Measure M
Taxpayers Oversight Committee
at the Orange County Transportation Authority
600 S. Main Street, Orange CA
October 19, 2010
6:00 p.m.

AGENDA

1. **Welcome**
2. **Pledge of Allegiance**
3. **Approval of Minutes/Attendance Report for August 10, 2010**
4. **Chairman's Report**
5. **Action Items**
   A. Quarterly Measure M Revenue and Expenditure Report – June 2010
   Receive and File

   B. Annual Eligibility Review Subcommittee 2010/11 Report
   Presentation – Ed Wylie, Chairman, Annual Eligibility Review Subcommittee
6. **Presentation Items**
   A. I-5 Gateway Project Completion
   Presentation – Charlie Guess, Program Manager, Capital Programs

   B. Rail Program Update
   Presentation – Jennifer Bergener, Director, Rail Program

   C. Sales Tax Update
   Presentation – Ken Phipps, Executive Director, Finance & Administration

   D. State Budget/Project Budgets Update
   Presentation – Jim Beil, Executive Director, Capital Programs

   E. Environmental Programs Update
   Presentation – Kia Mortazavi, Executive Director, Planning
7. **Annual Eligibility Review Subcommittee Report**
8. **Audit Subcommittee Report**
9. **Committee Member Reports**
10. **OCTA Staff Update**
11. **Public Comments***
12. **Next Meeting Date – December 14, 2010**
13. **Adjournment**

*Public Comments: At this time, members of the public may address the Taxpayers Oversight Committee (TOC) regarding any items within the subject matter jurisdiction of the TOC, provided that no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to five (5) minutes per person and 20 minutes for all comments, unless different time limits are set by the Chairman, subject to the approval of the TOC.

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 business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

Measure M
Taxpayers Oversight Committee Meeting

August 10, 2010
Meeting Minutes

Committee Members Present:
David Sundstrom, County Auditor-Controller, Chairman
Richard Egan, First District Representative
Diana Hardy, First District Representative
Howard Mirowitz, Second District Representative
Anh-Tuan Le, Second District Representative
Dowling Tsai, Third District Representative
Edgar Wylie, Third District Representative
John Stammen, Fourth District Representative
James Kelly, Fifth District Representative
Tony Rouff, Fifth District Representative

Committee Member(s) Absent:
Gregory Pate, Fourth District Representative

Orange County Transportation Authority Staff Present:
Will Kempton, CEO
Janice Kadlec, Public Reporter
Kia Mortazavi, Executive Director of Development
Alice Rogan, Community Relations Officer
Joe Toolson, Grade Separation Projects Program Manager

1. **Welcome**
   Chairman David Sundstrom began the meeting at 6:00 p.m. and welcomed everyone.

2. **Pledge of Allegiance**
   Chairman David Sundstrom led everyone in the pledge of allegiance.

3. **Approval of Minutes/Attendance Report for February 9, 2010**
   Chairman David Sundstrom asked if there were any additions or corrections to the June 15, 2010 minutes and attendance report. No one asked for corrections to the minutes and attendance report. A motion was made by Edgar Wylie and seconded by Anh-Tuan Le to approve the April 13, 2010 minutes and attendance report as presented. The motion passed unanimously.

4. Chairman's Report

Chairman David Sundstrom noted there were five new members to the Taxpayers Oversight Committee in attendance. He asked each member present to introduce themselves and give their background.

5. Presentation Items

A. Welcome New Members/CEO Update

Will Kempton introduced himself and gave his background. He said there are two things which made a sales tax program successful in the State of California. The first thing is there is a commitment to the voters to do specific things and to make sure the promises are kept. The second thing in making it successful is accountability; there is an oversight role, specifically the Taxpayers Oversight Committee (TOC).

Will Kempton highlighted some problems being dealt with because of the downturn in the economy. He indicated OCTA's revenues have been down as much as 17 percent two years ago and currently the revenues are only down one percent. OCTA is looking at a reduction of 40 percent less revenues for the M2 program, but feels we can still complete the program by adding a combination of State and Federal dollars along with other savings to make up the deficit. He complimented the OCTA Board and staff for taking early actions necessary (bus service reductions, work force layoffs, hiring and salary freezes, and union contract negotiations) in reacting to the situation in contrast to other agencies around the State who did not do this and are now looking at significant impacts to their programs.

Will Kempton touched on rebuilding efforts such as a Transit Study for Orange County, an organizational Strategic Plan, performance based compensation, and an improved Code of Conduct. He reported OCTA did very well in the recently completed three-year Federal Transit Administration. Coming up, OCTA will be posting their salaries and total compensation packages in order to be transparent and accountable to the public.

Chairman David Sundstrom added that Will Kempton will be posting his retirement benefit along with the rest of his compensation which is something not everyone is doing and complemented him on this.

Anh-Tuan Le said under the subject of Code of Conduct he asked Will Kempton to comment on agencies that are under resourced and cannot investigate thoroughly when there is misconduct or improprieties. This might make people afraid to report and also there is the fear of retaliation. Will Kempton said this is always a difficult issue, but he has an open door policy whenever this happens. OCTA has a new complaint "Hot Line" and recently received a complaint on the "Hot Line." It was investigated and he does not feel concerned OCTA is missing much in this area.

B. Early Action Plan Update

Kia Mortazavi gave an update of the Early Action Plan. Measure M2 was passed by the voters in 2006, and in 2007, the Early Action Plan was created to help get M2 projects in motion in anticipation to the sales tax going into effect in 2011. OCTA is three years into the program and on schedule in delivering the commitments made in 2007. There have been changes in the financial assumptions, but OCTA has been able to leverage over $805 million in outside funds as well as taking advantage of approximately $112 million in savings in favorable construction bids. OCTA is now in position to add new projects. Kia gave overview and update on the projects in each mode of the Early Action Plan – Freeways, Streets and Roads, Transit, and Environmental. Kia said as the start of M2 draws nearer (2011), new projects will be added to this plan, the title will be changed to Capital Action Plan, and it will be a five year program.

Tony Rouff asked who would approve any changes to the I-405. Kia Mortazavi said the OCTA Board of Directors will make the final decision on the best alternative. The I-405 is currently in the environmental stage and no decisions have been made. As part of this stage of the project, OCTA reaches out to the community to get their input and incorporates this into the final recommendation.

Howard Mirowitz asked if the public could make a recommendation on which streets should be prioritized for the Signal Coordination Program. Kia Mortazavi said the local agencies are now in charge of the program; therefore, people can talk to each individual city.

Chairman David Sundstrom said a grade crossing improvement program is under way in his neighborhood, but there is no signage indicating the program is a Measure M2 program. Kia Mortazavi said OCTA needs to do a better job getting this signage in place.

James Kelly asked if there are monthly transit passes available for purchase. Kia Mortazavi said yes there are monthly bus passes and monthly Metrolink passes available. OCTA is working on a program for a combined bus and Metrolink monthly pass, but it is not in effect as yet.

