park and ride facility.

Anaheim Canyon Station

The Anaheim Canyon Station will be a multi-modal transit center that will accommodate Metrolink commuter rail service, OCTA express and local bus service, StationLink shuttle service, and Anaheim Resort Transit. A number of key elements are needed at the station including:

- Two side platforms, 680 feet in length
- A pedestrian undercrossing
- A minimum of 100 parking spaces
- Enhanced shelters, benches, and other furniture

Orange Station Parking Structure

Parking facility improvements proposed at the Orange Transportation Center will accommodate the current demand and future transit parking needs at the station, also known as the Santa Fe Depot. Two parking structure concepts were selected as the preferred alternative for this project. The Lemon Street parking structure will include between 600-700 spaces and include residential units and a retail/market component. The West Chapman parking structure will include 406 parking spaces and a retail/market component. Approximately 900 spaces total between both structures will be exclusive to Metrolink patrons. The remaining spaces will be paid for by the City of Orange for use for private residences or the retail/market component.

Each parking structure is expected to be five levels with two subterranean levels and designed to conform to fit into the historic nature of the Orange downtown area.

Laguna Niguel Station Improvements

The Laguna Niguel/Mission Viejo Metrolink Station is bounded by Crown Valley Parkway to the north, Oso Creek and Forbes Road to the west, Camino Capistrano and I-5 to the east and the San Joaquin Transportation Corridor (State Route 73) to the south. Under the MSEP the station will be improved to operate as a terminal station for south Orange County. The addition of a third stub track and platform modifications will enable the station to operate as a turnback facility. As a result of this increased frequency of service under the MSEP certain station improvements will be required that include:

- Continuous shade/rain canopies with seating on all platforms
- Permanent restrooms facilities
- New higher speed/higher capacity elevators
- Improved station identification signage
- Improve bus layover area to increase capacity
- Additional ticket kiosks for all platforms
- Passenger drop-off location
- Real time information system

OCTA

BOARD COMMITTEE TRANSMITTAL

January 25, 2010

To: Members of the Board of Directors

WK

From: Wendy Knowles, Clerk of the Board

Subject: Regional Bicycle and Pedestrian Project Funding

Highways Committee Meeting of January 18, 2010

Present: Directors Cavecche, Dixon, Glaab, Hansen, Mansoor, and Pringle

Absent: Director Bates

Committee Vote

This item was passed by all Committee Members present.

Director Pringle was not present to vote on this matter.

Committee Recommendations

A. Authorize a one-time, 12-month extension to previously approved and programmed Transportation Development Act projects.

B. Approve the City of Brea's request to modify the Rails to Trails - Phase I Project scope.

C. Authorize staff to amend the Federal Transportation Improvement Plan and execute any necessary agreements, as required, to program and implement projects.

OCTA

January 18, 2010

To: Highways Committee

From: Will Kempton, Chief Executive Officer

Will Kempton

Subject: Regional Bicycle and Pedestrian Project Funding

Overview

On January 21, 2008, the Orange County Transportation Authority Board of Directors awarded Transportation Development Act funds to regional bicycle and pedestrian projects. Board of Directors' action is requested to allow additional delivery time for delayed projects and one scope modification.

Recommendations

A. Authorize a one-time, 12-month extension to previously approved and programmed Transportation Development Act projects.

B. Approve the City of Brea's request to modify the Rails to Trails - Phase I Project scope.

C. Authorize staff to amend the Federal Transportation Improvement Plan and execute any necessary agreements, as required, to program and implement projects.

Background

The Transportation Development Act (TDA) was enacted in 1971 by the California Legislature to provide funding for transit purposes. The TDA statute allows 2 percent of TDA funds to be used for bicycle and pedestrian facilities unless the regional transportation planning agency finds that the money could be used to better advantage transit and bus operations. On January 28, 2008, the Orange County Transportation Authority (OCTA) Board of Directors (Board) awarded $5.3 million in local TDA program funds towards 16 regional bicycle and pedestrian projects. In June 2009, the Board amended the programming policy for TDA funds to first cover operating shortfalls in OCTA bus operations that are related to the state's diversion of State Transit Assistance funds. The projects under discussion pre-date this change in policy direction.

Discussion

There are four TDA projects that staff is recommending for a one-time, 12-month extension from fiscal year 2008-09 to fiscal year 2009-10, totaling $1.8 million. The cities of Brea, Fullerton, and Laguna Woods are requesting delays due to environmental approval and right-of-way issues. This extension will only affect Board-approved TDA projects from the previous call for projects and will not affect programming deadlines for any future projects. Delays are being requested for the following projects:

- City of Brea (City) - Rails to Trails - Phase I – State College Boulevard to Kraemer Boulevard ($500,000 in TDA)
- City of Fullerton – Union Pacific Trail - Phase II ($300,000 in TDA)
- City of Fullerton – Bastanchury Road/Valencia Mesa bike path ($500,000 in TDA)
- City of Laguna Woods – El Toro Road/Aliso Creek Road sidewalk and bikeway enhancements ($500,000 in TDA)

The City is requesting a modification to the scope of work for the Rails to Trails - Phase I - State College Boulevard to Kraemer Boulevard. The original scope of work included creating a pedestrian and bicycle trail within the limits between State College Boulevard and Kraemer Boulevard (Attachment A), which is approximately 3,000 linear feet. The City has encountered difficulty acquiring right-of-way and would like to move forward with TDA funds for a different segment along the same bike trail corridor. The new segment would be along the Brea Creek Channel from the Union Pacific rail line to Arovista Park. The approximate linear feet for the new segment would be 2,635; however, the new limits will connect more community amenities including City Hall Park, Brea Museum and Heritage Center, Boys and Girls Club, Brea Senior Center, OCTA bus routes, and several large employers, and provide equivalent or better benefits to the community.

OCTA's TDA guidelines do not allow for time extensions and typically projects on a standby list would proceed in lieu of projects experiencing delays. The TDA guidelines also state that projects scoring less than 50 points during the evaluation process would not receive funding. Currently, no projects are on the standby list due to the lack of projects scoring the 50 point minimum. Therefore, staff is recommending extensions to the existing projects providing the best benefit to the community and best use of TDA funds.

Summary

OCTA is responsible for programming the regional portion of the TDA. Staff is recommending a one-time, 12-month extension of programmed TDA projects and approval of a scope of work change for one project.

Attachment

A. City of Brea Transportation Development Act Project

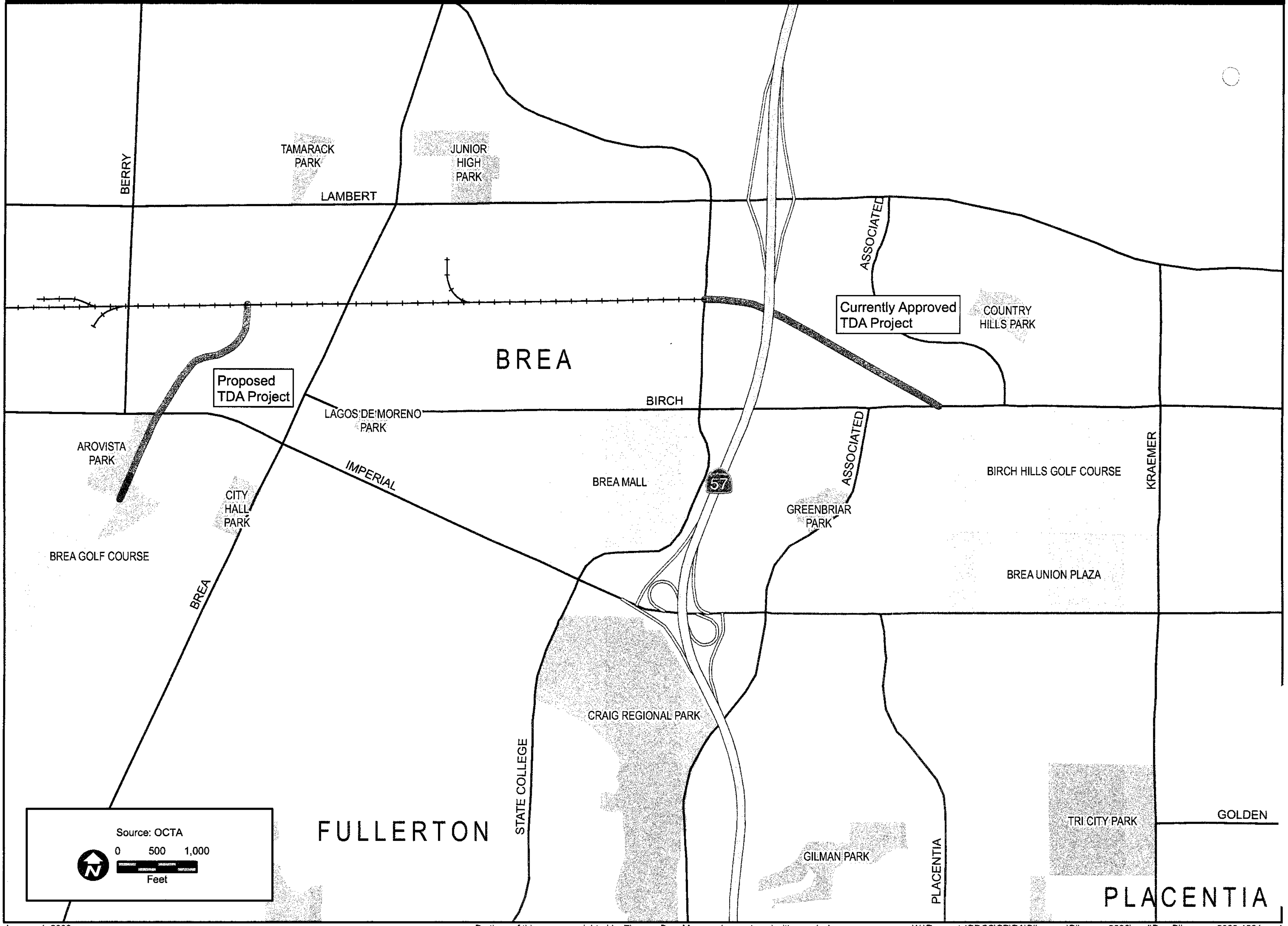
Prepared by:

Ben Ku
Senior Transportation Funding Analyst
(714) 560-5473

Approved by:

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

City of Brea Transportation Development Act Project



ATTACHMENT A

January 4, 2009

Portions of this map copyrighted by Thomas Bros Maps and reproduced with permission.

W:\Requests\PDCS\SP\PA\Bikeways\Bikeways2008\mxd\BreaBikeways_2009-1224.mxd

13.

OCTA

BOARD COMMITTEE TRANSMITTAL

January 25, 2010

To:	Members of the Board of Directors
From:	WK Wendy Knowles, Clerk of the Board
Subject:	2010 Technical Steering Committee Membership

Highways Committee Meeting of January 18, 2010

Present:	Directors Cavecche, Dixon, Glaab, Hansen, Mansoor, and Pringle
Absent:	Director Bates

Committee Vote

This item was passed by all Committee Members present.

Director Pringle was not present to vote on this matter.

Committee Recommendation

Approve the proposed 2010 Technical Steering Committee membership roster.

OCTA

January 18, 2010

To: Highways Committee

From: Will Kempton, Chief Executive Officer

Subject: 2010 Technical Steering Committee Membership

Overview

The Orange County Transportation Authority Technical Advisory Committee provides feedback to the Orange County Transportation Authority on local streets and roads related items. The Technical Advisory Committee relies on a Technical Steering Committee for in-depth discussions of these topics. The Technical Steering Committee members must be approved by the Technical Advisory Committee, the City Engineers Association of Orange County, and the Orange County Transportation Authority Board of Directors. For 2010, six seats are up for reappointment, and a proposed roster is presented for review and approval.

Recommendation

Approve the proposed 2010 Technical Steering Committee membership roster.

Background

The Orange County Transportation Authority (OCTA) Technical Advisory Committee (TAC) was established under enabling OCTA legislation. The TAC provides technical advice on issues pertaining to streets and roads programs in Orange County. The TAC also reviews and approves portions of the Measure M eligibility information submitted by local agencies and provides direction regarding the allocation of competitive grant funds. The TAC is comprised of representatives from all Orange County cities, the County of Orange, the California Department of Transportation, and the Transportation Corridor Agencies. The TAC uses a Technical Steering Committee (TSC) to review and discuss major technical items prior to submittal to the TAC.

The TSC consists of nine voting members nominated by the TAC and approved by the Board of Directors (Board). There is one position for each of

Orange County's five supervisorial districts, two at-large positions, and the TAC chairman and vice chairman. Current policy guidance requires the following:

- There shall be no more than two representatives from any one district, exclusive of the chairman and vice chairman positions.
- Members serve two-year terms, with the exception of one-year terms for the chairman and vice chairman.
- The nominee list must be approved by the City Engineers Association of Orange County (CEAOC), the TAC, and the Board.
- Consideration will be given to provide a balance between small and large jurisdictions (small jurisdictions defined as those with populations less than 62,000).
- Consideration will be given to provide a balance of large and small cities between the chairman and vice chairman positions.
- Consideration will be given to geographic balance between north and south County.

During the past year, the TSC provided guidance and policy direction on a number of issues related to the continued delivery of the Measure M Combined Transportation Funding Program. Also, the TSC has provided input on the development of the Measure M2 (M2) Regional Capacity Program guidelines, as well as the countywide pavement management effort.

Discussion

This year, six regular TSC positions are open for consideration: chairman, vice chairman, First, Third, and Fifth districts, and one at-large. Historically, the vice chairman has moved to chairman, which reduces the number of open positions to five. For 2010, the First, Third, and Fifth districts, as well as one at-large member, will be selected for two-year terms on the TSC with the chairman and vice chairman serving one-year terms.

In October 2009, OCTA solicited letters of intent from local jurisdictions to fill the vacancies for 2010. In accordance with the previously mentioned policy guidelines, the president of the CEAOC, along with the chairman and vice chairman of the TAC reviewed candidate letters of interest and prepared a list of proposed nominations. The recommended 2010 TSC membership roster is presented in Attachment A. In developing the proposed roster, several issues are considered. These issues include the recognition of the proposed members attendance and participation in TAC meetings over the previous year, attempts to strike a balance between small and large agency representation, and a limitation on the number of representatives from one district. For this year's proposed TSC roster, there is somewhat of a disparity between the north/south and small/large city distribution. This imbalance can primarily be attributed to a limited number of letters of intent from local agencies. Staff made numerous attempts to generate more participants via the TAC meetings as well as direct calls to individual eligible TAC members. These efforts did increase the applicant pool somewhat. Ultimately, the CEAOC and TAC decided to fill the roster using the participant pool available (Attachment A). Although the small/large city balance appears disproportionate, two of the cities classified as "large" are just over the threshold. These will represent the issues and concerns of the smaller cities and fulfill the intent of the guidelines in this respect.

Consistent with the OCTA Board-approved guidelines a recommended 2010 TSC membership roster is presented in Attachment A. The full TAC reviewed and approved the roster on December 9, 2009, and recommended submission to the Board for its consideration and approval.

Summary

The TSC provides guidance and direction on major technical issues before it is presented to the full TAC. The TSC members serve two-year terms with the exception of the chairman and vice chairman (one-year terms). There are six positions up for reappointment in the current year. A recommended roster for the 2010 TSC is offered by the TAC for approval by the Board.

Attachment

A. Technical Steering Committee Membership Summary

Prepared by:

Roger Lopez
Manager, Local Measure M Programs
(714) 560-5438

Approved by:

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

ATTACHMENT A

Technical Steering Committee Membership Summary

2009 Technical Steering Committee Membership List (With Expiring Seats)						
NAME	AGENCY	2008 POPULATION	MEDIAN POPULATION SIZE	DISTRICT	NORTH/ SOUTH	SEAT EXPIRES
Ken Rosenfield	Laguna Hills	33,421	Small	Chair	South	December 31, 2009
Mark Lewis	Fountain Valley	57,925	Small	Vice-Chair	North	December 31, 2009
James Ross	Santa Ana	353,184	Large	1	North	December 31, 2009
Travis Hopkins	Huntington Beach	201,993	Large	2	North	December 31, 2010
Manuel Gomez	Irvine	209,806	Large	3	North	December 31, 2009
Don Hoppe	Fullerton	137,437	Large	4	North	December 31, 2010
Ken Montgomery	Laguna Niguel	66,877	Large	5	South	December 31, 2009
Natalie Meeks	Anaheim	346,823	Large	At-Large	North	December 31, 2010
Jim Biery	Buena Park	82,768	Large	At-Large	North	December 31, 2009

Expiring seats are shaded

2010 Technical Steering Committee Membership List (Proposed)						
NAME	AGENCY	2009 POPULATION	MEDIAN POPULATION SIZE	DISTRICT	NORTH/ SOUTH	SEAT EXPIRES
Mark Lewis	Fountain Valley	58,309	Small	Chair	North	December 31, 2010
Jim Biery	Buena Park	83,385	Large	Vice-Chair	North	December 31, 2010
George Alvarez	Santa Ana	355,662	Large	1	North	December 31, 2011
Travis Hopkins	Huntington Beach	202,480	Large	2	North	December 31, 2010
Manuel Gomez	Irvine	212,793	Large	3	North	December 31, 2011
Don Hoppe	Fullerton	137,624	Large	4	North	December 31, 2010
Ken Rosenfield	Laguna Hills	33,434	Small	5	South	December 31, 2011
Natalie Meeks	Anaheim	348,467	Large	At-Large	North	December 31, 2010
Bill Cameron	San Clemente	68,316	Large	At-Large	South	December 31, 2011

Proposed changes for 2010 are shaded

OCTA

January 25, 2010

To: Members of the Board of Directors

From: Will Kempton, Chief Executive Officer

Subject: Fourth Quarter 2009 Debt and Investment Report

Overview

The California Government Code authorizes the Orange County Transportation Authority Treasurer to submit a quarterly investment report detailing the investment activity for the period. This investment report covers the fourth quarter of 2009, October through December, and includes a discussion on the Orange County Transportation Authority's debt portfolio.

Recommendation

Receive and file the Quarterly Investment Report prepared by the Treasurer as an information item.

Discussion

The Treasurer is currently managing the Orange County Transportation Authority's (Authority) investment portfolio totaling $924.9 million as of December 31, 2009. The portfolio is divided into two managed portfolios: the liquid portfolio for immediate cash needs and the short-term portfolio for future budgeted expenditures. In addition to these portfolios, the Authority has funds invested in debt service reserve funds for the various outstanding debt obligations.

The Authority's debt portfolio had an outstanding principal balance of $406.6 million as of December 31, 2009. Approximately 40 percent of the outstanding balance is comprised of Measure M1 (M1) debt, 18 percent is associated with the Renewed Measure M2 (M2) Program, and the remaining 42 percent is for the 91 Express Lanes.

Economic Summary: The Federal Open Market Committee (Fed) continues to keep short-term interest rates at historically low levels in an effort to promote economic recovery. The federal funds target rate range has remained between 0 and 0.25 percent since December 16, 2008.

Indicators for the United States economy were by and large positive for the months of December and November. While the Gross Domestic Product (GDP) growth in the third quarter of 2009 was again revised downward to 2.1 percent from the original 3.5 percent estimate, the consensus for the fourth quarter of 2009 is that GDP will grow between 3.1 and 3.9 percent.

The labor market has dropped 7.2 million jobs since December 2007 leading to restrained consumer spending, which accounts for approximately 70 percent of the economy. Consumer credit continues to decline, for the tenth straight month, as households spend less and attempt to bolster savings. The series of ten straight drops in consumer credit is the longest since record-keeping began in 1943.

Debt Portfolio Activity: On November 18, 2009, the Authority issued another $25 million in Tax-Exempt Commercial Paper (TECP) to fund M2 Early Action Plan projects. The $25 million was issued at 0.25 percent for a period of 55 days. With this issuance, the total principal amount outstanding for the TECP program is $75 million. Proceeds from the TECP program have funded Southern California Regional Rail Authority (Metrolink), Orange Freeway (State Route 57), Santa Ana Freeway (Interstate 5) South, Riverside Freeway (State Route 91), and San Diego Freeway (Interstate 405) projects. The outstanding balances for each of the Authority's debt securities are presented in Attachment A.

Staff continues to monitor the situation regarding Lehman Brothers Holdings Company (Lehman). Lehman served as one of the Authority's counterparties for the swap component of the variable rate bonds. Lehman has not made their counterparty payments to the Authority since September 1, 2008, (the last payment date prior to the bankruptcy filing). In return, the Authority has not remitted the amounts owed to Lehman as part of the swap agreement on February 15, 2009 and August 17, 2009. The net amount owed (by the Authority) between the two parties totals $2.1 million. The Authority will continue to work with bond counsel and monitor the legal options available for the swap.

Investment Portfolio Activity: During the quarter the Authority liquidated $40 million from the short-term portfolio to meet current cash flow needs. Payments to Metrolink and the California Department of Transportation (Caltrans) were among the more notable payments in the fourth quarter.

Investment Portfolio Compliance: As of December 31, 2009, the Authority's portfolio was in compliance with its investment policy. The Authority continues its policy of reviewing the contents of the investment portfolio on a daily basis to ensure compliance. Attachment B provides a comparison of the portfolio holdings as of December 31, 2009, to the diversification guidelines of the policy.

Investment Portfolio Performance Versus Selected Benchmarks: The Authority's investment managers provide the Authority and its financial advisor, Sperry Capital, with monthly performance reports. The investment managers' performance reports calculate monthly total rates of return based upon the market value of the portfolios they manage at the beginning of the month versus the market value at the end of the month. The market value of the portfolio at the end of the month includes the actual value of the portfolio based upon prevailing market conditions as well as the interest income accrued during the month.

The Authority has calculated the total returns for each of the investment managers for short-term operating monies and compared the returns to specific benchmarks as shown in Attachment C. Attachment D contains an annualized total return performance comparison by investment manager for the previous two years. Attachment E provides a two-year yield comparison between the short-term portfolio managers, the Orange County Investment Pool (OCIP), and the Local Agency Investment Fund.

The returns for the Authority's short-term operating monies are compared to the Merrill Lynch 1-3 year Treasury Index benchmark. The Merrill Lynch 1-3 year Treasury Index is one of the most commonly used short-term fixed income benchmarks. Each of the four managers invests in a combination of securities that all conform to the Authority's 2009 Annual Investment Policy. For the quarter ending December 31, 2009, the weighted average total return for the Authority's short-term portfolio was 0.27 percent, 24 basis points above the benchmark return of 0.03 percent. For the 12-month period ending December 31, 2009, the portfolio's return totaled 2.62 percent, 183 basis points above the benchmark return of 0.79 percent for the same period.

The Authority outperformed the benchmark for both the quarter and trailing 12-month period. Investors clearly became more comfortable with the world-wide debt and equity markets as funds flowed from treasury and agency securities into what are traditionally higher performing investments. The Merrill Lynch 1-3 year Treasury Index benchmark, comprised entirely of treasury securities, endured its worst year since 1994 with a return of 0.79 percent. The investment managers continued to add value by purchasing high grade corporate debt, asset-backed securities, and financial services debt issued under the Treasury Liquidity Guarantee Program.

Investment Portfolios: A summary of each investment manager's investment diversification, performance, and maturity schedule is provided in Attachment F. These summaries provide a tool for analyzing the different returns for each manager.

A complete listing of all securities is provided in Attachment G. Each portfolio contains a description of the security, maturity date, book value, market value, and current yield provided by the custodial bank.

Cash Availability for the Next Six Months: The Authority has reviewed the cash requirements for the next six months. It has been determined that the liquid and the short-term portfolios can fund all projected expenditures during the next six months.

Summary

As required under the California Government Code, the Orange County Transportation Authority is submitting its quarterly investment report to the Board of Directors. The investment report summarizes the Orange County Transportation Authority's Treasury activities for the period October 2009 through December 2009.

Attachments

A. Orange County Transportation Authority Outstanding Debt December 31, 2009.
B. Orange County Transportation Authority Investment Policy Compliance December 31, 2009.
C. Orange County Transportation Authority Short-term Portfolio Performance Review Quarter Ending December 31, 2009.
D. Orange County Transportation Authority Short-term Portfolio Performance December 31, 2009.
E. Orange County Transportation Authority Comparative Yield Performance December 31, 2009.
F. Investment Manager Diversification and Maturity Schedules December 31, 2009.
G. Orange County Transportation Authority Portfolio Listing as of December 31, 2009.

Prepared by:

Kirk Avila for

Rodney Johnson
Deputy Treasurer
Treasury/Public Finance
(714) 560-5675

Approved by:

Kenneth Phipps

Kenneth Phipps
Executive Director,
Finance and Administration
(714) 560-5637

ATTACHMENT A

Orange County Transportation Authority
Outstanding Debt
December 31, 2009

Orange County Local Transportation Authority (OCLTA) - M1 Program

	Issued	Outstanding	Final Maturity
2001 Second Senior Sales Tax Revenue Bonds	$ 48,430,000	$ 32,970,000	2011
1998 Second Senior Sales Tax Revenue Bonds	213,985,000	45,385,000	2011
1997 Second Senior Sales Tax Revenue Refunding Bonds	57,730,000	30,145,000	2011
1992 First Senior Sales Tax Revenue Bonds	350,000,000	52,700,000	2011
Sub-total	**$ 670,145,000**	**$ 161,200,000**	

Orange County Local Transportation Authority (OCLTA) - M2 Program

	Issued	Outstanding	Final Maturity
2008 Tax-Exempt Commercial Paper - Series A1	$ 25,000,000	$ 25,000,000	2011
2008 Tax-Exempt Commercial Paper - Series A2	$ 25,000,000	$ 25,000,000	2011
2008 Tax-Exempt Commercial Paper - Series A3	$ 25,000,000	$ 25,000,000	2011

91 Express Lanes *

	Issued	Outstanding	Final Maturity
2003 Toll Road Revenue Refunding Bonds	$ 195,265,000	$ 170,425,000	2030

* *Not reflected is the intra-agency borrowing (subordinated debt) for the purchase of the 91 Express Lanes in the amount of $25,931,627*

TOTAL OUTSTANDING BALANCE	**$ 406,625,000**

ORANGE COUNTY TRANSPORTATION AUTHORITY
Investment Policy Compliance
December 31, 2009

Investment Instruments	Dollar Amount Invested	Percent Of Portfolio	Investment Policy Maximum Percentages
U.S. Treasuries	$284,320,995	30.7%	100%
Federal Agencies & U.S. Government Sponsored	245,747,768	26.6%	100%
State of California & Local Agencies *	-	0.0%	25%
Money Market Funds & Mutual Funds	161,950,253	17.5%	20%
Bankers Acceptances	0	0.0%	30%
Negotiable Certificates of Deposit	0	0.0%	30%
Commercial Paper	0	0.0%	25%
Medium Term Maturity Corporate Securities	121,461,064	13.1%	30%
Mortgage and Asset-backed Securities	46,097,790	5.0%	20%
Repurchase Agreements	18,338,872	2.0%	75%
Investment Agreements Pursuant To Indenture	0	0.0%	100%
Local Agency Investment Fund	53,823	0.0%	$ 40 Million
Orange County Investment Pool	4,802,233	0.5%	$ 40 Million
CAMP	0	0.0%	10%
Variable & Floating Rate Securities	12,683,807	1.4%	30%
Debt Service Reserve Funds - Investment Agreements	16,148,012	1.7%	Not Applicable
Cash Equivalents	13,336,405	1.4%	Not Applicable
Derivatives (hedging transactions only)	0	0.0%	5%
TOTAL	**$924,941,023**	**100.0%**	

* *Balance does not include intra-agency borrowing for the purchase of the 91 Express Lanes in the amount of $25,931,627*

Orange County Transportation Authority
Short-term Portfolio Performance Review*
Quarter Ending December 31, 2009

Month Ending	**Merrill Lynch Treasury 1-3 Year Index Benchmark**		JP Morgan		Payden & Rygel		Western Asset Mgmt		State Street Global Advisors	
	Monthly Return	**Duration**	Monthly Return	Duration	Monthly Return	Duration	Monthly Return	Duration	Monthly Return	Duration
10/31/2009	**0.21%**	**1.92 years**	0.33%	1.85 years	0.22%	1.59 years	0.36%	1.83 years	0.24%	1.93 years
11/30/2009	**0.61%**	**1.93 years**	0.65%	1.86 years	0.62%	1.51 years	0.72%	1.74 years	0.62%	1.90 years
12/31/2009	**-0.79%**	**1.92 years**	-0.70%	1.82 years	-0.50%	1.61 years	-0.68%	1.85 years	-0.79%	1.92 years
Oct 09 - Dec 09 Total Return	**0.03%**		0.28%		0.34%		0.40%		0.06%	

HISTORICAL QUARTERLY RETURNS

Jan 09 - Mar 09 Total Return	**0.09%**	0.61%	0.88%	0.68%	0.10%
Apr 09 - Jun 09 Total Return	**-0.11%**	0.90%	0.56%	1.01%	-0.01%
Jul 09 - Sep 09 Total Return	**0.78%**	1.18%	1.17%	1.34%	0.85%
Oct 09 - Dec 09 Total Return	**0.03%**	0.28%	0.34%	0.40%	0.06%
12-Month Total Return	**0.78%**	**3.00%**	**2.98%**	**3.47%**	**1.01%**

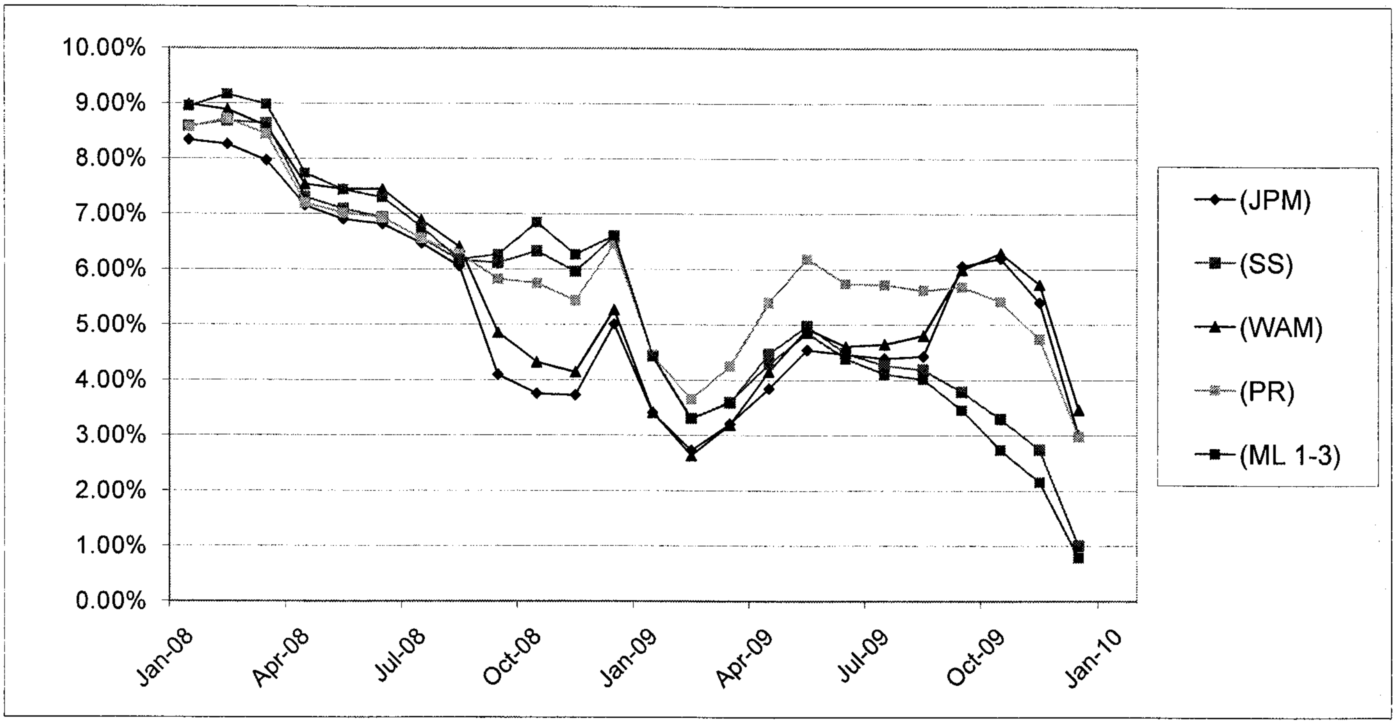
** - Month End Rates of Return are Gross of Fees*

ATTACHMENT C

ATTACHMENT D

Orange County Transportation Authority
Short-Term Portfolio Performance
December 31, 2009

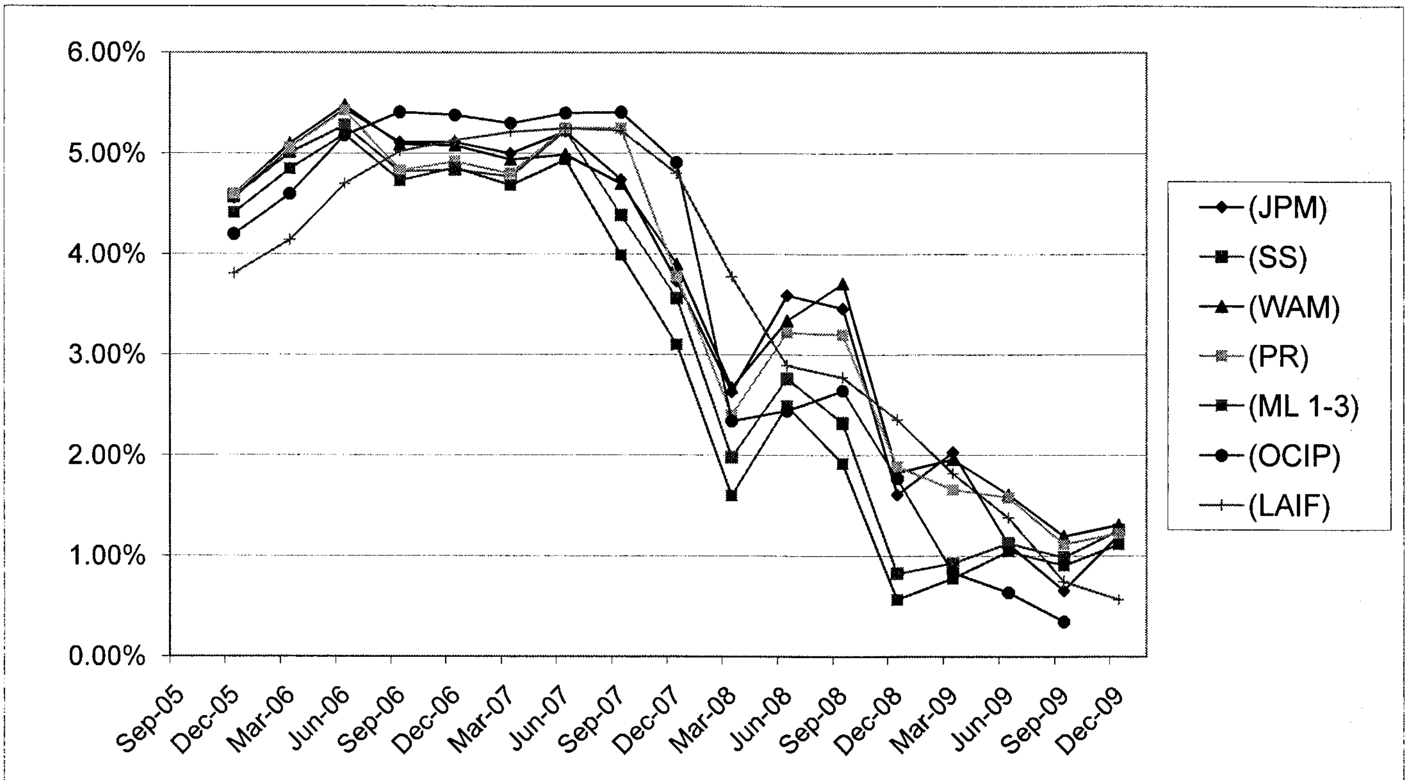
Trailing 1-Year Total Return
Vs. The Merrill Lynch 1-3 Treasury Benchmark



	JP Morgan (JPM)	State Street (SS)	Western Asset Mgmt (WAM)	Payden Rygel (PR)	Merrill Lynch 1-3 Yr (ML 1-3)
Jan-08	8.34%	8.59%	8.99%	8.57%	8.95%
Feb-08	8.26%	8.69%	8.89%	8.73%	9.17%
Mar-08	7.97%	8.64%	8.60%	8.45%	8.99%
Apr-08	7.15%	7.31%	7.54%	7.20%	7.74%
May-08	6.90%	7.09%	7.45%	7.02%	7.44%
Jun-08	6.82%	6.94%	7.45%	6.94%	7.30%
Jul-08	6.47%	6.56%	6.89%	6.56%	6.76%
Aug-08	6.05%	6.17%	6.41%	6.29%	6.18%
Sep-08	4.10%	6.12%	4.86%	5.82%	6.27%
Oct-08	3.76%	6.33%	4.33%	5.75%	6.85%
Nov-08	3.73%	5.96%	4.15%	5.43%	6.27%
Dec-08	5.01%	6.59%	5.27%	6.46%	6.61%
Jan-09	3.41%	4.44%	3.42%	4.45%	4.43%
Feb-09	2.73%	3.31%	2.64%	3.66%	3.30%
Mar-09	3.21%	3.59%	3.19%	4.25%	3.61%
Apr-09	3.85%	4.48%	4.16%	5.40%	4.29%
May-09	4.55%	4.98%	4.93%	6.19%	4.85%
Jun-09	4.46%	4.49%	4.62%	5.74%	4.39%
Jul-09	4.39%	4.27%	4.65%	5.72%	4.11%
Aug-09	4.43%	4.19%	4.81%	5.62%	4.02%
Sep-09	6.06%	3.79%	6.00%	5.68%	3.46%
Oct-09	6.20%	3.30%	6.30%	5.42%	2.74%
Nov-09	5.40%	2.75%	5.73%	4.74%	2.16%
Dec-09	3.00%	1.01%	3.47%	2.98%	0.79%

Orange County Transportation Authority
Comparative Yield Performance
December 31, 2009

Historical Yields
Vs. The Merrill Lynch 1-3 Treasury Benchmark



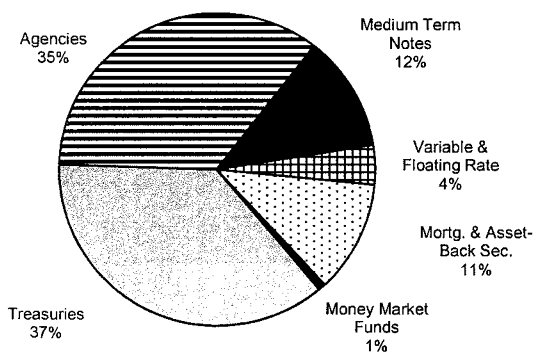
	JP Morgan (JPM)	State Street (SS)	Western Asset Mgmt (WAM)	Payden Rygel (PR)	Merrill Lynch 1-3 Yr (ML 1-3)	(OCIP)	(LAIF)
Dec-05	4.56%	4.57%	4.59%	4.60%	4.41%	4.20%	3.81%
Mar-06	5.06%	5.01%	5.10%	5.06%	4.85%	4.60%	4.14%
Jun-06	5.44%	5.28%	5.48%	5.43%	5.19%	5.18%	4.70%
Sep-06	5.11%	4.82%	5.09%	4.83%	4.73%	5.41%	5.02%
Dec-06	5.11%	4.84%	5.08%	4.92%	4.86%	5.38%	5.13%
Mar-07	5.00%	4.77%	4.94%	4.80%	4.68%	5.30%	5.21%
Jun-07	5.22%	5.23%	4.99%	5.25%	4.94%	5.40%	5.25%
Sep-07	4.74%	4.39%	4.70%	5.25%	3.99%	5.41%	5.23%
Dec-07	3.73%	3.56%	3.90%	3.78%	3.10%	4.91%	4.80%
Mar-08	2.63%	1.98%	2.67%	2.40%	1.60%	2.34%	3.78%
Jun-08	3.59%	2.76%	3.34%	3.22%	2.49%	2.44%	2.89%
Sep-08	3.46%	2.32%	3.71%	3.20%	1.92%	2.64%	2.77%
Dec-08	1.61%	0.83%	1.83%	1.89%	0.57%	1.77%	2.35%
Mar-09	2.03%	0.93%	1.96%	1.66%	0.78%	0.84%	1.82%
Jun-09	1.12%	1.13%	1.61%	1.58%	1.05%	0.64%	1.38%
Sep-09	0.66%	0.99%	1.20%	1.12%	0.91%	0.35%	0.75%
Dec-09	1.21%	1.26%	1.31%	1.23%	1.12%	N/A	0.57%

*The yield for OCIP is not available at this date.

