



February 16, 2009

To: Transportation 2020 Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Renewed Measure M Progress Report

Overview

Staff has prepared a Renewed Measure M progress report for October 2008 through December 2008 for review by the Orange County Transportation Authority Board of Directors. The report highlights progress on Renewed Measure M projects and programs and is made available to the public via the Orange County Transportation Authority website.

Recommendation

Receive and file as an information item.

Background

Measure M Ordinance No. 3 requires quarterly status reports regarding the major projects detailed in the Renewed Measure M Transportation Investment Plan be filed with the Orange County Transportation Authority (OCTA) Board of Directors (Board). All Renewed Measure M progress reports are posted online for public review.

Discussion

Voter safeguards are a critical factor for public acceptance of Renewed Measure M (M2). The quarterly report is an opportunity to show progress in implementing the M2 Transportation Investment Plan. In order to be cost-effective and improve the accessibility of information to stakeholders and the public, all M2 progress reports will be web-based; however, hard copies will be mailed upon request. The report reflects progress being made on Board-approved Early Action Plan (EAP) projects and programs. Each item features a brief paragraph that provides an overview of significant progress for the time period, with a web link to more information including staff reports and project descriptions (Attachment A).

Highlights of the M2 progress in this quarter include:

- Completed four readiness and market assessments that found OCTA well-positioned to deliver the M2 program.
- Completed a project study report that identifies options for increasing capacity along the Santa Ana Freeway (Interstate 5) between Avenida Pico and Pacific Coast Highway.
- Began a project study report to look at ways to improve traffic flow along Interstate 5 between the San Joaquin Toll Road (State Route 73) and El Toro Road.
- Completed a project study report to add one or two lanes each way on the San Diego Freeway (Interstate 405) between the Costa Mesa Freeway (State Route 55) and the San Gabriel Freeway (Interstate 605).
- Completed a signal synchronization project along an 8¾-mile segment of Oso Parkway/Pacific Park Drive improving travel times between 13 and 27 percent.
- Board approved 25 mixed-flow bus/shuttle proposals submitted under Go Local Step One to be advanced to Step Two.
- Implemented a public outreach plan to build an inventory of potential habitat conservation sites that may be eligible for funding for acquisition and restoration under M2's freeway environmental mitigation program.
- Completed the South Orange County Major Investment Study.
- Received updated sales tax forecasts that show a further decline in revenues. As compared to the 2005 nominal revenue estimates, the first 12 months of M2 sales tax revenue is now projected to be \$92 million less than the 2005 predictions and the average annual growth rate over the 30-year period is projected to decrease by approximately 0.5 percent. Overall, the nominal M2 sales tax revenue is projected to decrease from a 2005 estimate of \$24.3 billion to a revised estimate of \$16.3 billion for the 30-year period.

To encourage the public review of the quarterly report online, information will be placed in OCTA's existing "Transportation Update" advertisement that appears approximately every three weeks in the *Orange County Business Journal*, *Orange County Register*, *Excelsior*, *The Korean Daily*,

The Chinese Daily News, and Nguoi Viet Daily News. Staff also will notify all Orange County cities and use other existing communication tools such as project newsletters and Board action updates to notify the public about the online availability of the M2 progress report. Because the public may view both the original Measure M and M2 as one program, the original Measure M annual report also includes an update on the progress of M2.

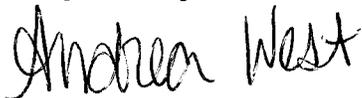
Summary

As required by Measure M Ordinance No. 3, a quarterly report is provided to update progress in implementing the M2 Transportation Investment Plan. To facilitate accessibility and transparency of information available to stakeholders and the public, the M2 progress report is presented on the OCTA website.

Attachment

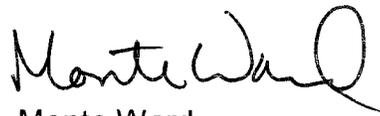
- A. Renewed Measure M (M2) Quarterly Progress Report for October – December 2008

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Renewed Measure M (M2) Quarterly Progress Report October – December 2008

The following is a summary of the progress made on the Renewed Measure M (M2) Early Action Plan (EAP) covering the fourth quarter (October – December) of 2008.