Howard Mirowitz said there is a management consultant working on the Grade Separation Projects whose contract is being used up faster than anticipated. Is this consultant going to be retained for the completion of the projects? Kia Mortazavi said this would be a separate procurement, but the reason this contract is being used up at a faster pace is because scope and workload has changed. When the M2 Early Action Plan went into effect in 2007, the Grade Separation projects were not part of the M2 program. An opportunity arose to pick up the seven Grade Separation projects and OCTA was able to add them. This is the beauty of using consultant resources because it enables OCTA to ramp up quickly and be in a position to deliver these projects.

Howard Mirowitz said in the Go Local Program, other than the two major projects in Santa Ana and Anaheim, there are a number of small project grants given out. What has been the outcome of these grants? Kia Mortazavi said the result of the grants was proposals for as many as 22 routes asking OCTA for more detailed planning. An example is the cities of Dana Point, San Juan Capistrano, and San Clemente worked together to put together a proposal for a shuttle system connecting the downtown areas in the communities with the Metrolink stations. The proposals were recommended for more detailed studies and should be completed in mid 2011. Alice Rogan said the TOC will be getting a more detailed overview and status report of the Go Local program in later this year.

Anh-Tuan Le said in the Transit mode of the Early Action Plan $56 million is designated. Is all of this going toward Metrolink and nothing for buses? Kia Mortazavi said none of this amount is for buses; the Go Local program has bus transit money available but currently the Go Local Program is in the planning stage. Anh-Tuan Le said in the study in the TOC material packet there were two definitions of "transit." One definition is Metrolink Rail and Go Local tie in planning, and another is the overall transit multi modal including buses and paratransit. Kia Mortazavi said specific to M2, M2 provides funding for senior mobility programs and help to ACCESS, but the focus of M2 was the expansion of Metrolink and expansion to the connection to Metrolink.

Anh-Tuan Le asked if he was correct in assuming a transit study would be all modes of transit – buses and modes not covered under Measure M. Kia said this was the first of the system wide studies and is focused on restructuring bus routes and what is the best way to serve and service the County with the reduced dollars as well as recognizing the investment in Metrolink, recognizing the spur lines – how can the two things be blended together to produce a better system. Anh-Tuan Le asked if it was foreseeable the study would come out with some options for funding which might alter the Measure M formula. Kia Mortazavi said no, the scope of the study does not include making recommendations to change Measure M

C. Combined Transportation Funding Programs (CTFP) Update

Kia Mortazavi gave an overview of the Combined Transportation Funding Program (CTFP). Under M1 and M2 OCTA makes grants available to local agencies. In addition to making money available to them on a quarterly basis, money is also made available on a competitive basis for the best regional projects. Kia reported on the end of the M1 CTFP which is currently 95 percent complete. For the five percent yet to be funded, the cities have until March 31, 2011 to award a contract and three years to complete.

James Kelly asked what would happen if these cities did not award the contracts by March 2011. Kia Mortazavi said the cities would lose their grants. James Kelly asked would money already given to them be returned. Kia said no money had been given to the cities. These cities can also reapply under M2.

D. Orangethorpe Grade Separation Projects Update

Joe Toolson gave an update on the Orangethorpe Corridor Grade Separation Projects. He highlighted the causes for the recent budget amendment increase of $173 million. The reasons for the overrun were:

- The initial estimates were based on preliminary design and did not reflect the full scope.
- The original bid reflected very low engineer estimates including structural elements and right-of-way acquisition.
- The Burlingame Northern Santa Fe (BNSF) Railroad's required "Shoo Fly" detours were not funded in the original estimates.
- A detour road needed to be added for Tustin Road.

OCTA identified $143 million in additional Federal funds for the program. The remaining funds were made up of State CMAQ funds and $28 million in M2 funds. Joe Toolson also explained the problems with sequencing on the project.

Howard Mirowitz said the staff report of this project sent to the TOC members identifies the original estimates for right-of-way acquisition for structured costs averaged $180 per square foot and ended up being $275 per square foot. When was the original estimate made? Joe Toolson said the original estimate was made in 2003/04. Kia Mortazavi said most of the original work was done by the City of Placentia and they were developing the project to lower the railroad tracks and one alternative was to do a grade separation.

As it turned out the project to lower the railroad tracks did not go through and when the State opportunity came along to fund grade separations, OCTA was able to use the Placentia's study information to secure the funds. Kia said when looking back there were a lot of things OCTA could not have known and the contingency was not adequate.

Howard Mirowitz asked if OCTA is confident the Federal funding estimate which is going from $29.6 million to $174.4 will happen. Kia Mortazavi said OCTA is confident. This is money OCTA had available for the West County Connectors project. One connector came in $40 million under budget and the other connector came in $50 million under budget. OCTA has made a commitment to the Board to use other sources of funding first before going to the Measure M.

Anh-Tuan Le asked if the CMAQ money being used for the budget amendment was being taken from another project. Kia Mortazavi said no, at this time there were no projects targeted for CMAQ money.

Anh-Tuan Le asked how much of the budget amendment is going toward the BNSF "Shoo Fly" which is essentially a third track. Kia Mortazavi said BNSF is

planning a third track, but this project does not lay down a third track. Anh-Tuan Le asked what BNSF's timeline for a third track is. Joe Toolson said BNSF has segments of third track all along the line.

Anh-Tuan Le said his definition of a "Shoo Fly" is a temporary thing that will go away, but when he hears is talk about "Shoo Flies" connected together continuously to what extent are these permanent structures for the betterment of BNSF. Joe Toolson said when the project is done the "Shoo Flies" will be disconnected. BNSF does do work within their right-of-way and OCTA is required to make sure they are not doing something outside the scope of the project. Anh-Tuan Le asked if BNSF is putting some money into the "Shoo Flies." He said when "Shoo Flies" are built it can be determined to use either temporary standards or a long term program determined on the life cycle. Who is paying for them? Joe Toolson said the Code of Federal Regulations for railroad contributions requires a five percent contribution toward the project based on the theoretical cost of the project.

Anh-Tuan Le asked what Joe Toolson meant by the statement "the original estimates prepared by the cities were based on preliminary designs not accurately reflecting *structural elements."* Joe Toolson said as an example, the cities did not do a good job when estimating the cost of the "jug handle connections.". There were no easements identified, but when they went over this before construction, staff knew they would need to do things like tear down walls, relocate drainage systems, etc. - this adds extra cost to the project. The cities were also very general in things like lane and pavement width.

Kia Mortazavi said OCTA was working with the local agencies to complete the environmental study and some of these issues surfaced and were analyzed during the process to make sure the environmental document is consistent. Anh-Tuan Le asked if OCTA has caught everything now. Kia Mortazavi said yes, they feel they have caught everything now. Joe Toolson said for each of these changes, the area of study it is required to go back and validate or revalidate and OCTA works with FHWA to do this.

Kia Mortazavi said this is a very difficult and complex project. There are a total of seven grade separations very close to each other and trying to do them concurrently in a densely populated area is very difficult. It is complicated but he feels OCTA has a handle on it. Joe Toolson said the important thing is to get it into construction to take advantage of today's vigorous market.