Investment Manager Diversification and Maturity Schedules

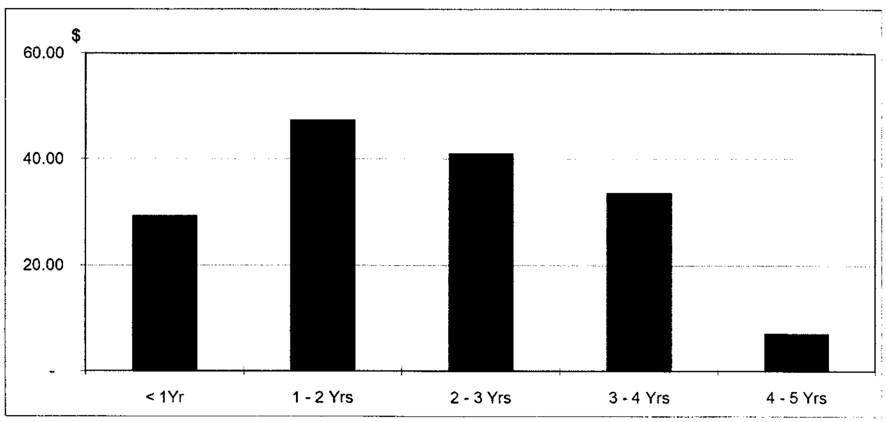
JP Morgan
December 31, 2009

SHORT-TERM PORTFOLIO ($157.8 M)



	Book Value	Market Value
Treasuries	$57,803,967	$58,376,439
Agencies	55,127,284	55,311,397
Medium Term Notes	19,015,739	19,328,702
Variable & Floating Rate	6,402,835	6,432,326
Mortg. & Asset-Back Sec.	18,264,441	18,740,634
Money Market Funds	1,212,910	1,212,910
	$157,827,176	$159,402,408

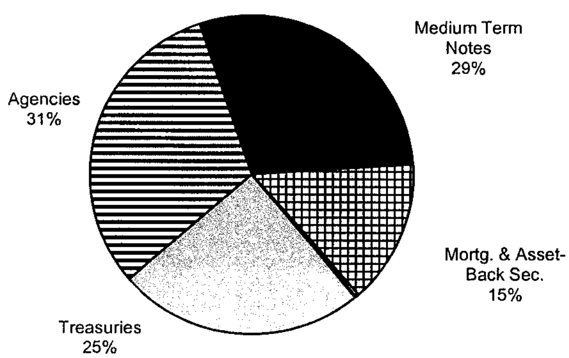
Wtd Avg Maturity	2.10 Yrs
Duration	1.82 Yrs
Quarter-end Yield	1.21%
Benchmark Comparison	1.12%
Quarter Return	0.28%
Benchmark Comparison	0.03%
12 Month Return	3.00%
Benchmark Comparison	0.79%



Investment Manager Diversification and Maturity Schedules

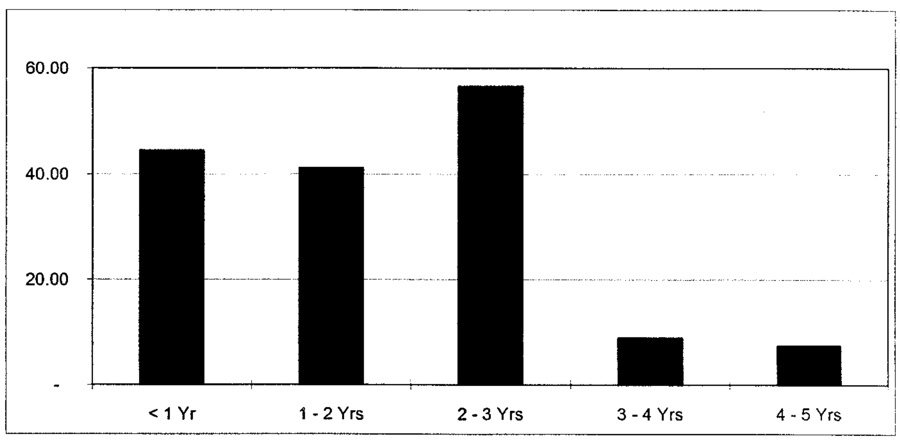
Payden & Rygel
December 31, 2009

SHORT-TERM PORTFOLIO ($158.6 M)



	Book Value	Market Value
Treasuries	$39,258,799	$39,352,148
Agencies	49,407,972	49,267,789
Medium Term Notes	46,213,650	46,994,929
Mortg. & Asset-Back Sec.	23,049,540	23,444,062
Variable & Floating Rate	501,172	503,585
Money Market Funds	147,400	147,400
	$158,578,533	$159,709,912

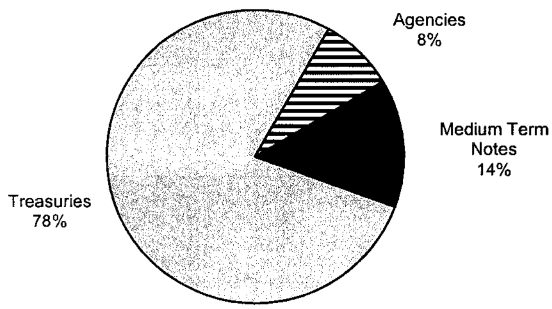
Wtd Avg Maturity	1.91 Yrs
Duration	1.61 Yrs
Quarter-end Yield	1.23%
Benchmark Comparison	1.12%
Quarter Return	0.34%
Benchmark Comparison	0.03%
12 Month Return	2.98%
Benchmark Comparison	0.79%



Investment Manager Diversification and Maturity Schedules

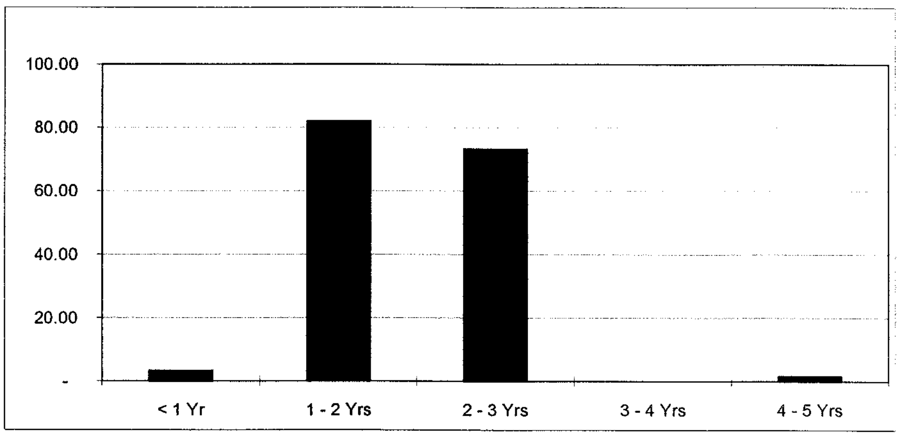
State Street
December 31, 2009

SHORT-TERM PORTFOLIO ($160.0 M)



	Book Value	Market Value
Treasuries	$124,149,192	$124,057,317
Agencies	13,199,535	13,133,660
Medium Term Notes	22,516,868	22,733,488
Money Market Funds	67,865	67,865
	$159,933,460	$159,992,330

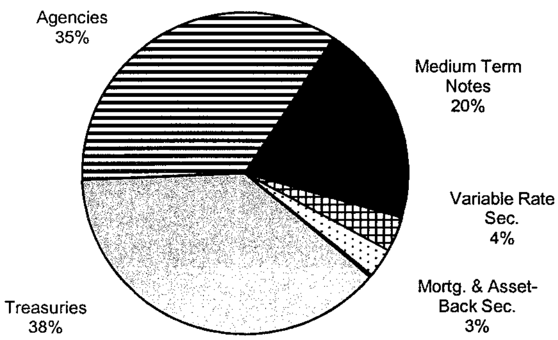
Wtd Avg Maturity	2.00 Yrs
Duration	1.92 Yrs
Quarter-end Yield	1.26%
Benchmark Comparison	1.12%
Quarter Return	0.06%
Benchmark Comparison	0.03%
12 Month Return	1.01%
Benchmark Comparison	0.79%



Investment Manager Diversification and Maturity Schedules

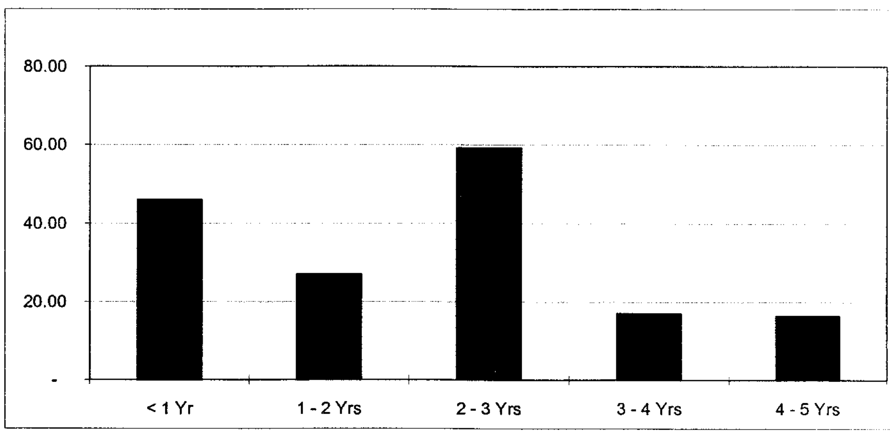
Western Asset Management
December 31, 2009

SHORT-TERM PORTFOLIO ($165.0 M)



	Book Value	Market Value
Treasuries	$63,109,036	$63,758,837
Agencies	57,226,463	58,094,342
Medium Term Notes	33,714,807	33,349,469
Variable Rate Sec.	5,779,800	5,771,846
Mortg. & Asset-Back Sec.	4,783,809	4,841,089
Money Market Funds	351,226	351,226
	$164,965,141	$166,166,810

Wtd Avg Maturity	2.10 Yrs
Duration	1.85 Yrs
Quarter-end Yield	1.31%
Benchmark Comparison	1.12%
Quarter Return	0.40%
Benchmark Comparison	0.03%
12 Month Return	3.47%
Benchmark Comparison	0.79%



ATTACHMENT G

Orange County Transportation Authority
Portfolio Listing
As of December 31, 2009

LIQUID PORTFOLIO

Description	Maturity Date	Book Value	Market Value	Yield
Cash Equivalents				
Repurchase Agreement	1/1/2010	18,338,871.75	18,338,871.75	0.05%
FHLB Discount Note	2/12/2010	6,532,087.73	6,539,000.00	0.21%
FHLB Discount Note	2/16/2010	6,531,679.54	6,592,000.00	0.91%
FNMA Discount Note	2/12/2010	26,126,580.72	26,209,000.00	0.39%
FNMA Discount Note	2/16/2010	6,532,182.71	6,545,000.00	0.30%
Fidelity Funds Treasury I	N/A	34,983,369.83	34,983,369.83	0.05%
First American Treasury Obligations	N/A	191,839.65	191,839.65	0.02%
Goldman Sachs Financial Govt Fund	N/A	16,329,281.79	16,329,281.79	0.04%
Milestone Funds Treasury Obligations	N/A	65,341,030.32	65,341,030.32	0.02%
Sub-total		*180,906,924.04*	*181,069,393.34*	
Local Agency Investment Fund (LAIF)	N/A	53,823.19	53,823.19	0.57%
Orange County Investment Pool (OCIP)	N/A	4,802,233.40	4,802,233.40	N/A
Liquid Portfolio - Total		**$ 185,762,980.63**	**$ 185,925,449.93**	

SHORT-TERM PORTFOLIO

Description	Maturity Date	Book Value	Market Value	Yield
Cash Equivalents				
FHLB Discount Note	3/3/2010	2,899,546.88	2,899,710.00	0.09%
FHLMC Discount Note	1/19/2010	249,988.19	250,000.00	0.09%
Blackrock Institutional Funds	N/A	1,779,401.18	1,779,401.18	0.01%
Sub-total		*4,928,936.25*	*4,929,111.18*	
U.S. Government & Agency Obligations				
FFCB	12/7/2012	1,234,641.85	1,234,617.15	1.88%
FFCB	1/10/2013	425,556.00	422,624.00	3.67%
FFCB	4/8/2013	997,400.00	1,004,690.00	2.19%
FFCB	4/17/2014	496,855.00	498,440.00	2.63%
FFCB	7/7/2014	515,680.00	506,720.00	3.04%
FHLB	2/23/2010	3,496,255.00	3,504,375.00	1.05%
FHLB	9/10/2010	6,870,708.21	6,971,467.50	4.96%
FHLB	12/10/2010	21,211,211.80	21,964,963.20	3.41%
FHLB	12/17/2010	4,093,920.00	4,115,000.00	3.52%
FHLB	5/16/2011	1,999,180.00	2,014,380.00	1.37%
FHLB	6/24/2011	4,517,312.50	4,649,085.00	3.27%
FHLB	7/1/2011	1,011,883.00	1,039,060.00	3.49%
FHLB	9/9/2011	10,492,685.00	10,446,900.00	3.59%
FHLB	4/13/2012	1,496,518.50	1,527,195.00	2.21%
FHLB	7/27/2012	8,900,000.00	8,916,732.00	2.00%
FHLB	11/21/2012	3,492,440.00	3,474,835.00	1.64%
FHLB	12/14/2012	1,002,705.00	995,000.00	1.76%
FHLB	2/27/2013	419,333.60	416,376.00	3.24%
FHLB	8/15/2013	1,095,600.00	1,096,560.00	4.56%
FHLB	9/16/2013	652,685.40	647,814.00	4.17%
FHLB	12/13/2013	2,033,300.00	2,053,760.00	3.04%

Orange County Transportation Authority
Portfolio Listing
As of December 31, 2009

FHLB	4/17/2014	1,103,460.00	1,096,560.00	4.62%
FHLB	6/18/2014	1,116,040.00	1,110,940.00	4.73%
FHLMC	4/11/2011	5,107,089.00	5,225,919.00	2.68%
FHLMC	4/26/2011	741,651.26	749,887.46	1.61%
FHLMC	12/15/2011	5,000,000.00	4,964,350.00	1.26%
FHLMC	1/15/2012	2,225,188.00	2,177,500.00	5.28%
FHLMC	3/23/2012	5,050,000.00	5,019,600.00	2.49%
FHLMC	4/27/2012	3,995,000.00	4,026,640.00	1.99%
FHLMC	10/25/2012	5,466,210.00	5,385,950.00	4.29%
FHLMC	9/27/2013	2,962,377.90	2,877,201.00	3.87%
FHLMC	1/30/2014	8,708,000.00	8,722,480.00	4.59%
FHLMC	7/28/2014	1,021,717.00	1,013,440.00	2.96%
FNMA	2/15/2011	10,296,284.10	10,382,228.00	4.31%
FNMA	5/15/2011	2,537,752.88	2,483,861.60	5.60%
FNMA	11/23/2011	4,987,900.00	4,989,050.00	1.00%
FNMA	1/12/2012	3,397,849.50	3,378,406.95	0.88%
FNMA	4/20/2012	2,097,354.00	2,121,651.00	1.86%
FNMA	4/20/2012	4,993,700.00	5,051,550.00	1.86%
FNMA	7/30/2012	5,098,725.00	5,101,581.00	2.05%
FNMA	11/19/2012	6,609,876.00	6,495,000.00	4.39%
FNMA	2/21/2013	954,908.50	948,552.50	4.38%
FNMA	7/17/2013	322,263.00	321,657.00	4.08%
FNMA	12/11/2013	8,168,800.00	8,160,000.00	2.82%
FNMA	12/11/2013	2,800,710.00	2,754,000.00	2.82%
FNMA	5/15/2014	592,990.80	598,878.00	2.50%
US Treasury Note	2/28/2010	2,032,421.88	2,005,700.00	1.99%
US Treasury Note	4/15/2010	14,868,059.24	14,857,485.19	0.76%
US Treasury Note	4/29/2010	13,888,401.87	13,896,108.00	0.26%
US Treasury Note	9/30/2010	4,136,941.71	4,165,909.96	1.98%
US Treasury Note	10/31/2010	910,233.48	907,947.00	1.49%
US Treasury Note	11/30/2010	14,134,734.40	14,098,420.00	1.24%
US Treasury Note	1/31/2011	500,157.93	501,565.00	0.87%
US Treasury Note	2/28/2011	11,330,035.68	11,220,742.50	4.31%
US Treasury Note	4/15/2011	7,288,631.13	7,951,163.57	2.11%
US Treasury Note	4/30/2011	4,698,680.52	4,706,251.00	0.87%
US Treasury Note	6/30/2011	22,973,687.89	22,633,806.00	4.82%
US Treasury Note	9/30/2011	6,304,204.68	6,298,299.00	1.00%
US Treasury Note	11/15/2011	21,046,236.26	21,113,127.00	1.73%
US Treasury Note	11/30/2011	9,010,928.61	8,941,320.00	0.75%
US Treasury Note	11/30/2011	10,959,034.62	11,031,017.20	4.23%
US Treasury Note	12/15/2011	15,890,406.44	15,805,530.00	1.12%
US Treasury Note	1/15/2012	9,954,721.00	9,990,600.00	1.13%
US Treasury Note	2/15/2012	9,932,010.45	9,943,654.35	1.37%
US Treasury Note	4/15/2012	6,307,565.54	7,205,320.31	1.80%
US Treasury Note	5/15/2012	24,304,875.90	24,260,000.00	1.38%
US Treasury Note	6/15/2012	27,613,337.54	27,598,662.00	1.85%
US Treasury Note	8/31/2012	3,020,290.63	2,993,368.00	3.86%
US Treasury Note	9/15/2012	17,850,237.36	17,716,518.00	1.38%
US Treasury Note	3/31/2013	11,744,765.63	12,272,760.00	2.44%
US Treasury Note	5/31/2013	3,979,535.83	3,899,171.00	3.32%
US Treasury Note	8/31/2013	2,117,187.50	2,078,280.00	3.01%
US Treasury Note	1/31/2014	195,844.42	196,204.00	1.78%
US Treasury Note	4/30/2014	3,671,671.87	3,623,965.00	1.91%
US Treasury Note	7/31/2014	706,154.69	703,500.00	2.61%
US Treasury Note	8/31/2014	2,950,000.00	2,928,347.00	2.39%
Sub-total		*456,132,712.50*	*458,202,218.44*	

Orange County Transportation Authority
Portfolio Listing
As of December 31, 2009

Medium Term Notes

3M Company	11/1/2011	1,482,871.00	1,535,013.50	4.25%
Abbott Labs	5/15/2011	1,051,630.00	1,060,630.00	5.28%
Alabama Power Co	11/15/2013	1,080,490.00	1,095,790.00	5.29%
AT&T	11/15/2013	875,557.90	868,752.50	5.94%
Bank America Corp	4/30/2012	1,779,466.00	1,796,429.40	2.08%
Bank America Corp	6/15/2012	5,191,950.00	5,181,000.00	3.02%
Bank America Corp	6/22/2012	1,997,780.00	2,037,880.00	2.33%
Bank America Corp	9/15/2012	1,408,092.00	1,466,976.00	4.65%
Bank America Corp	5/15/2014	745,850.00	794,297.00	6.50%
Bank New York Inc	4/1/2013	200,622.00	211,204.00	4.26%
BB&T Corp	10/1/2012	195,174.00	208,202.00	4.56%
BB&T Corp	9/25/2013	79,928.80	80,630.40	3.35%
Berkshire Hathaway Financial Corp	1/15/2010	1,484,487.10	1,501,455.00	4.12%
Berkshire Hathaway Financial Corp	4/15/2012	1,795,806.00	1,886,346.00	3.82%
Berkshire Hathaway Inc	5/15/2012	631,692.00	639,642.00	4.46%
Boeing Capital Corp	11/20/2012	1,848,858.60	1,839,279.60	1.90%
Boeing Capital Corp	1/15/2013	165,159.00	163,350.00	5.33%
Bottling Group	11/15/2013	70,350.80	70,283.20	4.62%
Campbell Soup Co	2/15/2011	1,879,535.00	1,861,965.00	6.34%
Caterpillar Financial Services	12/1/2010	2,790,788.00	2,913,008.00	4.85%
Chevron Corp	3/3/2012	1,219,658.00	1,247,184.00	3.32%
Cisco Systems Inc	2/22/2011	2,069,600.50	2,124,893.25	5.00%
Citigroup Inc	2/27/2012	408,840.00	413,288.00	5.08%
Citigroup Inc	4/30/2012	3,373,442.80	3,416,199.80	2.10%
Citigroup Inc	5/7/2012	498,695.00	502,660.00	1.87%
Citigroup Inc	10/17/2012	289,161.00	312,522.00	5.09%
Citigroup Inc	11/15/2012	3,493,980.00	3,490,970.00	1.88%
CME Group Inc	8/1/2013	181,622.00	188,861.75	5.00%
Coca-Cola Senior Notes	3/15/2014	104,283.00	103,079.00	3.52%
Conoco Phillips	2/1/2014	698,033.00	751,583.00	4.42%
Credit Suisse First Boston USA	1/15/2010	301,644.00	300,264.00	4.12%
Credit Suisse First Boston USA	8/15/2010	984,054.65	975,764.00	4.75%
Credit Suisse First Boston USA	11/15/2011	320,629.00	323,514.00	5.68%
Electronic Data System Corp	8/1/2013	250,391.25	248,719.50	5.43%
Eli Lilly & Co	3/6/2012	399,592.00	416,276.00	3.41%
General Electric Capital Corp	12/1/2010	629,166.00	624,006.00	4.81%
General Electric Capital Corp	3/11/2011	1,006,290.00	1,011,280.00	1.78%
General Electric Capital Corp	12/9/2011	309,110.30	319,554.20	2.91%
General Electric Capital Corp	2/15/2012	2,167,040.00	2,142,740.00	5.48%
General Electric Capital Corp	3/12/2012	3,071,859.00	3,043,470.00	2.22%
General Electric Capital Corp	6/8/2012	6,134,097.40	6,189,578.08	2.17%
General Electric Capital Corp	12/28/2012	253,646.75	254,602.50	2.58%
General Electric Capital Corp	5/13/2014	719,200.80	778,370.40	5.46%
Goldman Sachs Group	6/15/2010	488,545.00	509,010.00	4.42%
Goldman Sachs Group	1/15/2012	1,301,708.00	1,304,568.00	6.07%
Goldman Sachs Group	6/15/2012	1,992,240.00	2,077,860.00	3.13%
Goldman Sachs Group	8/1/2012	264,793.30	273,032.15	3.52%
Goldman Sachs Group	7/15/2013	166,966.40	167,398.40	4.54%
Goldman Sachs Group	5/1/2014	1,074,301.44	1,149,552.27	5.49%
Hewlett Packard Co	5/27/2011	1,184,642.20	1,196,756.00	2.22%
Hewlett Packard Co	2/24/2012	799,648.00	839,152.00	4.05%
Honeywell International Inc	8/1/2012	163,887.00	163,876.50	5.15%
Household Financial Corp	5/15/2012	208,420.00	217,472.00	6.44%
HSBC Finance Corp	9/15/2010	102,464.00	102,482.00	4.51%
HSBC USA Inc	4/1/2014	99,052.00	104,389.00	4.43%

Orange County Transportation Authority
Portfolio Listing
As of December 31, 2009

IBM	11/29/2012	127,898.75	134,292.50	4.42%
IBM	5/6/2013	1,049,149.50	1,047,900.00	2.10%
IBM International Group Capital LLC	10/22/2012	628,494.00	649,938.00	4.66%
John Deere Capital Corp	4/3/2013	1,557,441.60	1,637,812.80	4.29%
Johnson & Johnson	8/15/2012	1,859,018.00	1,847,679.00	4.74%
JP Morgan Chase & Co	12/1/2011	3,041,037.00	3,104,940.00	3.02%
JP Morgan Chase & Co	1/2/2013	1,059,110.00	1,066,490.00	5.39%
Kimberly Clark Corp	2/15/2012	84,393.10	91,575.60	5.22%
Lehman Brothers Holdings	1/24/2013	1,013,340.00	205,000.00	0.00%
Lowes Company Inc	6/1/2010	127,993.75	129,012.50	7.99%
McDonalds Corp	3/1/2012	1,522,612.00	1,509,144.00	5.33%
Medtronic Inc	9/15/2010	1,389,312.00	1,385,896.50	4.26%
Merrill Lynch & Co Inc	8/15/2012	1,034,500.00	1,071,230.00	5.65%
Metropolitan Life Global	4/10/2013	1,845,418.40	1,949,277.60	4.84%
Morgan Stanley Co	12/1/2011	3,133,203.00	3,111,960.00	3.13%
Morgan Stanley Co	4/1/2012	1,075,180.00	1,087,990.00	6.07%
Morgan Stanley Co	6/20/2012	4,992,450.00	5,046,300.00	1.93%
Morgan Stanley Co	5/13/2014	1,554,886.00	1,612,800.00	5.58%
Morgan Stanley Co	11/20/2014	349,860.00	350,245.00	4.20%
National City Bank	12/15/2011	432,021.10	436,592.60	5.82%
National Rural Utilities Financial	9/16/2012	34,947.85	35,217.35	2.61%
Northern Trust Corp	8/29/2011	106,909.00	106,105.00	5.00%
Oracle Corp	1/15/2011	1,309,368.71	1,351,870.00	4.81%
Oracle Corp	4/15/2013	161,491.50	182,420.20	4.61%
Pepsico Inc	3/1/2014	764,851.75	790,551.00	3.63%
Pfizer Inc	3/15/2012	1,098,493.00	1,163,415.00	4.21%
PNC Corp	6/22/2012	3,028,920.00	3,050,700.00	2.26%
Praxair Inc Note	11/15/2012	548,405.00	544,681.50	1.77%
Principal Life Income Fundings	12/14/2012	174,044.30	180,295.20	5.00%
Procter & Gamble Co	8/15/2014	1,094,250.00	1,087,990.00	4.55%
Protective Life Secured Trust	8/16/2010	167,720.85	168,927.00	4.74%
State Street Corp	5/30/2014	208,330.00	206,962.00	4.16%
Suntrust Bank Senior Notes	11/16/2011	1,233,590.40	1,238,220.00	2.91%
United Parcel Service Inc	1/15/2013	1,094,668.30	1,116,360.00	4.23%
United Technologies Corp	3/1/2011	1,515,668.00	1,483,818.00	5.99%
US Bancorp Notes	2/15/2013	1,096,579.00	1,090,386.00	2.14%
US Central Federal Credit Notes	10/19/2011	1,099,439.00	1,099,703.00	1.25%
USAA Capital Corp	3/30/2012	453,366.00	455,818.50	2.21%
Verizon Global Corp	12/1/2010	2,990,512.00	2,958,984.00	6.86%
Verizon Global Corp	5/20/2011	2,073,381.50	2,139,677.75	3.64%
Wachovia Corp	10/15/2011	619,793.55	640,096.56	4.99%
Wachovia Corp	11/1/2014	618,462.00	613,368.00	4.70%
Wal Mart Stores	5/1/2013	707,024.20	713,858.20	4.27%
Walt Disney Co	12/1/2012	619,986.00	645,990.00	4.37%
Wells Fargo	8/9/2010	2,064,493.50	2,102,459.50	4.51%
Wells Fargo	12/9/2011	189,777.70	196,150.30	2.91%
Wells Fargo	6/15/2012	4,133,924.90	4,183,090.05	2.10%
West Corp Federal Credit Union	11/2/2012	469,412.50	467,889.70	1.76%
Yale University	10/15/2014	419,143.20	418,446.00	2.91%
Sub-total		*121,461,063.90*	*122,406,587.31*	
Variable Rate Notes				
Allstate Life Global	2/26/2010	1,000,000.00	1,000,810.00	0.85%
American Express Credit Corp	6/19/2013	930,000.00	914,608.50	1.93%
American Honda Financial Corp	2/5/2010	1,230,000.00	1,229,864.70	0.68%
Bank America Corp	6/22/2012	1,002,362.00	1,005,490.00	0.45%

Orange County Transportation Authority
Portfolio Listing
As of December 31, 2009

Bank New York Inc	2/5/2010	500,000.00	500,265.00	0.68%
Caterpillar Financial Services	2/8/2010	1,000,000.00	1,000,510.00	0.91%
Caterpillar Financial Services	6/25/2010	671,581.20	671,293.10	0.78%
Citigroup Inc	4/30/2012	422,352.00	423,859.80	0.81%
Goldman Sachs Group	11/9/2011	1,003,504.84	1,005,720.00	0.53%
John Deere Capital Corp	2/26/2010	1,200,000.00	1,200,816.00	0.71%
JP Morgan Chase & Co	6/22/2010	1,750,000.00	1,750,875.00	0.28%
Morgan Stanley	5/14/2010	501,172.00	503,585.00	2.98%
Wachovia Bank NA	12/2/2010	1,472,835.00	1,500,060.00	0.33%
Sub-total		*12,683,807.04*	*12,707,757.10*	
Mortgage And Asset-Back Securities				
American Express Issuance Trust	1/15/2011	190,000.00	200,854.00	4.00%
American Honda Auto Lease Trust	5/21/2011	64,749.92	64,128.26	5.40%
American Honda Auto Lease Trust	8/15/2011	981,531.25	984,821.60	1.49%
American Honda Auto Lease Trust	8/15/2011	1,299,941.63	1,308,827.00	2.61%
American Honda Auto Lease Trust	1/21/2012	641,141.21	661,431.21	5.22%
American Honda Auto Lease Trust	5/15/2013	139,976.27	141,813.00	2.28%
American Honda Auto Lease Trust	11/21/2013	313,500.00	312,297.00	5.35%
Bank of America Auto Trust	12/18/2010	622,659.09	643,322.40	5.16%
Capital Auto Receivables Asset	8/15/2012	182,348.28	181,948.00	3.79%
Capital One Prime Auto	7/15/2012	371,971.69	381,806.27	4.85%
Carmax Auto Owner Trust	12/15/2011	199,729.72	203,966.26	5.15%
Carmax Auto Owner Trust	2/15/2013	329,934.37	328,201.65	4.60%
Carmax Auto Owner Trust	3/15/2013	994,469.54	994,867.20	3.98%
Caterpillar Financial Trust	12/25/2010	49,665.31	50,576.71	4.08%
Chase Issuance Trust	11/15/2013	1,700,646.09	1,725,018.60	0.26%
Citibank Credit Card Issuance	10/22/2012	313,094.06	347,234.69	4.61%
CNH Equipment Trust	3/15/2013	524,925.87	532,770.00	2.93%
CNH Equipment Trust	12/15/2013	119,997.88	119,532.00	1.86%
Daimler Chrysler Auto Trust	6/8/2012	577,170.53	575,982.89	3.64%
FHLB Mortgage Pool	10/25/2010	4,447,318.07	4,556,833.18	4.62%
FHLMC Mortgage Pool	1/1/2010	623,625.01	653,975.13	3.93%
FHLMC Mortgage Pool	12/1/2010	880,071.87	908,367.35	4.40%
FHLMC Mortgage Pool	12/1/2010	762,597.08	779,789.52	4.87%
FHLMC Mortgage Pool	2/1/2011	1,058,072.81	1,072,844.74	4.31%
FHLMC Mortgage Pool	4/1/2011	1,164,424.67	1,179,053.47	4.31%
FHLMC Mortgage Pool	4/1/2011	1,017,959.21	1,057,824.09	5.28%
FHLMC Mortgage Pool	5/1/2011	2,461,146.66	2,479,650.00	4.44%
FHLMC Mortgage Pool	6/1/2011	2,283,256.92	2,338,512.58	3.91%
FHLMC Mortgage Pool	8/15/2011	2,155,565.23	2,224,036.79	5.09%
FHLMC Mortgage Pool	9/15/2011	1,221,684.52	1,254,294.00	5.25%
FHLMC Mortgage Pool	8/15/2012	5,544,475.15	5,670,313.18	4.38%
FHLMC Mortgage Pool	6/15/2014	1,750,639.20	1,759,226.23	1.99%
FHLMC Mortgage Pool	6/15/2014	1,241,665.27	1,251,087.29	1.99%
FNMA Mortgage Pool	5/1/2010	790,820.17	831,381.52	4.41%
Ford Credit Auto Owner Trust	8/15/2011	1,438,235.38	1,434,633.38	5.32%
Harley-Davidson Motorcycle Trust	5/15/2012	82,108.93	83,605.06	5.05%
Harley-Davidson Motorcycle Trust	6/15/2013	375,375.00	413,108.00	5.05%
Harley-Davidson Motorcycle Trust	8/15/2013	418,250.00	417,336.00	4.91%
Hertz Vehicle Finance	3/25/2014	879,947.46	876,955.20	4.27%
HSBC Automotive Trust	11/17/2013	247,812.50	260,175.00	5.12%
Hyundai Auto Receivables	1/15/2012	301,224.08	301,942.67	4.95%
Hyundai Auto Receivables	12/15/2012	436,378.13	463,632.15	4.73%
John Deere Trust	3/15/2012	174,987.59	175,108.50	0.85%
John Deere Trust	10/15/2013	154,994.06	154,832.60	1.57%

Orange County Transportation Authority
Portfolio Listing
As of December 31, 2009

Nissan Auto Receivables 2008-A	8/15/2011	116,922.83	119,499.87	3.84%
Nissan Auto Receivables 2008-B	4/15/2012	893,250.00	922,590.00	4.35%
USAA Auto Owner Trust	2/15/2012	45,268.79	47,696.80	5.31%
USAA Auto Owner Trust	10/15/2012	293,772.66	302,796.85	4.17%
USAA Auto Owner Trust	10/15/2012	119,258.69	131,868.05	4.51%
USAA Auto Owner Trust	2/15/2014	164,996.52	164,217.90	1.55%
Volkswagen Auto Enhanced Trust	7/15/2011	977,963.55	986,596.99	0.99%
Volkswagen Auto Enhanced Trust	7/20/2012	531,667.50	565,711.68	4.39%
World Omni Auto Trust	10/15/2011	214,801.15	215,308.62	4.98%
World Omni Auto Trust	4/15/2013	1,209,801.88	1,211,582.54	4.92%
Sub-total		*46,097,791.25*	*47,025,785.67*	
Short-Term Portfolio - Total		**$ 641,304,310.94**	**$ 645,271,459.70**	

DEBT SERVICE RESERVE FUNDS

Description	Maturity Date	Book Value	Required Amount	Yield
91 Express Lanes 2003 Refunding Bonds	2030		*25,292,065.83*	
First American Treasury Obligations	N/A	228,081.36		0.02%
FHLMC Discount Note	6/14/2010	12,634,088.51		0.17%
FHLMC Discount Note	6/14/2010	12,429,895.96		0.17%
91 Express Lanes 2003 Refunding Bonds - Operating & Maintenance Reserves			*13,336,404.77*	
Operating Reserve - Cash Equivalents		3,224,716.00		N/A
Maintenance Reserve - Cash Equivalents		10,111,688.77		N/A
Measure M Second Senior Sales Tax Bonds			*56,910,357.63*	
1992 Sales Tax Bonds -	2011			
FSA GIC	2/15/2011	8,998,875.61		3.88%
Fidelity Funds Treasury I	N/A	5,598,659.21		0.05%
1994 Sales Tax Bonds -	2011			
CSFP Agmt - Various Treasury Securities		5,899,593.67		5.98%
Fidelity Funds Treasury I	N/A	5,846,332.89		0.05%
1997 Sales Tax Bonds -	2011			
FSA GIC	2/15/2011	1,249,542.82		3.88%
Fidelity Funds Treasury I	N/A	777,691.31		0.05%
1998 Sales Tax Bonds -	2011			
Fidelity Funds Treasury I		24,605,642.71		0.05%
2001 Sales Tax Bonds -	2011			
Fidelity Funds Treasury I	2/15/2011	6,268,923.10		0.05%
Debt Service Reserve Funds - Total		**$ 97,873,731.92**		

Orange County Transportation Authority
Portfolio Listing
As of December 31, 2009

	Book Value	Market Value
TOTAL PORTFOLIO	**$ 924,941,023.49**	**$ 929,070,641.55**

FFCB - Federal Farm Credit Banks
FHLB - Federal Home Loan Banks
FHLMC - Federal Home Loan Mortgage Corporation
FNMA - Federal National Mortgage Association
SLMA - Student Loan Marketing Association

OCTA

MEMO

January 20, 2010

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

January 21, 2010

To: Legislative and Communications Committee

From: Will Kempton, Chief Executive Officer

Subject: Rideshare Program Update

Overview

The Orange County Transportation Authority's Rideshare Program is a transportation control measure included in the Southern California Association of Governments' Regional Transportation Plan. Program goals are to create awareness and usage of alternatives to single occupant vehicle travel such as vanpooling, carpooling, biking, and transit. This report provides an update on the program.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) Rideshare Program supports regional air quality conformity goals and is classified as a transportation control measure in the Southern California Association of Governments' (SCAG) Regional Transportation Plan. The program includes a wide array of services and programs including a vanpool program, carpool matching, bus and rail services marketing, and employer assistance with transportation plans. The target audience for OCTA's Rideshare Program includes large employers and their employees as well as other home-to-work commuters. OCTA's Rideshare Program is branded "Share the Ride."

Discussion

OCTA builds relationships with Orange County businesses by offering services that will assist them in meeting air quality mandates under the South Coast Air Quality Management District's (SCAQMD) Rule 2202. This rule requires large employers with 250 or more employees to annually assess its workforce's average vehicle ridership (AVR). AVR is a measure of vehicle trips and occupancy rates for trips taken to and from the worksite. The goal is to promote options to single occupant vehicle travel, reduce vehicle miles traveled, and reduce vehicle emissions.

OCTA's Share the Ride program reaches employers, their employees, residents and commuters in Orange County. There are more than 300 large employers in Orange County. However, rideshare services are available to any business located in Orange County regardless of size.

OCTA offers the following to employers:

- Information about OCTA bus, rail, vanpool and carpool services, and transit passes
- Transportation subsidies via the employer and university pass and vanpool program
- Outreach assistance by attending employer events to disseminate transportation information and provide direct assistance to their employees
- Average vehicle ridership (AVR) surveys, ride matching, and ride guides for employees
- Employee transportation coordinator (ETC) training programs including certification programs required by SCAQMD and quarterly marketing meetings
- Interactive website information, www.octa.net/sharetheride, providing a one-stop place for information about OCTA events, campaigns, and services
- Countywide marketing campaigns to reinforce commute options and encourage trial use (Bike to Work, Dump the Pump, and Rideshare Week)

For employees and general commuters, OCTA offers:

- Ride matching services to provide car and vanpooling options
- Information on OCTA website about commute costs and options

- Reduced fares (Epass, Upass, and the vanpool program)

The following table shows a sample of types and volume of support services and programs provided by OCTA to employers over the past three years.

Service Provided	Calendar Year		
	2007	2008	2009*
Commuter assistance (telephone calls)	1,791	3,215	2,372
Ride Guides produced	9,783	15,893	17,451
AVR clients (companies)	48	50	78
AVR surveys processed	47,817	40,739	50,531
Employer classes / training	4	4	3
Promotional campaigns	3	3	1
Employer onsite assistance / outreach	48	36	24
Vanpools formed	154	275	283
University pass participants (average monthly boardings)	53,564	75,897	69,804
Employer pass participants (average monthly boardings)	65,782	69,515	62,177

* Through November 2009

In addition to these programs, OCTA participates in several promotions including California Rideshare Week. This annual campaign is conducted in conjunction with a statewide effort to promote ridesharing. Commuters are encouraged to try alternatives to driving alone and when they do, they can enter a drawing to win (sponsored) prizes.

While there was moderately less participation than last year (which could be the result of a poor economy and high unemployment rates), nearly 10,000 rideshare trips were reported during Rideshare Week (October 5-9, 2009) via an online survey or a mail-in report card. Based on the online reports submitted, about 54 percent of the rideshare trips were made using van or carpool, while 32 percent used transit (bus or train).

The major tactics of this year's promotional program included an ETC kick-off meeting with 55 attendees, employer promotional posters and fliers in addition to a dedicated web section and seven e-mail blasts to approximately 300 ETCs. The production cost based on those tactics was $3,214, which yielded a return on investment indicator of $0.32 per rideshare trip. The added value of the promotion is the exposure to the 75,000 employees represented by the 300 employers. The cost of reaching each of those employees is $0.04.

The following chart represents the data collected and used to analyze the results of this year's campaign compared to previous years.

Rideshare Week Campaign Results by Calendar Year			
	2007	2008	2009
Rideshare Trips	8,290	13,138	9,944
Mode Use (based on online reports)			
Bus	591	1,281	926
Metrolink	912	1,827	1,507
Vanpool/Carpool	2,575	5,643	4,130
Bicycle	244	693	630
Telecommute/Walk	384	384	426

In July 2007, the OCTA vanpool program was launched. This program reduces the number of cars used by commuters traveling to worksites in Orange County. There are currently 2,312 people riding to 52 unique worksites in the county. In addition to providing a viable commute option, this program generates additional federal funding allocations for transit capital programs. The following chart provides the fiscal year data and estimated increased federal allocation of funds as a result of the vanpool program.