M2 Readiness Assessments

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When the Orange County Transportation Authority (OCTA) Board of Directors (Board) adopted the EAP, they authorized four studies to identify risk areas and generally assess OCTA's ability to deliver on the promises of the EAP. The four studies are as follows:

- OCTA Organizational Readiness and Capacity – Administered by PB Consult, this study assessed OCTA's organizational structure and capabilities to determine its capacity to deliver the EAP. This was done through a thorough review of OCTA documents and interviews and workshops with OCTA staff and included a comprehensive peer review.
- Market Conditions Analysis – The Orange County Business Council (OCBC), in partnership with the University of California, Irvine, researched the market conditions that are likely to influence OCTA's ability to deliver the EAP. This was done using available statewide data to develop market forecasts and determine broader inventory levels for the region's infrastructure construction program and included interviews with transportation industry professionals. Also, as part of this study, OCBC interviewed 35 professional services and construction contractor executives to understand the "perceptions of doing business with OCTA."
- Readiness and Absorption Capacity of Public Agencies – The study, also conducted by the OCBC, inventoried and assessed the ability of affected public entities to deliver on the promises of the EAP.
- Renewed Measure M Administrative Requirements – LMS Consulting analyzed the differences between the original Measure M (M1) and M2 and provided recommendations on new policies and procedures that need to be developed including transition actions as M1 ends and M2 begins.

OCTA staff is in receipt of all four studies and a summary was presented to the Transportation 2020 Committee and the Board in January. Generally, the studies found that there were no fatal flaws in current processes, market conditions support an aggressive schedule, and there are generally positive perceptions of doing business with OCTA. Opportunities for improvement included streamlining the procurement process, enhancing the project manager role, focusing efforts on the early development process, and preparing for the new M2 requirements.

Highway Projects

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The significant activities for the M2 freeway projects in the fourth quarter of 2008 were:

Project A – California Department of Transportation (Caltrans) is preparing a project study report to identify ways to relieve freeway congestion along the Santa Ana Freeway (Interstate 5) between the Costa Mesa Freeway (State Route 55) and the Orange Freeway (State Route 57) in Santa Ana. The study is looking at ways to increase capacity and improve traffic flow through this section of Interstate 5 (I-5) that connects four major freeways in central Orange County. The study is expected to be completed in early 2009.

Project C – Caltrans recently completed a project study report that identifies options for increasing capacity along I-5 between Avenida Pico and Pacific Coast Highway through the communities of San Clemente and Dana Point. This study evaluated the benefits of extending the current high-occupancy vehicle (HOV) lanes on I-5, which presently end at the Pacific Coast Highway interchange, all the way down to Avenida Pico in San Clemente. OCTA has just begun a project study to look at ways to improve traffic flow along I-5 between the San Joaquin Toll Road (State Route 73) and El Toro Road through the communities of Lake Forest, Laguna Hills, and Mission Viejo. The study will look at capacity enhancements and interchange improvements to ease the flow of traffic through this area.

Project D – The City of San Juan Capistrano (City) is finalizing an environmental document for improvements to the I-5/Ortega Highway (State Route 74) interchange. The City, working with Caltrans, identified five alternatives to improve traffic flow within the interchange. The City has recently selected a locally preferred alternative and will complete the environmental documents in early 2009.

Project F – OCTA is preparing a project study report to look into options to improve State Route 55 (SR-55) between the San Diego Freeway and I-5, passing through the communities of Irvine and Santa Ana. The study is looking at the feasibility of lane additions within this corridor and possible improvements to the freeway interchanges to reduce traffic congestion in the area.

Project G – OCTA is preparing the final design for a new northbound lane on State Route 57 (SR-57) from Orangethorpe Avenue to Lambert Avenue through the communities of Brea and Fullerton. It is expected that the widening of the freeway in the northbound direction can be accommodated within the existing right of way. In addition, OCTA is preparing an environmental analysis to add a new northbound lane on SR-57 between Katella Street and Lincoln Avenue in the Anaheim area. This study will identify any potential environmental impacts of the project and will propose mitigation measures to minimize any unavoidable impacts. Construction is expected to begin on the first segments of the project in 2010.

Project H – OCTA is preparing an environmental document to add a new westbound lane to the Riverside Freeway (State Route 91) between I-5 and SR-57 in Anaheim. This effort is looking at the environmental and design issues related to adding a new general purpose lane and will identify the most practical approach that has the least impact on existing properties along the freeway.

Project I – Caltrans began the preparation of an environmental document to improve traffic flow through the SR-55/State Route 91 (SR-91) interchange. The improvements to the interchange will focus on the northbound to westbound connector between the two freeways and the traffic flow along westbound SR-91 in this area.