6. **Growth Management Subcommittee Report**
   Alice Rogan said the first meeting the Growth Management Subcommittee would be August 31, 2010. The members of the Subcommittee are:

   1. Diana Hardy
   2. Anh-Tuan Le
   3. Edgar Wylie
   4. Dowling Tsai
   5. John Stammen
   6. Tony Rouff

7. **Audit Subcommittee Report**
   Alice Rogan said the next meeting of the Audit Subcommittee would be September 21, 2010. The members of the Audit Subcommittee are:

   1. David Sundstrom
   2. Howard Mirowitz
   3. Gregory Pate
   4. James Kelly
   5. Rick Egan

8. **Committee Member Reports**
   James Kelly asked what responsibility the TOC has to report to the voters if projects are lost due to the inability to provide funds because sales tax revenue has not come in as promised. Does the TOC need to have a communication plan? Alice Rogan said because M2 revenues have not yet been collected and work is being done to cover the expected 40 percent shortfall with other revenues, it is premature to assume the M2 program cannot be delivered. Chairman David Sundstrom said the M2 percentages are absolute, the projects are budgeted. Alice Rogan said at this, time, there are no projects in the plan that can be identified as unable to complete.

   Howard Mirowitz said in the I-405 project between SR-55 and SR-605, there is one HOV lane proposed to be taken away and converted to a HOV Toll Lane, which is an impact to the public. Chairman David Sundstrom agreed this was not mentioned in the Measure. Alice Rogan said what is mentioned in the Measure is adding one general purpose lane and this is what will be delivered. Howard Mirowitz said the public would also lose one free HOV Lane when the HOV Lane is converted to a toll lane. Alice Rogan said at this time it has not been determined whether this HOV Lane will be free to drivers with 2+ or 3+ people in a car.

   James Kelly said he was simply asking for clarification of do we have an obligation to notify the public or not. There seems to be a perception because of articles in the newspaper that needs to be clarified. Alice Rogan said there is a requirement to report to the public annually on the status of Measure M. The predicted revenue loss is a concern, but it is still unknown if any proposed project will not be completed. Kia Mortazavi said OCTA has 30 years to figure this out. When the Measure M program was put together it was not assumed any State or Federal funds would be used and OCTA knows it will have State and Federal funds to help with the program. Chairman

David Sundstrom said there is a 10-year M2 report required and this might be the point to make a statement. Until revenue has started to be collected, he would not be comfortable making any declarations.

John Stammen said California and the United States is in a major financial crunch. What kind of contingency plan should be made if one or two years out the sales tax revenues go down another 20 percent. Kia Mortazavi said the State Board of Equalization (SBOE) is predicting a 4.1 percent growth and OCTA is only conservatively planning a 1.1 percent growth. John Stammen said his observation is OCTA should have its "finger on the trigger" because at some time there may be a need to pick and choose which projects get funded. Alice Rogan said he is correct and when this happens, the amendment process starts for Measure M2. There is no need to do this yet.

Chairman David Sundstrom asked if OCTA is developing a contingency plan. Kia Mortazavi said one of the things OCTA had done is scaled down some programs. For example there were plans for an $80 million investment in the environmental mitigation of properties – it was scaled down to $55 million. The rail expansion service was scaled back from 76 trains to 56 trains and it was anticipated the roll out of this service for early September 2010 but it has been pushed back to March 2011 – part of this is cost issues and part demand. On the constructions projects all plans and approvals will be in place and the judgment will be made before they are advertised. On the other hand it is a buyers market.

Anh-Tuan Le said there are two items requiring OCTA's response to the Grand Jury. Alice Rogan said the OCTA Board approved the responses to the Grand Jury on Monday and copies were provided to the TOC members.

Howard Mirowitz said he was surprised the TOC's response to the Grand Jurors report on Santa Ana was not mentioned because we did exercise oversight.

Anh-Tuan Le said he listened to the OCTA Board Meeting on the subject of the Grand Jurors report and Director Pulido said he was going to respond. Does the TOC have the response yet? Alice Rogan said this will come from the City of Santa Ana and OCTA does not have the response yet. Anh-Tuan Le said he can only go by what was in the paper about the Grand Jury's report. Basically the finding was it was a flawed procurement, not following rules set at the outset, not following the Brown Act, and in violation of the city's code of ethics and conduct which specifically called for not following State and Federal rules.

Chairman David Sundstrom said he feels Santa Ana's response will shed some light on this situation. It can lead us to possible City Ordinances or lack of City Ordinances dealing with the procurement issue. The State has extremely strong procurement laws and regulations, the County not so much.

John Stammen asked Anh-Tuan Le if his concerns were for publicity for the TOC and ancillary issues addressed. Anh-Tuan Le said he was concerned about the function of the TOC role. John Stammen asked if he was aware of the Orange County Register's response from August 7, 2010 which talks about both Grand Jury Reports and gives credit to the TOC. No one was aware of this article and copies were made for the members.

Anh-Tuan Le said there was another Grand Juror report which talked about creating a new transit agency which would provide a transit system. OCTA's response denigrates this recommendation and by doing this it misses the whole point of providing a regional transit mobility system. Anh-Tuan Le challenged Kia Mortazavi's Development Department to look at the transit system in terms of the validity, equity, and sustainability which are all written in the Federal Guidelines for Transportation. To continue to outreach with old programs from 15 years ago is today's economy needs to be reassessed.

Kia Mortazavi said within the means available for transit OCTA should certainly take a look at transit countywide. Relative to reassessment, in preparing for M2 significant outreach took place in order to determine what the public wanted. Measure M2 is the result and was validated by carrying 70 percent of the vote. It is OCTA's job to deliver the plan. Anh-Tuan Le said freeways can be built but we are limited and times are changing and at sometime things need to be rethought; demand management and innovation services are going to be very important. Alice Rogan said there is no operations money in M1 or M2 for bus service and that reflects the will of the voters. Anh-Tuan Le said in spite of this he encouraged attention is paid to ARTIC and the Santa Ana Fixed Guideway; they will validate the need for regional transit.

James Kelly clarified the response to the Grand Jury Report on transit is OCTA is not going to implement because the recommendation is not warranted. Chairman David Sundstrom said that is correct, also replies to the Grand Jury are very limited and responses are very restrictive.

Edgar Wylie said he attended the SR-57 Opening and he congratulated OCTA on the job they did.

James Kelly said if any of the new members can go on some of the tours OCTA puts on for projects they should take advantage because it offers a great behind the scenes look at transportation projects.

9. OCTA Staff Update

Alice Rogan announced the dedication ceremony for the final M1 program on the I-5 will be September 28, at 1:30 P.M. in Buena Park.

10. Public Comments

No one from the public spoke.

11. Adjournment

The meeting adjourned at 8:40 p.m. The next meeting of the Taxpayers Oversight Committee will be held in October 12, 2010.