Fiscal Year Vanpool Data			
	2007-08	2008-09	2009-10 (July – Nov. 2009)
Vanpools	204	285	277
Revenue miles	2,967,112	5,088,479	2,153,078
Passenger trips	449,055	781,828	333,523
Subsidy paid	$670,520	$1,266,680	$551,320
General and Administrative	$112,590	$197,800	n/a
Total Expenses	$783,110	$1,464,480	n/a
5307 Apportionment*	$1,533,486	$2,814,217	n/a

*These are the estimated amounts that OCTA expects to receive based on the vanpool program data included in our annual National Transit Database (NTD) report.

In conclusion, OCTA's Rideshare Program, especially the vanpool program, is highly effective. For example:

- OCTA is providing more transportation information to employers.
- More vanpools are being formed and the ratio of revenue to expense for the vanpool program is approximately 2 to 1.
- There is sustained use of employer and university bus passes.
- Rideshare week promotion is cost-effective in enhancing awareness and participation for ridesharing.

Summary

OCTA's Rideshare Program plays a vital role in communicating information about alternatives to single occupant vehicle travel. In addition, employers and commuters depend on the services offered under this program. This report provides data that indicates that the program yields positive results for OCTA and Orange County.

Attachment

None.

Prepared by:

Stella Lin
Manager, Marketing
(714) 560-5342

Approved by:

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

16.

OCTA

January 25, 2010

To: Members of the Board of Directors

From: Will Kempton, Chief Executive Officer

Subject: Request to Conduct a Public Hearing on Amendment to the Measure M1 Expenditure Plan for the Freeway Program

Overview

Due to decreases in sales tax revenue, an amendment to the freeway component of the Measure M1 Expenditure Plan is required. The funding allocation for the Orange Freeway (State Route 57) line item needs to be revised to reflect available revenues. A public hearing must be set at least 30 days in advance.

Recommendation

Conduct a public hearing on March 8, 2010, to approve the proposed amendment to the Measure M1 Expenditure Plan.

Background

On September 24, 2007, the Board of Directors (Board) amended the Measure M1 (M1) Expenditure Plan to modify the description of the Orange Freeway (State Route 57) project, consistent with Project G in the Measure M2 (M2) Transportation Investment Plan, and increased the M1 funding allocation by $22 million. The downturn in the economy has depleted the projected balance in the M1 freeway mode and current projections show that $22 million of M1 funds will not be available for the Orange Freeway (State Route 57) project. On December 14, 2009, the Board directed staff to initiate the process to amend the M1 Expenditure Plan to remove the $22 million intended for M2 improvements on the State Route 57 (SR-57).

Discussion

Amendments to the M1 Expenditure Plan require a public hearing, a two-thirds approval of the M1 Taxpayers Oversight Committee (TOC) and a majority approval of the Board. The proposed amendment would remove $22 million of M1 funds from the funding allocation for the SR-57 project.

The process for amending M1 is as follows:

- ❑ January 25: OCTA schedules a public hearing (30-day minimum notice) on the proposal. The proposal is circulated to local agencies.
- ❑ February 9: The Measure M TOC considers and must approve the amendment by a two-thirds vote of its membership, prior to final action by OCTA.
- ❑ March 8: A public hearing is conducted. The Orange County Transportation Authority Board must approve the amendment by a majority vote. A notice of the amendment is sent to local agencies.
- ❑ April 23: The amendment becomes effective 45 days after a notice is sent.

Summary

An amendment to the Measure M1 Expenditure Plan is needed to close the projected funding gap within the freeway program created by the downturn in the economy. The Board of Directors must take action to schedule the public hearing at least 30 days prior to the meeting date.

Attachment

None.

Prepared by:

Andy Oftelie
Department Manager,
Financial Planning and Analysis
(714) 560-5649

Approved by:

Kenneth Phipps
Executive Director,
Finance and Administration
(714) 560-5637

17.

OCTA

BOARD COMMITTEE TRANSMITTAL

January 25, 2010

To:	Members of the Board of Directors
From:	WK Wendy Knowles, Clerk of the Board
Subject:	Amendment to Agreement for Security Upgrades at the Anaheim, Garden Grove, Irvine Construction Circle, and Irvine Sand Canyon Bus Bases

Transit Committee Meeting of January 14, 2010

Present: Directors Brown, Dalton, Glaab, Nguyen, and Winterbottom
Absent: Directors Dixon and Pulido

Committee Vote

This item was passed by all Committee Members present.

Director Nguyen was not available to vote on this item.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement No. C-9-0329 between the Orange County Transportation Authority and TRC Solutions, Inc., in an amount not to exceed $71,134, for design and construction support services for security upgrades at the Anaheim, Garden Grove, Irvine Construction Circle, and Irvine Sand Canyon bus bases.

OCTA

January 14, 2010

To: Transit Committee

From: Will Kempton, Chief Executive Officer

Subject: Amendment to Agreement for Security Upgrades at the Anaheim, Garden Grove, Irvine Construction Circle, and Irvine Sand Canyon Bus Bases

Overview

On June 23, 2009, the Orange County Transportation Authority entered into an agreement with TRC Solutions, Inc., in the amount of $120,279, for development of design criteria and construction support services for security upgrades at the Anaheim, Garden Grove, Irvine Construction Circle, and Irvine Sand Canyon bus bases. Additional services are required to incorporate project elements necessary to complete the design.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement No. C-9-0329 between the Orange County Transportation Authority and TRC Solutions, Inc., in an amount not to exceed $71,134, for design and construction support services for security upgrades at the Anaheim, Garden Grove, Irvine Construction Circle, and Irvine Sand Canyon bus bases.

Discussion

The Orange County Transportation Authority (Authority) owns five maintenance and operations facilities, one each in the cities of Anaheim, Garden Grove, and Santa Ana, and two in the City of Irvine. A threat and vulnerability assessment study was conducted by Booz Allen Hamilton in December 2003 for all of the Authority's facilities. The methodology used in the study was developed by the Federal Transit Administration and successfully applied to the United States government and civilian facilities.

Reports from the studies, Threat and Vulnerability Assessment and Methodology (TVA) and Strategic Plan for High Priority Security Items (SPHPS), outlined the threat and vulnerability assessment to the Authority's bus bases, as well as identified countermeasures to avert future incidences and increase security.

In the study, the TVA examined key assets and operations from the perspective of a potential terrorist attack. For each facility and operation, it conducted a threat analysis and vulnerability, determined priorities, identified current countermeasures in place, and provided general recommendations for updating the security at the Authority's facilities. Additionally, it outlined vulnerability levels and impacts based on service disruptions and cost. Response methodology included a review of the existing security plan with a site audit of facilities, and submitted a report based on vulnerability, threat impact, criticality, countermeasures, and recommendations.

The Authority obtained funding from the Department of Homeland Security for the card key access and video surveillance system components of the recommended security measures outlined in the report. In June 2009, the Authority executed Agreement No. C-9-0329 with TRC Solutions, Inc. (TRC) in the amount of $120,279, to prepare a design and install package for security upgrades to the Authority's video surveillance and card key access systems at the Authority's Anaheim, Garden Grove, Irvine Construction Circle, and Irvine Sand Canyon bus bases. This procurement used the request for proposals process.

Procurement Approach

This procurement was originally handled in accordance with the Authority's procedures for professional architectural and engineering services. The original agreement was awarded on a competitive basis for $120,279. The Board of Directors' approval is required since the amendment value will exceed 15 percent of the original contract value.

The procurement was based on TRC providing design and installation procurement documents based on the construction improvements being a technology improvement project. The project elements identified TRC being involved in the primary purchasing and installing technology equipment. However, the preliminary design documents also indicate that some public works construction items, such as saw cutting, trenching, pavement replacement work to install underground conduit, and approximately 75 feet of fence will be required to provide a complete and operable project. The inclusion of public work items requires the security upgrades to become a public works project, which would be subject to the requirements of the California State Public Contract Code and competitive bidding utilizing an invitation for bids (IFB) process. As a result, this project no longer meets the criteria for the use of the request for proposals process. In lieu of developing design criteria and performance standards, the scope of the design services needs to be amended to provide a fully engineered design package to solicit bids through the IFB process.

Fiscal Impact

The additional work described in Amendment No. 1 to Agreement No. C-9-0329 was approved in the Authority's Fiscal Year 2009-10 Budget, Rail Programs Division, Account 1722-9022-D3132-N4J for the video surveillance system, and Account 1722-9022-D3133-N4K for the key card access system, and are funded by Proposition 1B.

Summary

Based on the information provided, staff recommends approval of Amendment No. 1 to Agreement No. C-9-0329 to TRC Solutions, Inc., in an amount not to exceed $71,134, for additional design services to provide a fully engineered design package to solicit bids through the IFB process for card key access and video surveillance security upgrades at the Anaheim, Garden Grove, Irvine Construction Circle, and Irvine Sand Canyon bus bases.

Attachment

A. TRC Solutions, Inc., Agreement No. C-9-0329 Fact Sheet

Prepared by:

James J. Kramer, P.E.
Principal Civil Engineer
(714) 560-5866

Virginia Abadessa
Director, Contracts Administration and Materials Management
(714) 560-5623

Approved by:

Darrell Johnson
Executive Director, Rail Programs
(714) 560-5343

TRC Solutions, Inc.
Agreement No. C-9-0329 Fact Sheet

1. June 23, 2009, Agreement No. C-9-0329, $120,279, approved by Contracts Administration and Materials Management.

    - To provide a design and install bid package for security upgrades at the Anaheim, Garden Grove, Irvine Construction Circle, and Irvine Sand Canyon bus bases.

2. January 25, 2010, Amendment No. 1 to Agreement No. C-9-0329, $71,134, pending approval by the Board of Directors.

    - To provide a complete design package for the security upgrades at the Anaheim, Garden Grove, Irvine Construction Circle, and Irvine Sand Canyon bus bases to solicit bids through an invitation for bids process.

Total committed to TRC Solutions, Inc., after approval of Amendment No. 1 to Agreement No. C-9-0329, will be $191,413.

18.

OCTA

BOARD COMMITTEE TRANSMITTAL

January 25, 2010

To: Members of the Board of Directors

WK

From: Wendy Knowles, Clerk of the Board

Subject: Amendment to Agreement for Bus System Schedule Checking

Transit Committee Meeting of January 14, 2010

Present: Directors Brown, Dalton, Glaab, Nguyen, and Winterbottom
Absent: Directors Dixon and Pulido

Committee Vote

This item was passed by all Committee Members present.

Director Nguyen was not available to vote on this item.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement No. C-7-1115 between the Orange County Transportation Authority and Southland Car Counters, Inc., in an amount not to exceed $188,366, bringing the total contract value to $692,366, for schedule checking services in calendar year 2010.

OCTA

January 14, 2010

To: Transit Committee

From: Will Kempton, Chief Executive Officer

Subject: Amendment to Agreement for Bus System Schedule Checking

Overview

On December 10, 2007, the Board of Directors approved an agreement with Southland Car Counters, Inc., in the amount of $247,200, to provide bus system schedule checking services for a one-year period with two one-year options. Southland Car Counters, 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. 3 to Agreement No. C-7-1115 between the Orange County Transportation Authority and Southland Car Counters, Inc., in an amount not to exceed $188,366, bringing the total contract value to $692,366, for schedule checking services in calendar year 2010.

Discussion

The Orange County Transportation Authority (Authority) has a one-year contract, with two one-year options terms, with Southland Car Counters, Inc. (Southland), to provide consultant services for the bus system schedule checking program. The second option term amount is lower than the amount for both the initial term and the first option term. The reduced amount for the second option term is the result of the reduction in revenue vehicle hours operated since December 2008. Because the contract is based on time and materials, the actual amount spent could be less than the estimated value of this option term, $188,366, in the event that future service changes result in a reduced level of schedule checking services.

Under the terms of the agreement, Southland observes and documents bus passenger boardings, on-time performance, and collects other information used to improve bus operations, scheduling, and service planning. Southland performs part-time assignments consisting of National Transit Database random sampling (required every other day by the Federal Transit Administration), on-board ride checks, and street corner checks on alternating days. Southland works 24-hours a day, seven days per week as needed. Southland assignments are created one week in advance. Southland returns completed schedule checks to the Authority each week. The data is then entered into the passenger counting and reporting system by a Southland employee.

Procurement Approach

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. On December 10, 2007, the Board of Directors approved a contract for a one-year initial term with two one-year option terms with Southland, in the amount of $247,200. Option year pricing was negotiated in the original agreement based on hourly rates of staff providing bus system schedule checking services. As a result of a price renegotiation by Contracts Administration and Materials Management (CAMM), Southland has agreed to keep the same rates for the second option term as the first option term rates. This results in a 3.5 percent cost savings per hour to the Authority. The agreement with Southland is on a time and expense basis, so the Authority will pay for services as needed through the term. The term will expire on February 28, 2010, requiring the second option term to be exercised and extend the term through December 31, 2010, in an amount not to exceed $188,366, bringing the total contract to $692,366 (Attachment A). Southland has provided excellent service to the Authority throughout the term of the agreement. Extending the term of the agreement will allow the Authority to continue receiving bus ridership information to assist in service planning, scheduling, and improving bus operations.

Fiscal Impact

This project was approved in the Authority's Fiscal Year 2009-10 Budget, Transit Division, Service Planning and Customer Advocacy Department, Account 2128-7519-D4106-97S.

Summary

Staff recommends approval of Amendment No. 3 to Agreement No. C-7-1115, with Southland Car Counters, Inc., in the amount of $188,366, for a total maximum obligation of $692,366, to provide consulting services for bus system schedule checking.

Attachment

A. Southland Car Counters, Inc. Agreement No. C-7-1115 Fact Sheet

Prepared by:

Audrey Saller
Section Manager, Schedules
714-560-5864

Approved by:

Beth McCormick
for General Manager, Transit
714-560-5964

for Virginia Abadessa
Director, Contracts Administration and Materials Management
714-560-5623

ATTACHMENT A

Southland Car Counters, Inc.
Agreement No. C-7-1115 Fact Sheet

1. December 10, 2007, Agreement No. C-7-1115, $247,200, approved by Board of Directors.

   - To provide consultant services to perform bus system schedule checking.
   - The initial term was effective January 1, 2008, through December 31, 2008.

2. November 24, 2008, Amendment No. 1 to Agreement No. C-7-1115, $256,800, was approved by Board of Directors.

   - Amendment to exercise the first option term and extend the agreement through December 31, 2009.

3. December 24, 2009, Amendment No. 2 to Agreement No. C-7-1115, no increase in contract value, was approved by Contracts Administration and Materials Management.

   - Amendment to extend the term of the agreement through February 28, 2010.

4. January 25, 2010, Amendment No. 3 to Agreement No. C-7-1115, $188,366, pending approval by Board of Directors.

   - Amendment to exercise the second option term and extend the agreement through December 31, 2010.

Total committed to Southland Car Counters, Inc., Agreement No. C-7-1115: $692,366.

19.

OCTA

BOARD COMMITTEE TRANSMITTAL

January 25, 2010

To: Members of the Board of Directors

WK

From: Wendy Knowles, Clerk of the Board

Subject: Metrolink Ridership and Revenue Quarterly Report

Transit Committee Meeting of January 14, 2010

Present: Directors Brown, Dalton, Glaab, Nguyen, and Winterbottom
Absent: Directors Dixon and Pulido

Committee Vote

No action was taken.

Staff Recommendation

Receive and file as an information item.

OCTA

January 14, 2010

To: Transit Committee

From: Will Kempton, Chief Executive Officer

Subject: Metrolink Ridership and Revenue Quarterly Report

Overview

The Southern California Regional Rail Authority is a five-member joint powers authority that operates the 400-mile commuter rail system known as Metrolink. A report on Metrolink ridership and revenue for service in Orange County covering the first quarter of fiscal year 2009-10 is provided for Board of Directors' review.

Recommendation

Receive and file as an information item.

Background

Metrolink's five-agency membership includes the Los Angeles County Metropolitan Transportation Authority, the Orange County Transportation Authority (OCTA), the Riverside County Transportation Commission (RCTC), the San Bernardino Associated Governments (SANBAG), and the Ventura County Transportation Commission. Metrolink operates 149 daily trains on seven lines, serving 55 stations, and carries over 42,000 riders per day.

There are three lines that provide service to Orange County. The Orange County (OC) Line service began in 1994, followed by the Inland Empire – Orange County (IEOC) Line in 1995, and the 91 Line in 2002. The three lines serving Orange County provide a total of 44 trains each weekday serving 11 Orange County stations. In 2006, the OC and IEOC lines began offering service on weekends, year-round. The OC Line provides eight trains on Saturday and Sunday and is funded by OCTA. The IEOC Line weekend service includes six trains on Saturday and four trains on Sunday, and is jointly funded by OCTA, RCTC, and SANBAG.

The Rail 2 Rail Program, which began in 2003, allows Metrolink monthly pass holders the option of riding Amtrak Pacific Surfliner trains at no additional charge, provided the pass holder travels within the designated stations identified on the monthly pass. In Orange County, a valid Metrolink ticket or pass also permits free transfers to local OCTA bus routes, including StationLink.

Discussion

This report provides an update on weekday and weekend ridership, revenue, and on-time performance for the first quarter (July, August, September) of fiscal year (FY) 2009-10.

Ridership and Revenue

Total Ridership and Revenue

The total FY 2009-10 first quarter ridership for the three Metrolink lines serving Orange County, including Rail 2 Rail passengers has decreased by 8.6 percent compared to the same quarter last year. First quarter passenger fare revenues of $6.1 million are 16.6 percent lower than the same quarter last year. Detailed ridership and revenue data by route is included in Attachment A.

Systemwide Metrolink ridership continues to stagnate due to the economic recession. First quarter average weekday ridership reached a four-year low at 42,316 in FY 2009-10. According to the American Public Transportation Association (APTA), comparable ridership declines have been seen on commuter rail systems across the country.

Weekday Ridership

Combined average weekday ridership on the OC, IEOC, and 91 lines during this period was 14,778, including Rail 2 Rail. This represents a decrease of 13.1 percent compared to the first quarter of FY 2008-09. The OC Line average ridership is down 11 percent, the IEOC Line is down 23.4 percent, and the 91 Line is down 14.4 percent compared to the same period last year. The Rail 2 Rail Program has become more successful over the past few years, reporting a 14 percent increase versus last year, mainly due to increased awareness of the service offered to Metrolink monthly pass holders via Amtrak.

Average weekday ridership for the first quarter is detailed in the table below.

First Quarter	OC Line	IEOC Line	91 Line	Rail 2 Rail	Total
FY 2008-09	7,925	5,176	2,435	1,466	17,002
FY 2009-10	7,056	3,966	2,085	1,671	14,778
Percent Change	*-11.0%*	*-23.4%*	*-14.4%*	*14.0%*	*-13.1%*

Ridership peaked in the first quarter of FY 2008-09 mainly due to the high price of gasoline and relatively stable employment rates. After the dramatic spike and then drop in gasoline prices in 2008, retail gasoline prices bottomed out in late December 2008 and generally increased through 2009. However, recent gas price increases have shown no impact on ridership. Additionally, the economy suffered as unemployment rates increased sharply.

Ridership declines have been the deepest on the IEOC Line, mainly due to deteriorating economic conditions for passengers originating in the Inland Empire. In September 2009, unemployment rates were 13.9 percent in San Bernardino County, 14.9 percent in Riverside County, and 9.5 percent in Orange County. According to the California Employment Development Department, California's unemployment rate was 12.5 percent in October 2009, a vast increase from 4.8 percent in October 2006.

Weekend Ridership

Average daily weekend ridership year over year on the OC Line is down 1.4 percent on Saturday and up 24 percent on Sunday. Average Saturday ridership on the IEOC Line is up 17 percent over the same quarter last year, while the IEOC Line Sunday ridership is up 25.4 percent. It is typical for weekend ridership to peak during the summer months of July, August, and September. In addition, ridership was likely impacted by the introduction of Metrolink's Friends and Family 4-Pack in June 2009, which allows groups of four to travel on weekends at a discount of 50 percent off the average weekend roundtrip fare.

Average weekend ridership is shown in the table below.

First Quarter	OC Line (Saturday)	OC Line (Sunday)	IEOC Line (Saturday)	IEOC Line (Sunday)	Total
FY 2008-09	981	605	1,277	751	3,614
FY 2009-10	967	750	1,494	942	4,153
Percent Change	*-1.4%*	*24.0%*	*17.0%*	*25.4%*	*14.9%*

Revenue

Passenger fare revenue covers roughly half of Metrolink operating expenses, with the remainder covered by member agency subsidies. Ridership and revenue do not necessarily follow the same trends during each reporting period. This is primarily attributed to two factors. Due to the sale of advance tickets and monthly passes, revenue can be recorded in the month preceding the actual ridership. Additionally, while ridership may decrease, operating costs do not drop proportionately.

First quarter revenue has decreased compared to the same quarter last year for all three lines serving Orange County. Total revenue is down 14.5 percent on the OC Line, 26.3 percent on the IEOC Line, and 8.3 percent on the 91 Line, for a total decrease of 16.6 percent.

Revenue is displayed in the table below.

First Quarter	OC Line	IEOC Line	91 Line	Total
FY 2008-09	$4,290,672	$1,913,564	$1,134,269	$7,338,505
FY 2009-10	$3,670,281	$1,410,993	$1,039,697	$6,120,971
Percent Change	*-14.5%*	*-26.3%*	*-8.3%*	*-16.6%*

Economic Impact on Ridership and Revenue

The continuing effects of the current economic recession have resulted in a significant weakening of ridership demand. Metrolink first started to record ridership losses in March 2009, and by the second quarter of FY 2009-10 systemwide ridership losses had grown to 14 percent year over year. Although these ridership losses have been unprecedented for Metrolink, the situation is not unique. Like Metrolink, other commuter rail agencies around the state and the nation have experienced double-digit ridership losses as a result of the economic downturn.

Low gasoline prices coupled with a shrinking employment base have been identified as key factors in Metrolink's most recent ridership trend. The economic health of Los Angeles County is of particular importance for Metrolink. In early 2008, eighty percent of Metrolink commuters were employed in Los Angeles County. During the first quarter of FY 2009-10, County unemployment rates increased to 12.4 percent, contributing to the ridership decrease. Although the rate of ridership and revenue decline has started to slow, Metrolink ridership is likely to face a long and slow recovery.

On-Time Performance

On-time performance is a central component of providing quality service. A Metrolink train is considered to be on time if it arrives within five minutes of the scheduled arrival at its end point.

Trains can be delayed for a variety of reasons, including equipment issues, unscheduled delays (or "meets") with other trains, delays from other operators utilizing the same tracks, construction or track maintenance, and incidents. Weekend on-time performance is typically lower than weekday due to two factors. A significant amount of railroad construction is performed during the weekend, which may cause delays, and there are fewer trains operating on weekends than during the week; therefore, a few delays can have a greater impact to overall on-time performance percentages.

Weekday On-Time Performance

Percentage of Weekday Trains Arriving Within Five Minutes of Scheduled Time*			
Month	OC Line	IEOC Line	91 Line
July	94.6%	95.0%	96.3%
August	94.8%	94.0%	96.3%
September	95.9%	96.3%	96.8%
Total Average Orange County On-Time Performance - 95.5%			

* System total is 94.0 percent, including the Antelope Valley, IEOC, OC, Riverside, San Bernardino, Ventura, and 91 lines.

Weekend On-Time Performance

Percentage of Weekend Trains Arriving Within Five Minutes of Scheduled Time*			
Month	OC Line	IEOC Line	91 Line
July	93.8%	87.5%	N/A
August	86.3%	84.2%	N/A
September	100.0%	91.7%	N/A
Total Average Orange County On-Time Performance - 90.6%			

* System total is 92.8 percent, including the Antelope Valley, IEOC, OC, and San Bernardino lines.

Budget Update for FY 2009-10

As a result of declining fare revenue, as well as several unanticipated expenses, Metrolink staff has proposed fare increases and service changes to help address a $3.2 million shortfall in operating revenue for FY 2009-10.

Potential service reduction options include the temporary suspension of several weekend trips on the OC and IEOC lines, as well as the elimination of two underperforming midday IEOC trains on weekdays. On December 11, 2009, the Metrolink Board of Directors deferred Metrolink staff recommendations to increase fares by 3 to 6 percent. The Southern California Regional Rail Authority Board of Directors is expected to make a final decision on a package of service modifications, expense reductions, and member agency subsidy levels in January. Staff will return to the OCTA Board of Directors with an update on Metrolink service and/or fare adjustments.

Summary

This report provides an update on OCTA commuter rail ridership, revenue, and on-time performance for the first quarter of FY 2009-10. Total average weekday ridership in Orange County is down 13.1 percent. Weekday ridership losses on the IEOC Line continue to reflect economic conditions in the Inland Empire. First quarter revenue is down compared to last year on all three lines serving Orange County. Average weekday on-time performance was slightly above the 95 percent goal.

Attachment

A. Metrolink Ridership and Revenue

Prepared by:

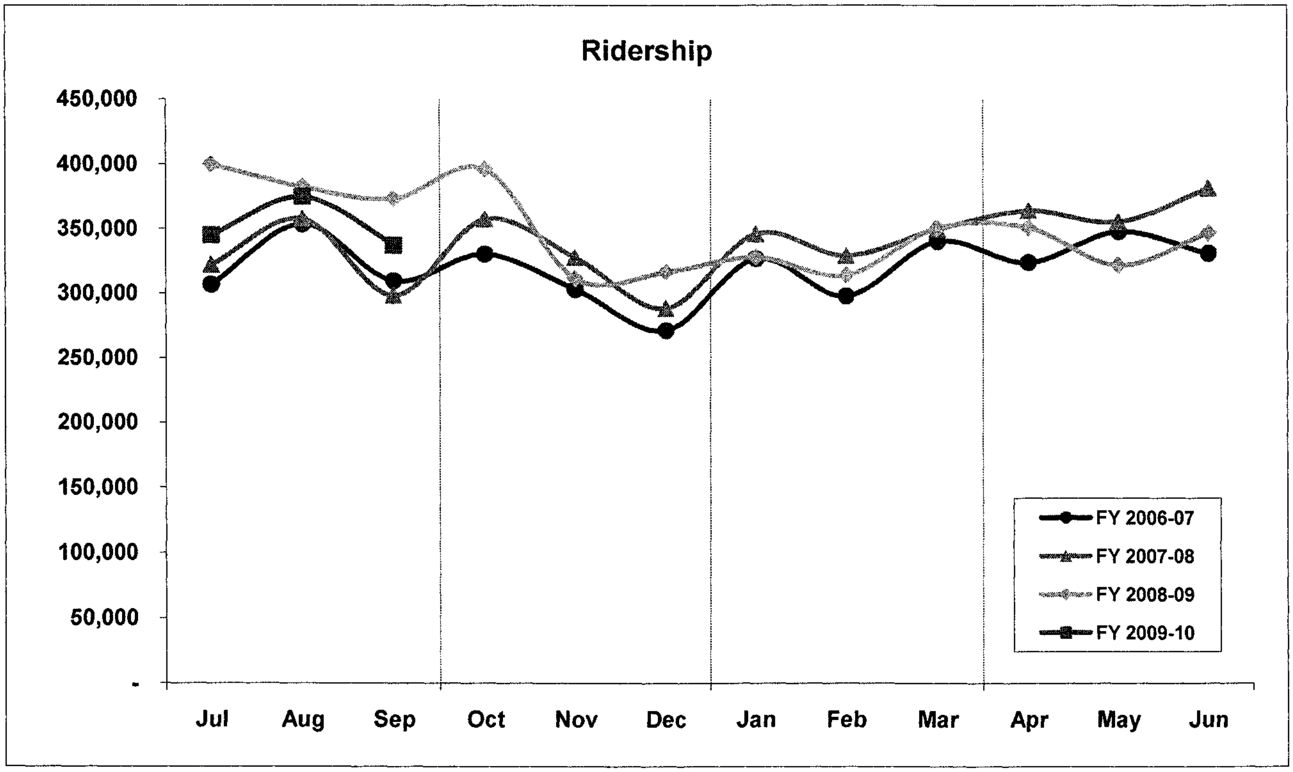
Megan Taylor
Transportation Analyst
(714) 560-5601

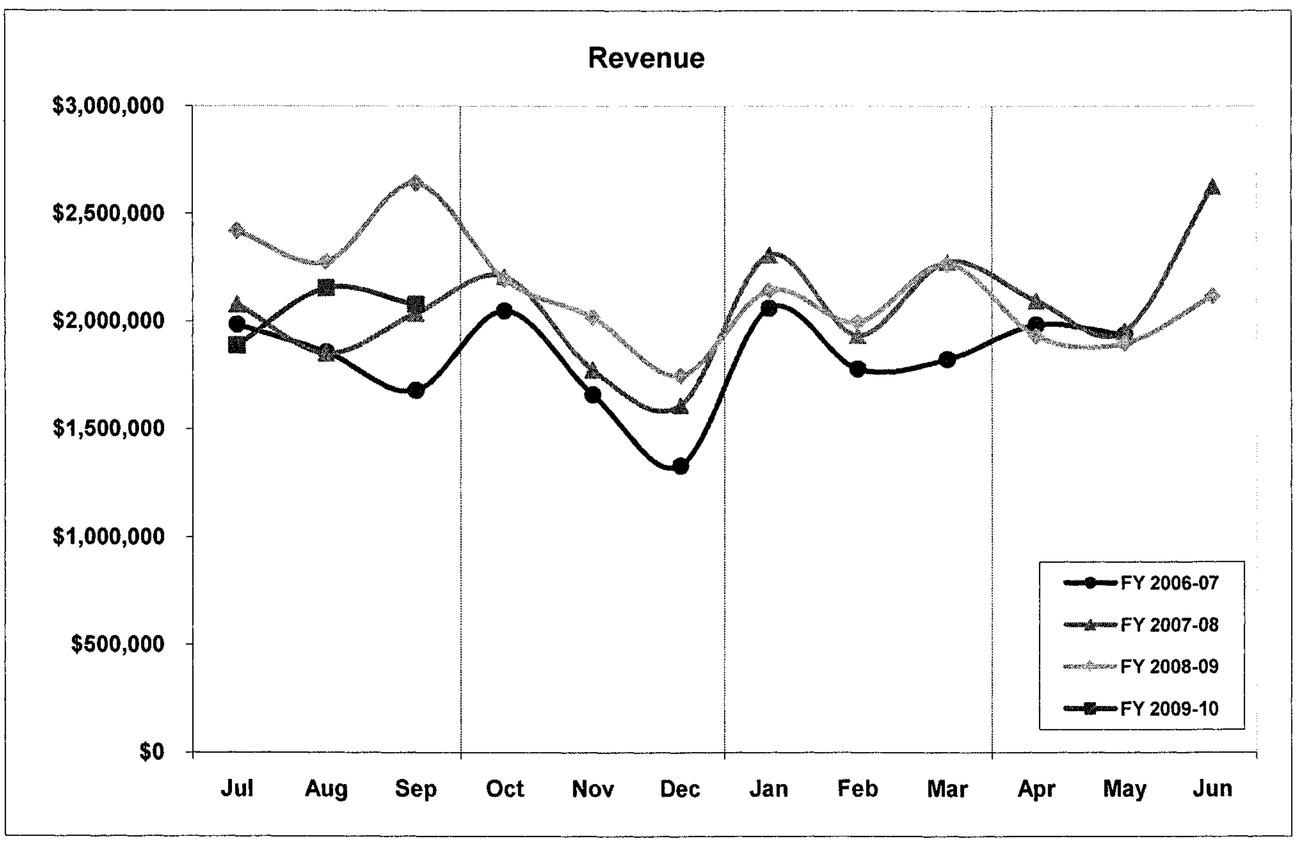
Approved by:

Darrell Johnson
Executive Director, Rail Programs
(714) 560-5343

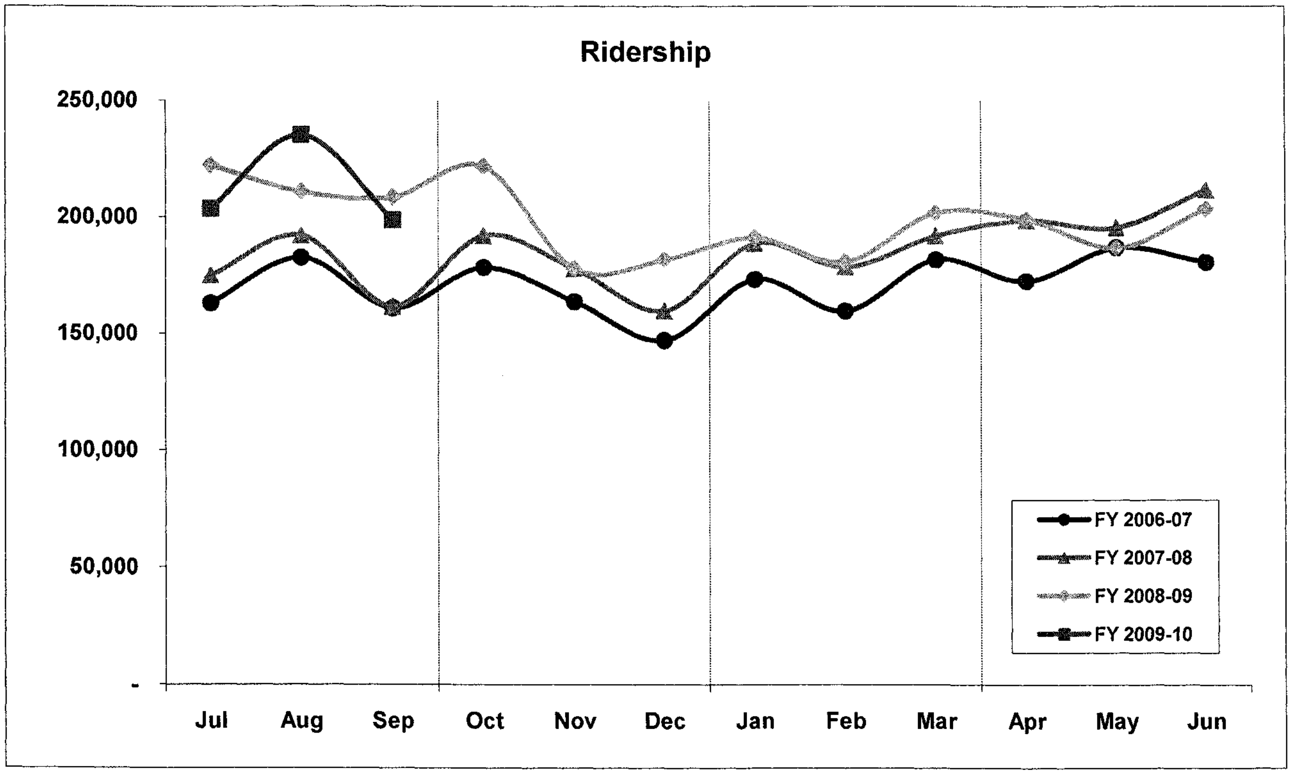
ATTACHMENT A

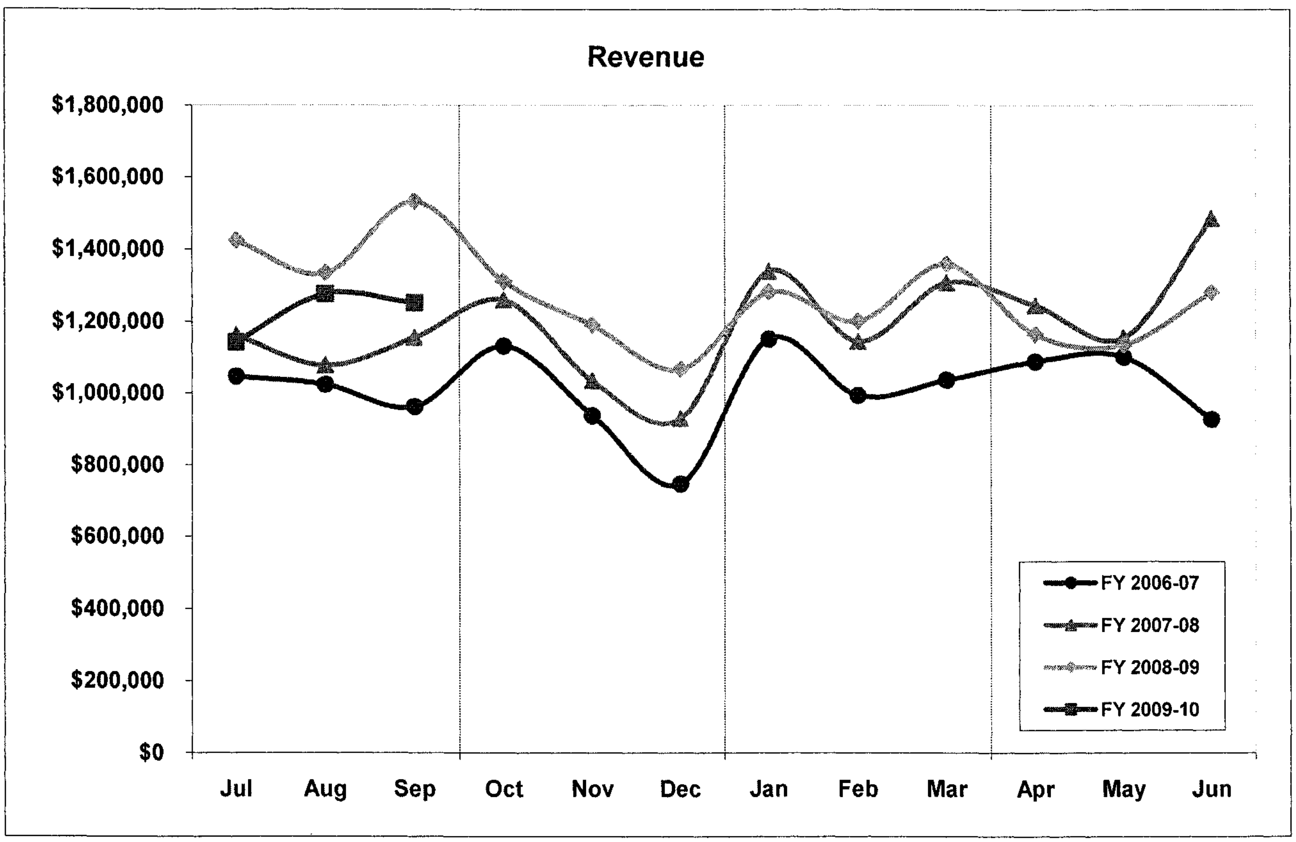
Metrolink Ridership and Revenue
Three Lines Serving Orange County