Project J – Three projects are being advanced along SR-91 to relieve traffic congestion in the corridor connecting Orange and Riverside counties. Caltrans is advancing the final design of a new westbound lane between the Foothill-South Toll Road (State Route 241) and the Corona Expressway (State Route 71) in Riverside County. This project will extend the existing westbound auxiliary lane, which terminates before Green River Road, to the State Route 71 interchange. Construction is expected to begin on this project in 2009. Caltrans also is preparing an environmental analysis for adding one new lane each way along SR-91 from SR-55 to State Route 241 (SR-241). This project will add significant new capacity through the cities of Anaheim and Placentia. The third project is being advanced by the Riverside County Transportation Commission (RCTC) to add a new lane each way and to extend the express lanes between SR-241 in Anaheim to the Corona Freeway in Corona. RCTC is currently preparing an environmental analysis for these proposed improvements.

Project K – OCTA has recently completed a project study report to add one to two new lanes each way on the San Diego Freeway (Interstate 405) between SR-55 and the San Gabriel Freeway (State Route 605). These improvements will add mainline capacity and improve the local interchanges along the corridor that serves the communities of Fountain Valley, Huntington Beach, Los Alamitos, Santa Ana, Seal Beach, and Westminster. A formal environmental analysis of the proposed improvements will begin in early 2009.

Signal Synchronization

OCTA staff: Anup Kulkarni (714) 560-5867

In January 2008, OCTA completed the Euclid Street Signal Synchronization Project that implemented optimized signal timing along a 16-mile segment of Euclid Street. Travel times along Euclid Street were improved between 16 and 24 percent with the new timings.

In December 2008, a second synchronization project along an 8¾-mile segment of Oso Parkway/Pacific Park Drive was completed. Optimized timing has been implemented in conjunction with strategic signal systems upgrades and a monitoring effort. Travel times along Oso Parkway were improved between 13 and 27 percent with the new timings.

In April 2008, the California Transportation Commission awarded OCTA \$4 million as part of the Proposition 1B traffic signal synchronization program. This, combined with \$4 million from M1, will provide \$8 million to fund signal synchronization along 10 significant street corridors comprised of 533 signalized intersections over the next three years. OCTA has developed a schedule to fund and implement these projects and will start the first set of these projects in April 2009 pending expected release of the funds from the State of California.

Finally, OCTA has been working on a master plan for the regional traffic signal synchronization program. The \$450 million (plus 20 percent local match) program is funded by M2. The goal of this program is to improve the flow of traffic by developing and implementing regional signal coordination through more than 2,000 intersections. The master plan effort will be complete in fall 2009.

Metrolink

OCTA staff: Dinah Minter (714) 560-5740

During this quarter, all cooperative agreements between OCTA and the Los Angeles-San Diego-San Luis Obispo (LOSSAN) corridor cities have been executed. Additionally, most construction and maintenance agreements between the Southern California Regional Rail Authority (SCRRA) and the cities have been signed (except for the cities of Fullerton and Dana Point).

OCTA has successfully completed identification of right-of-way (ROW) and utility impacts associated with grade crossing improvements at all 51 locations. Weekly ROW and utility meetings are conducted with the affected cities and utility companies. ROW acquisition has begun in the City of Orange, and is expected to be completed by the end of January 2009. Other cities in the program have asked OCTA to provide technical/consultant assistance for ROW acquisitions. OCTA has consultants on board to proceed with right-of-way and utility coordination work. In December, SCRRA received bids for the civil construction package. The contract is expected to be awarded by the SCRRA Board of Directors in the first quarter of 2009. The construction of these improvements is expected to be completed by the end of 2010.

Go Local

OCTA staff: Kelly Long (714) 560-5725

On October 27, 2008, the Board approved 25 mixed-flow bus/shuttle proposals submitted under Go Local Step One to be advanced to Step Two. As part of Step Two, each of the proposals will undergo detailed service planning in order for the Board to assess, at the completion of Step Two, if the concept has significant merit to advance to step three for implementation. Each of the approved bus/shuttle services propose to provide a connection between a Metrolink station and major destination centers within the respective communities. The concepts generally provided regional benefits, offered a link from the nearest Metrolink station to cities' major population centers, and

demonstrated a preliminary financial commitment on behalf of the proposing cities and surrounding business and activity centers.