Taxpayers Oversight Committee
Fiscal Year 2010-2011
Attendance Record

X = Present E = Excused Absence * = Absence Pending Approval U = Unexcused Absence -- = Resigned

Meeting Date	13-Jul	10-Aug	14-Sep	19-Oct	9-Nov	14-Dec	11-Jan	8-Feb	8-Mar	12-Apr	10-May	14-Jun
Richard Egan		X										
Diana Hardy		X										
James Kelly		X										
Anh-Tuan Le		X										
Howard Mirowitz		X										
Gregory Pate		*										
Tony Rouff		X										
John Stammen		X										
David Sundstrom		X										
Dowling Tsai		X										
Edgar Wylie		X										

Absences Pending Approval

Meeting Date	Name	Reason
August 10, 2010	Gregory Pate	Business trip

Action Items

Schedule 1

Measure M

Schedule of Revenues, Expenditures and Changes in Fund Balance

as of June 30, 2010

($ in thousands)	Quarter Ended June 30, 2010	Year to Date June 30, 2010 (A)	Period from Inception to June 30, 2010 (B)
Revenues:			
Sales taxes	$ 66,802	$ 221,855	$ 3,828,802
Other agencies share of Measure M costs			
Project related	15,399	23,607	406,789
Non-project related	-	-	613
Interest:			
Operating:			
Project related	11	38	1,052
Non-project related	3,564	12,183	256,233
Bond proceeds	-	-	136,067
Debt service	(474)	783	81,629
Commercial paper	-	-	6,072
Orange County bankruptcy recovery	-	-	42,268
Capital grants	-	1,955	158,248
Right-of-way leases	136	434	5,145
Proceeds on sale of assets held for resale	1,073	2,683	24,575
Miscellaneous:			
Project related	-	-	26
Non-project related	-	-	775
Total revenues	86,511	263,538	4,948,294
Expenditures:			
Supplies and services:			
State Board of Equalization (SBOE) fees	468	2,583	54,283
Professional services:			
Project related	4,899	11,698	189,252
Non-project related	1,398	2,833	32,147
Administration costs:			
Project related	398	1,661	19,408
Non-project related	3,104	6,744	83,808
Orange County bankruptcy loss	-	-	78,618
Other:			
Project related	225	296	1,528
Non-project related	51	220	15,734
Payments to local agencies:			
Turnback	10,319	31,689	562,445
Other	69,599	143,890	707,912
Capital outlay	21,163	51,956	2,016,727
Debt service:			
Principal payments on long-term debt	-	78,405	921,160
Interest on long-term debt and commercial paper	-	9,018	556,922
Total expenditures	111,624	340,993	5,239,944
Excess (deficiency) of revenues over (under) expenditures	(25,113)	(77,455)	(291,650)
Other financing sources (uses):			
Transfers out:			
Project related	-	(1,990)	(254,664)
Non-project related	-	-	(5,116)
Transfers in project related	-	-	1,829
Bond proceeds	-	-	1,169,999
Advance refunding escrow	-	-	(931)
Payment to refunded bond escrow agent	-	-	(152,930)
Total other financing sources (uses)	-	(1,990)	758,187
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	$ (25,113)	$ (79,445)	$ 466,537

See accompanying notes to Measure M Schedules

Schedule 2

Measure M
Schedule of Calculations of Net Tax Revenues and Net Bond Revenues (Debt Service)
as of June 30, 2010

($ in thousands)	Quarter Ended June 30, 2010 (actual)	Year Ended June 30, 2010 (actual)	Period from Inception through June 30, 2010 (actual)	Period from July 1, 2010 through March 31, 2011 (forecast)	Total
		(C.1)	*(D.1)*	*(E.1)*	*(F.1)*
Tax revenues:					
Sales taxes	$ 66,802	$ 221,855	$ 3,828,802	$ 161,974	$ 3,990,776
Other agencies share of Measure M costs	-	-	613	-	613
Operating interest	3,564	12,183	256,233	6,515	262,748
Orange County bankruptcy recovery	-	-	20,683	-	20,683
Miscellaneous, non-project related	-	-	775	-	775
Total tax revenues	70,366	234,038	4,107,106	168,489	4,275,595
Administrative expenditures:					
SBOE fees	468	2,583	54,283	1,506	55,789
Professional services, non-project related	1,398	2,832	23,286	1,592	24,878
Administration costs, non-project related	3,104	6,744	83,808	5,279	89,087
Operating transfer out, non-project related	-	-	5,116	-	5,116
Orange County bankruptcy loss	-	-	29,792	-	29,792
Other, non-project related	51	220	6,635	1,244	7,879
	5,021	12,379	202,920	9,621	212,541
Net tax revenues	$ 65,345	$ 221,659	$ 3,904,186	$ 158,868	$ 4,063,054
		(C.2)	*(D.2)*	*(E.2)*	*(F.2)*
Bond revenues:					
Proceeds from issuance of bonds	$ -	$ -	$ 1,169,999	$ -	$ 1,169,999
Interest revenue from bond proceeds	-	-	136,067	-	136,067
Interest revenue from debt service funds	(474)	783	81,629	3,593	85,222
Interest revenue from commercial paper	-	-	6,072	-	6,072
Orange County bankruptcy recovery	-	-	21,585	-	21,585
Total bond revenues	(474)	783	1,415,352	3,593	1,418,945
Financing expenditures and uses:					
Professional services, non-project related	-	1	8,861	-	8,861
Payment to refunded bond escrow	-	-	153,861	-	153,861
Bond debt principal	-	78,405	921,160	82,795	1,003,955
Bond debt interest expense	-	9,018	556,922	4,889	561,811
Orange County bankruptcy loss	-	-	48,826	-	48,826
Other, non-project related	-	-	9,099	-	9,099
Total financing expenditures and uses	-	87,424	1,698,729	87,684	1,786,413
Net bond revenues (debt service)	$ (474)	$ (86,641)	$ (283,377)	$ (84,091)	$ (367,468)