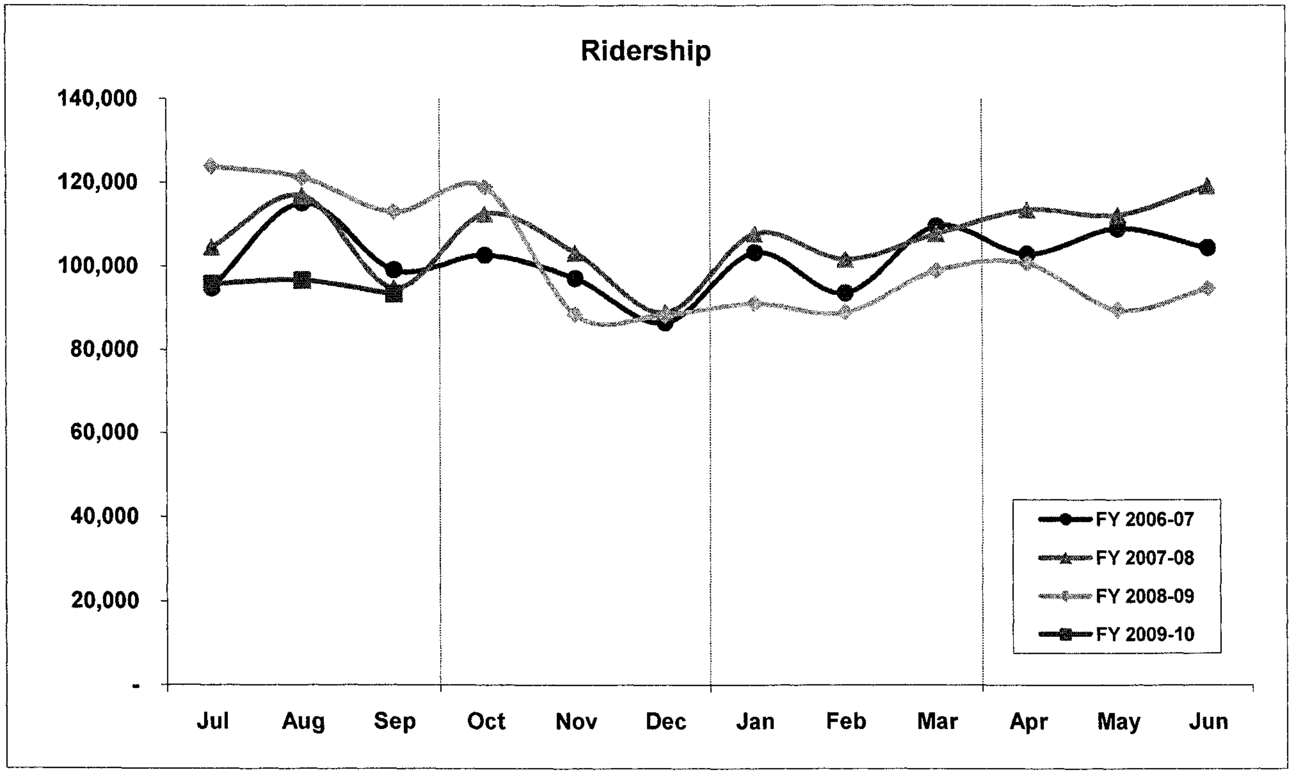


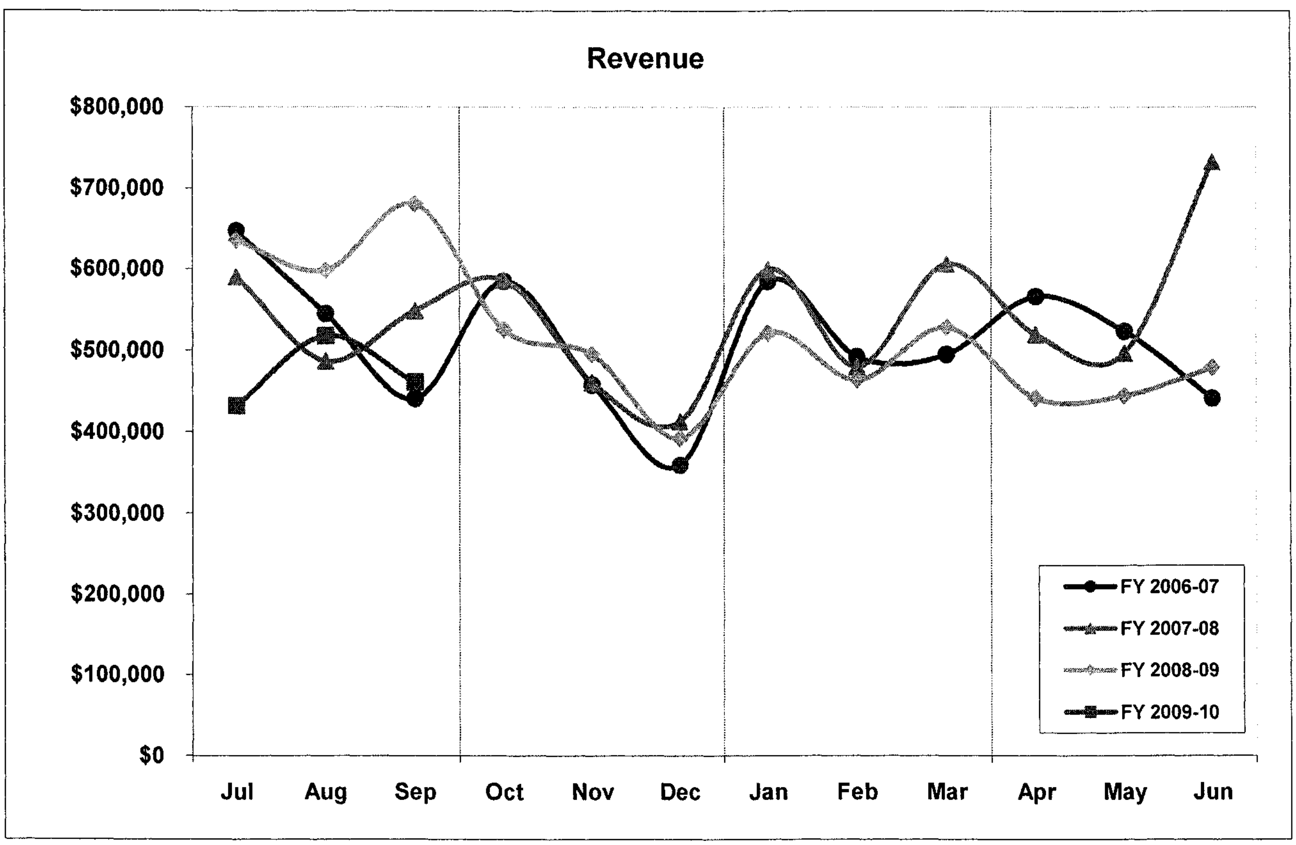
Orange County Line



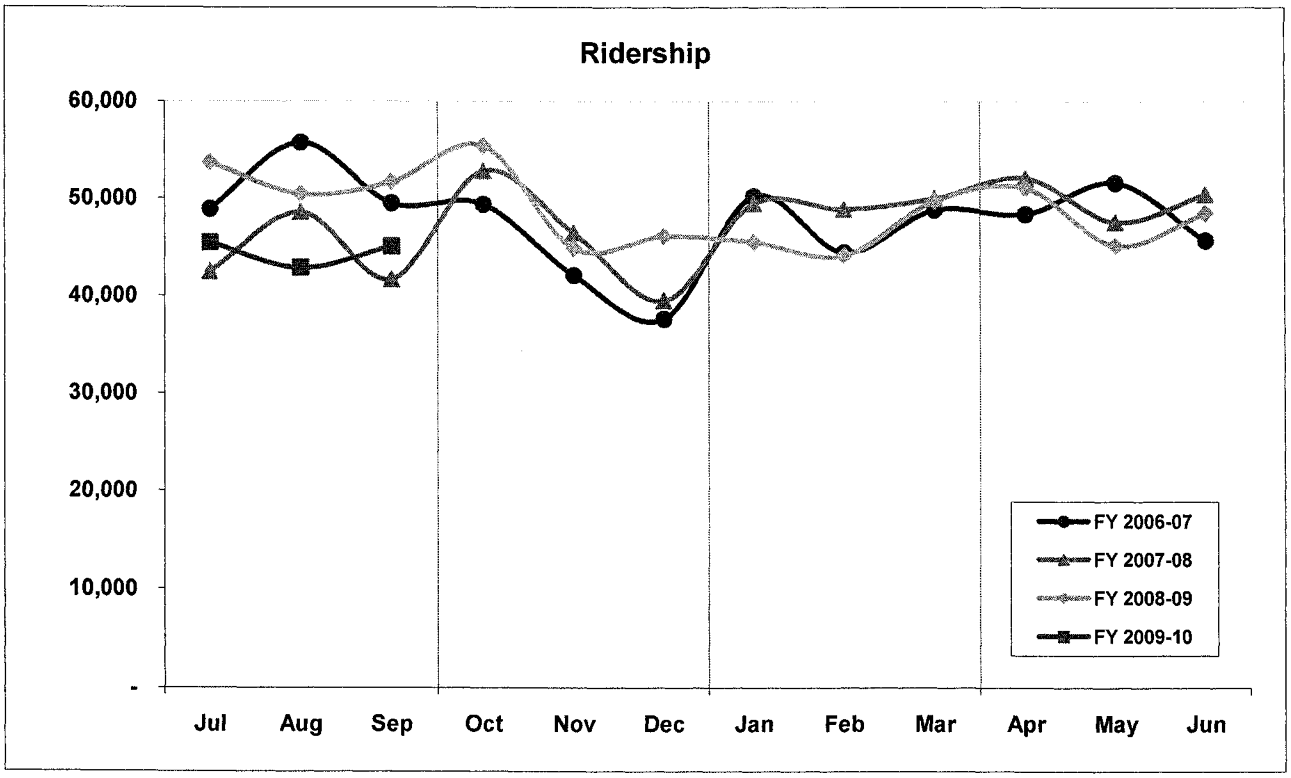


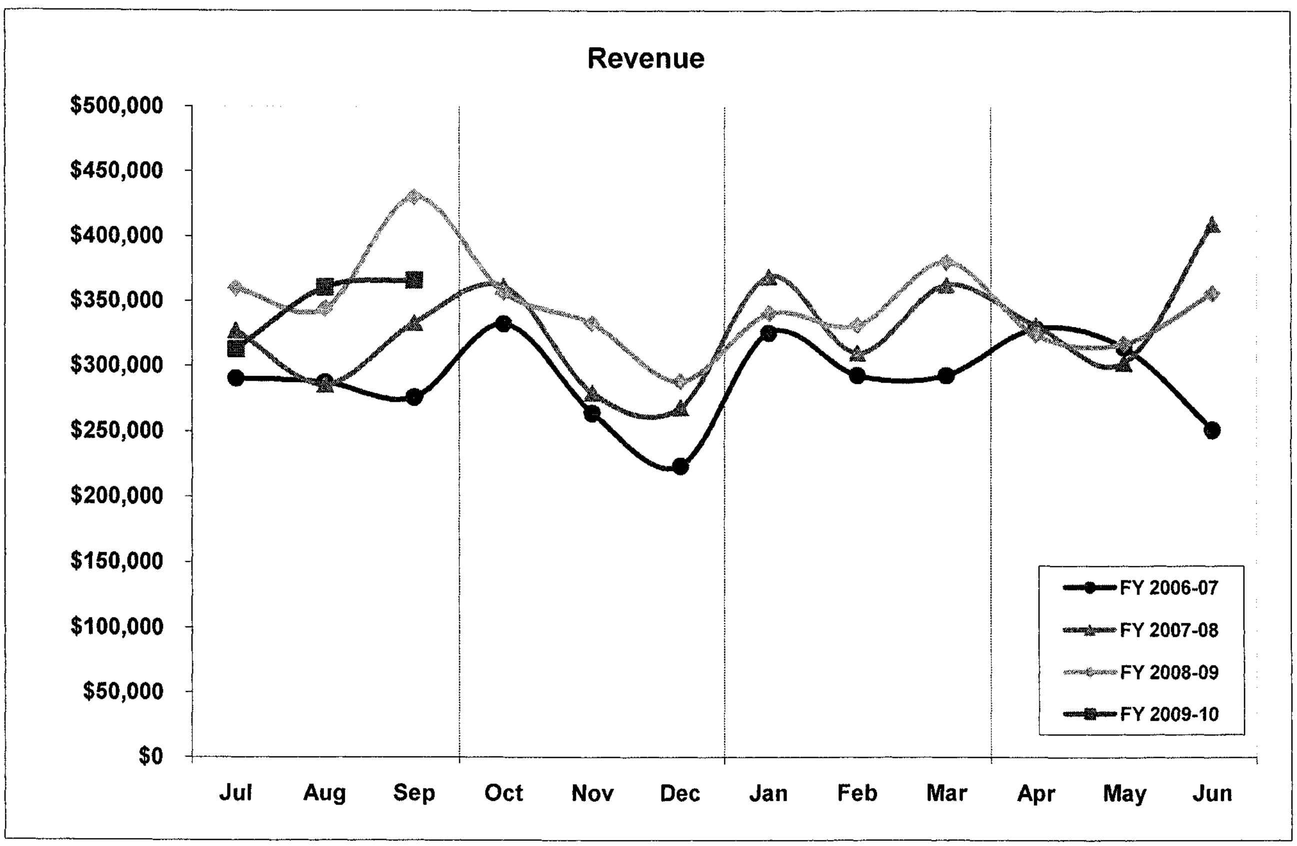
Inland Empire-Orange County Line





91 Line


Ridership
60,000
50,000
40,000
30,000
20,000
10,000
-
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
FY 2006-07
FY 2007-08
FY 2008-09
FY 2009-10


Revenue
$500,000
$450,000
$400,000
$350,000
$300,000
$250,000
$200,000
$150,000
$100,000
$50,000
$0
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
FY 2006-07
FY 2007-08
FY 2008-09
FY 2009-10

20.

OCTA

BOARD COMMITTEE TRANSMITTAL

January 25, 2010

To: Members of the Board of Directors

WK

From: Wendy Knowles, Clerk of the Board

Subject: Agreement for Construction of a Pedestrian Walkway at the Tustin Metrolink Station

Transit Committee Meeting of January 14, 2010

Present: Directors Brown, Dalton, Glaab, Nguyen, and Winterbottom
Absent: Directors Dixon and Pulido

Committee Vote

This item was passed by all Committee Members present.

Director Nguyen was not available to vote on this item.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-9-0712 between the Orange County Transportation Authority and Pointer Enterprises, Inc., the lowest responsive, responsible bidder, in an amount not to exceed $212,400, for the construction of a pedestrian walkway from Dow Avenue to the east platform at the Tustin Metrolink Station.

OCTA

January 14, 2010

To: Transit Committee

From: Will Kempton, Chief Executive Officer

Subject: Agreement for Construction of a Pedestrian Walkway at the Tustin Metrolink Station

Overview

Plans and specifications have been completed for the construction of a pedestrian walkway from Dow Avenue to the east platform at the Tustin Metrolink Station. Bids were received in accordance with the Orange County Transportation Authority's public works procurement procedures. Board of Directors' approval is requested to execute the agreement.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-9-0712 between the Orange County Transportation Authority and Pointer Enterprises, Inc., the lowest responsive, responsible bidder, in an amount not to exceed $212,400, for the construction of a pedestrian walkway from Dow Avenue to the east platform at the Tustin Metrolink Station.

Discussion

The Tustin Metrolink Station (Station) was constructed in 2002. Commuter parking is located on the west side of the Station's platforms, and access to the platform on the west side is via the undercrossing. Currently, there is no pedestrian access from east of the platform to the Station. Some Metrolink riders gain access to the Station by trespassing across private property and railroad right-of-way. Plans have been completed to build a pedestrian walkway from east of the platform to the Station and install fencing to provide safe passage for pedestrians onto the existing sidewalk and platform. This project will provide a safe, more convenient access for pedestrians to and from the Station. The City of Tustin will be responsible for the ongoing operation and maintenance of the pedestrian walkway according Amendment No. 2 to Cooperative Agreement No. C-95-152 for the construction and maintenance of the Station.

Procurement Approach

This procurement was handled in accordance with the Orange County Transportation Authority's (Authority) procedures for public works and construction projects, which conform to federal and state requirements. Public works projects are handled as sealed bids and award is made to the lowest responsive, responsible bidder.

Invitation for Bids 9-0712 was released on November 9, 2009, and posted on CAMM NET with an electronic notification being sent to 1,446 firms. The project was advertised on November 9 and November 17, 2009, in a newspaper of general circulation. Addendum No. 1 was issued on November 11, 2009, to post railroad protective liability insurance requirements. A pre-bid conference was held on November 18, 2009, and was attended by nine firms. Addendum No. 2 was issued on November 20, 2009, to post pre-bid attendee sheets. Addendum No. 3 was issued on December 1, 2009, to post updates to the specification drawings. Addendum No. 4 was issued on December 4, 2009, to add an additional task to the scope of work, and Addendum No. 5 was issued on December 4, 2009, to extend the bid due date. On December 10, 2009, six bids were received.

All bids were reviewed by staff from the Rail Programs Division and the Contracts Administration and Materials Management Department to ensure compliance with the terms and conditions, specifications, and drawings. The three lowest responsive, responsible bidders for the pedestrain walkway project at the Station are identified below. State law requires award to the lowest responsive, responsible bidder.

Firm and Location	Bid Price
Pointer Enterprises, Inc. Huntington Beach, California	$212,400
Bali Construction, Inc. South El Monte, California	$253,926
EBS Concrete, Inc. Corona, California	$254,715

The engineer's estimate for this project is $260,000. The recommended firm's bid is 18 percent below the engineer's estimate and is considered by staff to be fair and reasonable. Staff recommends award of the Station pedestrian walkway contract to Pointer Enterprises, Inc., the lowest responsive, responsible bidder, in an amount not to exceed $212,400.

Fiscal Impact

The project was approved in the Authority's Fiscal Year 2009-10 Budget, Rail Programs, Account 0093-9084-D4815-TUS, and is funded with Commuter Urban Rail Endowment funds.

Summary

Based on the bids received, staff recommends award of Agreement No. C-9-0712 to Pointer Enterprises, Inc., the lowest responsive, responsible bidder, in an amount not to exceed $212,400, for the construction of a pedestrian walkway from Dow Avenue to the east platform of the Station.

Attachment

A. Tustin Metrolink Station Pedestrian Walkway Map

Prepared by:

for Lora Cross
Project Manager
(714) 560-5788

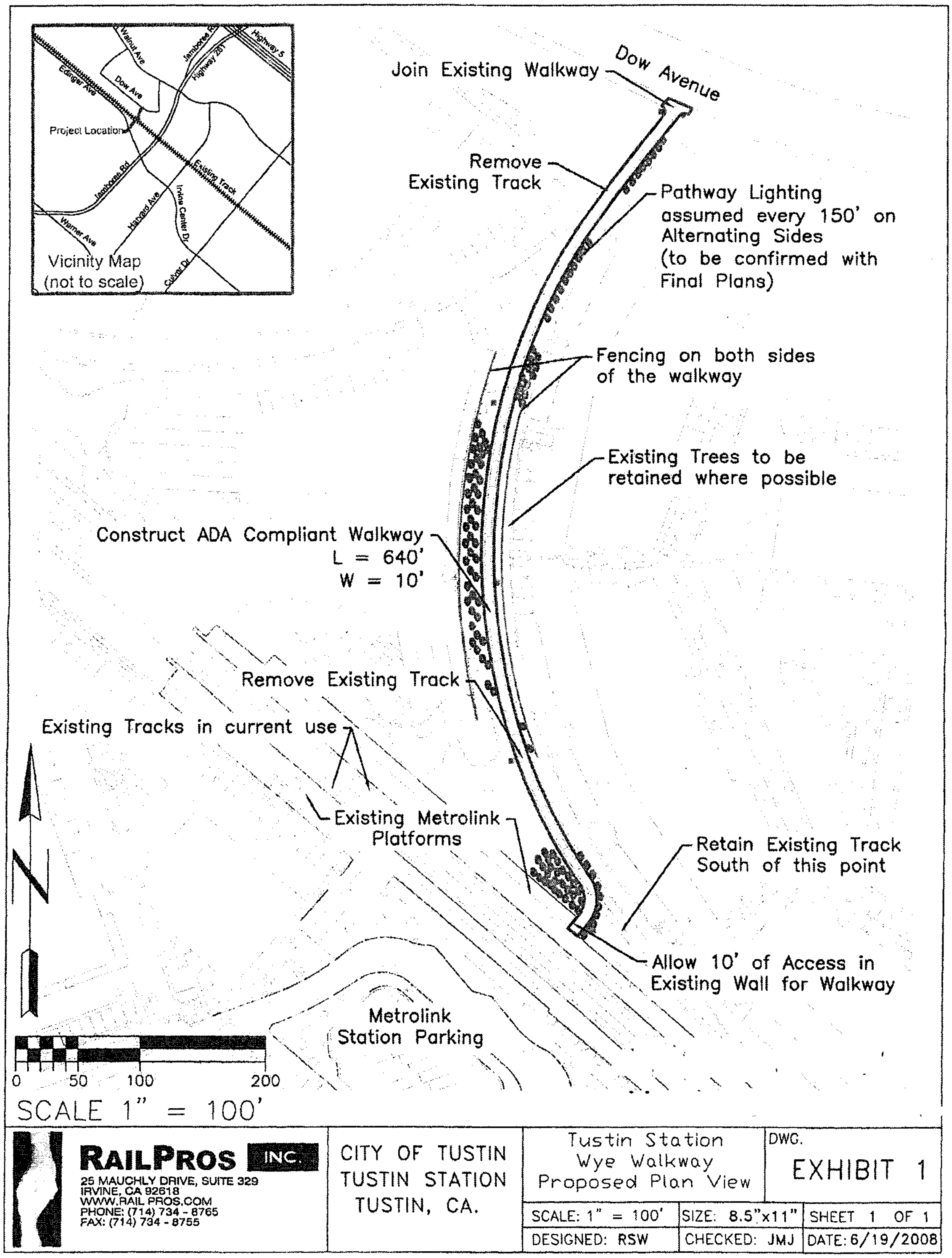
Approved by:

Darrell Johnson
Executive Director, Rail Programs
(714) 560-5343

for Virginia Abadessa
Director, Contracts Administration and Materials Management
(714) 560-5623

ATTACHMENT A

Tustin Metrolink Station Pedestrian Walkway Map



21.

OCTA

BOARD COMMITTEE TRANSMITTAL

January 25, 2010

To: Members of the Board of Directors

WK

From: Wendy Knowles, Clerk of the Board

Subject: Santa Ana Second Main Track Project Closeout

Transit Committee Meeting of January 14, 2010

Present: Directors Brown, Dalton, Glaab, Nguyen, and Winterbottom
Absent: Directors Dixon and Pulido

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

A. Authorize the completion of the Santa Ana Second Main Track project follow on items and the use of $3,303,000 of additional Commuter Urban Rail Endowment funds, increasing the total project cost to $31,190,000.

B. Authorize the completion of design and construction modifications to the grade crossings at Fairhaven and Santa Clara avenues in the City of Santa Ana and include this in the current Rail-Highway Grade Crossing Safety Enhancement and Quiet Zone Program at an estimated additional cost of $2,909,000.

C. Authorize funding to the City of Santa Ana, in an amount of $394,000, for supplemental environmental analysis, completion of the window replacement program, and construction of neighborhood monument signs.

OCTA

January 14, 2010

To: Transit Committee

From: Will Kempton, Chief Executive Officer

Subject: Santa Ana Second Main Track Project Closeout

Overview

The Santa Ana Second Main Track construction project was substantially completed by the Southern California Regional Rail Authority in February 2008. The Board of Directors approved several follow on items to be completed through the Rail-Highway Grade Crossing Safety Enhancement and Quiet Zone Program. An additional $3,303,000 is requested in order to close out this project and fulfill the remaining obligations to the City of Santa Ana.

Recommendations

A. Authorize the completion of the Santa Ana Second Main Track project follow on items and the use of $3,303,000 of additional Commuter Urban Rail Endowment funds, increasing the total project cost to $31,190,000.

B. Authorize the completion of design and construction modifications to the grade crossings at Fairhaven and Santa Clara avenues in the City of Santa Ana and include this in the current Rail-Highway Grade Crossing Safety Enhancement and Quiet Zone Program at an estimated additional cost of $2,909,000.

C. Authorize funding to the City of Santa Ana, in an amount of $394,000, for supplemental environmental analysis, completion of the window replacement program, and construction of neighborhood monument signs.

Background

The Santa Ana Second Main Track (SASMT) project was substantially completed by the Southern California Regional Rail Authority (SCRRA) in February 2008. The SASMT project significantly improved the efficiency of train movements and removed a bottleneck that existed on the railroad corridor due to the 1.8-mile stretch of single track between 17th Street in Santa Ana and La Veta Avenue in Orange. With the completion of this project, the Orange County Transportation Authority (Authority) right-of-way (ROW) is now two main lines from Fullerton to Laguna Niguel, a distance of 28.3 miles.

On August 13, 2007, prior to the project closeout, the Authority's Board of Directors (Board) received a project update, which identified next steps required to address the remaining issues and closeout this project. Three major issues were discussed as follows:

Fairhaven Avenue and Santa Clara Avenue Grade Crossings

When the second main track was constructed through these two grade crossings in Santa Ana, it resulted in changes to the adjacent roadways. The construction of the second track required grading and widening the existing railroad track bed, which then shortened the roadway approaches to these grade crossings. Modifications to the grade crossing at Fairhaven Avenue made it very difficult for large trucks to travel east and traverse the railroad tracks at this location. Three "near misses" between trucks and trains occurred at this location when trucks got stuck trying to traverse the tracks heading eastbound. Consequently, the Fairhaven Avenue grade crossing has been temporarily closed since April 2008. The adjacent Santa Clara Avenue grade crossing was also affected by the construction of the second track. The grade change in the current road geometry needs to be modified to smooth out the transition over the railroad tracks and improve the sight distance at this intersection.

Window Replacement and Monument Sign

The project includes a window replacement program for residences adjacent to the railroad track. There are 132 windows that open toward the railroad that will be replaced with double-paned glass as part of the settlement agreement entered into between the City of Santa Ana (City) and SCRRA. Funding for three monument signs to the neighborhood is also included in the agreement.

Replacement of Block Wall

A third element of the settlement agreement included the replacement of a block wall on the east side of the railroad tracks. In August 2007, Authority staff reported that the planned replacement wall was not being constructed at that time because consent and approvals were unable to be secured from the homeowners affected. The SCRRA used its best faith efforts but was unable to gain 100 percent approval for the replacement wall prior to its construction, which is required under the settlement agreement.

Discussion

City staff has been working with the local community residents over the past year to communicate the issues and identify a preferred alternative to address the outstanding issues associated with the SASMT project. On July 6, 2009, the Santa Ana City Council (Council) certified a supplemental environmental impact report for modifications to the grade crossings at Fairhaven and Santa Clara avenues, which were necessitated as a result of the SASMT construction. Once the environmental document was approved by the City, modifications to the design of the grade crossings and adjacent roadways were prepared.

Fairhaven Avenue and Santa Clara Avenue Grade Crossings

Authority, California Public Utilities Commission, and City staff worked closely with the community to reach consensus to permanently close the Fairhaven Avenue grade crossing. This was approved by the Council as part of the certification of the environmental document. The design modifications and associated construction cost for a permanent closure of this grade crossing is estimated to be $1,235,000. Modifications include changes to the railroad signal system, removal of the existing crossing gates and signals, removal of a center median in the roadway, and construction of new curb and gutter.

In order to comply with City standards, the street must be constructed as a cul-de-sac on the east side of Fairhaven Avenue to allow vehicles to turn around at this location. Additional ROW is required to construct the cul-de-sac. The cost for ROW is estimated at $150,000, and can be accommodated within the approved ROW budget costs for the Rail-Highway Grade Crossing Safety Enhancement and Quiet Zone Program (Program). No additional funding is being requested for ROW.

The grade change to Santa Clara Avenue grade crossing requires modifications to the road geometry and associated drainage modifications due to the slope of the roadway and adjacent properties. A new traffic signal is also needed at this location due to increased traffic volumes caused by the proposed permanent closure of the Fairhaven Avenue grade crossing. The design modifications and associated construction cost for the Santa Clara Avenue improvements are estimated to be $2,374,000.

Construction of the Fairhaven and Santa Clara avenues improvements will be incorporated into the current Program being implemented by SCRRA to ensure that one contractor is responsible for all work associated with the Program.

Window Replacement and Monument Signs

To date, the City has received $190,000 toward these items. The City has requested an additional $350,000 to perform the window replacements and to install monument signs as defined in the settlement agreement. This cost estimate covers the replacement of 132 windows which were identified in the initial assessment performed in 2003. However, costs have been updated to reflect current replacement costs. With the closure of the Fairhaven Avenue grade crossing, the City will only install two monument signs, this cost has also been updated. The City also incurred a cost of $44,000 for the preparation of a supplemental draft environmental impact report to consider alternatives for modifications to the two grade crossings. The City is also requesting funding for this, bringing the total additional request to $394,000. The total cost to fund these measures being implemented by the City is estimated to be $584,000.

These project components were included in the original scope of work as projects to be performed by the City and funded by the Authority. The City plans to perform this work after completion of the SASMT follow on projects. The City is prepared to implement these project components upon receipt of additional funds.

Replacement of Block Wall

Authority, City, and SCRRA staff have spent considerable time and effort to research and consider alternatives to the replacement of the block wall. Such alternatives included installation of a pre-fabricated wall in front of the existing block wall, use of a surface treatment in lieu of replacing the wall, and various combinations of these options. The alternatives considered were either infeasible to construct or they still required approvals from all affected property owners. The SCRRA used its best faith efforts but was unable to gain 100 percent approval for the replacement wall, as required by the settlement agreement as a condition to construct the wall. Consequently, this requirement has been fulfilled and the block wall will not be replaced as part of the SASMT project. Community members and homeowners were informed of this decision through community meetings held during the summer of 2009, as well as City staff meeting with individual homeowners and residents.

Fiscal Impact

The Authority's Fiscal Year 2009-10 Budget included $700,000 for this project. In order to fund the balance of this budget request, a budget amendment to Rail Programs Division, Account 0093-7831-A0001-DSD, in the amount of $3,303,000, will be required.

Summary

Grade crossing and roadway modifications are needed at Fairhaven and Santa Clara avenues as follow on issues to the SASMT project, which was substantially completed in February 2008. A budget revision of $3,303,000 is being requested to complete these items.

Attachment

A. Santa Ana Second Main Track Project Funding Sources

Prepared by:

for

Dinah Minteer
Manager, Metrolink Expansion Program
(714) 560-5740

Approved by:

Darrell Johnson
Executive Director, Rail Programs
(714) 560-5343

ATTACHMENT A

Santa Ana Second Main Track
Project Funding Sources

Source of Funds	Approved Budget	Additional Request	Proposed Budget
State Highway Account	$8,829,000		$8,829,000
State Public Transportation Account	$8,640,000		$8,640,000
Commuter Urban Rail Endowment	$10,418,000	$3,303,000	$13,721,000
Total	**$27,887,000**	**$3,303,000**	**$31,190,000**

22.

OCTA

BOARD COMMITTEE TRANSMITTAL

January 25, 2010

To: Members of the Board of Directors

WK

From: Wendy Knowles, Clerk of the Board

Subject: Measure M2 Local Agency Eligibility Guidelines and Requirements

Transportation 2020 Committee Meeting of January 18, 2010

Present: Directors Amante, Brown, Buffa, Cavecche, and Pringle
Absent: Directors Campbell and Dixon

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Approve Measure M2 Eligibility Guidelines for implementation.

OCTA

January 18, 2010

To: Transportation 2020 Committee

From: Will Kempton, Chief Executive Officer

Subject: Measure M2 Local Agency Eligibility Guidelines and Requirements

Overview

On November 7, 2006, Orange County voters approved Measure M2, the one-half cent transportation retail sales tax. The approval resulted in a 30-year extension of the original program with a new slate of projects, programs, and requirements. The transition from the original Measure M to Measure M2 requires an inventory of new eligibility requirements. Consistent with existing policy, an eligibility manual has been prepared to assist local jurisdictions to understand and comply with the requirements necessary to maintain eligibility to receive Measure M funds for the first three quarters of fiscal year 2010-11, and Measure M2 funds effective April 1, 2011.

Recommendation

Approve Measure M2 Eligibility Guidelines for implementation.

Background

The Measure M (M1) Ordinance contains specific language indicating what is required from local agencies to be eligible to receive funding. Eligibility documentation is submitted by local agencies to the Orange County Transportation Authority (OCTA) by June 30 of each year. This documentation is reviewed by staff and evaluated to ensure compliance with M1 eligibility requirements. The documents are also presented to the Technical Advisory Committee (TAC) and the Taxpayers Oversight Committee (TOC) for concurrence. The final determination of local agency eligibility is made by the OCTA Board of Directors (Board).

With the passage of Measure M2 (M2) local agencies must continue to demonstrate eligibility prior to receipt of funding. The eligibility requirements included in the M2 Ordinance have, in many ways, been enhanced over the previous requirements, including some new requirements. In an effort to create a smooth transition between M1 and M2, staff has developed a new Local Agency Preparation Manual (Attachment A). A summary table showing a comparison between the M1 and M2 eligibility requirements is provided in Attachment B. This manual outlines the annual M2 eligibility requirements. Local agencies will be required to meet the June 30, 2010, submittal requirements for both M1 and M2 eligibility during the transition period beginning in fiscal year (FY) 2010-11.

Discussion

The M2 Local Agency Preparation Manual was submitted to the TAC for review and comment and was subsequently approved on September 23, 2009. In order for a local jurisdiction to receive M2 fair share and competitive program funds, requirements as outlined in the manual must be met. Conditions specific to the eligibility process are defined in Attachment C per Ordinance No. 3. The M2 eligibility requirements that were either enhanced or are new in the M2 Ordinance are summarized below.

<u>Requirements That Have Been Enhanced</u>

1) Local jurisdictions must adopt a general plan circulation element consistent with the Master Plan of Arterial Highways depicting planned roadways and related policies within the city limits. This has been enhanced under M2 to include traffic signal synchronization street routes.

2) As with M1, local jurisdictions must adopt and update annually a capital improvement program document. This has been enhanced under M2 as the document must now include all capital transportation projects funded by net revenues, including projects required to demonstrate compliance with the signal synchronization and pavement management requirements.

3) Local jurisdictions must adopt and update a pavement management plan every two years. This requirement is enhanced under M2 as all agencies must now use a common format as part of the countywide pavement management effort. The submittal must also include a six-year plan for road maintenance and rehabilitation (including projects and funding) and projected pavement condition.

4) Local jurisdictions will be required to submit a project final report within six months following project completion. This report includes an accounting of M2 funds, any other funding sources, and the improvements that were delivered. The enhancement under M2 is that the final report must indicate not only M2 competitive funds, but also any M2 local fair share funds used.

5) Local jurisdictions shall agree and certify to expend all M2 local fair share revenues received within three years of receipt. Revenues received by local agencies through the M2 local fair share program, including any interest earned, shall be expended or encumbered within three years. Under M2, the requirements were enhanced to include the possibility of a time extension on the use of funds. This may be granted but is limited to a total of five years. Expired funds and related revenues must be returned to OCTA and shall be redistributed within the same source program. Any funding allocated through the competitive programs must be expended or encumbered by the end of the FY for which the net revenues are programmed. One time extension up to 24 months may be granted with TAC and Board approval.

In addition to the time requirements, the use of local fair share revenues for bonding (including debt service) is now limited to 25 percent of the local agency's annual local fair share revenues consistent with provisions of Article 19 of the California Constitution.

6) As with M1, local jurisdictions must continue to satisfy the maintenance of effort (MOE) requirements with an annual certification of MOE expenditures by each jurisdiction's finance director. The MOE benchmark has been modified under M2 and will be adjusted in 2014, with further adjustments every three years thereafter. The adjustments will be based upon the California Department of Transportation's construction cost index for the preceding three-year period.

<u>New Requirements Established for M2</u>

1) Local jurisdictions must comply with the conditions and requirements of the Orange County Congestion Management Program. The Congestion Management Program has as its goal the support of regional mobility and air quality objectives. Each jurisdiction must comply with certain conditions and requirements of the Congestion Management Program pursuant to the provisions of Government Code Section 65089 to be considered eligible for both gas tax revenues and M2 funding.

2) Local jurisdictions must participate in traffic forums on an annual basis. Traffic forums, as defined in the ordinance, can be described as a group of eligible jurisdictions working together to facilitate the planning of traffic signal synchronization among the respective jurisdictions. The forums will be further defined as part of the OCTA Traffic Signal Synchronization Master Plan, which is currently under development and planned for subsequent committee review and approval.

3) Local jurisdictions must adopt and maintain a local Traffic Signal Synchronization Plan. Each city's plan will identify traffic signal synchronization street routes and intersections and how corresponding projects may be synchronized with any adjoining jurisdictions. Each plan will be for a three-year period of time and will show cost, available funding and the phasing of capital, operations, and maintenance. The local plan must be consistent with OCTA's Traffic Signal Synchronization Master Plan.

4) Local jurisdictions must adopt and provide an annual expenditure report to OCTA to account for M2 funds, developer/traffic impact fees, and funds expended by the jurisdiction to satisfy MOE requirements. The report is required within six months of each jurisdiction's fiscal year end. The report will include all M2 net revenue, fund balances and interest earned, and will identify expenditures by activity type and funding source.

Eligibility documents submitted by the local agencies will be subject to a verification process administered by OCTA staff. In addition, the TOC will be responsible for review of select documentation including a local agency's CMP, Mitigation Fee Program, expenditure report, local Traffic Signal Synchronization Plan, and Pavement Management Plan.

The M2 eligibility process will begin in the first quarter of FY 2010-11 and continue on an annual basis. During the transition period between M1 and M2 eligibility, it is understood that some M2 requirements will not be available in the first quarter of FY 2010-11. After the review of the available documentation, local agencies will be found conditionally eligible until these outstanding M2 requirements are met at later dates. These items specifically are a conforming general plan, local Traffic Signal Synchronization Plan (due April 1, 2011), and the first M2 expenditure report (due December 31, 2011). Staff expects to return to the Board with the conditional eligibility findings in fall 2010.

Summary

Staff has developed a Local Agency Preparation Manual to facilitate a smooth transition between M1 and M2 eligibility. The manual helps to identify annual eligibility requirements as specified in the M2 Ordinance and to assist local agencies in preparing eligibility documentation. The Local Agency Preparation Manual is presented for Board review and approval.

Attachments

A. Draft Renewed Measure M Eligibility Guidelines - Local Agency Preparation Manual - Fiscal Year 2010-11
B. Measure M and Measure M2 - Eligibility Element Comparison Per Enabling Ordinance
C. Orange County Local Transportation Authority - Ordinance No. 3 - July 24, 2006 - Section B-7 through B-10

Prepared by:

Monica Salazar For
Transportation Funding Analyst
(714) 560-5905

Approved by:

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

ATTACHMENT A

RENEWED M

DRAFT

Renewed Measure M Eligibility Guidelines

Local Agency Preparation Manual
Fiscal Year 2010-11

TABLE OF CONTENTS

Renewed Measure M - Eligibility Guidelines

Section Page

This Page Intentionally Left Blank

CHAPTER 1 - ELIGIBILITY OVERVIEW

1.1 Introduction/Background

In order to meet expected growth in Orange County over the next 30 years, continued investment in the County's infrastructure will be required. To meet these needs, additional projects were identified which could be funded through an extension of the Measure M program. Voters approved Renewed Measure M on November 7, 2006. Ordinance No. 3 outlines all programs and requirements and is included as Appendix A.

Renewed Measure M is a 30-year, multi-billion dollar program extension of the original Measure M (1991-2011) with a new slate of projects and programs planned. These include improvements to the Orange County freeway system and streets & road network throughout the County, additional expansion of the Metrolink system, more transit services for seniors and the disabled as well as funding for the cleanup of roadway storm water runoff.

Renewed Measure M extends Orange County's self-help legacy toward financing infrastructure. A seamless transition from the original Measure M to the new slate of projects requires careful consideration of the Ordinance and inventory of new requirements. Consistent with the first ordinance, an eligibility manual has been prepared to assist local jurisdictions to understand the requirements necessary to maintain their eligibility to receive Renewed Measure M funds.

Renewed Measure M Net Revenues are generated from the transactions and use tax plus any interest or other earnings – after allowable deductions. Net Revenues may be allocated to local jurisdictions for a variety of programs identified in Ordinance No. 3 included in this guidance manual as Appendix A. Compliance with the eligibility requirements established in Ordinance No. 3 must be established and maintained in order for local jurisdictions to receive Net Revenues.

This Eligibility Manual identifies annual eligibility requirements as specified in Ordinance No. 3, Attachment B, Section III. Policies and procedures are presented to enable and facilitate annual eligibility for local agency participation. Guidelines for newly incorporated cities are outlined in Appendix B.

1.2 Ordinance Comparison

With the passage of Renewed Measure M, several eligibility requirements applicable to the previous program will no longer be used. Prominent features of the current program that are being discontinued include preparation of Growth Management Program (GMP), a development phasing & monitoring program, and a balanced housing options and job opportunities component of the General Plan. Although these planning tools are no longer elements of the eligibility process, local jurisdictions are encouraged to consider these elements as sound planning principles for consideration. A comparison of eligibility element changes is shown on Tables 1-1 and 1-2.