In December 2008, agreements were executed with several professional services firms that will assist OCTA staff in assessing the feasibility of the proposals by evaluating areas such as, but not limited to, potential demand and customer needs, route segment and system performance, potential impacts to existing OCTA fixed-route bus and paratransit service, boardings/revenue vehicle hours, resources, budgets, policies, and technical aspects of the proposed service.

Project development continues with the fixed-guideway proposals previously approved by the Board in May 2008 to complete an alternatives analysis as part of step two. Staff will bring to the Board, in early 2009, a recommendation for award of a consultant who will serve as an extension of OCTA staff in providing project management oversight and technical support to ensure that the fixed-guideway projects undergo detailed planning and obtain the necessary environmental clearances as required in step two of the Go Local program.

All planning work done as part of steps one and two of the Go Local program is funded by M1 in preparation for the implementation of Project S, Transit Extensions to Metrolink under M2.

Environmental Committees

OCTA staff: Marissa Espino (714) 560-5607

The Environmental Cleanup Allocation Committee (Allocation Committee) and the Environmental Oversight Committee (EOC) both began meeting on a monthly basis starting in January 2008.

Water Quality Program

The Allocation Committee is designed to make recommendations to the Board on the allocation of funds for water quality improvements, and is currently developing a draft framework for the competitive allocation of water quality funding.

The two categories for potential water quality funding are a catch basin program and a new capital and operations projects program. The committee is in the process of exploring these two categories and working toward making recommendations to the Board on water quality program guidelines. These guidelines will be used by eligible local agencies to submit project applications and funding requests starting in fiscal year 2009-10.

Based on a July 2008 questionnaire, which was disseminated to all Orange County cities, a key finding of a proposed catch basin funding program was that less than 10 percent of catch basins in the county have some type of device to screen trash and debris. More than 90 percent of the cities indicated their interest in applying for funds,

which would increase the number of catch basins to be protected by 40 percent on a countywide basis. Staff is currently reviewing information obtained from a second questionnaire, which will provide details on specific structural devices that the cities would recommend for funding.

Freeway Mitigation Program

The purpose of the EOC is to make recommendations to the Board on the allocation of environmental freeway mitigation funds and monitor the implementation of a master agreement between OCTA and state and federal resource agencies. The master agreement will provide higher-value environmental benefits such as habitat protection, wildlife corridors, and resource preservation in exchange for streamlined project approvals and greater certainty in the delivery of the freeway program as a whole.

OCTA staff and legal counsel, the United States Fish and Wildlife Service, and the California Department of Fish and Game are continuing to develop the master agreement and an associated planning agreement. The planning agreement is designed to establish the process, roles, responsibilities, and commitments for the preparation of a Habitat Conservation Plan/Natural Community Conservation Plan (HCP/NCCP). The HCP/NCCP would document impacts, mitigation, and conditions for permitting of the 13 M2 freeway projects. The master agreement and planning agreement are expected to be finalized in the first quarter of 2009.

In December 2008, staff implemented a public outreach plan to build an inventory of potential habitat conservation sites that may be eligible for funding for acquisition and restoration. Property information will be collected from interested participants who may include property owners and managers, conservation and community groups, and local governments until January 30, 2009.

South Orange County Major Investment Study

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The South Orange County Major Investment Study concluded with recommended strategies and improvements to address future demands on our transportation system. The locally preferred strategy was approved by the Board in October 2008 and established the M2 freeway plan as a priority for improving transportation in south Orange County followed by additional proposed improvements to I-5 and I-405.

Financing

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The downturn in the economy continues to negatively impact local sales tax revenues. Actual sales tax revenue receipts through December 2008 are 5.4 percent less than receipts for the same period in fiscal year 2007-08. Staff has extrapolated year-to-date performance to fiscal year end and applied the recently updated short-term sales tax forecasts from Chapman University, the University of California Los Angeles (Anderson

Forecast) and California State University, Fullerton of -2.0 percent for fiscal year 2009-10 to come up with an updated M2 forecast.

As compared to the 2005 nominal revenue estimates, the first 12 months of M2 sales tax revenue is now projected to be \$92 million less than the 2005 projections and the average annual growth rate over the 30-year period is projected to decrease by approximately 0.5 percent. Overall, the nominal M2 sales tax revenue is projected to decrease from a 2005 estimate of \$24.3 billion to a revised estimate of \$16.3 billion for the 30-year period.