See accompanying notes to Measure M Schedules

Schedule 3

Measure M
Schedule of Revenues and Expenditures Summary
as of June 30, 2010

Project Description	Net Tax Revenues Program to date Actual	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures through June 30, 2010	Reimbursements through June 30, 2010	Net Project Cost	Percent of Budget Expended
(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)
($ in thousands)										
Freeways (43%)										
I-5 between I-405 (San Diego Fwy) and I-605 (San Gabriel Fwy)	$ 941,396	$ 979,701	$ 810,010	$ 800,650	$ 179,051	$ 9,360	$ 856,652	$ 85,525	$ 771,127	95.2%
I-5 between I-5/I-405 Interchange and San Clemente	65,885	68,566	57,836	59,936	8,630	(2,100)	70,294	10,358	59,936	103.6%
I-5/I-405 Interchange	83,623	87,026	72,802	73,075	13,951	(273)	98,157	25,082	73,075	100.4%
S.R. 55 (Costa Mesa Fwy) between I-5 and S.R. 91 (Riverside Fwy)	55,749	58,017	44,511	50,225	7,792	(5,714)	55,366	6,172	49,194	110.5%
S.R. 57 (Orange Fwy) between I-5 and Lambert Road	27,874	29,009	24,128	22,759	6,250	1,369	25,617	2,859	22,758	94.3%
S.R. 91 (Riverside Fwy) between Riverside Co. line & Los Angeles Co. line	120,367	125,265	116,136	105,389	19,876	10,747	123,995	18,606	105,389	90.7%
S.R. 22 (Garden Grove Fwy) between S.R. 55 and Valley View St.	383,907	399,529	303,297	302,934	96,595	363	617,917	313,385	304,532	100.4%
Subtotal Projects	1,678,801	1,747,113	1,428,720	1,414,968	332,145	13,752	1,847,998	461,987	1,386,011	
Net (Bond Revenue)/Debt Service			309,224	309,224	(309,224)	-	238,462		238,462	
Total Freeways	$ 1,678,801	$ 1,747,113	$ 1,737,944	$ 1,724,192	$ 22,921	$ 13,752	$ 2,086,460	$ 461,987	$ 1,624,473	
%				42.7%					47.3%	
Regional Street and Road Projects (11%)										
Smart Streets	$ 147,244	$ 153,235	$ 150,846	$ 150,846	$ 2,389	$ -	$ 174,772	$ 11,739	$ 163,033	108.1%
Regionally Significant Interchanges	85,892	89,387	89,387	89,387	-	-	64,530	146	64,384	72.0%
Intersection Improvement Program	122,703	127,696	127,696	127,696	-	-	89,527	214	89,313	69.9%
Traffic Signal Coordination	61,351	63,848	63,848	63,848	-	-	53,811	1,247	52,564	82.3%
Transportation Systems Management and Transportation Demand Management	12,270	12,770	12,770	12,770	-	-	7,740	149	7,591	59.4%
Subtotal Projects	429,460	446,936	444,547	444,547	2,389	-	390,380	13,495	376,885	
Net (Bond Revenue)/Debt Service			2,389	2,389	(2,389)	-	1,842		1,842	
Total Regional Street and Road Projects	$ 429,460	$ 446,936	$ 446,936	$ 446,936	$ -	$ -	$ 392,222	$ 13,495	$ 378,727	
%				11.1%					11.0%	

Measure M
Schedule of Revenues and Expenditures Summary
as of June 30, 2010

Project Description	Net Tax Revenues Program to date Actual	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures through June 30, 2010	Reimbursements through June 30, 2010	Net Project Cost	Percent of Budget Expended
(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)
($ in thousands)										
Local Street and Road Projects (21%)										
Master Plan of Arterial Highway Improvements	$ 152,270	$ 162,536	$ 162,536	$ 162,536	$ -	$ -	$ 108,200	$ 99	$ 108,101	66.5%
Streets and Roads Maintenance and Road Improvements	567,609	590,706	590,706	590,706	-	-	562,461	-	562,461	95.2%
Growth Management Area Improvements	100,000	100,000	100,000	100,000	-	-	82,704	431	82,273	82.3%
Subtotal Projects	819,879	853,242	853,242	853,242	-	-	753,365	530	752,835	
Net (Bond Revenue)/Debt Service							-		-	
Total Local Street and Road Projects	$ 819,879	$ 853,242	$ 853,242	$ 853,242	$ -	$ -	$ 753,365	$ 530	$ 752,835	
%				21.1%					21.9%	
Transit Projects (25%)										
Pacific Electric Right-of-Way	$ 18,891	$ 19,660	$ 15,000	$ 14,000	$ 5,660	$ 1,000	$ 16,721	$ 2,819	$ 13,902	92.7%
Commuter Rail	351,527	366,645	351,414	388,614	(21,969)	(37,200)	351,437	60,805	290,632	82.7%
High-Technology Advanced Rail Transit	428,201	445,625	427,113	410,688	34,937	16,425	210,384	21,263	189,121	44.3%
Elderly and Handicapped Fare Stabilization	20,000	20,000	20,000	20,000	-	-	19,000	-	19,000	95.0%
Transitways	157,427	163,833	146,381	126,606	37,227	19,775	162,651	36,765	125,886	86.0%
Subtotal Projects	976,046	1,015,763	959,908	959,908	55,855	-	760,193	121,652	638,541	
Net (Bond Revenue)/Debt Service			55,855	55,855	(55,855)	-	43,073		43,073	
Total Transit Projects	$ 976,046	$ 1,015,763	$ 1,015,763	$ 1,015,763	$ -	$ -	$ 803,266	$ 121,652	$ 681,614	
%				25.1%					19.8%	
Total Measure M Program	$ 3,904,186	$ 4,063,054	$ 4,053,885	$ 4,040,133	$ 22,921	$ 13,752	$ 4,035,313	$ 597,664	$ 3,437,649	

See accompanying notes to Measure M Schedules

OCTA

October 19, 2010

To: Taxpayers Oversight Committee

From: Annual Eligibility Review Subcommittee

Subject: Fiscal Year 2010-11 Measure M Annual Eligibility Review Recommendation

Overview

The Measure M Ordinance requires all local jurisdictions in Orange County to annually satisfy the requirements of the Measure M Growth Management Program eligibility in order to remain eligible for receiving Measure M turnback and competitive funds. The eligibility review process requirements of the Annual Eligibility Review Subcommittee for fiscal year 2010-11 have been completed.

Recommendation

Approve the Measure M Eligibility Capital Improvement Program Review and find all local jurisdictions eligible to receive turnback and competitive funding for fiscal year 2010-11.

Background

To maintain eligibility to receive Measure M funds each fiscal year, all local jurisdictions are required to submit eligibility packages which include a seven-year Capital Improvement Program (CIP) and a Maintenance of Effort (MOE) certification to the Orange County Transportation Authority (OCTA) on an annual basis. Some jurisdictions, based on an alternating year schedule, are required to submit a Pavement Management Plan (PMP) update that is consistent with the countywide pavement condition assessment standards as set forth in the Arterial Highway Rehabilitation Program (AHRP).

The Taxpayers Oversight Committee (TOC) is responsible for reviewing and approving the jurisdictions' CIP for eligible use of Measure M revenues. The Technical Advisory Committee (TAC) is responsible for approving the MOE

and PMP. The determinations of both of these committees are forwarded to the OCTA Board of Directors for final eligibility determination.

The TAC, comprised of Public Works Directors and representatives from the local agencies, reviewed and approved the MOE certifications for all jurisdictions and PMP's for cities included in this year's staggered review on September 22, 2010. The cities that submitted updated PMP data during this eligibility cycle include: Aliso Viejo, Buena Park, Costa Mesa, County, Fountain Valley, Fullerton, Huntington Beach, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, La Palma, Mission Viejo, Orange, Placentia, Rancho Santa Margarita, Santa Ana, Seal Beach, Villa Park, Westminster, and Yorba Linda.