1.3 Eligibility for Net Revenues

Every year, OCTA determines if a local jurisdiction is eligible to receive Renewed Measure M Fair Share and competitive program funds. A local jurisdiction must satisfy certain requirements as outlined in Ordinance No. 3. Specifically, a jurisdiction must:

- Comply with the conditions and requirements of the Orange County Congestion Management Program (CMP) *[New]*
- Establish a policy which requires new development to pay its fair share of transportation-related improvements associated with their new development
- Adopt a General Plan Circulation Element consistent with the MPAH, including designated traffic signal synchronization street routes *[Enhanced]*
- Adopt and update a Capital Improvement Program (CIP) *[Modified]*
- Participate in traffic forums *[New]*
- Adopt and maintain a Local Traffic Signal Synchronization Plan *[New]*
- Adopt and update biennially a Pavement Management Plan (PMP) *[Enhanced]*
- Adopt and provide an annual Expenditure Report to the Authority *[New]*
- Provide the Authority with a Project Final Report within six months following completion of a project funded with Net Revenues *[Enhanced]*
- Agree to expend all Local Fair Share revenues received through Renewed Measure M within three years of receipt
- Satisfy Maintenance of Effort (MOE) requirements *[Enhanced]*
- Agree that Net Revenues shall not be used to supplant developer funding
- Consider, as part of the Eligible Jurisdiction's General Plan, land use and planning strategies that accommodate transit and non-motorized transportation

Table 1.1
Eligibility Element Comparison
Per Enabling Ordinance

	Existing Measure M Guidelines	Measure M2 (M2) Guidelines
Growth Management Program (GMP)	• Adopt GMP • Submit every five years	• **NOT REQUIRED**
Congestion Management Program (CMP)	• **N/A**	• Comply with Orange County's CMP
Capital Improvement Program (CIP)	• Seven-year CIP with annual renewal	• Seven-year CIP with annual renewal • Includes all projects funded with M2 net revenues
Mitigation Fee Program	• Development Mitigation Monitoring Program • Component of GMP	• Have a clearly defined Mitigation Fee Program
General Plan Circulation Element	• Circulation element consistent with the MPAH	• Circulation element consistent with the MPAH • Include traffic signal synchronization street routes consistent with the OCTA Signal Synchronization Master Plan
Traffic Forums	• Participate in inter-jurisdictional planning forms (GMA)	• Participate in forums to facilitate the planning of traffic signal synchronization programs and projects • Participate in forums to discuss regional traffic routes and traffic patterns, inter-jurisdictional efforts
Local Traffic Signal Synchronization Plan (TSSP)	• **N/A**	• Adopt and maintain a local TSSP • Conform to the Signal Synchronization Master Plan • Three-year plan showing cost, available funding and phasing of capital, operations, and maintenance
Pavement Management Plan (PMP)	• Adopt and fund a local PMP • Update biennially	• Adopt PMP using common format • Six-year capital plan updated every two years • Report projected improvements resulting from program
Expenditure Report	• **N/A**	• Report required within six months of end of fiscal year (FY) • Report to include all net revenue, fund balances, and interest earned • Identify expenditures by type, program/project
Project Final Report	• Required under OCTA funding program procedures	• Final report for all projects funded with net revenues • Reports to be submitted within six months of completion

Key
- No impact
- Consistent with Prior Program
- Substantial Changes

MPAH - Master Plan of Arterial Highways
OCTA - Orange County Transportation Authority
CCI - Construction Cost Index

This Page Intentionally Left Blank

TABLE 1-2

Eligibility Element Comparison Continued

	Existing Measure M Guidelines	Renewed Measure M Guidelines
Time Limits for Use of Revenues	• Agree to expend all net tax revenues received through Measure M within three years of receipt	• Net Revenues shall be expended or encumbered within three years. An extension may be granted with five year limit
		• Net Revenues for RCP and/or Regional Traffic Signal Synchronization must be encumbered by end of fiscal year programmed
		• Requests for extension may be granted for up to 24 months. OCTA may grant one or more extensions
	• Failure to expend funds in timely manner will make jurisdiction ineligible to receive additional funds until reinstated	• Expired funds, and related revenues must be returned to the Authority for use in same source program.
Maintenance of Effort (MOE)	• Benchmark based upon average FY1985/86 through 1989/90	• Must meet or exceed MOE local discretionary funds pursuant to current Ordinance No. 2 for FY 2010-2011
	Annual certification that MOE has been satisfied	• Annual certification that MOE requirement have been satisfied
		• Adjust benchmark in 2014 and every three years thereafter based upon CCI for preceding three-years
		• CCI adjustment cannot exceed growth rate in General Fund revenues during update period
Land Use and Planning Strategies	• Planning standards for fire, police, library, flood control, parks and open space, and other services and public facilities (GMP)	• Consider in Jurisdiction's General Plan, land use planning strategies that accommodate transit and non-motorized transportation
Certification of Funds	• Certify Measure M has not supplanted existing or developer funds	• Certification that no Measure M funds have been used to supplant existing commitments or any developer funding which has been or will be committed for any transportation projects.
Development phasing and monitoring program	• Development phasing and monitoring program	• **Not Required**
Traffic LOS Standards	• Summarize Traffic level of service standards	• Included in CMP
		• May be included in the Regional Traffic Signal Synchronization Plan
Balanced housing options and job opportunities	• Balanced housing options and job opportunities	• **Not Required**
Transportation demand management ordinance	• Adoption of a transportation demand management ordinance	• Included in CMP

Key

No impact

Consistent with Prior Program

Substantial Changes

This Page Intentionally Left Blank

1.4 Compliance Components

Eligibility determinations are made on an annual basis based upon satisfactory submittal of specific elements outlined in Ordinance No. 3. Some components are required on an annual basis while others are satisfied on a periodic basis.

A summary of each eligibility component is presented below. The Authority and/or its representatives perform an administrative review of the data to determine eligibility for Renewed Measure M funds.

These components are segregated in Chapter 2 and Chapter 3 as Policy, Administrative, and Financial in nature. Policy items require periodic updates though Council action or City compliance. Financial items are items which require a set schedule of financial data reporting. Administrative items are the items which require day-to-day implementation and on-going planning.

1. Congestion Management Program (Policy)

Orange County's Congestion Management Program (CMP) is a countywide program established in 1992 to support regional mobility and air quality objectives through the effective use of transportation funds, coordinated land use, and development planning practices. Required elements of the County's CMP include traffic level of service (LOS) standards, performance measures, travel demand assessment methods and strategies, land use analysis programs, and Capital Improvement Programs.

2. Mitigation Fee Program (Policy)

Locally established fee program which collects mitigation fees used to mitigate effects of new development on transportation infrastructure. Appropriate mitigation measures, including payment of fees, construction of improvements, or any combination thereof, will be determined through an established and documented process by each jurisdiction.

3. Circulation Element (Policy)

An element of an eligible jurisdiction's General Plan depicting planned roadways and related policies consistent with the MPAH, including designated traffic signal synchronization street routes.

4. Capital Improvement Program (Financial)

A Capital Improvement Program (CIP) is a multi-year plan which identifies funding for the implementation of capital improvement projects or programs. Improvement and programs identified in the CIP are those which are identified in the jurisdiction's CMP and will improve air quality and increase capacity to the transportation system.

5. Traffic Forums (Administrative)

Traffic forums are annual working group sessions which include the Authority and eligible jurisdictions and provide a venue for discussion regarding the traffic signal synchronization and traffic circulation between participating jurisdictions.

6. Local Traffic Synchronization (Policy)

The Local Traffic Synchronization Plan is a local program consistent with the Traffic Signal Synchronization Master Plan (TSSMP) which provides a three-year plan identifying traffic signal synchronization, street routes and traffic signals to be improved in eligible jurisdictions. The plan will outline the costs associated with the identified improvements, funding and phasing of capital, and the operations and maintenance of the street routes and traffic signals. Inter-jurisdictional planning of traffic signal synchronization is also a component of the local plan.

7. Pavement Management Plan (Policy)

A Pavement Management Plan (PMP) is a plan to manage the preservation, rehabilitation, and maintenance of paved roads by analyzing pavement life cycles, assessing overall system performance costs, and determining alternative strategies and costs necessary to improve paved roads. Eligible jurisdictions must adopt and update their PMP's biennially. MicroPaver or an approved equivalent software management tool will be used for countywide consistency.

8. Expenditure Report (Financial)

The expenditure report is a detailed financial report submitted by each jurisdiction used to track financial activity as it relates to Renewed Measure M and other improvement funds. The report will account for receipt, interest earned, and use of Measure M and other funds as outlined in Ordinance No. 3. This report is used to validate eligible use of funds and must be submitted within six months of the end of jurisdiction's fiscal year.

9. Project Final Report (Financial)

A project final report is to be completed following the completion of a facility for which Measure M funds were used. The final report will describe the improvements that were performed, the construction schedule for the improvements, and the financial status as a result of these improvements.

10. Timely Expenditure of Funds (Policy)

The timely expenditure of funds is a policy which must be adopted by each jurisdiction to ensure all funds received from net revenues are expended and accounted for within an appropriate amount of time as decided by the Authority.

11. Maintenance of Effort Certification (Financial)

The Maintenance of Effort (MOE) Certification is a financial document which provides annual certification of Maintenance, Construction and Administrative/Other expenditures and how they compare to the annual MOE Benchmark Requirements for the fiscal year. This form is submitted to the Authority as part of the annual eligibility process.

12. No Supplanting of Developer Commitments (Policy)
Eligible jurisdictions must ensure Measure M monies do not supplant existing or future developer funding committed for any transportation project. Development must be required to continue paying their fair share for new transportation improvements that are necessary because of the new traffic their projects create.

13. Transit/Non-motorized Transportation in General Plan (Policy)
Jurisdictions must outline strategies within the jurisdiction's General Plan to incorporate transit projects, as well as non-motorized transportation plan and programs.

1.5 Taxpayers Oversight Committee

Renewed Measure M established a Taxpayers Oversight Committee (TOC). The TOC is an independent citizens' committee established for the purpose of overseeing compliance with the Ordinance and ensuring safeguards are in place to protect the integrity of the overall program. TOC responsibilities include:

- Approval of any amendment to the Renewed Measure M proposed by the Authority which changes the funding categories, programs or discrete projects identified for improvements in the Funding Plan

- Review of select documentation establishing eligibility by a jurisdiction including a jurisdiction's Congestion Management Plan, Mitigation Fee Program, Expenditure Report, Local Traffic Signal Synchronization Plan, and Pavement Management Plan

- Verification that the Authority is proceeding in accordance with the Renewed Measure M Plan and is meeting the performance standards outlined in the Renewed Measure M Ordinance

1.6 Non-Compliance Consequences

Renewed Measure M follows a legacy of successful public funding investment in transportation throughout Orange County. The eligibility process includes a review of required compliance components to ensure that programs and funding guidelines are met as defined by Ordinance No. 3. Article XIX of the California Constitution provides guidance regarding the use of tax revenues for transportation purposes and provides a useful definition of eligible transportation planning/implementation activities.

OCTA routinely conducts an audit of local jurisdiction annual eligibility materials and financial records. Full cooperation is expected in order to complete the process in a timely manner.

A finding of non-compliance may be made if either of the following conditions exists:

- Use of Renewed Measure M funding for non-transportation activities
- Failure to meet eligibility requirements

If a determination is made that a local jurisdiction has used Renewed Measure M funds for non-transportation purposes, misspent funds must be fully repaid and the jurisdiction will be deemed ineligible to receive Net Revenues for a period of five (5) years. A finding of ineligibility is determined by the OCTA Board of Directors and is typically applied for deliberate actions rather than administrative errors.

Failure to adhere to eligibility compliance components may result in suspension of funds until such time as satisfactory compliance is achieved. The Authority, in consultation with the Taxpayers Oversight Committee, will determine if a redistribution of deferred funding is warranted.

1.7 Appeals Process

Eligibility review and determination is a multi-step process which relies upon an objective review of information by the Technical Advisory Committee, Taxpayers Oversight Committee with final determination made by the OCTA Board of Directors. An appeal of findings may be filed with the Board of Directors for re-consideration.

CHAPTER 2 - GUIDANCE

The annual eligibility process relies upon a variety of reporting methods to verify local jurisdiction compliance. Most methods leverage tools routinely used in the public planning process while others require certification forms or specialized reports. Templates, forms, and report formats are described in this chapter and included as appendices to the eligibility manual. The requirements presented in this section have been segregated into three separate categories based upon purpose and process. The table below summarizes certification frequency and documentation requirements.

Compliance category	Frequency	Documentation
Policy Items		
Congestion Management Program	Odd numbered year (2011, 2013, etc.)	Checklist item, CIP
Mitigation Fee Program	Annually (June 30^{th})	Checklist item, copy of program
MPAH Consistency (Circulation Element)	Annually (June 30^{th})	Resolution and Exhibit
Timely Expenditure of Funds	Annually (June 30^{th})	Checklist, Master agreement
No Supplanting Existing Commitments	Annually (June 30^{th})	Checklist item
Transit/Non-motorized Transportation in General Plan	Annually (June 30^{th})	Checklist item, GP excerpt for updates
Administrative Items		
Traffic Forums	Annually (June 30^{th})	Checklist item
Local Traffic Synchronization Plan	Every three years	Copy of plan
Financial Items		
Capital Improvement Program	Annually (June 30^{th})	Electronic, hardcopy
Pavement Management Plan	Every two years	Certification form, report
Expenditure Report	Annually (December 31st)	Report six months after end of fiscal year
Project Final Report	Within 6 months of project completion	Report
Maintenance of Effort	Annually (June 30^{th})	Certification form, budget excerpt

2.1 Policy Items

Congestion Management Program

With the passage of Proposition 111 Gas Tax increase in June 1990, responsible urbanized areas of California were required to adopt a Congestion Management Plan (CMP). OCTA was designated as the County's Congestion Management Agency (CMA), and as such, is responsible for the development, monitoring, and biennial updating of Orange County's CMP.

The goals of Orange County's CMP are to support regional mobility and air quality objectives by reducing traffic congestion; provide a mechanism for coordinating land use and development decisions that support the regional economy; and determine gas tax eligibility.

Each jurisdiction must comply with the following conditions and requirements of the Orange County Congestion Management Program (CMP) pursuant to the provisions of the Government Code Section 65089 to be considered eligible for both gas tax revenues and Renewed Measure M funding:

- Level of Service – Highways and roadways designated by OCTA must operate at an established level of service (LOS) of no less then LOS "E" (unless the LOS from the baseline CMP dataset was lower)

- Travel Demand – Jurisdictions must promote alternative transportation methods to improve balance between jobs and housing, and other strategies. Methods and strategies may include, but are not limited to, carpools, transit, bicycles, and park-and-ride lots, flexible work hours, telecommuting, parking management programs, and parking cash-out programs. This is accomplished through the development and adoption of a Transportation Demand Management ordinance by each jurisdiction

- Land Use Analysis – Analyze the impacts of land use decisions on the transportation system, using the previously described performance measure. The analysis must also include the cost estimate associated with mitigating those impacts

- Modeling and Data Consistency – In association with Southern California Association of Governments (SCAG) and local governments, OCTA will develop a uniform database on traffic impact for use in a countywide transportation computer model

- Adoption of a Transportation Demand Management (TDM) Ordinance consistent with Rule 2202 of the South Coast Air Quality Management District (SCAQMD)

- Capital Improvement Program (CIP) – Use performance measure to determine effective projects that mitigate impacts identified in the land use analysis program through an adopted six-year CIP

Verification Method
The CMP checklist, as shown in Appendix C, must be completed every odd numbered year (2011, 2013, 2015, etc.) to demonstrate compliance with CMP requirements. If a deficient intersection is identified, the jurisdiction must include a project in their CIP to address the issue or develop a deficiency plan.

Mitigation Fee Program
Each eligible jurisdiction must assess traffic impacts of new development and require new development to pay a fair share of necessary transportation improvements

attributable to the new development. To insure eligibility, each jurisdiction must have a clearly defined mitigation program.

Verification Method

The initial Renewed Measure M eligibility submittal should include a copy of nexus study improvement list, current fee schedule, and adopted ordinance. Where mitigation measures, including fair share contributions and construction of direct impact improvements are used in lieu of AB1600 Nexus Study fee programs, each jurisdiction should provide a Council-approved policy outlining steps for determining and assessing mitigation measures. For each following annual eligibility submittal, jurisdictions must include only a copy of their current mitigation impact fee schedule. At such time that a jurisdiction updates their mitigation program and/or nexus study, they must submit their updated program and revised fee schedule or process methodology for the following review cycle.

Circulation Element

Each jurisdiction must adopt and maintain a Circulation Element within their adopted General Plan depicting planned roadways and related policies within the City limits. The Circulation Elements must also be consistent with the MPAH, including designated traffic signal synchronization street routes.

Verification Method

To establish eligibility for Renewed Measure M, each jurisdiction must document within the agency submittal checklist (Appendix D) that it confirms its Circulation Element is consistent with the MPAH, including designated traffic signal synchronization street routes. For the FY 2010-11 eligibility cycle, jurisdictions which have not updated their Circulation Element to include traffic signal synchronization street routes by June 30, 2010, may be found conditionally eligible provided that they submit a conforming Circulation Element by April 1, 2011 (start date for Renewed Measure M). Each jurisdiction also must submit a copy of their most current Circulation Element with each eligibility review cycle. In addition, the MPAH Resolution identified in Appendix E must be adopted by the legislative body and submitted on a biennial basis.

Timely Expenditure of Funds

Certify that the receipt and use of all Measure M funds received will adhere to the time limits for use as outlined in the ordinance.

Competitive Programs

- Agree that Net Revenues for Regional Capacity Program (RCP) projects and/or Regional Traffic Signal Synchronization Program projects shall be expended or encumbered by end of fiscal year for which Net Revenues are programmed
- Requests for extension may be granted for up to 24 months
- OCTA may grant one extension up to 24 months

Local Fair Share

- Net Revenues received by local agency through the local fair share program shall be expended or encumbered within three years. An extension may be granted but is limited to a total of five years
- Expired funds and related revenues must be returned to the Authority. These funds shall be returned for redistribution within the same source program
- Use of Local Fair Share revenues for bonding (including debt service) shall be have limited to 25% of the jurisdiction's annual Local Fair Share revenues as defined in Article 19 Motor Vehicle Revenues, Section 5 of the California Constitution

Interest Derived from Net Revenues

- Account for interest from competitive funding program and Local Fair Share proceeds in separate account
- Expend local Renewed Measure M interest proceeds on transportation activities consistent with Local Fair Share eligible activities
- Expend interest revenues within 3 years of receipt
- Interest may be accumulated for substantive project where necessary, with prior OCTA approval, provided account balance does not exceed aggregate local fair share payments received in preceding three (3) years of reporting period
- All interest accumulated at the conclusion of Renewed Measure M is to be expended within three years of program sunset date (2041)

Verification Method

To establish eligibility for Renewed Measure M, each jurisdiction must document within the agency submittal checklist (Appendix D) confirmation that the jurisdiction observed the timely use of net revenues as outlined in the ordinance. Net Revenue and Interest balances are reported on the annual Expenditure Report.

No Supplanting of Developer Commitments

Renewed Measure M funding shall not be used to supplant existing or future development funding commitments for transportation projects. Development must be required to continue paying their fair share for new transportation improvements that are necessary because of the new traffic their projects create.

- Development must continue to pay their fair share for needed infrastructure improvements and transportation projects
- Net revenues must not supplant development funding or contributions which have been previously committed to transportation projects through payment of fees in a defined program, fair share contribution, community facilities district (CFD) financing, or other dedicated contribution to a specific transportation improvement
- Standard checklist item

Verification Method
To establish eligibility for Renewed Measure M, each jurisdiction must document within the agency submittal checklist (Appendix D) that there has been no supplanting of developer commitments for transportation projects as outlined in the ordinance.

Consider, as part of the Eligible Jurisdiction's General Plan, land use planning strategies that accommodate transit and non-motorized transportation
Multi-modal options are vital to a comprehensive transportation network. General plans must include policies and language that demonstrate a thoughtful approach toward land use planning that encourages and facilitates mobility options.

Verification Method
To establish eligibility for Renewed Measure M, each jurisdiction must document within the agency submittal checklist (Appendix D) that it includes, as part of its General Plan, land use planning strategies that accommodate transit and non-motorized transportation. For the initial submittal cycle, a copy of the jurisdiction's General Plan must also be provided. Clear compliance must be demonstrated. For the FY 2010-11 eligibility cycle, jurisdictions which have not adequately addressed this requirement by June 30, 2010, may be found conditionally eligible provided that they submit a conforming General Plan reference by April 1, 2011 (start date for Renewed Measure M).

2.2 Administrative Items

Traffic Forums
Each jurisdiction must participate in Traffic Forums on an annual basis to ensure eligibility. Traffic forums, as defined in the Ordinance, can be described as a group of eligible jurisdictions working together to facilitate the planning of traffic signal synchronization among the respective jurisdictions. The forum will include an Executive Committee and a technical/policy committee.

Forum will be established through cooperative agreement between each jurisdiction, Caltrans, and OCTA with the participation of the County of Orange and the Orange County Division of League of Cities. The Forum(s) will provide a group setting for cities to participate in the planning of traffic signal synchronization programs and projects as well as to discuss regional traffic routes, traffic patterns, and inter-jurisdictional coordination efforts.

Verification Method
To establish eligibility for Renewed Measure M, each jurisdiction must document within the agency submittal checklist (Appendix D) evidence of its annual participation in traffic forums.

Local Traffic Signal Synchronization Plan

Each jurisdiction will be required to adopt and maintain a Local Traffic Signal Synchronization Plan consistent with specific requirements in Ordinance No. 3. Each City's Traffic Signal Synchronization Plan will identify traffic signal synchronization street routes and traffic signals and how they may be synchronized with traffic signals on the street routes of adjoining jurisdictions. Each plan will include a three-year plan showing cost, available funding and phasing of capital, operations and maintenance (performance report is an element of the competitive funding program).

A local match reduction of ten percent (10%) of eligible Regional Capacity Program application cost will be permitted if the jurisdiction's implements, maintains and operates a local plan consistent with the regional plan.

Verification Method

To establish eligibility, cities must ensure that their local plan is conformance with the Traffic Signal Synchronization Master Plan (TSSMP). Local plans may exceed the regional plan where appropriate. A copy of the plan, if other than the TSSMP, must be submitted every three years beginning in June 2010. For the FY 2010-11 eligibility cycle, jurisdictions which have not adequately addressed this requirement by June 30, 2010, may be found conditionally eligible provided that they submit a conforming Plan by April 1, 2011 (start date for Renewed Measure M). Subsequent submittals must include a copy of the performance audit. A Council resolution attesting to the adoption, implementation and ongoing use of the plan will be required.

2.3 Financial Items

Capital Improvement Program

The Renewed Measure M Ordinance specifies that each jurisdiction a Capital Improvement Program (CIP). For purposes of eligibility, annual seven-year CIP updates are required to enable timely review of eligible use of funds. The CIP shall include all capital transportation projects, including but not limited to, projects funded by Net Revenues and shall include transportation projects required to demonstrate compliance with signal synchronization and pavement management requirements. If Renewed Measure M funds are needed for a project not reflected on the current CIP, an amended CIP should be adopted with contract award. The revised CIP should be submitted to OCTA in hard copy form.

Each eligible jurisdiction must include in their CIP projects which are needed to meet and maintain the adopted Traffic Level of Service and Performance Standards. It shall also include all projects proposed to receive Measure M funding. Cities are encouraged, but not required, to include all projects regardless of Measure M funding participation.

Verification Method

To establish eligibility, each jurisdiction must submit an electronic and hard copy of its CIP. A Smart CIP has been developed and is supplied in database format. Below is a brief description of information necessary to complete the Smart CIP.

- *Agency* – Name of the jurisdiction preparing the CIP
- *Type of Work* – Brief description of the nature of the work (i.e., traffic signals, road maintenance, road widening, etc.)
- *Project Name* – Name of the project as worded on the CTFP project application (if applicable)
- *Project Limits/Location* – Geographic project limits
- *Type of Work Description* – Additional description expanding upon the Type of Work
- *Description* – More detailed description of the project. Required if project is "other"
- *Funding Source* – Source of funding for the project. Local matching funds should also be indicated under this column, (i.e. 70 percent M2 Capital and 30 percent local). Must add up to 100 percent
- *Explain Other/Unfunded* – Explain funding source not listed in the drop down selection
- *Project Phase* – Phase of project development, beginning with **E-**planning (environmental, engineering), **R**-right of way, and **C**-construction
- *Escalation* – Costs for right of way and construction phases will be escalated at a rate equal to the annual State Department of Finance Construction Cost Index. The escalation rates are cumulative and are capitalized into the project cost
- *Estimated Cost* – Estimated current costs for the three project phases. The cost for each phase should be indicated under the fiscal year in which the phase will be implemented. Escalated costs are calculated automatically

Verification Method

The Authority provides an electronic database called the Smart CIP used countywide for reporting Council-approved CIP information. The Smart CIP includes all projects submitted in the previous eligibility cycle. New projects should be added to the database and old projects should be removed. In addition, the funding schedule, source, and cost data for ongoing projects should be reviewed and updated for accuracy.

Pavement Management Plan

Each jurisdiction must adopt and update biennially a Pavement Management Plan (PMP) consistent with the specific requirements outlined in Ordinance No. 3, and issue, using a common format approved by the Authority, a report every two years regarding status of road pavement conditions and implementation of the PMP including the following elements:

- Current status of pavement roads
- A six-year plan for road maintenance and rehabilitation, including projects and funding
- Projected pavement conditions resulting from improvements
- Alternative strategies and costs necessary to improve road pavement conditions

The Regional Capacity Program (RCP) identified in Renewed Measure as Project O includes an incentive for successful PMP implementation. A local match reduction of ten percent (10%) of eligible competitive program application cost will be permitted if the jurisdiction meets either of the following criteria:

- Has measurable improvement of paved road conditions during the previous reporting period as determined through the countywide pavement management rating standards, or
- Has road pavement conditions during the previous reporting period which are within the highest twenty percent (20%) of the pavement condition index used by the regional program.

Verification Method

To establish eligibility, each jurisdiction must complete and submit a copy of the Local Pavement Management Plan Certification to OCTA during the eligibility review cycle every two years. A copy of the Pavement Management Plan Certification is included as Appendix F. The jurisdiction must also provide OCTA with a brief overview of their PMP highlighting different issues that have developed between review cycles and provide additional information regarding the projects funded through the program. MicroPaver or an approved equivalent software management tool will be used for countywide consistency.

Expenditure Report

Each jurisdiction must adopt an annual Expenditure Report to account for Measure M funds, developer/traffic impact fees, and funds expended by the jurisdiction that satisfy the Maintenance of Effort requirements.

- Report required within six months of jurisdiction's end of fiscal year
- Report to include all Net Revenue, fund balances, and interest earned
- Expenditures shall be identified by activity type (capital, operations, administration, etc.) and funding source for each program/project

Verification Method

The expenditure report signed by the City Finance Director will be prepared in a format determined in consultation with the Authority Internal Audit department. The report may replicate existing financial templates used by the jurisdiction for public reporting purposes. A sample template is provided as Appendix G.

Project Final Report

Each jurisdiction must provide Authority with a Project Final Report within six months following completion of a capital project funded with Net Revenues. Final report formats follow the template used by the Comprehensive Transportation Programs (CTP).

Verification Method

To establish eligibility, a jurisdiction must submit a copy of the CTP Project Final Report for each capital project utilizing Net Revenues, which is included as Appendix H. Each Final Report must be individually submitted to OCTA within six months of the completion of a project funded by Net Revenues, regardless of the eligibility review cycle. For the purposes of reporting non-project work (maintenance, repair, and other non-project related costs) funded by Renewed M local fair share funds, the annual Expenditure Report shall satisfy reporting requirements. If local fair share funds are used for projects, the local agency shall also include a list of those funds and/or other Renewed Measure M funds in the Project Final Report.

Maintenance of Effort

Each jurisdiction must provide annual certification to Authority that the Maintenance of Effort (MOE) requirements of Section 6 of Ordinance No. 3 have been satisfied.

- Net Revenues to supplement existing funds used for transportation improvements
- Must meet or exceed MOE local discretionary funds pursuant to current Ordinance No. 2 for FY 2010-2011
- Adjust benchmark in 2014 and every three years thereafter based upon Caltrans' Construction Cost Index (CCI) for preceding three-years

- CCI adjustment cannot exceed growth rate in General Fund revenues during update period

Verification Method

An MOE reporting form must be completed, signed by the jurisdiction's Finance Director and submitted on an annual basis. The form is included in this preparation manual as Appendix I. In addition, excerpts from the jurisdiction's budget showing referenced MOE expenditures and dedication of General Funds should be included in the submittal.

TABLE 2-1
Maintenance of Effort Benchmark by Local Jurisdiction

Revised November 8, 2001

Jurisdiction	MOE Benchmark
Aliso Viejo	$ 400,000
Anaheim	$ 7,496,000
Brea	$ 703,000
Buena Park	$ 3,526,282
Costa Mesa	$ 5,980,000
Cypress	$ 2,670,215
Dana Point	$ 942,000
Fountain Valley	$ 1,149,000
Fullerton	$ 3,083,000
Garden Grove	$ 2,732,000
Huntington Beach	$ 4,510,000
Irvine	$ 5,112,000
La Habra	$ 1,297,000
La Palma	$ 156,000
Laguna Beach	$ 1,358,000
Laguna Hills	$ 268,106
Laguna Niguel	$ 691,000
Laguna Woods	$ 77,769
Lake Forest	$ 140,000
Los Alamitos	$ 136,000
Mission Viejo	$ 2,150,000
Newport Beach	$ 8,229,000
Orange	$ 2,205,000
Placentia	$ 546,000
Rancho Santa Margarita	$ 350,000
San Clemente	$ 951,000
San Juan Capistrano	$ 353,000
Santa Ana	$ 6,753,031
Seal Beach	$ 505,000
Stanton	$ 172,000
Tustin	$ 1,119,535
Villa Park	$ 263,000
Westminster	$ 1,284,000
Yorba Linda	$ 1,933,000
Annual Total Orange County	***$ 69,240,938***

General Fund Discretionary Expenditures for Maintenance, Construction and other Categories

This Page Intentionally Left Blank

TABLE 2-2
Local Jurisdiction Periodic Component Submittal Schedule

	Updated PMP	CMP	MPAH Consistency	Project Reports	Local Signal Plan
Aliso Viejo	June 2010	JUNE 2011	JUNE 2010	WITHIN 6 MONTHS OF PROJECT COMPLETION	CYCLE TO BE DETERMINED
Anaheim	June 2011				
Brea	June 2011				
Buena Park	June 2010				
Costa Mesa	June 2010				
County of Orange	June 2010				
Cypress	June 2011				
Dana Point	June 2011				
Fountain Valley	June 2010				
Fullerton	June 2010				
Garden Grove	June 2011				
Huntington Beach	June 2010				
Irvine	June 2011				
Laguna Beach	June 2010				
Laguna Hills	June 2010				
Laguna Niguel	June 2010				
Laguna Woods	June 2010				
Lake Forest	June 2011				
La Habra	June 2011				
La Palma	June 2010				
Los Alamitos	June 2011				
Mission Viejo	June 2010				
Newport Beach	June 2011				
Orange	June 2010				
Placentia	June 2010				
Rancho Santa	June 2010				
San Clemente	June 2011				
San Juan Capistrano	June 2011				
Santa Ana	June 2010				
Seal Beach	June 2010				
Stanton	June 2011				
Tustin	June 2011				
Villa Park	June 2010				
Westminster	June 2010				
Yorba Linda	June 2010				

This Page Intentionally Left Blank

CHAPTER 3 - SUBMITTAL PROCESS

3.1 Local Fair Share Program

The Local Fair Share Program is a formula-based allocation provided to eligible jurisdictions for use on allowable transportation planning and implementation activities. It is funded through an eighteen (18) percent allocation from Net Revenues and is distributed to eligible jurisdictions on a formula basis as determined by the following:

- Fifty (50) percent divided between eligible jurisdictions based upon the ratio of the jurisdiction's population to the County's total population, each from the previous calendar year

- Twenty-five (25) percent divided between eligible jurisdictions based upon the ratio of the jurisdiction's existing MPAH centerline miles to the total MPAH centerline miles within the County as determined annually by the Authority

- Twenty-five (25) percent divided between eligible jurisdictions based upon the ratio of the jurisdiction's total taxable sales to the total taxable sales for the County, each from the previous calendar year

Revenue projections are updated annually based upon a blended economic forecast developed by Chapman University, California State University (CSUF), and University of California, Los Angeles (UCLA). The resulting revenue estimates are used for programming of competitive funds and as a guide for local jurisdiction planning within the respective CIPs.

Local Fair Share revenue estimates for the current eligibility review cycle are included as Appendix J.

3.2 Submittal Documentation Summary

In addition to the Eligibility Checklist included as Appendix D, each jurisdiction must submit the following documentation for review during each eligibility review cycle (unless noted otherwise). These submittal requirements were discussed in greater detail in Chapter 2 of this manual.

Policy Items

- Congestion Management Program – The Congestion Management Plan is updated by the Authority every two years. The Renewed Measure M CIP should include CMP related improvements. In addition, a separate CMP checklist will be submitted (Appendix C).

- Mitigation Fee Program – Each jurisdiction must submit a copy of their mitigation fee nexus studies, impact fee schedule, process methodology (where applicable) and Board approved Ordinance or Resolution during the first cycles of Renewed Measure M. Updated fee schedules must be submitted on an annual basis along with updated nexus studies as necessary.

- Circulation Element – Each jurisdiction must document within the agency submittal checklist that their Circulation Element is consistent with the MPAH, including designated traffic signal synchronization street routes. Each jurisdiction must also submit a copy of their approved Circulation Element annually.

- Timely Use of Net Revenues – To establish eligibility, each jurisdiction must document within the agency submittal checklist their compliance with timely use of net revenues throughout the year.

- No Supplanting of Developer Commitments – Each jurisdiction must document within the agency submittal checklist there has been no supplanting of developer commitments for transportation projects as outlined in the Ordinance.

- Consider, as part of the Eligible Jurisdiction's General Plan, land use planning strategies that accommodate transit and non-motorized transportation - Each jurisdiction must document within the agency submittal checklist that land use planning strategies for the jurisdiction accommodate transit and non-motorized transportation.

Administrative Items

- Traffic Forums – Each jurisdiction must document within the agency submittal checklist their annual participation in the regional traffic forums.

- Local Traffic Synchronization Plan – A copy of the Local Traffic Signal Synchronization Plan, including status and performance results, shall be submitted every three (3) years beginning in Fiscal Year 2010/11.

Financial Items

- Capital Improvement Program – Each jurisdiction must submit an electronic and hard copy of the CIP.

- Pavement Management Program – Each jurisdiction must submit biennially a copy of the Pavement Management Program Certification form in addition to a brief overview providing additional information about the program.

- Expenditure Report – Each jurisdiction must submit an expenditure report providing a full accounting of Net Revenues balances and expenditures, developer/traffic impact fees, interest, and funds expended to satisfy MOE requirements.

- Project Final Report – To maintain eligibility, each jurisdiction must submit a project final report to OCTA for each individual capital project funded through Net Revenues within six (6) months of completion of the project.

- Maintenance of Effort – Each jurisdiction must complete the Maintenance of Effort Certification Form during each eligibility cycle and submit supporting budget documentation to substantiate planned relevant General Fund expenditures.

3.3 MOE Certification Process

Renewed Measure M funds may be used to supplement, not replace, existing local revenues being used for transportation improvements and programs. A local jurisdiction cannot redirect monies currently being used for transportation purposes to other uses and replace the redirected funds with Renewed Measure M revenues.

Each jurisdiction is required to maintain a minimum level of local streets and roads expenditures to conform to the MOE requirement. The minimum level of expenditures is based upon an average of General Fund expenditures for local street maintenance and construction over the period from Fiscal Year 1985-86 through Fiscal Year 1989-90. The expenditure information was obtained from the Orange County Transportation Commission's (OCTC) Annual Report data collection sheets.

The established benchmark is reported in constant dollars and is not adjusted for inflation. The MOE benchmark in Renewed Measure M, beginning April 2011, will be adjusted in 2014 and every three years thereafter as described in Chapter 2 and shown on Table 2-1. Annexation of land into an existing jurisdiction does not affect the MOE.

New Cities

Measure M requires the development of a method to apply the MOE to new cities without five years of streets and roads data, including cities incorporated during the thirty years the tax is in effect.

The approved method uses the following formula to calculate the MOE for new cities:

$$\frac{\text{Total MOE benchmark for the county}}{\text{Total county population}} = \text{per capita expenditure}$$

$$\text{Per capita expenditure x city population} = \text{MOE benchmark for the city}$$

New cities unable to meet this requirement may use the appeals process to establish a benchmark number that more accurately reflects network needs. A phase-in period of two years has been established for new cities to achieve the approved MOE expenditure requirement.

Appeals Process

New cities may appeal the formula benchmark determination above where there is a dispute regarding the city population. The Authority shall use the most recent Census or figures provide from the State of California Department of Finance. Appeals will be submitted first to the Technical Advisory Committee and then to the OCTA Board of Directors for final determination.

Compliance

Each fiscal year, local jurisdictions must submit an MOE Reporting Form signed by the Finance Director stating they plan to spend the MOE benchmark on transportation improvements (Appendix I). Jurisdictions must also submit budget documents supporting these expenditures.

3.4 Master Plan of Arterial Highways

The Orange County Division of the League of California Cities endorsed a definition of, and a process for, determining consistency of each jurisdiction's Traffic Circulation Element with the MPAH. Through a cooperative process, OCTA, the City Engineers Association, the City Managers Association, and the County of Orange developed criteria for determining consistency with the MPAH.

MPAH Consistency Policies

- The agency's Circulation Element is to have a planned carrying capacity equivalent to the MPAH for all MPAH links within its jurisdiction. Planned carrying capacity is the number of through lanes on each arterial highway.

- Agencies will not be found inconsistent with the MPAH as a result of existing capacity limitations on arterials not yet constructed to the ultimate capacity shown on the MPAH.

- Every two years, each local agency must submit a resolution attesting that no unilateral reduction in lanes has been made on any MPAH arterial.

- The local agency will be ineligible to participate in Renewed Measure M programs if a roadway on the MPAH has been unilaterally removed from or downgraded on their Circulation Element and/or does not meet the capacity criteria. Eligibility will be reinstated upon completion of a cooperative study that resolves the inconsistency. Additionally, the local agency can re-establish eligibility upon restoring its Circulation Element to its previous state of consistency.

- A local agency is inconsistent with the MPAH as of the date the governing body takes unilateral action reducing the number of existing and/or planned through lanes on an MPAH arterial built to its ultimate configuration to less than the ultimate capacity shown on the MPAH. "Unilateral action" means physical action such as striping, signing, physical restriction and/or programmatic change in the Circulation Element.

- A local agency may be permitted to reduce existing though lanes if prior to taking this action, it can demonstrate to the OCTA TAC that such action is temporary and can be justified for operational reasons. The local agency must enter into a binding agreement to restore capacity upon demand by OCTA. The OCTA TAC may recommend that the local agency remain eligible on a conditional basis. If it is found to be ineligible, it may regain eligibility upon physical restoration of the arterial to the original state that is consistent with the MPAH.

- The local agency must adopt a General Plan Circulation Element that does not preclude implementation of the MPAH.

- If a local agency requests a change to the MPAH and enters into a cooperative study to analyze the request, it may be considered conditionally consistent. No change shall be made to its Circulation Element until after the cooperative study is completed and agreement is reached on the proposed amendment.

Program Eligibility

To be eligible for Renewed Measure M funds, the local agency must adopt a General Plan Circulation Element that is consistent with the MPAH. Furthermore, they shall take no unilateral action to preclude implementation of the MPAH.

MPAH Consistency Review Procedures

On June 30th of every year, beginning in 2010, the local jurisdiction shall submit to the OCTA Manager of Planning and Programming the following:

- Resolution adopted by the governing body of the local jurisdiction (Appendix E);

- The Arterial Highway Mileage Change Report (Appendix K). Changes in actual (built) MPAH centerline miles since the previous MPAH Consistency Review are to be reported to the nearest 0.01 mile, excluding State highways. Data should be current as of April 30th of the reporting year. Table 3-1 lists the current MPAH centerline miles by jurisdiction. The base mileage for each jurisdiction is calculated from the current Thomas Brothers database for Orange County.

- A copy of the current Circulation Element showing all arterial highways and their individual arterial designations. Any proposed changes and/or requests for changes to the MPAH should also be included.

TABLE 3-1
Master Plan of Arterial Highways Centerline Miles

Jurisdiction	2007 City Maintained Centerline Miles	2007 State Arterial Highway Centerline Miles	Total 2007 Centerline Miles
Aliso Viejo	14.88	0	14.88
Anaheim	148.46	2.01	150.47
Brea	20.58	8.88	29.46
Buena Park	32.71	4.28	36.98
Costa Mesa	49.30	1.01	50.31
County of Orange	51.65	20.99	72.64
Cypress	24.83	0	24.83
Dana Point	15.72	4.44	20.16
Fountain Valley	35.32	0	35.32
Fullerton	62.22	1.36	63.58
Garden Grove	63.72	0.42	64.14
Huntington Beach	92.81	13.14	105.95
Irvine	131.51	1.57	133.07
La Habra	17.13	4.76	21.88
La Palma	7.20	0	7.20
Laguna Beach *	2.83	11.15	13.98
Laguna Hills	19.03	0	19.03
Laguna Niguel	35.90	0	35.90
Laguna Woods	6.11	0	6.11
Lake Forest	36.78	0	36.78
Los Alamitos	6.24	0	6.24
Mission Viejo	43.47	0	43.47
Newport Beach	48.50	6.75	55.25
Orange	85.24	0	85.24
Placentia	24.88	0.48	25.36
Rancho Santa Margarita	18.19	0	18.19
San Clemente	23.59	0	23.59
San Juan Capistrano	18.89	1.99	20.88
Santa Ana	100.01	0	100.01
Seal Beach	12.24	2.46	14.70
Stanton	9.65	2.80	12.45
Tustin	35.85	0	35.85
Villa Park	3.48	0	3.48
Westminster	35.84	2.55	38.39
Yorba Linda	28.80	1.85	30.65
TOTAL	**1363.56**	**92.89**	**1456.42**

* Laguna Beach credited with State Highway mileage by agreement of the TAC. Actual city maintained mileage = 2.71 miles

This Page Intentionally Left Blank

Re-establishing Program Eligibility

If a Circulation Element is found to be inconsistent with the MPAH and determined ineligible for Measure M funds, the local agency may re-establish eligibility by requesting to undertake a cooperative study with OCTA. The study will be designed to do the following:

- Ascertain the regional transportation system need
- Make provisions to meet those needs in the local jurisdiction's General Plan
- Re-establish consistency with the MPAH

Any changes to local jurisdiction's General Plan or the MPAH shall be mutually acceptable to the jurisdiction and OCTA. Until such a study has been completed and an agreement reached on the proposed amendment, the jurisdiction shall be ineligible to receive Measure M competitive funds.

