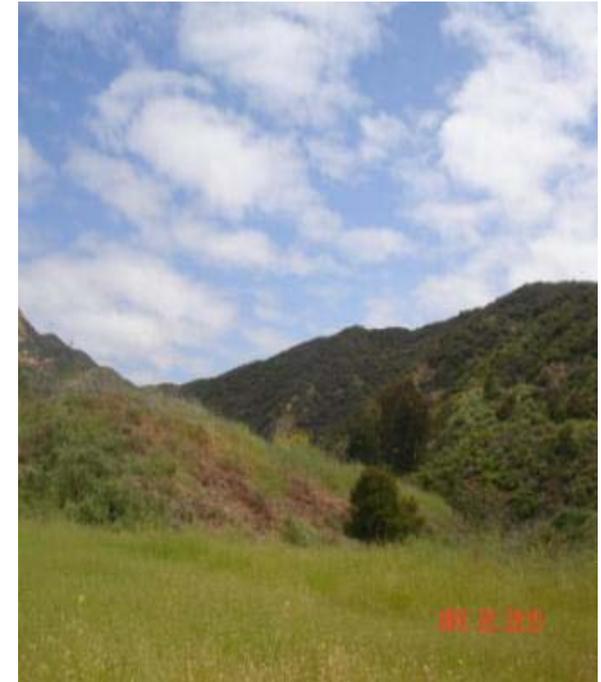




Measure M2 Freeway Environmental Mitigation Program Status Update

Measure M2 (M2) Mitigation Program Overview

- M2-approved - November 2006
- Innovative Freeway Environmental Mitigation Program
- Mitigation Program part of 2007 Early Action Plan (EAP)
- Environmental Oversight Committee



Conservation Plan/ Environmental Document

- Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP)
 - Integrates acquired properties and restoration projects
 - Implementation agreement
- Environmental Impact Report/Environmental Impact Statement
 - Public participation opportunities
 - Solidifies decision on the project
- 30-month schedule
 - July 2010 - December 2012

Environmental Mitigation Program Funding

Environmental Mitigation Program – 30 years
(millions of nominal dollars)

| 2005 Estimate | 2011 Forecast | Difference |
|---------------|---------------|------------|
| \$486 | \$307 | \$179 |

- Approximately 37 percent less than 2005 estimate
- Potential availability of additional \$18 million in net bond proceeds in FY 2014-15

Environmental Mitigation Program Funding

- 2007 EAP provided for \$55 million in funding

| Allocation | First Round (in millions) | Second Round (in millions) |
|-----------------------|------------------------------|-------------------------------|
| Acquisition | \$22 | \$20 |
| Restoration | \$5.5 | \$5 |
| Consultant Support | \$2.5 | |
| Total | \$30 | \$25 |

- November 2010: Board of Directors (Board) authorized combining two tranches for acquisitions (\$42 million)

Acquisition Properties Status

- Purchase up to \$42 million of acquisition properties
 - Includes management cost
 - Acquired five properties to date
 - Additional 12 Group 1 properties still under consideration
 - Identify interim and long-term land managers



Saddle Creek South



Hayashi Property



O'Neill Oaks Property



Ferber Ranch Property



Hafen Estates Property



First Round Restoration Proposals

- 30 restoration proposals submitted
- Biological and non-biological criteria considered
- Five restoration projects have been granted funding:
 - City Parcel (San Juan Capistrano)
 - Irvine Ranch Conservancy (County)
 - Big Bend (Laguna Beach)
 - Fairview Park (Costa Mesa)
 - UCI Nature Preserve (Irvine)
- Removal of invasive plant species
- Restoration of native plant habitats



Second Round Restoration Proposals

- 20 restoration proposals submitted
- Biological and non-biological criteria considered
- \$5 million available for funding
- High-ranked first round proposals are eligible for second round funding
- Board approval for funding anticipated first quarter 2012



Next Steps

- Complete expenditure for acquisition of open space properties
- Seek funding for second round of restoration
- Complete draft NCCP/HCP and environmental documents
 - Outline management scheme
 - Determine long-term management cost for acquisition properties