Discussion

The TOC designated the Annual Eligibility Review (AER) Subcommittee to review the CIP eligibility submittals with support from OCTA staff. The fiscal year (FY) 2010-11 AER Subcommittee members are:

- Ed Wylie (Chair)
- Diana Hardy
- Ahn-Tuan Le
- Tony Rouff
- John Stammen
- Dowling Tsai

OCTA staff reviewed the submittals to ensure each eligibility package was complete and accurate and worked with the local jurisdictions to obtain additional information and/or backup materials as needed. Over 360 Measure M projects were included in the CIP's submitted by the local jurisdictions and reviewed by the AER Subcommittee. Consistent with the Measure M Ordinance, the Subcommittee's review is to ensure the proposed projects are eligible transportation projects as described by Article XIX. All projects proposed for funding were ultimately determined as eligible.

Based upon feedback received during this and previous cycles, the AER Subcommittee suggests that local jurisdictions continue to consider the following when compiling CIPs:

- Provide clear and concise description within the confines of the software
- Consider unit cost when determining the project cost estimate

  - It was noted that project costs in outer years did not provide an accurate estimate. Unit costs should be reviewed for accuracy to ensure that funds are expended efficiently.
- Be prepared to provide additional project description materials during the review process

OCTA staff will present a final recommendation of eligibility to the Highways Committee on November 1, 2010 and to the OCTA Board of Directors on November 8, 2010.

Summary

All local jurisdictions in Orange County have submitted FY 2010-11 Measure M Growth Management Program eligibility packages. The Annual Eligibility Review Subcommittee reviewed the necessary Capital Improvement Program documentation and all local jurisdictions meet the eligibility requirements for fiscal year 2010-11. Separately, the Technical Advisory Committee reviewed the necessary documentation for the Maintenance of Effort and Pavement Management Plan documentation and all local jurisdictions meet the eligibility requirements for fiscal year 2010-11.

Presentation Items

OCTA

BOARD COMMITTEE TRANSMITTAL

September 13, 2010

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: Metrolink Service Expansion Program and Rail-Highway Grade Crossing Safety Enhancement Program Update and Service Initiation

Transit Committee Meeting of September 9, 2010

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

Committee Vote

This item was passed by all Committee Members present.

Director Pulido was not present to vote on this item.

Committee Recommendations

A. Approve the revised schedule for the Metrolink Service Expansion Program and Rail-Highway Grade Crossing Safety Enhancement Program to support additional train service between the Fullerton Transportation Center and the Laguna Niguel/Mission Viejo Metrolink Station.

B. Direct staff to develop a service initiation plan for the commencement of additional Metrolink service in spring 2010.

OCTA

September 9, 2010

To: Transit Committee

From: Will Kempton, Chief Executive Officer

Subject: Metrolink Service Expansion Program and Rail-Highway Grade Crossing Safety Enhancement Program Update and Service Initiation

Overview

In November 2005, the Orange County Transportation Authority adopted the Metrolink Service Expansion Program to operate additional train service between the Fullerton Transportation Center and Laguna Niguel/Mission Viejo Metrolink Station. The adopted program included rail infrastructure improvements required to operate the service. The Board of Directors approved service plan calls for service to commence in fall 2010. The Rail-Highway Grade Crossing Safety Enhancement Program is being constructed concurrently with the Metrolink Service Expansion Program under one Southern California Regional Rail Authority contract. This report provides a status update of both programs and seeks approval to develop a modified service plan for the Metrolink Service Expansion Program.

Recommendations

A. Approve the revised schedule for the Metrolink Service Expansion Program and Rail-Highway Grade Crossing Safety Enhancement Program to support additional train service between the Fullerton Transportation Center and the Laguna Niguel/Mission Viejo Metrolink Station.

B. Direct staff to develop a service initiation plan for the commencement of additional Metrolink service in spring 2010.

Background

The Orange County Transportation Authority (OCTA) is currently underway with the largest rail expansion and grade crossing safety enhancement programs ever undertaken in Orange County. On November 14, 2005, the

OCTA Board of Directors (Board) adopted the Metrolink Service Expansion Program (MSEP) which authorized increased Metrolink service between the Fullerton Transportation Center and Laguna Niguel/Mission Viejo Metrolink Station. The adopted MSEP included rail infrastructure improvements necessary to support the service. On August 27, 2007, the Board approved the implementation strategy for the comprehensive Rail-Highway Grade Crossing Safety Enhancement (OCX) Program for 52 grade crossings, including additional improvements necessary to meet Federal Railroad Administration standards for quiet zones. OCTA and the Southern California Regional Rail Authority (SCRRA) entered into a cooperative agreement to proceed with the design and construction of the rail infrastructure improvements necessary to support the implementation of the MSEP.

Discussion

In April 2010, OCTA staff, in coordination with SCRRA, presented a construction update to the Board on the MSEP and OCX Program. The report highlighted updated program completion dates. The completion date for these programs had slipped approximately one year primarily due to a procurement protest and the shifting of Proposition 116 funds to the programs. While this was not desirable, the delay related to the shifting of Proposition 116 funds to the programs resulted in a savings of over $30 million in Measure M funds.

Since that update, there have been additional delays to the programs. OCTA received a letter from SCRRA, dated June 10, 2010, stating that SCRRA had experienced several incidents on the Metrolink system, some of which resulted in multiple safety stand-downs (a period of reinforcement and training of safety rules and regulations) imposed either by Metrolink or the involved contractor (Attachment A). These stand-downs have affected the progress of overall program completion dates. Specifically, the original in-service date for OCX Group 1 (City of Orange on the Orange Subdivision) was delayed from the end of August to September 30, 2010. This delay pushes back the in-service date for the four subsequent groups as well.

One approach that was considered to recover the delays in the OCX schedule included providing additional crews for the signal installation component of the program. However, the contractor has had difficulty securing qualified workers which would provide additional crews to perform complex signal installation tasks. In order to offset some of these delays and to deliver the OCX Program as early as possible, OCTA and SCRRA staff developed a new schedule which shifts signal crews off of the MSEP to help support the completion of the OCX Program. In doing so, completion of the MSEP infrastructure necessary

for implementation of new service would be deferred from August 2010 until March 2011. This schedule also takes into account a separate delay associated with work being performed by the Burlington Northern Santa Fe (BNSF) Railway, which owns the railroad north of the Fullerton junction. The BNSF Railway was scheduled to complete its signal relocation at Fullerton in May 2010. This work must be completed before SCRRA's contractor can complete the Fullerton turnback facility. However, the work has taken longer than anticipated and the BNSF signal cutover is now scheduled for September 12 to 13, 2010. This four-month schedule delay was also considered when the revised construction schedule was developed.

In order to best serve the needs of both programs and ensure timely and coordinated completion, SCRRA has been directed to move crews currently working on MSEP to focus primarily on the OCX Program. This will enable the OCX Program to proceed in an efficient and sequential manner as well as maintain a schedule that allows the eight participating cities to apply for quiet zones as soon as possible.