3.5 For Additional Information

The OCTA Renewed Measure M Eligibility Guidelines Manual has been developed to assist jurisdictions located throughout Orange County understand and continue to implement all eligibility requirements to receive Renewed Measure M funding. This manual provides general summary information regarding all eligibility requirements as well as a comprehensive summary of all responsibilities and actions for which a local jurisdiction must follow to continue their eligibility.

Please contact the following OCTA staff when seeking additional information or clarification regarding any of the Renewed Measure M eligibility guidelines:

Monica Salazar
Transportation Analyst
(714) 560-5905
mgiron@octa.net

This Page Intentionally Left Blank

Appendix A

Orange County Local Transportation Authority
Ordinance No. 3
July 24, 2006

Available upon request from the
Clerk of the Board Office

APPENDIX B

ELIGIBILITY FOR NEW CITIES

This Page Intentionally Left Blank

Eligibility for New Cities

Eligibility for Fair Share Funds - New Cities

At the time of incorporation, a new city may adopt current practices previously established by the County of Orange which have already established eligibility under the current Measure M. As new cities mature, they will adopt their own general plan and growth strategies. To provide for this transition period, the OCTA Board of Directors has previously adopted the following new city eligibility process for Fair Share funds:

- A new city may, at its discretion, adopt the approved PMP of the predecessor governing body as its own, providing these policies are fully enforced

- Prior to incorporation, the proposed new city must work with OCTA and the Local Agency Formation Commission (LAFCO) to identify the variables used in the Measure M Fair Share funds calculation (population, taxable sales, and MPAH mileage). Preliminary data must be identified prior to the date of incorporation

- The new city will begin accruing Measure M Fair Share funds as of the date of incorporation

- The OCTA will reserve the accrued funds for the new city, pending the determination of eligibility by the OCTA Board within one year of the date of incorporation

- In order for the new city to receive the reserved accrued funds, OCTA must receive all necessary elements of the Measure M eligibility package, complete the necessary review and approval of the package, and the OCTA Board determine the new city eligible to receive Measure M funds within one year of the date of incorporation. OCTA recommends the city submit its eligibility package within six months of incorporation to allow sufficient time for OCTA review and approval processes

- Upon determination of eligibility by the OCTA Board within one year of incorporation, the new city will receive its first Fair Share payment including the reserved accrued funds, on the first regular payment cycle following the eligibility determination

- The first fair share payment will be adjusted to reflect final Fair Share calculation (population, taxable sales, and MPAH miles) as determined through the new city eligibility process

- In the event a new city is determined to be ineligible to receive Fair Share funds by the OCTA Board, the reserved accrued funds and interest on the funds, shall be distributed to the eligible jurisdictions on a pro-rata basis, until such time that the new city attains eligibility

- Such new city will begin to accrue funds as of the first day of the first regular accrual period following its determination of eligibility by the OCTA Board and receive its first Fair Share payment on the corresponding regular payment cycle

Eligibility for Competitive Funds-New Cities

In addition to the new city eligibility process for Fair Share funds, the OCTA Board has adopted the following process for eligibility for competitive funds:

- A new city may apply for competitive funding upon the date of incorporation, however, may not be awarded competitive funding until the new city has been determined eligible to receive Fair Share funds by OCTA Board, as described above

- A new city must include an adopted PMP that is consistent with countywide pavement condition assessment standards (Arterial Highway Rehabilitation Program), a General Plan Circulation Element consistent with the MPAH, and a City Council resolution attesting that no unilateral reduction in lanes have been made on any MPAH arterials in its Measure M eligibility package for review and approval by the OCTA Board

- Applications for competitive funding by new cities will be considered until such time in the process of the competitive funding program that projects are ranked for award. If the new city has not been determined eligible by the OCTA Board by the time projects are ranked for award, any application by the new city for competitive funding will be withdrawn from further consideration. OCTA staff will work with the new city to revise the schedule specific to its time of incorporation in relation to the current competitive funding program process

APPENDIX C

CMP CHECKLIST

This Page Intentionally Left Blank

CMP MONITORING CHECKLIST
CAPITAL IMPROVEMENT PROGRAM

Responsibility: Cities, County, Caltrans, transit operators

2009 CMP CHECKLIST

		YES	NO
1.	Did you submit a seven-year Capital Improvement Program (CIP) to OCTA by June 30, 2009?	☐	☐
a.	Does it include projects that will maintain or improve the traffic LOS on the CMPHS or adjacent facilities which benefit the CMPHS?	☐	☐
b.	Are maintenance, rehabilitation, and reconstruction projects excluded for CMP purposes?	☐	☐
c.	Was the CIP Development Program, distributed with the Measure M eligibility package, used to prepare the CMP CIP?	☐	☐
e.	Have projects included as part of a deficiency plan been identified as such in the CIP?	☐	☐

CMP MONITORING CHECKLIST
DEFICIENCY PLANS

Responsibility: Cities, County

2009 CMP CHECKLIST

		YES	NO*
1.	After adjustments, were any locations on the CMPHS identified as failing to meet the LOS standard through the data collection and calculation process?	☐	☐
a.	If so, which? ______________________ ______________________ ______________________		

NOTE: Only those agencies which answered question #1 affirmatively need to answer the remaining questions.

		YES	NO*
2.	Will the deficiencies at these locations be corrected by improvements scheduled for completion during the next 18 months?	☐	☐
3.	Has a deficiency plan or a schedule for preparing a deficiency plan been submitted to OCTA?	☐	☐
4.	Does the deficiency plan fulfill the statutory requirements:		
a.	include an analysis of the causes of the deficiency?	☐	☐
b.	include a list of improvements necessary to maintain minimum LOS standards on the CMPHS and the estimated costs of the improvements?	☐	☐

		YES	NO*
	c. include a list of improvements, programs, or actions, and estimates of their costs, that will improve LOS on the CMPHS and improve air quality?	☐	☐
	1) do the improvements, programs, or actions meet the criteria established by SCAQMD (see the CMP Preparation Manual)?	☐	☐
	d. include an action plan and implementation schedule?	☐	☐
5.	Are the capital improvements identified in the deficiency plan programmed in your seven-year CMP CIP?	☐	☐
6.	Does the deficiency plan include a monitoring program that will ensure its implementation?	☐	☐
7.	Does the deficiency plan include a process to allow some level of development to proceed pending correction of the deficiency?	☐	☐
8.	Has necessary inter-jurisdictional coordination occurred?	☐	☐

9. Please describe any innovative programs included in the deficiency plan:

____

____

____

* Submitting jurisdiction is encouraged to provide a brief explanation of those questions answered "No."

CMP MONITORING CHECKLIST
LAND USE COORDINATION

Responsibility: Cities, County

2009 CMP CHECKLIST

CMP Traffic Impact Analysis:

		YES	NO*
1.	Have you changed the CMP traffic impact analysis (TIA) process you selected for the 2007 CMP?	☐	☐
2.	If you answered "Yes" to the above question, have you submitted documentation of the revised TIA approach and methodology used to OCTA?	☐	☐
3.	Was your CMP TIA process applied to applicable development projects filed and approved by the local jurisdiction between July 1, 2007 and June 30, 2009?	☐	☐
a.	How many approved development projects were required to conduct a CMP TIA?		
b.	Did the TIA process identify whether any CMPHS links/intersections would exceed their established LOS standard as a result of project related traffic?	☐	☐

c. If so, which CMPHS links/intersections?

____

____

____

d. Which, if any, of these impacted CMPHS links/intersections are located outside the boundaries of your jurisdiction?

____

____

____

	YES	NO*
e. Did your agency participate in inter-jurisdictional discussions with other affected jurisdictions to develop a mitigation strategy for each impacted link/intersection?	☐	☐
4. Did you use, or do you anticipate using, a local model for your traffic impact analysis on any projects initiated between July 1, 2007 and June 30, 2009?	☐	☐
5. If you answered "Yes" to the above question, did you follow the modeling consistency process outlined in Attachment 1?	☐	☐

* Submitting jurisdiction is encouraged to provide a brief explanation of those questions answered "No" (with the exception of questions 1 and 4).

CMP MONITORING CHECKLIST
LEVEL OF SERVICE

Responsibility: Cities, County

2009 CMP CHECKLIST

		YES	NO*
1.	In your jurisdiction, are all of the intersections on the CMPHS operating at LOS E (or the baseline level, if worse than E) or better?	☐	☐
	a. If not, have the impacts of traffic which are categorically exempt under the CMP legislation (interregional travel, traffic generated by the provision of low and very low income housing, construction rehabilitation or maintenance of facilities that impact the system, freeway ramp metering, or traffic signal coordination) been factored out of the LOS traffic counts?	☐	☐
2.	After adjustments have been included, which intersections, if any, are operating below LOS E (or the baseline level, if worse than E)?	☐	☐
	______________________________ ______________________________ ______________________________		
3.	Will the LOS at those intersections be improved by mitigation measures which will be implemented in the next 18 months or improvements programmed in the first year of any FY 2009/2010 funding program (i.e., local agency CIP, CMP CIP, Measure M CIP)?	☐	☐
	a. If not, has a deficiency plan been developed for each intersection which will be operating below LOS E (or the baseline level, if worse than E)?	☐	☐

* Submitting jurisdiction is encouraged to provide a brief explanation of those questions answered "No."

CMP MONITORING CHECKLIST
TDM ORDINANCE

Responsibility: Cities, County

2009 CMP CHECKLIST

	YES	NO
1. Have you made revisions to the TDM ordinance used to satisfy the TDM requirements of the last CMP reporting cycle (i.e. 2007)?	☐	☐
a. If so, please attach a copy of the revised ordinance and adopting resolution.		
2. Have you applied your TDM ordinance to development projects?	☐	☐
a. If not, please provide a brief explanation.		

____

____

____

____

APPENDIX D

ELIGIBILITY CHECKLIST

This Page Intentionally Left Blank

MEASURE M
ELIGIBILITY CHECKLIST FOR FY 2010-11

Responsibility: Cities, County

FY 2010-11 MEASURE M CHECKLIST			YES	NO
Capital Improvement Program				
1.	Did you submit your draft Measure M seven-year Capital Improvement Program (CIP) for FY 2010-11 through FY 2016-17 to OCTA by June 30, 2010?			
	a.	Did you utilize the required CIP development software?		
	b.	Have you indicated what percentage of funding will come from each source for each of the projects?		
	c.	Have you listed projects in current year (2010) dollars?		
	d.	Did you include all projects that are partially, fully or potentially funded by Measure M?		
	e.	Have you established an estimated target date prior to August 13, 2010 for submitting your final, adopted Measure M seven-year CIP to OCTA?		
Maintenance of Effort				
2.	Did you submit your Maintenance of Effort certification and supporting budget documentation to OCTA by June 30, 2010?			
	a.	Did you use the Maintenance of Effort Reporting Form included in the GMP Preparation Manual for FY 2010-11?		
Pavement Management Program				
3.	Did you submit a Pavement Management Program (PMP) Update to OCTA in 2009?			
4.	If you answered "no" to question #3, did you submit a PMP Update to OCTA for FY 2010-11 by June 30, 2010?			
	a.	Did you use the current PMP Certification form?		
	b.	Is the PMP consistent with the AHRP standards?		
Resolution of Master Plan of Arterial Highway (MPAH) Consistency				
5.	Did you submit a resolution demonstrating consistency with the MPAH in 2009?			

a. If not, did you submit an MPAH consistency resolution to OCTA for FY 2010-11 by June 30, 2010?

6. Have you enclosed a figure representing your most current circulation element?

7. Does your circulation element include designated traffic signal synchronization street routes?

Mitigation Fee Program

8. Does your jurisdiction currently have a defined development impact mitigation fee program in place?

   a. If you answered yes to #7, have you included a copy of your current impact fee schedule?
   b. If you answered yes to #7, have you provided OCTA with a copy of your mitigation fee nexus study?

Time Limits For Use of Net Revenues

9. Has your jurisdiction observed the time limits for the use of net revenues over the last year per the requirements outlined in the ordinance?

Supplanting of Developer's Commitments

10. Has your jurisdiction insured they have not supplanted developer commitments for transportation projects and funding with Measure M funds?

Planning Strategies

11. Does your jurisdiction consider as part of its General Plan, land use planning strategies that accommodate transit and non-motorized transportation?

Traffic Forums

12. Did representatives of your jurisdiction participate in the regional traffic forum(s)?

Congestion Management Program

13. Has your jurisdiction completed the required CMP checklist?

Submitted by:

Name (Print)	Signature	Title
Jurisdiction	Phone Number	Date

APPENDIX E

SAMPLE RESOLUTION FOR MPAH CONSISTENCY

[SAMPLE MPAH RESOLUTION]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF ________________________ CONCERNING THE STATUS OF THE CIRCULATION ELEMENT FOR THE CITY OF ____________________________________

WHEREAS, the City/County of _________________________ desired to maintain and improve the streets within its jurisdiction, including those arterials contained in the Master Plan of Arterial Highways (MPAH) and

WHEREAS, the City/County of _________________________ had endorsed a definition of and process for, determining consistency of the City's/County's Traffic Circulation Plan with the MPAH, and

WHEREAS, the City/County has adopted a General Plan Circulation Element which does not preclude implementation of the MPAH within its jurisdiction, and

WHEREAS, the City/County is required to adopt a resolution every year informing the Orange County Transportation Authority (OCTA) that the City/County's Circulation Element is in conformance with the MPAH and whether any changes to any arterial highways of said Circulation Element have been adopted by the City/County during Fiscal Years 20XX-XX and 20XX-XX, and

WHEREAS, the City/County is required to send every year to the OCTA all recommended changes to the City/County Circulation Element and the MPAH for the purposes of re-qualifying for participation in the Combined Transportation Funding Programs.

NOW, THEREFORE, BE IT RESOLVED that the City/County of ________________ ___________, does hereby inform OCTA that:

a) The arterial highway portion of the City/County Circulation Element of the City/County is in conformance with the MPAH.

b) The City/County attests that no unilateral reduction in through lanes has been made on any MPAH arterials during the Fiscal Years 20XX-XX and 20XX-XX.

c) The City/County has adopted a uniform setback ordinance providing for the preservation of rights-of-way consistent with the MPAH arterial highway classification.

d) The City/County has adopted provisions for the limitation of access to arterial highways in order to protect the integrity of the system.

This Page Intentionally Left Blank

APPENDIX F

PAVEMENT MANAGEMENT PROGRAM (PMP) CERTIFICATION

Date_____________

RENEWED MEASURE M
LOCAL PAVEMENT MANAGEMENT PLAN CERTIFICATION

The City/County of _____________________________ certifies their Pavement Management Plan is in conformance with the criteria stated in the Orange County Local Transportation Authority Ordinance No. 3. This resolution requires that a Local Pavement Management Plan be in place and maintained to qualify for allocation of revenues generated from Measure M.

The system was developed by __________________________* and contains, at a minimum, the following elements:

- Inventory of MPAH and local routes reviewed and updated biennially. The last update of the inventory was completed _______________, __________.
- Assessment of pavement condition for all routes in the system, updated biennially. The last review of pavement condition was completed ______________, _____.
- Percentage of all sections of pavement needing:
  Rehabilitation______ Replacement____________
- Budget needs for rehabilitation or replacement of deficient sections of pavement for:
  Current biennial period_______________ Following biennial period_____________
- The local Pavement Management Plan is consistent with countywide pavement condition assessment standards as described in the Arterial Highway Rehabilitation Program (AHRP).

* A copy of the Local Pavement Management Plan must be submitted with the certification statement.

A copy of this certification is being provided to the Orange County Transportation Authority.

Submitted by:

____
Local Jurisdiction

____
Name (Print)

____
Signed

____
Title

This Page Intentionally Left Blank

APPENDIX G

SAMPLE EXPENDITURE REPORT TEMPLATE

EXPENDITURE REPORT TEMPLATE TO BE DEVELOPED

This Page Intentionally Left Blank

APPENDIX H

PROJECT FINAL REPORT TEMPLATE FOR "NET REVENUE" PROJECTS

Project final report template to follow Regional Capacity Program requirements

This Page Intentionally Left Blank

APPENDIX I

MAINTENANCE OF EFFORT (MOE) REPORTING FORM

DRAFT – 12/23/09

MAINTENANCE OF EFFORT REPORTING FORM

Reporting Jurisdiction: ______________________________

Type of GENERAL FUND Transportation Expenditures:
(please attach supporting budget documentation for each line item listed below, and record separately in CIP software)

MAINTENANCE	**Total Expenditure**
Subtotal Maintenance	

CONSTRUCTION	
Subtotal Construction	

ADMINISTRATIVE/OTHER	
Subtotal Other	
Total General Fund Transportation Expenditures	
(less Total MOE Exclusions*)	(~)
MOE Expenditures	
MOE Benchmark Requirement	
(Shortfall) / Surplus	

Certification:
I hereby certify that the City of ________________________________ has budgeted and will meet the Maintenance of Effort requirement for Fiscal Year _______________.

____
Signature (Finance Director) ~~Date~~ ________________________

____
Title

*Funding sources include federal, state, redevelopment, and bond financing.

This Page Intentionally Left Blank

APPENDIX J

LOCAL FAIR SHARE REVENUE PROJECTIONS

This Page Intentionally Left Blank

*MEASURE M LOCAL FAIR SHARE PROGRAM**
FORECAST ESTIMATES FOR FY 2010-11 THRU FY 2015-16

Agency	FY 2010-11 (Apr. - Jun.) *City Apportionment*	FY 2011-12 *City Apportionment*	FY 2012-13 *City Apportionment*	FY 2013-14 *City Apportionment*	FY 2014-15 *City Apportionment*	FY 2015-16 *City Apportionment*	Total FY 2011 - FY 2016 *City Apportionment*
Aliso Viejo	$ 106,280	$ 435,087	$ 458,217	$ 483,119	$ 507,706	$ 532,319	$ 2,522,728
Anaheim	990,857	4,056,355	4,271,993	4,504,162	4,733,391	4,962,854	23,519,612
Brea	157,734	645,729	680,056	717,015	753,506	790,034	3,744,075
Buena Park	237,000	970,226	1,021,804	1,077,336	1,132,164	1,187,049	5,625,578
Costa Mesa	417,216	1,707,992	1,798,790	1,896,549	1,993,069	2,089,688	9,903,304
Cypress	159,532	653,089	687,808	725,188	762,095	799,039	3,786,751
Dana Point	96,630	395,582	416,611	439,252	461,607	483,985	2,293,666
Fountain Valley	184,715	756,183	796,382	839,662	882,395	925,171	4,384,508
Fullerton	373,849	1,530,457	1,611,817	1,699,414	1,785,901	1,872,477	8,873,915
Garden Grove	434,066	1,776,973	1,871,438	1,973,144	2,073,563	2,174,084	10,303,268
Huntington Beach	554,176	2,268,679	2,389,283	2,519,133	2,647,338	2,775,675	13,154,284
Irvine	695,889	2,848,822	3,000,267	3,163,322	3,324,311	3,485,466	16,518,076
Laguna Beach	75,945	310,901	327,429	345,223	362,793	380,380	1,802,671
Laguna Hills	107,999	442,123	465,627	490,932	515,917	540,927	2,563,525
Laguna Niguel	199,972	818,643	862,163	909,019	955,281	1,001,591	4,746,668
Laguna Woods	41,154	168,476	177,433	187,075	196,596	206,127	976,861
La Habra	154,371	631,963	665,558	701,729	737,442	773,191	3,664,255
Lake Forest	228,995	937,455	987,291	1,040,947	1,093,923	1,146,954	5,435,565
La Palma	54,694	223,907	235,810	248,625	261,279	273,945	1,298,260
Los Alamitos	38,488	157,560	165,936	174,954	183,858	192,771	913,568
Mission Viejo	283,793	1,161,789	1,223,551	1,290,047	1,355,700	1,421,422	6,736,302
Newport Beach	301,416	1,233,931	1,299,527	1,370,152	1,439,883	1,509,685	7,154,593
Orange	471,327	1,929,513	2,032,087	2,142,525	2,251,563	2,360,714	11,187,730
Placentia	138,616	567,465	597,632	630,111	662,179	694,280	3,290,282
Rancho Santa Margarita	126,106	516,251	543,695	573,243	602,417	631,621	2,993,332
San Clemente	161,186	659,859	694,937	732,705	769,994	807,322	3,826,003
San Juan Capistrano	115,741	473,819	499,008	526,127	552,903	579,707	2,747,305
Santa Ana	849,674	3,478,382	3,663,295	3,862,383	4,058,950	4,255,718	20,168,403
Seal Beach	70,410	288,242	303,565	320,063	336,352	352,658	1,671,291
Stanton	88,682	363,047	382,347	403,126	423,642	444,179	2,105,023
Tustin	238,240	975,302	1,027,149	1,082,971	1,138,087	1,193,258	5,655,007
Villa Park	15,586	63,805	67,197	70,849	74,455	78,064	369,957
Westminster	259,666	1,063,016	1,119,527	1,180,370	1,240,442	1,300,575	6,163,596
Yorba Linda	169,314	693,137	729,984	769,657	808,826	848,036	4,018,955
County Unincorporated	508,175	2,080,358	2,190,951	2,310,022	2,427,585	2,545,269	12,062,361
Total County:	***$9,107,493***	***$37,284,118***	***$39,266,164***	***$41,400,153***	***$43,507,114***	***$45,616,234***	***$216,181,277***

** - The Population, MPAH Mileage, and Taxable Sales Criteria used in the Turnback allocation model change annually. Also the Measure M Sales Tax Forecast is updated each year; therefore, these figures are very preliminary.*

- Forecast from FY 2010-11 (Apr. - Jun.) through FY 2015-16 is a very preliminary estimate based on forecasted nominal revenues as of January 1, 2010.

APPENDIX K

ARTERIAL HIGHWAY MILEAGE CHANGE REPORT

ARTERIAL HIGHWAY MILEAGE CHANGE REPORT

Date

COUNTY/CITY OF ______________________

STREET NAME	DATE ADDED	DATE DELETED	FROM	TO	8-LANE CENTERLINE MILES	6-LANE CENTERLINE MILES	4-LANE CENTERLINE MILES	TOTAL CENTERLINE MILES
				Subtotals:				

This Page Intentionally Left Blank

APPENDIX L

ACRONYMS

Acronyms

AHRP	– Arterial Highway Rehabilitation Program
CEQA	– California Environmental Quality Act
CIP	– Capital Improvement Program
CMP	– Congestion Management Program
COC	– Citizen's Oversight Committee
CTFP	– Combined Transportation Funding Program
GMA	– Growth Management Area
GME	– Growth Management Element
GMP	– Growth Management Program
LAFCO	– Local Agency Formation Commission
LOS	– Level of Service
LTA	– Local Transportation Authority
MOE	– Maintenance of Effort
MPAH	– Master Plan of Arterial Highways
OCCOG	– Orange County Council of Governments
TAC	– Technical Advisory Committee
TDM	– Traffic Demand Model
TOC	– Taxpayers Oversight Committee
TSC	– Technical Steering Committee
SCAQMD	– South Coast Air Quality Management District

This Page Intentionally Left Blank

ATTACHMENT B

Measure M and Measure M2
Eligibility Element Comparison
Per Enabling Ordinance

	Existing Measure M Guidelines	Measure M2 (M2) Guidelines
Growth Management Program (GMP)	• Adopt GMP	• **NOT REQUIRED**
	• Submit every five years	
Congestion Management Program (CMP)	• **N/A**	• Comply with Orange County's CMP
Capital Improvement Program (CIP)	• Seven-year CIP with annual renewal	• Seven-year CIP with biennial renewal
		• Includes all projects funded with M2 net revenues
Mitigation Fee Program	• Development Mitigation Monitoring Program	• Have a clearly defined Mitigation Fee Program
	• Component of GMP	
General Plan Circulation Element	• Circulation element consistent with the MPAH	• Circulation element consistent with the MPAH
		• Include traffic signal synchronization street routes consistent with the OCTA Signal Synchronization Master Plan
Traffic Forums	• Participate in inter-jurisdictional planning forms (GMA)	• Participate in forums to facilitate the planning of traffic signal synchronization programs and projects
		• Participate in forums to discuss regional traffic routes and traffic patterns, inter-jurisdictional efforts
Local Traffic Signal Synchronization Plan (TSSP)	• **N/A**	• Adopt and maintain a local TSSP
		• Conform to the Signal Synchronization Master Plan
		• Three-year plan showing cost, available funding and phasing of capital, operations, and maintenance
Pavement Management Plan (PMP)	• Adopt and fund a local PMP	• Adopt PMP using common format
	• Update biennially	• Six-year capital plan updated every two years
		• Report projected improvements resulting from program
Expenditure Report	• **N/A**	• Report required within six months of end of fiscal year (FY)
		• Report to include all net revenue, fund balances, and interest earned
		• Identify expenditures by type, program/project
Project Final Report	• Required under OCTA funding program procedures	• Final report for all projects funded with net revenues
		• Reports to be submitted within six months of completion

Key
- No impact
- Consistent with Prior Program
- Substantial Changes

MPAH - Master Plan of Arterial Highways
OCTA - Orange County Transportation Authority
CCI - Construction Cost Index

Measure M and Measure M2
Eligibility Element Comparison
Per Enabling Ordinance

	Existing Measure M Guidelines	Measure M2 (M2) Guidelines
Time Limits for Use of Revenues	• Agree to expend all net tax revenues received through Measure M within three years of receipt	• Net revenues shall be expended or encumbered within three years. An extension may be granted with five year limit
		• Net revenues for M2 grants must be encumbered by end of fiscal year programmed
		• Requests for extension may be granted for up to 24 months
	• Failure to expend funds in timely manner will make jurisdiction ineligible to receive additional funds until reinstated	• Expired funds and related revenues must be returned to OCTA for use in same source program.
Maintenance of Effort (MOE)	• Benchmark based upon average FY1985/86 through 1989/90	• Must meet or exceed MOE local discretionary funds pursuant to current Ordinance No. 2 for FY 2010-2011 and per Ordinance No. 3 starting April 1, 2011
	Annual certification that MOE has been satisfied	• Annual certification that MOE requirement have been satisfied
		• Adjust benchmark in 2014 and every three years thereafter based upon CCI for preceding three-years
		• CCI adjustment cannot exceed growth rate in general fund revenues during update period
Land Use and Planning Strategies	• Planning standards for fire, police, library, flood control, parks and open space, and other services and public facilities (GMP)	• Consider in jurisdiction's general plan, land use planning strategies that accommodate transit and non-motorized transportation
Certification of Funds	• Certify Measure M has not supplanted existing or developer funds	• Certification that no M2 funds have been used to supplant existing commitments or any developer funding which has been or will be committed for any transportation projects
Development Phasing and Monitoring Program	• Development phasing and monitoring program	• **N/A**
Traffic Level of Service (LOS) Standards	• Summarize traffic LOS standards	• Included in CMP
		• May be included in the regional TSSP
Balanced Housing Options and Job Opportunities	• Balanced housing options and job opportunities	• **N/A**
Transportation Demand Management (TDM) Ordinance	• Adoption of a TDM Ordinance	• Included in CMP

Key
- No impact
- Consistent with Prior Program
- Substantial Changes

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

ORDINANCE NO. 3

JULY 24, 2006

Pages B-7 through B-10

Orange County Local Transportation Authority
550 South Main Street
P.O. Box 14184
Orange, CA 92863-1584
Tel: (714) 560-6282

III. REQUIREMENTS FOR ELIGIBLE JURISDICTIONS.

A. In order to be eligible to receive Net Revenues, a jurisdiction shall satisfy and continue to satisfy the following requirements.

1. Congestion Management Program. Comply with the conditions and requirements of the Orange County Congestion Management Program (CMP) pursuant to the provisions of Government Code Section 65089.

2. Mitigation Fee Program. Assess traffic impacts of new development and require new development to pay a fair share of necessary transportation improvements attributable to the new development.

3. Circulation Element. Adopt and maintain a Circulation Element of the jurisdiction's General Plan consistent with the MPAH.

4. Capital Improvement Program. Adopt and update biennially a six-year Capital Improvement Program (CIP). The CIP shall include all capital transportation projects, including projects funded by Net Revenues, and shall include transportation projects required to demonstrate compliance with signal synchronization and pavement management requirements.

5. Traffic Forums.

Participate in Traffic Forums to facilitate the planning of traffic signal synchronization programs and projects. Eligible Jurisdictions and Caltrans, in participation with the County of Orange and the Orange County Division of League of Cities, will establish the boundaries for Traffic Forums. The following will be considered when establishing boundaries:

a. Regional traffic routes and traffic patterns;

b. Inter-jurisdictional coordination efforts; and

c. Total number of Traffic Forums.

6. Local Traffic Signal Synchronization Plan. Adopt and maintain a Local Traffic Signal Synchronization Plan which shall identify traffic signal synchronization street routes and traffic signals; include a three-year plan showing costs, available funding

and phasing of capital, operations and maintenance of the street routes and traffic signals; and include information on how the street routes and traffic signals may be synchronized with traffic signals on the street routes in adjoining jurisdictions. The Local Traffic Signal Synchronization Plan shall be consistent with the Traffic Signal Synchronization Master Plan.

7. Pavement Management Plan. Adopt and update biennially a Pavement Management Plan, and issue, using a common format approved by the Authority, a report every two years regarding the status of road pavement conditions and implementation of the Pavement Management Plan.

a. Authority, in consultation with the Eligible Jurisdictions, shall define a countywide management method to inventory, analyze and evaluate road pavement conditions, and a common method to measure improvement of road pavement conditions.

b. The Pavement Management Plan shall be based on: either the Authority's countywide pavement management method or a comparable management method approved by the Authority, and the Authority's method to measure improvement of road pavement conditions.

c. The Pavement Management Plan shall include:

(i) Current status of pavement on roads;

(ii) A six-year plan for road maintenance and rehabilitation, including projects and funding;

(iii) The projected road pavement conditions resulting from the maintenance and rehabilitation plan; and

(iv) Alternative strategies and costs necessary to improve road pavement conditions.

8. Expenditure Report. Adopt an annual Expenditure Report to account for Net Revenues, developer/traffic impact fees, and funds expended by the Eligible Jurisdiction which satisfy the Maintenance of Effort requirements. The Expenditure

Report shall be submitted by the end of six (6) months following the end of the jurisdiction's fiscal year and include the following:

a. All Net Revenue fund balances and interest earned.

b. Expenditures identified by type (i.e., capital, operations, administration, etc.), and program or project .

9. Project Final Report. Provide Authority with a Project Final Report within six months following completion of a project funded with Net Revenues.

10. Time Limits for Use of Net Revenues.

a. Agree that Net Revenues for Regional Capacity Program projects and Regional Traffic Signal Synchronization Program projects shall be expended or encumbered no later than the end of the fiscal year for which the Net Revenues are programmed. A request for extension of the encumbrance deadline for no more than twenty-four months may be submitted to the Authority no less than ninety days prior to the deadline. The Authority may approve one or more requests for extension of the encumbrance deadline.

b. Agree that Net Revenues allocated for any program or project, other than a Regional Capacity Program project or a Regional Traffic Signal Synchronization Program project, shall be expended or encumbered within three years of receipt. The Authority may grant an extension to the three-year limit, but extensions shall not be granted beyond a total of five years from the date of the initial funding allocation.

c. In the event the time limits for use of Net Revenues are not satisfied then any retained Net Revenues that were allocated to an Eligible Jurisdiction and interest earned thereon shall be returned to the Authority and these Net Revenues and interest earned thereon shall be available for allocation to any project within the same source program.

11. Maintenance of Effort. Annual certification that the Maintenance of Effort requirements of Section 6 of the Ordinance have been satisfied.

12. No Supplanting of Funds. Agree that Net Revenues shall not be

used to supplant developer funding which has been or will be committed for any transportation project.

13. Consider, as part of the Eligible Jurisdiction's General Plan, land use planning strategies that accommodate transit and non-motorized transportation.

B. Determination of Non-Eligibility

A determination of non-eligibility of a jurisdiction shall be made only after a hearing has been conducted and a determination has been made by the Authority's Board of Directors that the jurisdiction is not an Eligible Jurisdiction as provided hereinabove.

IV. *ALLOCATION OF NET REVENUES; GENERAL PROVISIONS.*

A. Subject to the provisions of the Ordinance, including Section II above, use of the Revenues shall be as follows:

1. First, the Authority shall pay the State Board of Equalization for the services and functions;

2. Second, the Authority shall pay the administration expenses of the Authority;

3. Third, the Authority shall satisfy the annual allocation requirement of two percent (2%) of Revenues for Environmental Cleanup; and

4. Fourth, the Authority shall satisfy the debt service requirements of all bonds issued pursuant to the Ordinance that are not satisfied out of separate allocations.

B. After providing for the use of Revenues described in Section A above, and subject to the averaging provisions of Section D below, the Authority shall allocate the Net Revenues as follows:

1. Forty-three percent (43%) for Freeway Projects;

2. Thirty-two percent (32%) for Street and Road Projects; and

3. Twenty-five percent (25%) for Transit Projects.

C. The allocation of thirty-two percent (32%) of the Net Revenues for

OCTA

BOARD COMMITTEE TRANSMITTAL

January 25, 2010

To: Members of the Board of Directors

WK

From: Wendy Knowles, Clerk of the Board

Subject: Integration of San Diego Freeway (Interstate 5)/Avenida Pico Interchange Project with San Diego Freeway (Interstate 5) High-Occupancy Vehicle Project in the Measure M2 Early Action Plan

Highways Committee Meeting of January 18, 2010

Present: Directors Cavecche, Dixon, Glaab, Hansen, Mansoor, and Pringle
Absent: Director Bates

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

A. Approve the incorporation of the San Diego Freeway (Interstate 5)/Avenida Pico Interchange Project with the San Diego Freeway (Interstate 5) High-Occupancy Vehicle Project into the Measure M2 Early Action Plan.

B. Authorize the Chief Executive Officer to negotiate and execute an Amendment No. 1 to Agreement No. C-8-1238 with RMC, Inc., for additional services to perform preliminary engineering and environmental studies for the San Diego Freeway (Interstate 5)/Avenida Pico Interchange Project, in an amount not to exceed $350,000, bringing the total contract value to $5,059,323.

OCTA

January 18, 2010

To: Highways Committee

From: Will Kempton, Chief Executive Officer

Subject: Integration of San Diego Freeway (Interstate 5)/Avenida Pico Interchange Project with San Diego Freeway (Interstate 5) High-Occupancy Vehicle Project in the Measure M2 Early Action Plan

Overview

The Measure M2 San Diego Freeway (Interstate 5) High-Occupancy Vehicle Project will extend the high-occupancy vehicle lanes from San Juan Creek Road in the City of San Juan Capistrano to Avenida Pico in the City of San Clemente. Staff is recommending that the San Diego Freeway (Interstate 5)/Avenida Pico Interchange Project, another Measure M2 project currently in the conceptual engineering phase, be integrated with the San Diego Freeway (Interstate 5) High-Occupancy Vehicle Project, which is in the project approval and environmental document phase.

Recommendations

A. Approve the incorporation of the San Diego Freeway (Interstate 5)/Avenida Pico Interchange Project with the San Diego Freeway (Interstate 5) High-Occupancy Vehicle Project into the Measure M2 Early Action Plan.

B. Authorize the Chief Executive Officer to negotiate and execute an Amendment No. 1 to Agreement No. C-8-1238 with RMC, Inc., for additional services to perform preliminary engineering and environmental studies for the San Diego Freeway (Interstate 5)/Avenida Pico Interchange Project, in an amount not to exceed $350,000, bringing the total contract value to $5,059,323.

Background

In August 2007, the Orange County Transportation Authority (Authority) Board of Directors (Board) approved and released the Measure M2 (M2) Early Action Plan (EAP) that proposes to start the environmental phase of the San Diego Freeway (Interstate 5) High-Occupancy Vehicle (HOV) Project between Pacific Coast Highway (State Route 1) and Avenida Pico in 2009. This project is included in the EAP as part of M2 Project C, and work began on the environmental phase in July 2009. The project study report (PSR), conceptual engineering document, is also being prepared by RMC, Inc., under a separate contract for the Interstate 5/Avenida Pico Interchange Project, part of M2 Project D. The two projects have been closely coordinated since work began in parallel in the summer of 2009, with the opportunity in mind of possibly integrating the Interstate 5/Avenida Pico interchange with the HOV project.

Discussion

The PSR for the Interstate 5/Avenida Pico interchange utilized the interchange concepts evaluated in a feasibility study prepared by the City of San Clemente (City). The initial objective in the PSR phase was to narrow down the number of interchange concepts in the City's study to fewer concepts that would be further evaluated and developed in the PSR. The interchange concepts have now been analyzed in coordination with the California Department of Transportation (Caltrans) and the City, and there is agreement among all parties to proceed with two interchange concepts. This agreement weighed traffic benefits provided by each interchange configuration against potential community and environmental impacts.

Concurrently, preliminary engineering and environmental studies have begun for the HOV project. The HOV project includes the replacement of the Avenida Pico structure in order to widen Interstate 5 to add the HOV lanes, but does not include any other interchange improvements. Environmental engineering and work have progressed to the point that a decision is needed on whether the HOV project will incorporate the interchange at Avenida Pico.

Staff recommends incorporating the Avenida Pico interchange with the HOV project based on a number of factors. The benefits from combining the two projects include project development cost savings from eliminating an independent project approval/environmental document phase for the interchange, as well as a separate design phase and plans, specifications, and estimate package. There are also potential cost savings from having one construction contract versus two contracts, as well as elimination of redundancies and inconsistencies. In addition, savings will be realized from wrapping up the PSR for the interchange at its current stage.

Another important benefit from combining the two projects is limiting impacts to the community and the travelling public to a single time by constructing the interchange with the HOV project. Improvements to the Avenida Pico interchange will also be advanced significantly by being combined with the EAP HOV project. For these reasons, Caltrans and the City, as major project partners, are in agreement with advancing and incorporating the interchange with the HOV project.

Caltrans has determined that the type of environmental document for the HOV project can proceed as planned, with the inclusion of the two interchange concepts that have been agreed to by the project partners. The type of environmental document that is being developed for the HOV project is an initial study/environmental assessment with an anticipated Mitigated Negative Declaration and Finding of No Significant Impact. The environmental phase is scheduled for a duration of two years.

If authorized, a contract amendment will be negotiated and executed with RMC, Inc., in an amount not to exceed $350,000, to incorporate the Avenida Pico interchange with the HOV project. This additional cost may be offset by an estimated cost savings of $200,000, which could be realized from wrapping up the PSR for the interchange at its current stage.

Procurement Approach

This procurement was handled in accordance with the Authority's procedures for professional architectural and engineering services. The original Agreement No. C-8-1238 was awarded on June 23, 2009, in an amount not to exceed $4,709,323.

Agreement No. C-8-1238 with RMC, Inc., provides project approval and environmental document services for proposed improvements to Interstate 5. The firm was assigned the Interstate 5 HOV Project under this contract. The Interstate 5/ Avenida Pico Interchange Project was assigned to RMC, Inc., under Agreement No. C-9-0205 for conceptual engineering. As the projects progressed almost in parallel, the decision was made to integrate and move these projects forward as one project. To achieve this, it was determined that additional funds would be required for RMC, Inc., to complete the work under Agreement No. C-8-1238.This requires an increase to the project budget and an amendment to Agreement No. C-8-1238, in an amount not to exceed $350,000.

Fiscal Impact

The M2 funding for the proposed contract amendment with RMC, Inc., is included in the Authority's Fiscal Year 2009-10 Budget, Development Division, Account 0017-7519-FC101-KKD. If authorized, the contract amendment will be negotiated and executed, in an amount not to exceed $350,000. There is also an estimated cost savings of $200,000 which could be realized from wrapping up the PSR for the interchange at its current stage.

Summary

Staff is requesting the Board to approve the incorporation of the Interstate 5/Avenida Pico Interchange Project with the Interstate 5 HOV Project in the EAP, and also to authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Agreement No. C-8-1238 with RMC, Inc., for additional services to perform preliminary engineering and environmental studies for the Interstate 5/Avenida Pico Interchange Project.

Attachment

A. Agreement No. C-8-1238 Fact Sheet

Prepared by:

Rose Casey

Rose Casey, P.E.
Program Manager
Highway Project Delivery
(714) 560-5729

Virginia Abadessa

Virginia Abadessa
Director, Contracts Administration & Materials Management
(714) 560-5623

Approved by:

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

ATTACHMENT A

AGREEMENT NO. C-8-1238 FACT SHEET

1. June 23, 2009, Agreement No. C-8-1238 for $4,709,323.00, approved by the Board of Directors.

    - Provide design support services for proposed improvements to the San Diego Freeway (Interstate 5).

2. January 25, 2010, Amendment No. 1 to Agreement No. C-8-1238, not to exceed $350,000, pending approval by the Board of Directors.

    - Add funding for the integration of the Interstate 5/Avendia Pico Interchange Project with the Interstate 5 High-Occupancy Vehicle Project into the Measure M2 Early Action Plan.

Total committed to RMC, Inc., after approval of Amendment No. 1 to Agreement No. C-8-1238 will be: $5,059,323.

OCTA

BOARD COMMITTEE TRANSMITTAL

January 25, 2010

To:	Members of the Board of Directors
From:	WK Wendy Knowles, Clerk of the Board
Subject:	Supplement Budget for the Riverside Freeway (State Route 91) Westbound Lane Addition Between the Santa Ana Freeway (Interstate 5) and the Orange Freeway (State Route 57)

Highways Committee Meeting of January 18, 2010

Present:	Directors Cavecche, Dixon, Glaab, Hansen, Mansoor, and Pringle
Absent:	Director Bates

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-9-0244 with RBF Consulting, in an amount not to exceed $5 million.

OCTA

January 18, 2010

To: Highways Committee

From: Will Kempton, Chief Executive Officer

Subject: Supplement Budget for the Riverside Freeway (State Route 91) Westbound Lane Addition Between the Santa Ana Freeway (Interstate 5) and the Orange Freeway (State Route 57)

Overview

On July 13, 2009, the Orange County Transportation Authority Board of Directors approved the selection of RBF Consulting as the top-ranked firm to prepare the plans, specifications, and estimate for a westbound lane addition on the Riverside Freeway (State Route 91) between the Santa Ana Freeway (Interstate 5) and Orange Freeway (State Route 57), and authorized the Chief Executive Officer to negotiate a contract for an amount not to exceed $4 million. The scope on this Measure M2 project has since been expanded to include high-occupancy continuous access in the eastbound direction. In addition, design requirements based on further engineering and environmental studies also need to be included in the project scope. Based on the expanded scope of work, staff is requesting that the not-to-exceed amount be increased to $5 million.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-9-0244 with RBF Consulting, in an amount not to exceed $5 million.

Discussion

Proposed improvements to the Riverside Freeway (State Route 91) between the Santa Ana Freeway (Interstate 5) and the Orange Freeway (State Route 57) were included in the Measure M2 (M2) program. The project report and the environmental documents are scheduled to be approved in February 2010.

On July 13, 2009, the Board of Directors approved the selection of RBF Consulting as the most qualified design firm and to commence negotiations on the design contract, in an amount not to exceed $4 million.

The $4 million estimate was based on staff's assessment of the design requirements defined in the draft project report. The Orange County Transportation Authority's (OCTA) Fiscal Year 2009-10 Budget includes a budget of $4,311,000 for final design on this project.

At this time, the final project report is nearing completion and staff has a better understanding of the actual scope of work needed to complete the westbound highway widening. Based upon its updated review, staff has now identified additional design requirements related to the extent of retaining walls required for the project, additional lane re-striping needed in the eastbound direction, and additional design evaluation studies to further refine and minimize right-of-way needs. It is now staff's assessment that the value of the work scope to complete final design is approximately $5 million.

Procurement Approach

This procurement was handled in accordance with the OCTA's procedures for professional architectural and engineering services. The procurement was based on RBF Consulting preparing the plans, specifications, and estimate for adding a westbound lane on State Route 91 between Interstate 5 and State Route 57. During the negotiations process, it was determined that additional funds will be required in order for RBF Consulting to complete the design work. This requires an increase to the authorized contract budget.

Fiscal Impact

OCTA's Fiscal Year 2009-10 Budget includes $4,311,000 for the final design. Therefore, an additional $689,000 is needed to fund the $5 million contract. Additional M2 funding is available in Account 017-7519-FJ102-KHR ($320,000) and Account 0017-7514-S0202-PK4 ($369,000). With Board of Directors' approval, the funds will be transferred to Account 0017-7519-FH101-RWT and the contract will be executed.

Attachment

None.

Prepared by:

Dipak Roy, P.E.
Project Manager, Development
(714) 560-5863

Virginia Abadessa
Director, Contracts Administration and Materials Management
(714) 560-5623

Approved by:

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

OCTA

BOARD COMMITTEE TRANSMITTAL

January 25, 2010

To:	Members of the Board of Directors
From:	WK Wendy Knowles, Clerk of the Board
Subject:	Fiscal Year 2009-10 Freeway Service Patrol Program Fund Transfer Agreement

Highways Committee Meeting of January 18, 2010

Present:	Directors Cavecche, Dixon, Glaab, Hansen, Mansoor, and Pringle
Absent:	Directors Bates

Committee Vote

This item was passed by all Committee Members present.

Director Pringle was not present to vote on this matter.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-9-0899 between the Orange County Transportation Authority and California Department of Transportation for fiscal year 2009-10 Freeway Service Patrol funding.

Orange County Transportation Authority
550 South Main Street / P.O. Box 14184 / Orange / California 92863-1584 / (714) 560-OCTA (6282)

OCTA

January 18, 2009

To: Highways Committee

From: Will Kempton, Chief Executive Officer

Subject: Fiscal Year 2009-10 Freeway Service Patrol Program Fund Transfer Agreement

Overview

The Orange County Freeway Service Patrol receives funding from the California Department of Transportation under the terms of annual funding agreements. The fiscal year 2009-10 funding agreement will provide a total of $3,727,010.00 for the Freeway Service Patrol program through June 30, 2010.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-9-0899 between the Orange County Transportation Authority and California Department of Transportation for fiscal year 2009-10 Freeway Service Patrol funding.

Background

The Orange County Freeway Service Patrol (FSP) program is a partnership between California Department of Transportation (Caltrans), California Highway Patrol (CHP), Orange County Transportation Authority (Authority), and the towing companies under contract to provide FSP tow truck services. In November 1992, the FSP began providing peak-hour assistance to stranded motorists along Orange County freeways. The FSP program is designed to provide timely assistance to motorists with disabled vehicles, as well as timely response to other incidents leaving debris on the freeways. In addition to peak-hour service, the FSP program provides mid-day service at major interchanges, weekend service on the San Diego (Interstate 5) Freeway in South Orange County, and off peak-hour service in construction zones.

Discussion

The Authority is the contract administrator for the FSP program, procuring services necessary for operation of the program. Annually, Caltrans budgets for the state's share of the FSP program, and CHP's portion is then received from Caltrans. The remaining funds are then allocated by formula to each FSP program. In accordance with the annual funding agreement with Caltrans, local programs are required to provide a 25 percent match to the state's program funding.

Caltrans' allocation to Orange County's FSP program for fiscal year 2009-10 is $2,981,608.00, requiring a match of $745,402.00 from the Authority in local funds. Total program allocation under the agreement is $3,727,010.00. Under terms of the agreement, the Authority will have until June 30, 2011, to be reimbursed for expenditures in FY 2009-10.

Fiscal Impact

Funds for operation of the FSP program have been included in fiscal year 2009-10 budget of the Orange County Service Authority for Freeway Emergencies, Fund 0013.

Summary

Based on the material provided, staff recommends execution of Agreement No. C-9-0899 between the Authority and Caltrans, for fiscal year 2009-10 FSP program funding.

Attachment

A. Freeway Service Patrol Program Fund Transfer Agreement

Prepared by:

Patrick Sampson
Manager, Motorist Services
(714) 560-5425

Virginia Abadessa
Director, Contracts Administration and Materials Management
714-560-5623

Approved by:

P. Sue Zuhlke
Director, Motorist Services and Special Projects
(714) 560-5574

AGREEMENT NO. C-9-0899

FREEWAY SERVICE PATROL PROGRAM
FUND TRANSFER AGREEMENT (Non Federal)

Agreement No. FSP10-6071(049) Location: 12-ORA-Var-OCTA
Project No. FSP10-6071(049) EA: 12-932068L

THIS AGREEMENT, effective on July 1, 2009, is between the State of California, acting by and through the Department of Transportation, hereinafter referred to as "STATE", and the Orange County Transportation Commission, a public agency, hereinafter referred to as "ADMINISTERING AGENCY."

WHEREAS, Streets and Highways Code (S&HC) Section 2560 et seq. authorizes STATE and administering agencies to develop and implement a Freeway Service Patrol (FSP) program on traffic-congested urban freeways throughout the state; and,

WHEREAS, STATE has distributed available State Highway Account funds to administering agencies participating in the FSP Program in accordance with S&HC Section 2562; and,

WHEREAS, ADMINISTERING AGENCY has applied to STATE and has been selected to receive funds from the FSP Program for the purpose of Freeway Service Patrol for FY 2009-2010, hereinafter referred to as "PROJECT"; and,

WHEREAS, proposed PROJECT funding is as follows:

Total Cost	State Funds	Local Funds
$3,727,010.00	$2,981,608.00	$745,402.00; and,

WHEREAS, STATE is required to enter into an agreement with ADMINISTERING AGENCY to delineate the respective responsibilities of the parties relative to prosecution of said PROJECT; and,

WHEREAS, STATE and ADMINISTERING AGENCY mutually desire to cooperate and jointly participate in the FSP program and desire to specify herein the terms and conditions under which the FSP program is to be conducted; and,

WHEREAS, ADMINISTERING AGENCY has approved entering into this Agreement under authority of Resolution No.________________ approved by ADMINISTERING AGENCY on ___________________, a copy of which is attached.

For Caltrans Use Only

I hereby Certify upon my own personal knowledge that budgeted funds are available for this encumbrance

Jamie Ong Accounting Officer | Date 11-9-09 | $ 2,981,608.00

Chapter	Statutes	Item	Fiscal Year	Program	BC	Category	Fund Source	$2,981,608
1	2009	2660-102-042	2009/2010	20.30.010.600	C	262040	114-042-T	2,981,608.00

NOW, THEREFORE, the parties agree as follows:

SECTION I

STATE AGREES:

1. To define or specify, in cooperation with ADMINISTERING AGENCY, the limits of the State Highway segments to be served by the FSP as well as the nature and amount of the FSP dedicated equipment, if any, that is to be funded under the FSP program.

2. To pay ADMINISTERING AGENCY the STATE's share, in amount not to exceed $2,981,608.00 of eligible participating PROJECT costs.

3. To Deposit with ADMINISTERING AGENCY, upon ADMINISTERING AGENCY's award of a contract for PROJECT services and receipt of an original and two signed copies of an invoice in the proper form, including identification of this Agreement Number and Project Number, from ADMINISTERING AGENCY, the amount of $477,057.28. This initial deposit represents STATE's share of the estimated costs for the initial two months of PROJECT. Thereafter, to make reimbursements to ADMINISTERING AGENCY as promptly as state fiscal procedures will permit, but not more often than monthly in arrears, upon receipt of an original and two signed copies of invoices in the proper form covering actual allowable costs incurred for the prior sequential month's period of the Progress Payment Invoice. (The initial deposit will be calculated at 16% of the STATE's total share.)

4. When conducting an audit of the costs claimed by ADMINISTERING AGENCY under the provisions of this Agreement, STATE will rely to the maximum extent possible on any prior audit of ADMINISTERING AGENCY performed pursuant to the provisions of state and federal laws. In the absence of such an audit, work of other auditors will be relied upon to the extent that work is acceptable to STATE when planning and conducting additional audits.

SECTION II

ADMINISTERING AGENCY AGREES:

1. To commit and contribute matching funds from ADMINISTERING AGENCY resources, which shall be an amount not less than 25 percent of the amount provided by STATE from the State Highway Account.

2. The ADMINISTERING AGENCY's detailed PROJECT Cost Proposal is attached hereto and made an express part of this Agreement. The detailed PROJECT Cost Proposal reflects the provisions and/or regulations of Section III, Article 8, of this Agreement.

3. To use all state funds paid hereunder only for those transportation related PROJECT purposes that conform to Article XIX of the California State Constitution.

4. STATE funds provided to ADMINISTERING AGENCY under this Agreement shall not be used for administrative purposes by ADMINISTERING AGENCY.

5. To develop, in cooperation with STATE, advertise, award, and administer PROJECT contract(s) in accordance with ADMINISTERING AGENCY competitive procurement procedures.

6. Upon award of a contract for PROJECT, to prepare and submit to STATE an original and two signed copies of invoicing for STATE's initial deposit specified in Section I, Article 3. Thereafter, to prepare and submit to STATE an original and two signed copies of progress invoicing for STATE's share of actual expenditures for allowable PROJECT costs.

7. Said invoicing shall evidence the expenditure of ADMINISTERING AGENCY's PROJECT participation in paying not less than 20% of all allowable PROJECT costs and shall contain the information described in Chapter 5 of the Local Assistance Procedures Manual and shall be mailed to the Department of Transportation, Accounting Service Center, MS 33, Local Program Accounting Branch, P.O. Box 942874, Sacramento CA, 94274-0001.

8. Within 60 days after completion of PROJECT work to be reimbursed under this Agreement, to prepare a final invoice reporting all actual eligible costs expended, including all costs paid by ADMINISTERING AGENCY and submit that signed invoice, along with any refund due STATE, to the District Local Assistance Engineer. Backup information submitted with said final invoice shall include all FSP operational contract invoices paid by ADMINISTERING AGENCY to contracted operators included in expenditures billed for to STATE under this Agreement.

9. COST PRINCIPLES

A) ADMINISTERING AGENCY agrees to comply with, and require all project sponsors to comply with, Office of Management and Budget Circular A-87, Cost Principles for State and Local Government, and 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

B) ADMINISTERING AGENCY will assure that its Fund recipients will be obligated to agree that (1) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual PROJECT cost items and (2) those parties shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving Funds as a contractor or subcontractor under this Agreement shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

C) Any Fund expenditures for costs for which ADMINISTERING AGENCY has received payment or credit that are determined by subsequent audit to be unallowable under Office of Management and Budget Circular A-87, 48 CFR, Chapter 1, Part 31 or 49 CFR, Part 18, are subject to repayment by ADMINISTERING AGENCY to STATE. Should ADMINISTERING AGENCY fail to reimburse Fund moneys due STATE within 30 days of demand, or within such other period as may be agreed in writing between the Parties hereto, STATE is authorized to intercept and withhold future payments due ADMINISTERING AGENCY from STATE or any third-party source, including, but not limited to, the State Treasurer, the State Controller and the California Transportation Commission.

10. THIRD PARTY CONTRACTING

A) ADMINISTERING AGENCY shall not award a construction contract over $10,000 or other contracts over $25,000 [excluding professional service contracts of the type which are required to be procured in accordance with Government Code Sections 4525 (d), (e), and (f)] on the basis of a noncompetitive negotiation for work to be performed using Funds without the prior written approval of STATE.

B) Any subcontract or agreement entered into by ADMINISTERING AGENCY as a result of disbursing Funds received pursuant to this Agreement shall contain all of the fiscal provisions of this Agreement; and shall mandate that travel and per diem reimbursements and third-party contract reimbursements to subcontractors will be allowable as project costs only after those costs are incurred and paid for by the subcontractors.

C) In addition to the above, the preaward requirements of third party contractor/consultants with ADMINISTERING AGENCY should be consistent with Local Program Procedures as published by STATE.

11. ACCOUNTING SYSTEM

ADMINISTERING AGENCY, its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate Fund expenditures by line item. The accounting system of ADMINISTERING AGENCY, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices.

12. RIGHT TO AUDIT

For the purpose of determining compliance with this Agreement and other matters connected with the performance of ADMINISTERING AGENCY's contracts with third parties, ADMINISTERING AGENCY, ADMINISTERING AGENCY's contractors and subcontractors and STATE shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times for three years from the date of final payment of Funds to ADMINISTERING AGENCY. STATE, the California State Auditor, or any duly authorized representative of STATE or the United States Department of Transportation, shall each have access to any books, records, and documents that are pertinent for audits, examinations, excerpts, and transactions, and ADMINISTERING AGENCY shall furnish copies thereof if requested.

13. TRAVEL AND SUBSISTENCE

Payments to only ADMINISTERING AGENCY for travel and subsistence expenses of ADMINISTERING AGENCY forces and its subcontractors claimed for reimbursement or applied as local match credit shall not exceed rates authorized to be paid exempt non-represented State employees under current State Department of Personnel Administration (DPA) rules. If the rates invoiced are in excess of those authorized DPA rates, then ADMINISTERING AGENCY is responsible for the cost difference and any overpayments shall be reimbursed to STATE on demand.

14. SINGLE AUDIT

ADMINISTERING AGENCY agrees to include all state (Funds) and federal funded projects in the schedule of projects to be examined in ADMINISTERING AGENCY's annual audit and in the schedule of projects to be examined under its single audit prepared in accordance with Office of Management and Budget Circular A-133.

SECTION III

IT IS MUTUALLY AGREED:

1. All obligations of STATE under the terms of this Agreement are subject to the appropriation of resources by the Legislature and the encumbrance of funds under this Agreement. Funding and reimbursement is available only upon the passage of the State Budget Act containing these STATE funds. The starting date of eligible reimbursable activities shall be JULY 1,2009.

2. All obligations of ADMINISTERING AGENCY under the terms of this Agreement are subject to authorization and allocation of resources by ADMINISTERING AGENCY.

3. ADMINISTERING AGENCY and STATE shall jointly define the initial FSP program as well as the appropriate level of FSP funding recommendations and scope of service and equipment required to provide and manage the FSP program. No changes shall be made in these unless mutually agreed to in writing by the parties to this Agreement.

4. Nothing in the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not parties to this Agreement or affect the legal liability of either party to this Agreement by imposing any standard of care with respect to the maintenance of State highways different from the standard of care imposed by law.

5. Neither STATE nor any officer or employee thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by ADMINISTERING AGENCY under or in connection with any work, authority or jurisdiction delegated to ADMINISTERING AGENCY under this Agreement. It is understood and agreed that pursuant to Government Code Section 895.4, ADMINISTERING AGENCY shall fully defend, indemnify, and save harmless the State of California, its officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by ADMINISTERING AGENCY under or in connection with any work, authority or jurisdiction delegated to ADMINISTERING AGENCY under this Agreement.

6. Neither ADMINISTERING AGENCY nor any officer or employee thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by STATE under or in connection with any work, authority or jurisdiction delegated to STATE under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, STATE shall fully defend, indemnify and save harmless ADMINISTERING AGENCY, its officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by STATE under or in connection with any work, authority or jurisdiction delegated to STATE under this Agreement.

7. ADMINISTERING AGENCY will maintain an inventory of all non-expendable PROJECT equipment, defined as having a useful life of at least two years and an acquisition cost of $500 or more, paid for with PROJECT funds. At the conclusion of this Agreement, ADMINISTERING AGENCY may either keep such equipment and credit STATE its share of equipment's fair market value or sell such equipment at the best price obtainable at a public or private sale (in accordance with established STATE procedures) and reimburse STATE its proportional share of the sale price.

8. ADMINISTERING AGENCY and its sub-contractors will comply with all applicable Federal and State laws and regulations, including but not limited to, Office of Management and Budget Circular A-97, Cost Principles for State and Local Governments (49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments).

9. In the event that ADMINISTERING AGENCY fails to operate the PROJECT commenced and reimbursed under this Agreement in accordance with the terms of this Agreement or fails to comply with applicable Federal and State laws and regulations, STATE reserves the right to terminate funding for PROJECT, or portions thereof, upon written notice to ADMINISTERING AGENCY.

10. This Agreement shall terminate on June 30, 2011. However, the non-expendable equipment and liability clauses shall remain in effect until terminated or modified in writing by mutual agreement.

STATE OF CALIFORNIA	ORANGE COUNTY TRANSPORTATION COMMISSION
Department of Transportation	
By: ____________________	By: ____________________ Will Kempton
Office of Project Implementation, South Division of Local Assistance	Title: Chief Executive Officer
Date: ____________________	Date: ____________________

APPROVED AS TO FORM:

By____________________ Kennard R. Smart, Jr. General Counsel	By____________________ Sue Zuhlke Director, Motorist Services and Special Projects

OCTA

BOARD COMMITTEE TRANSMITTAL

January 25, 2010

To: Members of the Board of Directors

WK

From: Wendy Knowles, Clerk of the Board

Subject: Agreement for Project Management, Technical Consulting, and Support for the Procurement and Implementation of the Intelligent Transit Management System

Transit Committee Meeting of January 14, 2010

Present: Directors Brown, Dalton, Glaab, Nguyen, and Winterbottom
Absent: Directors Dixon and Pulido

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to approve sole source Agreement No. C-9-0724 between the Orange County Transportation Authority and EIGER TechSystems, in an amount not to exceed $424,565, to provide project management, technical consulting, and support for the implementation of the Intelligent Transit Management System.

OCTA

January 14, 2010

To: Transit Committee

From: Will Kempton, Chief Executive Officer

Subject: Agreement for Project Management, Technical Consulting, and Support for the Procurement and Implementation of the Intelligent Transit Management System

Overview

The Orange County Transportation Authority engaged EIGER TechSystems in April 2006 to conduct an assessment of the radio frequency communication system. In February 2008, EIGER TechSystems completed the study and submitted the findings with four alternatives to meet the needs of the Orange County Transportation Authority. On March 9, 2009, the Board of Directors approved the radio communication upgrade project based on EIGER TechSystems' recommendation and approved extending the contract with EIGER TechSystems to write the specifications.

Recommendation

Authorize the Chief Executive Officer to approve sole source Agreement No. C-9-0724 between the Orange County Transportation Authority and EIGER TechSystems, in an amount not to exceed $424,565, to provide project management, technical consulting, and support for the implementation of the Intelligent Transit Management System.

Discussion

The Orange County Transportation Authority (Authority) contracted EIGER TechSystems (EIGER) in April 2006 to conduct an assessment of the Authority's Intelligent Transit Management System (ITMS).

EIGER conducted a thorough study on the radio communication system and surveyed other transit properties with similar systems. The study was completed in January 2008, and the following alternatives to replace the radio communications system were presented.

- Alternative 1 - Integrate with the County of Orange voice system and build a data system for both fleets using a 500 megahertz (MHz) system
- Alternative 2 - Upgrade Integrated Transportation Communication Systems (ITCS) and consolidate all communications systems
- Alternative 3 - Upgrade ITCS for directly operated fixed route fleet and build a new system for ACCESS and contracted fixed route fleet
- Alternative 4 - Build a new system for both fleets

Each of these alternatives were evaluated using weighted criteria, considering issues such as coverage, reliability, cost, risk, and implementation time. Alternatives 1, 3, and 4 require significant implementation time, have higher cost, and carry an inherent risk to the Authority due to potential schedule delays, cost overruns, and deployment problems.

The EIGER study scored Alternative 2 the highest, as being most cost effective, with the shortest implementation time and the lowest risk. Upgrading the existing ITCS radio communications system would enable the Authority to consolidate radio communications into one system for all Authority operated services, including directly operated fixed route, contracted fixed route, and ACCESS service. The recommended alternative also uses a proven technology which reduces the risk for the Authority and provides the opportunity for regional integration as other neighboring transit agencies are using the same system.

EIGER services are now required to provide overall project management, technical consulting, and support for the implementation of the ITMS. Key tasks that EIGER will be asked to perform include:

- Review of the radio system technical proposal and modifications to ensure compliance with the specifications previously developed
- Review initial and final design
- Review contract data requirements list (CDRLs) and conduct factory acceptance tests
- Perform a number of systems acceptance tests
- Conduct radio coverage tests
- Review training program and manuals

Since EIGER conducted an extensive study and evaluation of the Authority's radio system, EIGER possesses a thorough understanding and knowledge of the system. The Authority will be able to leverage from knowledge gained by

EIGER. The radio upgrade project is expected to take about two years to complete, and EIGER services would be required for the length of the project.

Procurement Approach

This procurement was handled in accordance with the Authority's sole source procurement procedures which provides for professional and technical services.

EIGER is well qualified to provide the required technical assistance to the Authority based on its project experience in developing the Authority's radio system needs assessment, recommendations, and development of the technical specifications for the Authority's ITMS. EIGER also has extensive experience in procuring and implementing numerous similar systems in Los Angeles County.

This is a federally funded project. Federal Transit Administration (FTA) guidelines allow for sole source procurements rather than full and open competition under certain circumstances. One circumstance stated in the FTA guidelines is when awarding the contract to another consultant would result in substantial duplication of cost and unacceptable delays in fulfilling the project needs. The experience gained by EIGER in the course of conducting the radio system study and developing the recommendations is substantial. EIGER has a thorough knowledge and understanding of the rationale behind its recommendations. With this depth of knowledge accumulated, EIGER would be able to resolve unforeseen complications that may need to be addressed. Awarding this contract to EIGER would fully realize the Authority's investment and eliminate the substantial duplication of costs and timely delays. If this project went through a competitive procurement, a new firm would need to potentially perform a redundant radio system analysis which would result in additional delays and costs.

The contract is a firm-fixed price, in an amount not to exceed $424,565, for a two-year term.

This is a sole source request over $50,000. Therefore, the Authority's Internal Audit Department was requested to conduct a price review of EIGER's proposed rates. Contracts Administration and Materials Management Department has negotiated the rates based on the price review of EIGER.

Based on the above, this award is recommended to EIGER.

Fiscal Impact

Funding for this project is currently included in the Authority's Fiscal Year 2009-10 Budget, Transit Division, Maintenance Department, Account 2114-9027-D1111-PBJ for the directly operated fixed-route fleet and Account 2114-9027-D1111-FHL for the contracted fleet. The project is 80 percent funded through Federal Transit Administration grants and 20 percent funded through local funds.

Summary

Staff recommends award of Agreement No. C-9-0724 to EIGER TechSystems, in an amount not to exceed $424,565, to provide project management, technical consulting, and support for the implementation of the Intelligent Transit Management System. EIGER TechSystems is uniquely qualified to assist and guide with the implementation of this project.

Attachment

None.

Prepared by:	**Approved by:**
Joe Vicente Department Manager, Transit Program Management (714) 560-5453	Beth McCormick for General Manager, Transit (714) 560-5964

for Virginia Abadessa
Director, Contracts Administration and Materials Management
(714) 560-5623

Agreement for Project Management, Technical Consulting, and Support for the Procurement and Implementation of the Intelligent Transit Management System

OCTA

Project Background

- 03/29/06 – Board authorized radio assessment study
- 02/04/08 – EIGER completed assessment study
- 09/09/08 – EIGER presented cost of alternatives and ratings
- 02/06/09 – OCTA selected best alternative
- 03/09/09 – Board approved selected alternative
  – EIGER authorized to write specification
- 03/16/09 – EIGER delivered draft specification
- 04/24/09 – EIGER delivered final specification
- 10/05/09 – Began process to engage EIGER in ITMS
- 10/12/09 – Received proposal from EIGER
- 12/15/09 – Received EIGER's BAFO
- 01/25/10 – Obtain Board approval to EIGER's agreement

Scope of Work

- Contract Negotiations - $46,859
- Project Management - $266,806
- Testing - 92,972
- Operational Support - 17,928
- TOTAL - $424,565

Benefits of ITMS

- Replace our aging system
- Enhance security and safety
- Integrate all services under one radio system
- Integrate all in-vehicle systems to provide single logon capability with data verification
- Share real-time information in all 4 major components of operation
- Update our SMS system to provide real-time next vehicle arrival time

Questions?

Thank You!

Beth McCormick

General Manager – Transit Division

Joe Vicente

Program Manager, Transit Division

27.

Orange County Transportation Authority

Sales Tax Analysis and Trends

3rd Quarter 2009

January 25, 2010

OCTA

Sales Tax Net Cash Receipts Analysis

	QUARTERLY CHANGES						MOST RECENT FOUR QUARTER TOTAL			
	2007/2 2008/2 %CHG	**2007/3 2008/3 %CHG**	2007/4 2008/4 %CHG	2008/1 2009/1 %CHG	2008/2 2009/2 %CHG	**2008/3 2009/3 %CHG**	BENCHMARK YR 2008/3 AMOUNT	BENCHMARK YR 2009/3 AMOUNT	BENCHMARK YEAR $ CHANGE	%CHG
L.A. M.T.A.	-0.9	**-1.3**	-11.7	-17.0	-21.6	**-17.5**	684,632,460	568,829,575	(115,802,885)	-16.9
L.A. M.T.A.	-0.9	**-1.3**	-11.7	-17.0	-21.6	**-17.5**	684,441,641	568,752,167	(115,689,474)	-16.9
OCTA	***-5.5***	***-6.2***	***-13.0***	***-15.5***	***-19.3***	***-15.1***	***258,290,211***	***217,740,795***	***(40,549,416)***	***-15.7***
SANDAG TRANSNET	-2.8	**-3.8**	-9.9	-15.2	-18.1	**-13.3**	240,134,014	206,314,729	(33,819,285)	-14.1
BAY AREA RAPID TRA	-0.8	**-3.8**	-9.7	-16.7	-20.9	**-13.2**	199,712,979	169,730,872	(29,982,107)	-15.0
VTA 1976 SALES TAX	-2.7	**-3.9**	-11.1	-20.9	-26.9	**-9.7**	161,438,909	133,836,927	(27,601,982)	-17.1
VTA 2000 MEASURE A	-2.9	**-2.1**	-9.5	-20.6	-26.3	**-11.0**	159,700,758	132,932,721	(26,768,037)	-16.8
RCTC	-10.2	**-9.6**	-14.9	-18.3	-21.6	**-16.6**	139,093,784	114,307,601	(24,786,183)	-17.8
SAN JOAQUIN C.O.G.	-2.6	**-3.5**	-10.3	-20.4	-26.2	**-17.0**	44,875,482	36,578,295	(8,297,187)	-18.5
CENTRAL COAST	*-3.3*	***-0.5***	*-12.2*	*-15.9*	*-19.2*	***-12.3***	*128,766,514*	*109,687,687*	*(19,078,827)*	*-14.8*
CENTRAL VALLEY	*-1.5*	***-1.2***	*-6.4*	*-14.1*	*-22.2*	***-15.8***	*496,785,384*	*423,922,577*	*(72,862,807)*	*-14.7*
NORTH COAST	*-3.8*	***0.0***	*-9.4*	*-18.1*	*-21.5*	***-15.9***	*46,180,947*	*38,716,493*	*(7,464,454)*	*-16.2*
OTHER NORTHERN	*-4.0*	***-1.6***	*-13.0*	*-18.2*	*-19.2*	***-15.2***	*56,535,019*	*47,323,086*	*(9,211,933)*	*-16.3*
ALAMEDA CO.	-6.8	**-10.0**	-12.4	-17.3	-20.7	**-14.6**	235,627,431	197,614,265	(38,013,166)	-16.1
CONTRA COSTA CO.	23.7	**-3.4**	-9.3	-12.4	-37.0	**-8.4**	144,189,512	118,089,910	(26,099,602)	-18.1
MARIN CO.	-3.1	**-3.1**	-11.5	-18.0	-18.7	**-10.7**	43,390,915	37,051,745	(6,339,170)	-14.6
NAPA CO.	-1.5	**1.6**	-3.0	-12.9	-17.9	**-11.4**	25,788,516	22,887,810	(2,900,706)	-11.2
SAN FRANCISCO CO.	0.6	**6.5**	-8.6	-15.2	-17.5	**-17.7**	151,751,435	129,489,745	(22,261,690)	-14.7
SAN MATEO CO.	1.3	**0.8**	-9.9	-28.8	-23.7	**-10.2**	133,067,204	108,745,093	(24,322,111)	-18.3
SANTA CLARA CO.	-4.1	**-2.8**	-9.7	-21.5	-23.5	**-11.9**	335,323,480	280,097,233	(55,226,247)	-16.5
SOLANO CO.	-6.5	**-1.7**	2.5	-7.5	-12.5	**-12.5**	60,393,932	55,925,114	(4,468,818)	-7.4
SONOMA CO.	-5.1	**-2.6**	-9.9	-16.4	-21.8	**-16.7**	75,334,066	63,209,678	(12,124,388)	-16.1
S.F. BAY AREA	*-0.4*	***-2.8***	*-9.4*	*-18.5*	*-23.2*	***-12.9***	*1,204,866,491*	*1,013,110,593*	*(191,755,898)*	*-15.9*
SACRAMENTO VALLEY	*-6.0*	***-2.6***	*-10.4*	*-13.8*	*-19.4*	***-15.3***	*385,796,064*	*328,954,661*	*(56,841,403)*	*-14.7*
NORTHERN CALIFORNIA	***-2.0***	***-2.2***	***-9.2***	***-16.6***	***-22.0***	***-14.0***	***2,318,930,419***	***1,961,715,097***	***(357,215,322)***	***-15.4***
RIVERSIDE CO.	-8.9	**-8.2**	-14.9	-16.8	-21.3	**-15.6**	272,370,002	225,594,534	(46,775,468)	-17.2
SAN BERNARDINO CO.	-3.7	**-8.8**	-14.2	-18.2	-21.9	**-15.3**	290,948,840	240,206,549	(50,742,291)	-17.4
INLAND EMPIRE	*-6.3*	***-8.5***	*-14.6*	*-17.5*	*-21.7*	***-15.5***	*563,318,842*	*465,801,083*	*(97,517,759)*	*-17.3*
OTHER SOUTHERN	*1.1*	***-3.1***	*-11.2*	*-8.7*	*-19.0*	***-20.9***	*25,592,108*	*21,769,032*	*(3,823,076)*	*-14.9*
LOS ANGELES CO.	-2.9	**-1.9**	-11.1	-15.8	-19.7	**-16.0**	1,362,327,079	1,149,972,377	(212,354,702)	-15.6
ORANGE CO.	-4.6	**-5.0**	-12.3	-17.6	-20.8	**-16.2**	559,342,232	466,261,743	(93,080,489)	-16.6
SAN DIEGO CO.	-3.0	**-2.0**	-9.9	-15.1	-17.4	**-13.8**	467,704,828	402,121,861	(65,582,967)	-14.0
SANTA BARBARA CO.	-2.1	**-2.3**	-10.5	-14.9	-20.2	**-12.1**	56,420,730	48,297,608	(8,123,122)	-14.4
VENTURA CO.	-7.5	**-8.2**	-17.9	-14.8	-18.1	**-12.4**	116,827,592	98,201,375	(18,626,217)	-15.9
SOUTH COAST	*-3.5*	***-2.9***	*-11.5*	*-16.0*	*-19.5*	***-15.4***	*2,562,622,461*	*2,164,854,964*	*(397,767,497)*	*-15.5*
SOUTHERN CALIFORNIA	***-4.0***	***-3.9***	***-12.0***	***-16.2***	***-19.9***	***-15.5***	***3,151,533,411***	***2,652,425,079***	***(499,108,332)***	***-15.8***
STATE TOTAL	**-3.1**	**-3.2**	**-10.8**	**-16.4**	**-20.8**	**-14.8**	**5,470,463,830**	**4,614,140,176**	**(856,323,654)**	**-15.7**

Southern California: Quarterly parison 2009Q3 to 2008Q3

Jurisdiction	General Retail	Food Products	Transportation	Construction	B2B	Miscellaneous	2008 Q3 Total	2009 Q3 Total	% Change	Largest Gain	2nd Largest Gain	Largest Decline	2nd Largest Decline
STATEWIDE													
** ***CALIFORNIA STATEWIDE***													
CALIFORNIA	-10.4%	-7.5%	-19.8%	-21.5%	-21.5%	-14.7%	1,018,033,383	860,745,359	**-15.5%**			Services Stations	Bldg.Matls-Whsle
SOUTH COAST													
** ***LOS ANGELES METROPOLITAN TRANSPORTATION AUTHORITY***													
LA MTA	-13.0%	-8.9%	-22.8%	-21.1%	-23.0%	-14.3%	334,869,058	275,971,462	**-17.6%**			Services Stations	Bldg.Matls-Whsle
** ***SAN DIEGO REGIONAL TRANSPORTATION COMMISSION***													
San Diego RTC	-10.0%	-6.7%	-16.3%	-20.1%	-17.9%	-15.2%	59,599,246	51,553,148	**-13.5%**	Drug Stores		Services Stations	Bldg.Matls-Whsle
** ***ORANGE COUNTY TRANSPORTATION AUTHORITY***													
OCTA	-11.3%	-7.8%	-18.0%	-22.9%	-20.4%	-27.9%	63,701,056	53,754,184	**-15.6%**	Drug Stores		Service Stations	Light Industry
ORANGE COUNTY													
Aliso Viejo	2.5%	4.0%	-16.0%	-6.9%	-20.2%	-42.0%	922,127	852,987	**-7.5%**	Furniture/Appliance	Food Markets	Service Stations	Office Equipment
Anaheim	-4.9%	-5.4%	-23.6%	-26.4%	-31.2%	-24.6%	13,951,853	11,536,690	**-17.3%**	Food Processing Eqp	Apparel Stores	Bldg.Matls-Whsle	Service Stations
Brea	-9.4%	-9.4%	-20.6%	-9.0%	-21.6%	-8.8%	3,943,415	3,416,995	**-13.3%**	Auto Parts/Repair	Food Markets	Electronic Equipment	Service Stations
Buena Park	-19.6%	-16.2%	-12.0%	-44.4%	-17.2%	-18.0%	5,332,829	4,432,034	**-16.9%**	Energy Sales	Electronic Equipment	Office Equipment	Restaurants
Costa Mesa	-9.9%	-9.9%	-11.8%	-27.7%	-26.1%	0.3%	9,446,925	8,200,252	**-13.2%**	Electronic Equipment	Miscellaneous Other	Miscellaneous Retail	Service Stations
Cypress	-15.7%	-7.9%	-27.6%	-14.4%	-16.3%	-8.9%	2,868,758	2,402,629	**-16.2%**	Auto Sales - New	Leasing	Service Stations	Department Stores
Dana Point	-20.7%	-12.9%	-23.6%	-19.1%	2.4%	-13.5%	1,114,090	932,658	**-16.3%**	Light Industry	Food Markets	Restaurants	Service Stations
Fountain Valley	-11.9%	-4.3%	-27.7%	-31.2%	-19.9%	-8.7%	2,476,601	2,051,337	**-17.2%**	Food Processing Eqp	Business Services	Service Stations	Department Stores
Fullerton	-15.3%	-8.0%	-22.4%	-14.1%	-9.7%	-25.1%	4,202,787	3,575,916	**-14.9%**	Light Industry	Food Markets	Service Stations	Miscellaneous Retail
Garden Grove	-23.8%	-7.4%	-21.4%	-23.0%	-27.4%	-18.6%	4,281,625	3,407,003	**-20.4%**	Auto Sales - New	Liquor Stores	Service Stations	Miscellaneous Retail
Huntington Beach	-10.7%	-3.6%	-9.4%	-24.0%	-21.5%	-5.7%	6,634,696	5,839,656	**-12.0%**	Auto Sales - New	Apparel Stores	Service Stations	Energy Sales
Irvine	-14.5%	-5.5%	-10.9%	-17.6%	-31.3%	-51.5%	11,324,185	9,146,617	**-19.2%**	Auto Sales - Used	Auto Parts/Repair	Office Equipment	Business Services
La Habra	-10.1%	-9.8%	-39.1%	-12.0%	-20.2%	-20.6%	2,147,380	1,774,318	**-17.4%**	Food Markets	Apparel Stores	Service Stations	Auto Sales - New
La Palma	75.4%	-12.1%	-60.7%	-41.7%	-12.6%	3.8%	1,543,729	728,754	**-52.8%**	Drug Stores	Furniture/Appliance	Service Stations	Light Industry
Laguna Beach	-17.4%	-6.2%	-22.7%	-21.7%	-22.9%	7.8%	1,064,951	940,824	**-11.7%**	Health & Government	Electronic Equipment	Restaurants	Furniture/Appliance
Laguna Hills	-14.8%	-5.1%	-18.3%	-19.0%	-19.5%	-3.4%	1,367,685	1,172,091	**-14.3%**	Department Stores	Misc. Vehicle Sales	Furniture/Appliance	Service Stations
Laguna Niguel	-10.0%	-2.0%	-17.4%	-29.0%	-18.2%	-49.8%	2,449,162	2,123,009	**-13.3%**	Auto Sales - Used	Food Markets	Department Stores	Auto Sales - New
Laguna Woods	0.3%	-1.4%	-28.7%	-4.1%	-18.9%	-22.2%	197,458	178,353	**-9.7%**	Food Markets	Drug Stores	Service Stations	Restaurants
Lake Forest	-12.5%	-7.0%	-16.5%	-16.1%	-18.0%	-28.8%	2,917,162	2,491,381	**-14.6%**	Misc. Vehicle Sales	Leasing	Service Stations	Heavy Industry
Los Alamitos	-18.6%	-3.3%	-16.9%	-27.5%	5.7%	34.6%	605,968	532,369	**-12.1%**	Light Industry	Office Equipment	Bldg.Matls-Retail	Miscellaneous Retail
Mission Viejo	-11.9%	-6.4%	-10.2%	-19.9%	-22.7%	-15.7%	3,505,220	3,041,998	**-13.2%**	Auto Sales - New	Drug Stores	Service Stations	Miscellaneous Retail
Newport Beach	-21.9%	-11.7%	-8.6%	-36.4%	-7.2%	-33.8%	6,355,566	5,500,055	**-13.5%**	Electronic Equipment	Heavy Industry	Miscellaneous Retail	Restaurants
Orange	-10.6%	-9.6%	-13.1%	-19.7%	-34.5%	-23.3%	7,936,752	6,269,427	**-21.0%**	Auto Sales - Used	Department Stores	Energy Sales	Service Stations
Orange County	-13.4%	-3.8%	-35.2%	6.8%	-19.6%	-46.9%	1,915,711	1,516,233	**-20.9%**	Food Markets	Business Services	Service Stations	Leasing
Placentia	-11.8%	-2.4%	-20.6%	-20.8%	-18.9%	-20.1%	1,148,806	972,278	**-15.4%**	Auto Sales - New	Food Processing Eqp	Service Stations	Energy Sales
Rancho Santa Marga	-11.1%	0.6%	-29.4%	-14.5%	-14.2%	-18.9%	1,236,652	1,032,531	**-16.5%**	Heavy Industry	Apparel Stores	Auto Sales - New	Service Stations
San Clemente	-13.4%	-2.2%	-17.8%	-16.4%	-20.2%	-13.9%	1,572,826	1,371,660	**-12.8%**	Leasing	Food Markets	Service Stations	Miscellaneous Retail
San Juan Capistrano	-11.1%	-5.7%	-8.8%	-22.9%	-19.2%	-25.6%	1,520,962	1,344,298	**-11.6%**	Apparel Stores	Light Industry	Bldg.Matls-Retail	Auto Sales - New
Santa Ana	-9.8%	-9.7%	-22.1%	-22.9%	-25.2%	-52.8%	9,616,980	7,766,645	**-19.2%**	Florist/Nursery		Bldg.Matls-Whsle	Service Stations
Seal Beach	-4.7%	-1.8%	-31.9%	-10.7%	17.0%	-18.3%	1,009,494	977,462	**-3.2%**	Heavy Industry	Office Equipment	Service Stations	Furniture/Appliance
Stanton	-1.1%	-4.0%	-28.6%	-27.2%	-35.5%	-11.1%	835,416	661,528	**-20.8%**	Furniture/Appliance	Food Markets	Service Stations	Light Industry
Tustin	-9.5%	-2.1%	-12.9%	-7.9%	-27.1%	-39.6%	4,412,507	3,845,531	**-12.8%**	Liquor Stores	Auto Parts/Repair	Auto Sales - New	Light Industry
Villa Park	-11.1%	-13.5%	-100.0%	-58.9%	-62.0%	-35.6%	38,090	24,463	**-35.8%**	Miscellaneous Retail	Department Stores	Service Stations	Restaurants
Westminster	-4.7%	-4.2%	-19.3%	-8.6%	-14.7%	1.4%	3,229,770	2,870,987	**-11.1%**	Misc. Vehicle Sales	Auto Sales - Used	Service Stations	Auto Sales - New
Yorba Linda	-2.9%	-5.9%	-17.9%	-43.8%	-33.9%	-10.9%	1,290,293	1,091,424	**-15.4%**	Apparel Stores	Furniture/Appliance	Office Equipment	Light Industry