The MSEP service initiation was anticipated to occur in fall 2010 commensurate with the completion of the necessary infrastructure improvements to operate the service. Due to the construction schedule delays, staff is recommending that the MSEP service initiation be delayed until spring 2011 to align with the completion of the infrastructure improvements. This will also provide staff with additional time to further refine the service plan and determine the optimal number of trains and schedule to be included in the service initiation. Staff will return to the Board with a report and recommendation on the final service initiation plan.

Summary

This report provides an update on the MSEP and OCX Program construction schedule and requests approval to commence MSEP service in spring 2011. As a result of various delays related to the accommodation of programming Proposition 116 funds, contract protests, safety violations, and contractor schedule slippage, the overall completion dates for the programs have slipped, necessitating a delay to the MSEP service initiation to spring 2010.

Attachment

A. Letter from Gray Crary, Chief, SCRRA Capital Planning and Program Management to Darrell Johnson, Deputy Chief Executive Officer, OCTA, Dated June 10, 2010

Prepared by:

Jennifer Bergener
Director, Rail Programs
(714) 560-5462

Approved by:

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

ATTACHMENT A

METROLINK.

Southern California Regional Rail Authority

June 10, 2010

Mr. Darrell Johnson
Deputy Chief Executive Officer
Orange County Transportation Authority
550 South Main Street
Orange, CA 92863

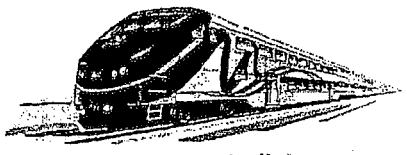
Dear Mr. Johnson;

At Metrolink, we're building a culture where safety is foundational and where everything we do demonstrates an appreciation for life. We have a total commitment and responsibility to foster and maintain a safe environment for the public as well as for our staff, contractors, vendors and consultants. On April 22nd, Metrolink staff reported to the OCTA Transit Committee several completion dates related to the Metrolink Service Expansion Program (MSEP) and the Orange County Grade Crossing Improvements Program (OCX). Staff outlined steps the project team was taking to recover schedule slippage caused by attempts to accommodate the use of Proposition 116 funds and procurement delays in railroad signal material.

Since then, we have experienced several incidents within the Metrolink System (mostly related to the MSEP and OCX) that have caused Metrolink serious concern. We are actively engaged with our various contractors, vendors and consultants to re-examine the enforcement of our safety rules and procedures. To address these safety sensitive incidents Metrolink has restricted work on the MSEP and OCX until thorough root cause analyses can be performed for each incident until we are convinced these recent events are not indicative of a more serious trend. We have limited the number of locations our civil contractors can work and we are limiting the number of hours our signal contractor, Mass Electric, can work. This restriction will affect the MSEP and OCX project completion schedules.

Some of these recent incidents resulted in multiple safety "stand-downs" (a period of reinforcement and training of safety rules and regulations) imposed either by Metrolink or the involved contractor. These stand-downs have affected the progress of our overall program completion dates.

At the Transit Committee meeting, Metrolink staff also reported the OCX Group 1 crossings (located on the Orange Subdivision within the City of Orange) would be in service by August 2010. With the various safety standowns and restrictions the Group 1 crossings should now be in-service by the end of September 2010.



METROLINK.

Southern California Regional Rail Authority

One major risk element to the completion schedule of the MSEP's Fullerton Turnback Facility is BNSF's signal relocation work just east of the Fullerton Station area. The project team has worked with the BNSF in order to perform signal relocation work required by the proposed MSEP infrastructure. Recently, BNSF reported their completion timeframe to be the end of May 2010. As a result, Metrolink staff reported the completion date of the Fullerton Turnback Facility was projected to be in August 2010. However, just this week, BNSF reported their schedule had slipped a few months because of material delivery issues. They are now reporting their completion date should occur by the end of July 2010. Should BNSF complete their work by the end of July, our contractors may be able to complete the Turnback Facility by the middle of October. This would allow Metrolink to run your requested additional train service that same month. Any slip in the BNSF schedule will further delay the completion date which would mean postponing the new service rollout.

Due to schedule uncertainty and because this effort requires the commitment of so many stakeholders for a successful launch, we recommend postponing the new service start date.

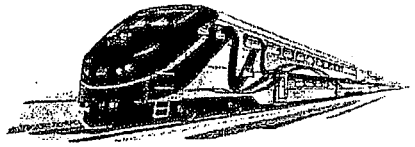
The Metrolink project team will be able to better determine the final project completion schedule within 30 days. Should you have questions or comments or need further explanation please don't hesitate to contact me.

Sincerely,

Gray Crary

Chief, Capital Planning & Program Management

cc John E. Fenton CEO - Metrolink



OCTA

BOARD COMMITTEE TRANSMITTAL

September 27, 2010

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: Measure M2 Freeway Environmental Mitigation Program Draft Restoration Funding Guidelines and Restoration Projects

Transportation 2020 Committee Meeting of September 20, 2010

Present: Directors Brown, Buffa, Cavecche, Pringle, and Pulido
Absent: Directors Amante, Campbell, and Dixon

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

A. Approve the Measure M2 Environmental Mitigation Program Draft Restoration Funding Guidelines.

B. Approve the six primary and three secondary (contingency) restoration projects for funding taking into consideration the recommendations of the Environmental Oversight Committee as presented in this report.

C. Authorize the Chief Executive Officer, or his designee, to negotiate and execute grant agreements consistent with the funding amounts and restoration funding guidelines.

Committee Discussion

The Chairman inquired whether all of the proposed restoration projects were in a conservation reserve owned by a city or a non-profit conservation lands entity. Staff was asked to check into the ownership status of the Big Bend restoration project proposed by the City of Laguna Beach.

The City of Laguna Beach owns the entire 4.5 acres proposed Big Bend restoration area and several hundred acres of open space immediately adjacent to the project area. They purchased the 4.5 acre parcel with open space funds approximately ten years ago. The proposed restoration area provides a crucial wildlife corridor, and it is the only wildlife corridor not obstructed by development in that area.

OCTA

September 20, 2010

To: Transportation 2020 Committee

From: Will Kempton, Chief Executive Officer

Subject: Measure M2 Freeway Environmental Mitigation Program Draft Restoration Funding Guidelines and Restoration Projects

Overview

Measure M2 provides funding for programmatic mitigation to off-set impacts of Measure M2 freeway projects. This program includes both acquisition and restoration projects. Draft restoration funding guidelines which outline the monitoring and reporting requirements throughout the restoration process have been prepared. A program of projects for restoration funding has been identified based on Board of Directors-approved biological and non-biological criteria and are recommended for approval.

Recommendations

A. Approve the Measure M2 Environmental Mitigation Program Draft Restoration Funding Guidelines.

B. Approve the six primary and three secondary (contingency) restoration projects for funding taking into consideration the recommendations of the Environmental Oversight Committee as presented in this report.

C. Authorize the Chief Executive Officer, or his designee, to negotiate and execute grant agreements consistent with the funding amounts and restoration funding guidelines.

Background

Measure M2 (M2) includes a Freeway Environmental Mitigation Program (Mitigation Program), which provides mitigation for the 13 M2 freeway projects. The Mitigation Program is designed to streamline the permit process through partnerships with the California Department of Transportation (Caltrans), the California Department of Fish and Game (CDFG), and the United States Fish and Wildlife Service (USFWS).