OCTA

BENCHMARK YEAR 2009Q3 COMPARED TO BENCHMARK YEAR 2008Q3

ECONOMIC CATEGORY ANALYSIS									
	OCTA	**California Statewide**	**S.F. Bay Area**	**Sacramento Valley**	**Central Valley**	**South Coast**	**Inland Empire**	**North Coast**	**Central Coast**
General Retail *% of Total / % Change*	*31.1 / -12.1*	*30.8 / -10.6*	*30.8 / -11.7*	*30.6 / -7.4*	*33.1 / -3.9*	*30.7 / -11.5*	*29.2 / -10.6*	*30.9 / -7.9*	*35.7 / -9.2*
Food Products *% of Total / % Change*	*17.7 / -8.1*	*19.5 / -6.6*	*20.0 / -6.5*	*17.4 / -6.4*	*17.8 / -5.1*	*19.9 / -6.8*	*17.9 / -7.8*	*19.6 / -7.3*	*29.0 / -6.6*
Construction *% of Total / % Change*	*8.3 / -21.8*	*9.2 / -20.2*	*8.8 / -20.6*	*11.3 / -22.4*	*11.7 / -19.7*	*8.5 / -18.7*	*11.2 / -25.6*	*14.2 / -20.1*	*9.8 / -18.4*
Transportation *% of Total / % Change*	*19.1 / -25.8*	*20.9 / -27.5*	*17.8 / -27.6*	*23.2 / -24.5*	*22.1 / -28.2*	*21.3 / -27.0*	*23.5 / -31.6*	*25.3 / -27.3*	*17.3 / -26.5*
Business to Business *% of Total / % Change*	*21.3 / -18.3*	*18.2 / -17.4*	*21.4 / -17.1*	*16.2 / -16.6*	*14.3 / -16.9*	*18.3 / -18.0*	*16.0 / -13.6*	*9.2 / -26.5*	*6.8 / -21.4*
Miscellaneous *% of Total / % Change*	*2.5 / -21.5*	*1.3 / -9.7*	*1.4 / -6.3*	*1.3 / -4.9*	*0.9 / -8.7*	*1.2 / -13.1*	*2.2 / -5.0*	*0.9 / -7.9*	*1.4 / 17.9*
Total	***100.0 / -16.9***	***100.0 / -16.2***	***100.0 / -16.0***	***100.0 / -15.1***	***100.0 / -14.4***	***100.0 / -16.3***	***100.0 / -18.3***	***100.0 / -17.1***	***100.0 / -13.6***

General Retail: Apparel Stores, Department Stores, Furniture/Appliances, Drug Stores, Recreation Products, Florist/Nursery, and Misc. Retail
Food Products: Restaurants, Food Markets, Liquor Stores, and Food Processing Equipment
Construction: Building Materials Retail and Building Materials Wholesale
Transportation: Auto Parts/Repair, Auto Sales - New, Auto Sales - Used, Service Stations, and Misc. Vehicle Sales
Business to Business: Office Equip., Electronic Equip., Business Services, Energy Sales, Chemical Products, Heavy Industry, Light Industry, and Leasing
Miscellaneous: Health & Government, Miscellaneous Other, and Closed Account Adjustments

ECONOMIC SEGMENTS ANALYSIS									
	OCTA	**California Statewide**	**S.F. Bay Area**	**Sacramento Valley**	**Central Valley**	**South Coast**	**Inland Empire**	**North Coast**	**Central Coast**
Largest Segment	**Restaurants**	**Restaurants**	**Restaurants**	**Department Stores**	**Department Stores**	**Restaurants**	**Department Stores**	**Department Stores**	**Restaurants**
% of Total / % Change	*12.7 / -8.7*	*13.3 / -7.0*	*13.7 / -7.2*	*12.8 / -4.6*	*16.1 / -4.2*	*14.0 / -7.4*	*12.4 / -8.2*	*13.5 / -7.1*	*19.7 / -8.2*
2nd Largest Segment	**Department Stores**	**Department Stores**	**Department Stores**	**Restaurants**	**Restaurants**	**Department Stores**	**Restaurants**	**Services Stations**	**Misc. Retail**
% of Total / % Change	*11.1 / -9.2*	*11.4 / -7.6*	*10.4 / -9.2*	*10.9 / -5.4*	*10.5 / -2.4*	*10.9 / -7.9*	*11.3 / -7.7*	*10.4 / -29.2*	*11.4 / -7.0*
3rd Largest Segment	**Misc. Retail**	**Service Stations**	**Misc. Retail**	**Auto Sales - New**	**Service Stations**	**Auto Sales - New**	**Service Stations**	**Restaurants**	**Department Stores**
% of Total / % Change	*8.8 / -13.3*	*8.2 / -32.2*	*7.6 / -13.4*	*8.6 / -24.3*	*9.2 / -30.2*	*8.5 / -25.2*	*9.8 / -32.7*	*10.3 / -7.3*	*10.2 / -15.2*

OCTA

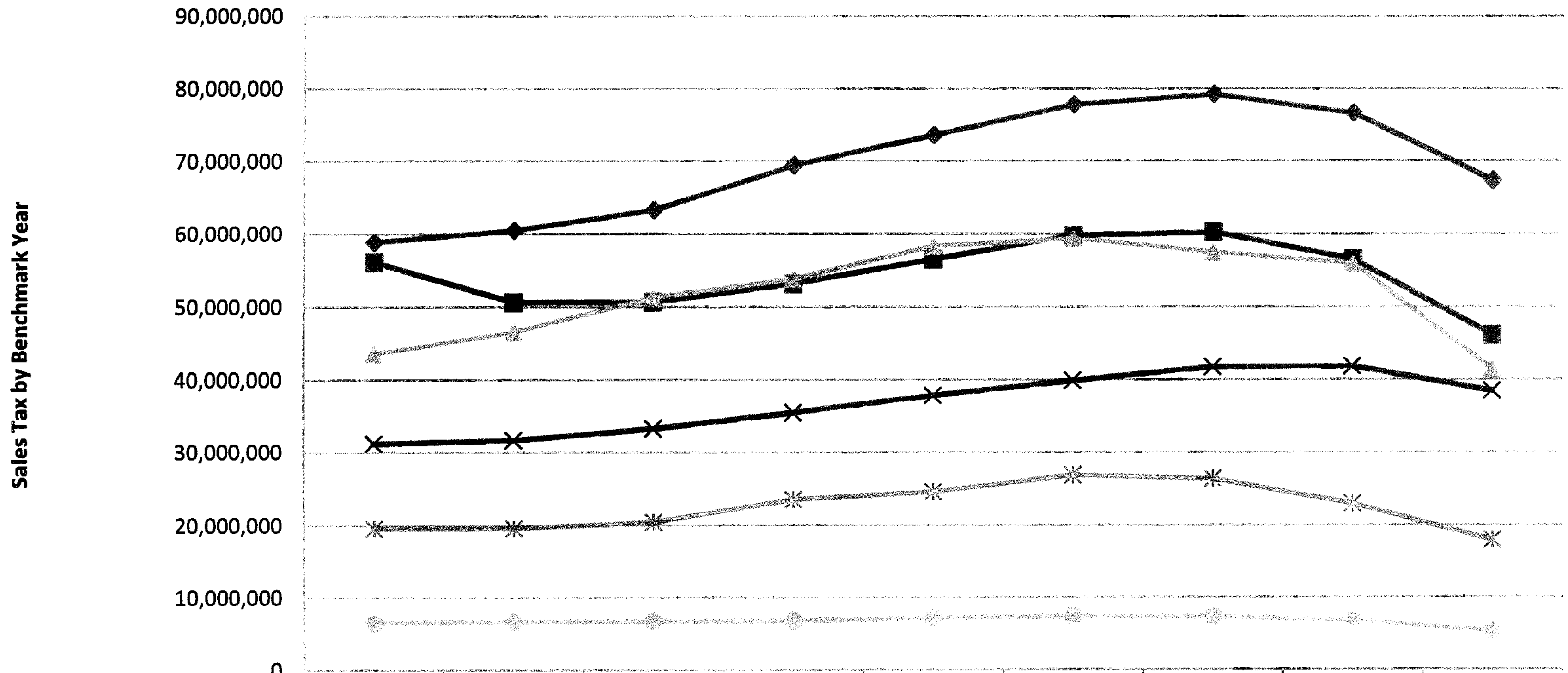
HISTORICAL AMOUNTS BY BENCHMARK YEAR

ECONOMIC CATEGORY	%	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2	2008 Q1	2007 Q4	2007 Q3
GENERAL RETAIL	31.1	67,304,564 L	69,351,669	71,698,911	73,830,893	76,577,267	77,527,600	78,001,182	78,994,662	79,192,001 H
BUSINESS TO BUSINESS	21.3	46,149,588 L	48,921,095	52,184,568	54,552,304	56,485,191	57,323,692	58,265,907	59,297,568	60,191,624 H
TRANSPORTATION	19.1	41,444,727 L	43,974,584	48,520,678	52,222,492	55,876,165	56,344,246	56,926,114	57,384,006	57,433,508 H
FOOD PRODUCTS	17.7	38,418,306 L	39,233,927	40,209,393	41,132,371	41,808,176	42,122,687	42,183,773 H	42,046,229	41,713,302
CONSTRUCTION	8.3	17,904,323 L	19,229,973	20,748,485	21,752,942	22,904,315	23,662,573	24,566,115	25,599,498	26,352,576 H
MISCELLANEOUS	2.5	5,316,049 L	5,773,185	6,104,306	6,478,537	6,772,357	6,887,683	7,131,500	7,192,211	7,280,400 H
TOTALS	100.0	216,537,557 L	226,484,433	239,466,341	249,969,539	260,425,471	263,868,481	267,074,591	270,514,174	272,163,411 H

ECONOMIC SEGMENT	%	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2	2008 Q1	2007 Q4	2007 Q3
RESTAURANTS	12.7	27,425,656 L	28,169,170	28,870,711	29,538,232	30,049,312	30,245,073	30,330,169 H	30,312,401	30,101,306
DEPARTMENT STORES	11.1	24,008,503 L	24,493,603	25,202,282	25,831,549	26,433,581	26,417,429	26,289,810	26,456,058 H	26,227,325
MISCELLANEOUS RETAIL	8.8	19,058,673 L	19,835,711	20,560,154	21,135,790	21,983,209	22,125,575	22,290,579	22,726,980	23,084,670 H
AUTO SALES - NEW	7.8	16,840,343 L	17,254,055	18,863,424	20,192,911	22,359,232	23,834,422	25,189,214	26,393,843	27,248,100 H
LIGHT INDUSTRY	7.5	16,340,669 L	17,338,266	18,322,241	19,283,038	20,060,148	20,541,399	21,093,850	21,377,178	21,695,941 H
SERVICE STATIONS	7.1	15,435,881 L	17,216,032	19,623,070	21,586,859	22,788,948 H	21,433,016	20,367,750	19,445,077	18,396,805
APPAREL STORES	4.5	9,692,473 L	9,921,440	10,211,225	10,546,485	10,983,432	11,142,709	11,212,555	11,364,186	11,364,739 H
BLDG.MATLS-RETAIL	4.4	9,565,607 L	10,085,888	10,796,906	11,281,698	11,801,286	12,160,263	12,608,457	13,057,974	13,295,637 H
FOOD MARKETS	4.1	8,781,128 L	8,799,420	9,018,940	9,250,550	9,407,131	9,509,257 H	9,488,838	9,348,708	9,196,902
BLDG.MATLS-WHSLE	3.9	8,338,716 L	9,144,085	9,951,579	10,471,244	11,103,029	11,502,310	11,957,658	12,541,524	13,056,939 H
FURNITURE/APPLIANCE	3.8	8,306,982 L	8,726,382	9,211,626	9,679,740	10,379,638	10,944,381	11,225,211	11,419,132 H	11,347,826
OFFICE EQUIPMENT	3.5	7,486,495 L	7,843,981	8,499,451	9,005,305	9,435,749	9,820,895	10,145,211	10,574,889	10,905,926 H
LEASING	3.0	6,429,481 L	6,718,151	7,043,362	7,111,737	7,127,067	7,232,254	7,379,482	7,481,777	7,565,395 H
AUTO PARTS/REPAIR	2.4	5,160,374 L	5,369,588	5,620,757	5,805,742	5,919,651	5,991,430	6,091,510	6,104,404	6,148,713 H
HEAVY INDUSTRY	2.3	5,022,726 L	5,443,354	5,845,567	6,111,382 H	6,066,977	6,094,963	5,984,101	6,019,268	6,080,824
ELECTRONIC EQUIPMENT	1.9	4,203,234 L	4,373,644	4,692,870	4,881,498	5,200,284	5,205,423 H	5,157,748	5,144,387	5,148,155
HEALTH & GOVERNMENT	1.8	3,967,721 L	4,222,487	4,401,069	4,577,309	4,704,761	4,778,076	4,919,522	5,067,433	5,137,152 H
BUSINESS SERVICES	1.6	3,409,318 L	3,768,138	4,084,710	4,246,153	4,580,595	4,522,965	4,570,150	4,626,669 H	4,535,007
RECREATION PRODUCTS	1.3	2,729,516 L	2,833,325	2,935,513	3,006,151	3,104,376	3,165,779	3,216,923	3,255,881	3,368,377 H
DRUG STORES	1.2	2,539,591	2,529,980	2,528,856 L	2,547,588	2,565,215 H	2,563,740	2,562,447	2,547,098	2,560,148
AUTO SALES - USED	1.0	2,254,203 L	2,259,550	2,336,983	2,468,457	2,614,207	2,698,582	2,733,059	2,775,798	2,813,227 H
CHEMICAL PRODUCTS	1.0	2,110,795 L	2,169,735	2,234,465	2,302,679	2,305,257	2,287,711	2,309,380	2,330,525	2,387,611 H
MISC. VEHICLE SALES	0.8	1,753,926 L	1,875,359	2,076,444	2,168,523	2,194,127	2,386,796	2,544,581	2,664,884	2,826,663 H
LIQUOR STORES	0.6	1,286,114 L	1,299,687	1,309,836	1,307,172	1,311,577 H	1,308,585	1,296,189	1,297,458	1,298,981
MISCELLANEOUS OTHER	0.6	1,235,412 L	1,314,730	1,401,779	1,471,172	1,549,270	1,577,268	1,583,862	1,598,670	1,691,975 H
ENERGY SALES	0.5	1,146,870 L	1,265,826	1,461,902	1,610,512	1,709,114	1,618,082	1,625,985	1,742,875	1,872,765 H
FLORIST/NURSERY	0.4	968,826 L	1,011,228	1,049,255	1,083,590	1,127,816	1,167,987	1,203,657	1,225,327	1,238,916 H
FOOD PROCESSING EQP	0.4	925,408 L	965,650	1,009,906	1,036,417	1,040,156	1,059,772	1,068,577	1,087,662	1,116,113 H
CLOSED ACCT-ADJUSTMT	0.1	112,916 L	235,968	301,458	430,056	518,326	532,339	628,116 H	526,108	451,273
TOTALS	100.0	216,537,557 L	226,484,433	239,466,341	249,969,539	260,425,471	263,868,481	267,074,591	270,514,174	272,163,411 H

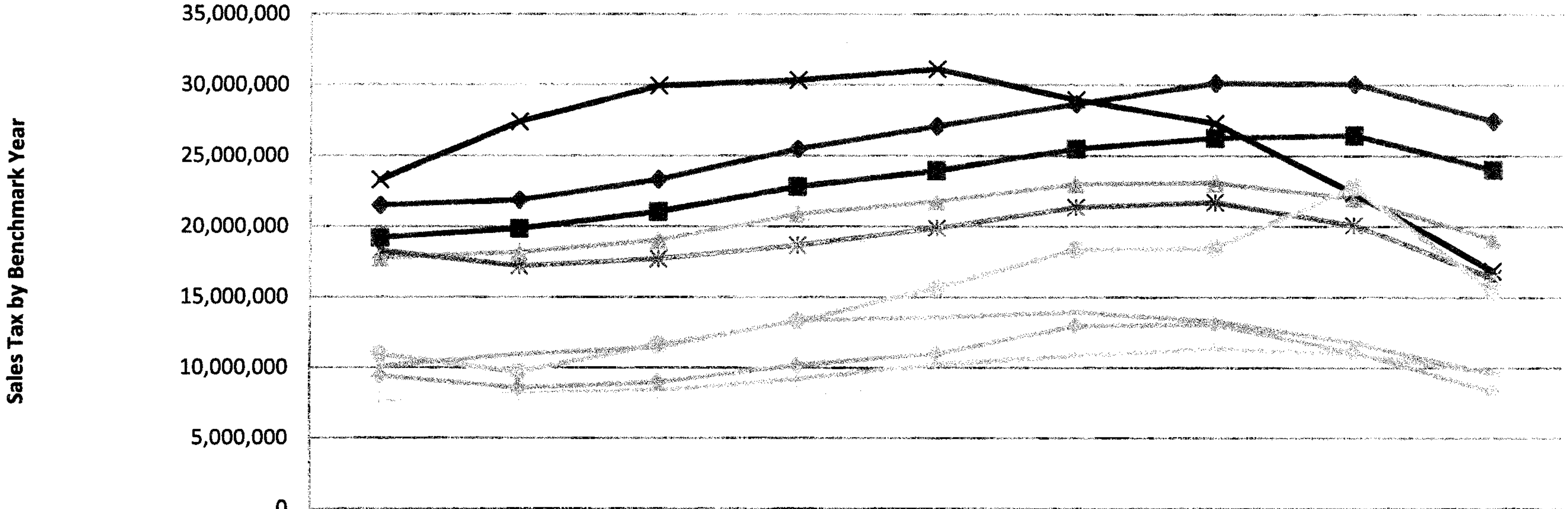
L - LOWEST PERIOD H - HIGHEST PERIOD < - CURRENT PERIOD LESS THAN PREVIOUS PERIOD

OCTA
Declining Revenues in All Economic Categories
Historical Sales Tax Performance by Benchmark Year

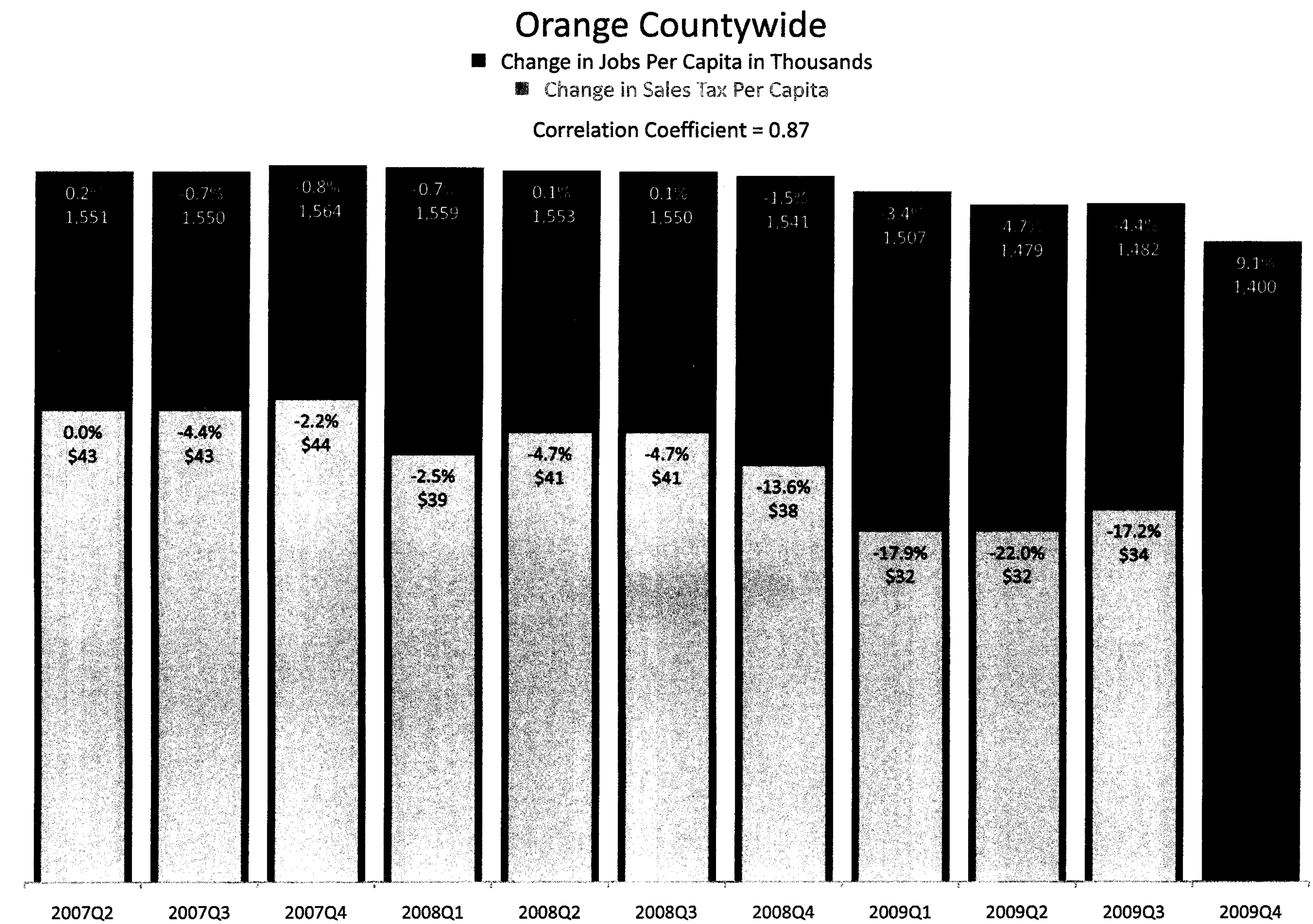


	2001 Q3	2002 Q3	2003 Q3	2004 Q3	2005 Q3	2006 Q3	2007 Q3	2008 Q3	2009 Q3
GENERAL RETAIL	58,816,710	60,478,758	63,305,543	69,387,213	73,541,749	77,764,553	79,192,001	76,577,267	67,304,564
BUSINESS TO BUSINESS	56,134,973	50,614,580	50,677,311	53,150,809	56,476,511	59,762,778	60,191,624	56,485,191	46,149,588
TRANSPORTATION	43,560,043	46,516,841	51,291,315	53,818,589	58,272,807	59,327,941	57,433,508	55,876,165	41,444,727
FOOD PRODUCTS	31,199,280	31,671,411	33,283,191	35,419,362	37,783,387	39,868,223	41,713,302	41,808,176	38,418,306
CONSTRUCTION	19,536,411	19,560,028	20,430,952	23,492,941	24,560,978	26,865,396	26,352,576	22,904,315	17,904,323
MISCELLANEOUS	6,549,793	6,681,056	6,696,233	6,789,013	7,158,855	7,421,767	7,280,400	6,772,357	5,316,049

OCTA
Declining Revenues in Major Economic Segments
Historical Sales Tax Performance by Benchmark Year



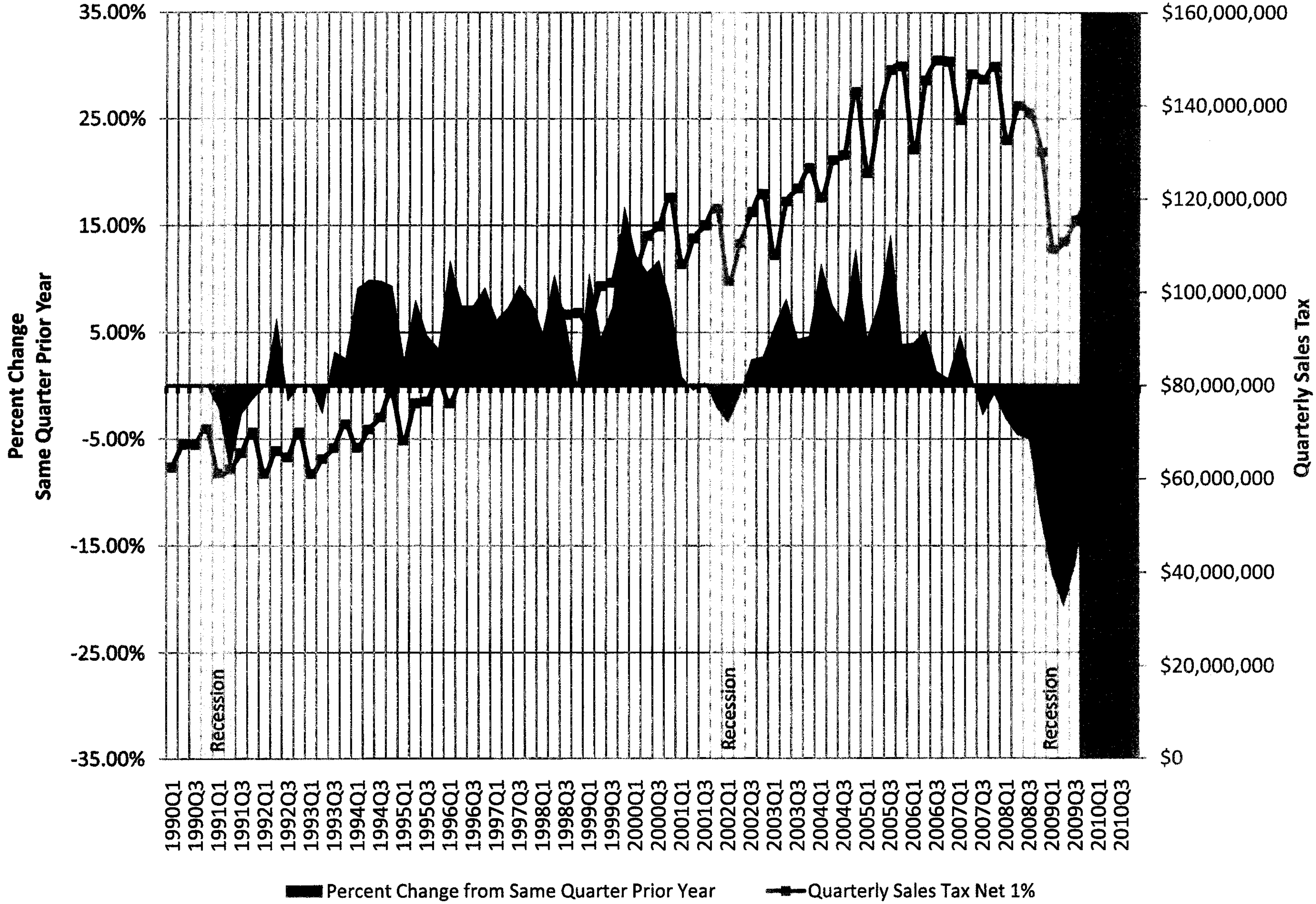
	2001 Q3	2002 Q3	2003 Q3	2004 Q3	2005 Q3	2006 Q3	2007 Q3	2008 Q3	2009 Q3
RESTAURANTS	21,484,143	21,856,979	23,323,394	25,453,421	27,055,603	28,639,144	30,101,306	30,049,312	27,425,656
DEPARTMENT STORES	19,192,780	19,836,591	21,042,806	22,823,774	23,930,017	25,477,726	26,227,325	26,433,581	24,008,503
MISCELLANEOUS RETAIL	17,749,967	18,155,767	18,990,558	20,872,054	21,765,938	23,001,702	23,084,670	21,983,209	19,058,673
AUTO SALES - NEW	23,307,414	27,368,612	29,916,410	30,306,834	31,080,419	28,931,136	27,248,100	22,359,232	16,840,343
LIGHT INDUSTRY	18,252,589	17,186,410	17,699,947	18,621,108	19,857,982	21,347,654	21,695,941	20,060,148	16,340,669
SERVICE STATIONS	10,992,308	9,696,329	11,643,990	13,283,199	15,639,369	18,343,984	18,396,805	22,788,948	15,435,881
APPAREL STORES	7,752,735	8,137,095	8,399,048	9,193,385	10,219,736	10,829,299	11,364,739	10,983,432	9,692,473
BLDG.MATLS-RETAIL	10,096,171	10,966,231	11,445,409	13,323,433	13,561,812	13,926,156	13,295,637	11,801,286	9,565,607
FOOD MARKETS	7,939,407	7,983,801	8,126,395	8,033,892	8,718,095	9,059,804	9,196,902	9,407,131	8,781,128
BLDG.MATLS-WHSLE	9,440,240	8,593,797	8,985,543	10,169,508	10,999,166	12,939,240	13,056,939	11,103,029	8,338,716


Orange Countywide
Change in Jobs Per Capita in Thousands
Change in Sales Tax Per Capita
Correlation Coefficient = 0.87
0.2%
1,551
-0.7%
1,550
-0.8%
1,564
-0.7%
1,559
0.1%
1,553
0.1%
1,550
-1.5%
1,541
-3.4%
1,507
4.7%
1,479
-4.4%
1,482
9.1%
1,400
0.0%
$43
-4.4%
$43
-2.2%
$44
-2.5%
$39
-4.7%
$41
-4.7%
$41
-13.6%
$38
-17.9%
$32
-22.0%
$32
-17.2%
$34
2007Q2
2007Q3
2007Q4
2008Q1
2008Q2
2008Q3
2008Q4
2009Q1
2009Q2
2009Q3
2009Q4

Orange Countywide

How Recessions Affect Local Sales & Use Tax

Net 1% by Quarter



Anomalies in local sales & use tax may cause large spikes.

Rail Program Quarterly Update

Board of Directors Meeting
January 25, 2010

Metrolink Service Expansion Program

Project			Cost (millions)
Fullerton Turnback Facility		$	19.50
Laguna Niguel Turnback Facility		$	23.60
New Control Points & Signals		$	15.00
Anaheim Layover Facility		$	11.80
Orange Siding Rehabilitation		$	7.00
Project/Construction Management	Ongoing	$	18.00
SUBTOTAL		**$**	**94.90**
Equipment (locomotives, cab cars and trailers)		$	144.00
TOTAL		**$**	**238.90**

Schedule	2009	2010	2011	Notes
Fullerton Turnback Facility				Required for service start up
Laguna Niguel Turnback Facility				Required for service start up
New Control Points & Signals				
Anaheim Layover Facility				
Orange Siding Rehabilitation				
Rail Equipment				Delivery Schedule

Legend:
Final Design
Construction

2

Grade Crossing Safety Enhancements

City of Orange	16	$	21.80
City of Anaheim	14	$	14.30
City of Tustin	1	$	2.60
City of Santa Ana	10	$	13.90
City of Irvine	2	$	3.50
City of San Juan Capistrano	5	$	7.20
City of Dana Point	1	$	1.70
City of San Clemente	2	$	2.00
City of Fullerton	1	$	0.80
Contingency (right-of-way, program management, & signals)		$	2.20
TOTAL	**52**	**$**	**70.00**

	2009	2010	2011	Notes
City of Orange				Construction will take place on two crossings concurrently throughout the project.
City of Anaheim[1]				
City of Tustin				
City of Santa Ana[2]				
City of Irvine				
City of San Juan Capistrano				
City of Dana Point				
City of San Clemente				
City of Fullerton				

1. Includes design modifications of four crossings near downtown Anaheim
2. Includes design modifications to Fairhaven to turn into cul-de-sac

Legend:
Final Design
Construction

Date: September 2009

3

Station Improvements

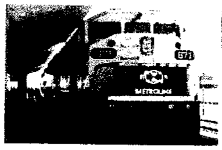
Project		Cost (millions)
Fullerton Parking Structure (810)	$	41.97
Orange Undercrossing	$	8.75
Orange Parking Structure (600)	$	30.00
Tustin Parking Structure (825)	$	17.50
Laguna Niguel/Mission Viejo (500)	$	29.00
Fullerton Video Surveillance System (VSS)	$	0.75
Santa Ana VSS	$	0.75
Tustin VSS	$	0.75
TOTAL	**$**	**129.47**

Schedule	2009	2010	2011	2012	Notes
Fullerton Parking Stucture					Design/build contract
Orange Undercrossing					Completion date August 10, 2009
Orange Parking Structure					Design Contract Award - June 2010
Tustin Parking Structure					Completion date June 2011
Laguna Niguel/Mission Viejo					MOU to Board in September 2009
Fullerton VSS					Design/build contract
Santa Ana VSS					Design/build contract
Tustin VSS					Design/build contract

Legend:
PA/ED
Final Design
Construction

4

LOSSAN Grade Separation Projects



Projects		Cost (millions)
17th Street - Santa Ana (Proposed)	$	89.00
Orangethorpe Avenue - Anaheim (Proposed)	$	94.00
Ball Road - Anaheim (Proposed)	$	71.00
Grand Avenue - Santa Ana (Proposed)	$	72.00
Main Street - Orange (Proposed)	$	69.00
State College Boulevard - Anaheim	$	70.00
Sand Canyon Avenue - Irvine	$	60.00
Santa Ana Boulevard - Santa Ana	$	74.00
TOTAL	**$**	**599.00**

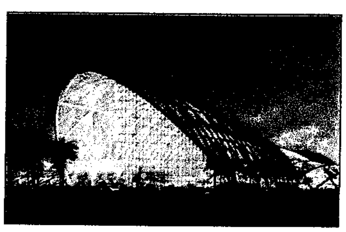
Legend:
- Project Concept
- Project Approval
- Final Design
- Construction

Schedule	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
17th Street - Santa Ana											
Orangethorpe Ave - Anaheim											
Ball Road - Anaheim											
Grand Avenue - Santa Ana											
Main Street - Orange											
State College Boulevard											
Sand Canyon Ave											
Santa Ana Boulevard											

* Schedules are illustrated and dependent upon future funding availability.

5

Anaheim Regional Transportation Intermodal Center



Funding Source		Cost (millions)
Renewed Measure M - Project T Bond Proceeds	$	99.20
Measure M Transit Revenue	$	44.63
2008 State Transportation Improvement Program	$	29.22
Federal	$	5.82
TOTAL	**$**	**178.87**

Current Status
Environmental Clearance Initiated with the City as Lead Agency
Architectural & Engineering Underway
ARTIC and California High-Speed Train Project Teams Coordinating Design Efforts to Ensure Seamless Integration of Both Projects
Next Major Milestone: Notice of Intent/Notice of Preparation

Schedule	2009	2010	2011	2012	201
Environmental Clearance					
Architectural & Engineering Design					
Right-of-Way					
Construction					

Env Clear · Final Design · Construction

6

Go Local Fixed-Guideway Program

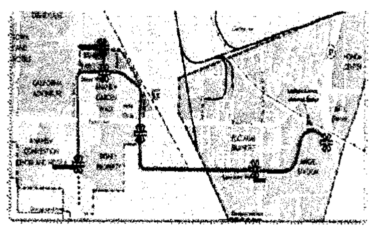
Step Two Activities Underway: Conceptual Engineering, Alternatives Analysis, State/Federal Environmental Clearance

Project	Step Two Award (millions)	Project Schedule
Anaheim Fixed-Guideway: ARTIC-Platinum Triangle-Anaheim Resort Connector	$ 5.90	
Santa Ana Fixed-Guideway: SARTC to Harbor Boulevard/Garden Grove	$ 5.90	
(Final design/construction schedule shown for initial operating segment: SARTC to Bristol		
TOTAL	$ 11.80	

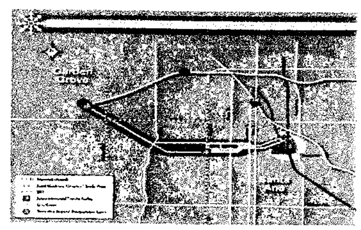
Step Two Activities   FinalDesign/ROW*   Construction*

* Phases not currently funded.

Anaheim Fixed-Guideway



Santa Ana Fixed-Guideway



7

Facilities Engineering

Project	Cost (millions)	Schedule
Ana, GG, SA Bases - Workers Fall Protection	$ 0.70	
Ana, GG, Irvine SC Bases - Steam Clean Area Vehicle Lifts	$ 0.70	
Ana, GG, Irvine CC, Irvine SC Bases - Security Upgrades	$ 1.50	
PEROW - Drainage Improvements	$ 0.40	
Irvine SC Base - HVAC Replacement	$ 0.29	
Irvine SC Base - Joint Sealant Replacement	$ 0.15	
Ana, GG, Irvine SC Bases - Elevator Upgrades	$ 0.40	
Irvine SC Base - Marine Way Realignment Impacts	TBD	
Ana Base - Pavement Reconstruction	$ 0.07	
TOTAL	$ 4.21	

RFP   Preliminary Design   Final Design   Construction

OCTA Facility Legend:

Ana	Anaheim Bus Base
GG	Garden Grove Bus Base
Irv CC	Irvine Construction Circle Bus Base
Irv SC	Irvine Sand Canyon Bus Base
SA	Santa Ana Bus Base
GWTC	Golden West Transportation Center
PEROW	Pacific Electric Right-of-Way

8