In early 2010, staff from the Orange County Transportation Authority (OCTA), Caltrans, CDFG, and USFWS completed the preliminary evaluation of properties available for restoration based on the biological criteria using the Board of Directors (Board)-approved acquisition, restoration, and management criteria. There were 25 total restoration proposals, including those within core habitat areas. The evaluation of these restoration projects resulted in four hierarchical groups which were presented to the Board in May 2010.

In anticipation of the monitoring and reporting requirements that will be needed to ensure success of the restoration projects, staff developed restoration funding guidelines which outline the expectations of OCTA, CDFG, and USFWS for the funding of restoration projects.

With an allocation goal of 80 percent of funds for acquisition and 20 percent for restoration over the life of the freeway mitigation program, the first tranche of funding will yield approximately $5.5 million towards restoration projects.

Discussion

The draft restoration funding guidelines outline the mitigation requirements for restoration including success criteria, species protection, restoration site preparation, maintenance and monitoring, and status reporting and documentation. Restoration project sponsors must submit a restoration plan to OCTA for review and approval prior to being granted funding and commencing restoration activities. Staff has presented the draft restoration funding guidelines to the members of the Environmental Oversight Committee (EOC) and has received feedback. The draft restoration funding guidelines are included in Attachment A.

Following the May 24, 2010 Board approval of the list of restoration projects, staff worked with Caltrans, CDFG, and USFWS to identify restoration projects that best fit the needs of the Mitigation Program. Of the 11 restoration projects from Groups 1 and 2, six primary restoration projects are recommended for funding, with four projects from Group 1 and two from Group 2. It is recommended that three additional projects (two from Group 1 and one from Group 2) be included as contingency projects, should any of the six primary projects fall out of the process. Each project in the contingency group has a restoration cost similar to that of at least one of the primary group projects to facilitate comparable replacement, if necessary, without the need for additional funds.

The following were factors based on discussions with CDFG and USFWS in evaluating the restoration projects:

- The biological benefits of the restoration projects can be tied back to the 13 M2 freeway project impacts.

- Benefits to watersheds were considered to satisfy the needs of the Regional Water Quality Control Boards (Santa Ana and San Diego) and the Army Corps of Engineers permitting requirements.

- The recommended restoration projects will be "shovel ready" by spring 2011. This timeline aligns with the anticipated availability of the first tranche of funding.

- Since the project sponsors requested more funds than what is available in the first tranche, staff has worked with CDFG and USFWS to determine the appropriate amount of funding for each project. Staff then communicated with the project sponsors regarding the proposed funding amount.

The other restoration projects were not recommended for one or more of the following reasons: the project will not be ready to commence by spring 2011, the project scope is not clearly defined, the project requires further planning development and engineering, and/or the proposed restoration components are not considered as high priority as those of the primary group.

The tables below show the primary and secondary groups of restoration projects recommended for funding, as well as the biological justifications and the proposed restoration cost for each project. The EOC supports funding the six primary and three secondary (contingency) restoration projects. On September 1, 2010, the EOC recommended the Transportation 2020 Committee and the Board "remain open to creative solutions to maximize funding of acquisition opportunities without compromising the commitment to the restoration projects." Attachment B includes the restoration map depicting the Group 1 and 2 project locations.

Table 1: Primary Funding Group

Restoration Project	Geographic Area/ Sponsors	Biological Justification		Proposed Cost	
		Watershed	Habitats		
City Parcel (aka Shea Restoration)	San Juan Capistrano	San Juan Creek	riparian, upland coastal sage scrub (CSS), oak woodland, and native grassland	$1,500,000	Group 1 Projects
Fairview Park	Costa Mesa	Talbert Channel/ Greenville Banning	wetlands, native grassland, CSS, willow scrub, oak woodland	$2,000,000	
Irvine Ranch Conservancy (Agua Chinon and Bee Flat Canyon)	Irvine / Irvine Ranch Conservancy	San Diego Creek	chaparral, CSS, coast live oak/sycamore, oak woodland, native grassland, and riparian	$1,450,000	
UCI Ecological Reserve	Irvine / Nature Reserve of Orange County	San Diego Creek	cactus scrub	$325,000	
Big Bend	Laguna Beach	Laguna Canyon Channel	upland CSS, riparian woodland	$87,500	Group 2 Projects
Imperial Highway/SR-91 Proposal (Pelanconi Park)	Anaheim	Santa Ana River	riparian sycamore/willow, upland native plant communities	$100,000	
			Total for Primary Group	$5,462,500	

Table 2: Secondary Funding Group (Contingency)

Restoration Project	Geographic Area/ Sponsors	Biological Justification		Proposed Cost	
		Watershed	Habitats		
Chino Hills State Park	Chino Hills State Park	Lower Santa Ana River	CSS, cactus scrub, sycamore/willow riparian	$2,000,000	Group 1 Projects
Irvine Ranch Conservancy (Agua Chinon and Loma Ridge)	Irvine / Irvine Ranch Conservancy	Santa Ana River	CSS, oak woodland, native grassland, riparian	$1,500,000	
Upper Buck Gully	Newport Beach	Los Trancos/ Muddy Creek	CSS, riparian corridor	$350,000	Group 2 Projects

Next Steps

Upon approval of the draft requisition funding guidelines and the program of restoration projects proposed for funding, staff will move forward with the restoration process by requesting restoration plans from project sponsors in the primary funding group. Prior to the issuance of funds, project sponsors will be required to provide a complete restoration plan per the restoration funding guidelines that will be reviewed and approved by OCTA, CDFG, and USFWS. Upon approval by the Board, staff will negotiate and execute grant agreements consistent with the funding amounts and restoration funding guidelines. The project sponsors in the primary funding group will be expected to complete the restoration plan and the grants agreement by spring 2011. If any of the project sponsors fail to complete these documents by the prescribed timeframe, the projects in the secondary funding or contingency group will be used to backfill the primary funding group accordingly.

Summary

Draft restoration funding guidelines have been prepared which outline the requirements of restoration project sponsors throughout the restoration process. In coordination with Caltrans, USFWS, and CDFG, staff has identified six primary and three secondary (or contingency) restoration projects for funding. Based on biological and non-biological criteria, the projects recommended for funding possess the most cost-effective means to offset impacts for the M2 freeway program.

Attachments

A. Draft Measure M2 Environmental Mitigation Program Restoration Funding Guidelines
B. Restoration Projects Map

Prepared by:

Charles Harwood For

Dan Phu
Section Manager, Project Development
(714) 560-5907

Approved by:

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

ATTACHMENT A

DRAFT

Measure M2
Environmental Mitigation Program
Restoration Funding Guidelines

September 20, 2010

1 INTRODUCTION & BACKGROUND

1.1 INTRODUCTION

The Orange County Transportation Authority's (OCTA) Mitigation and Resource Protection Program (Mitigation Program) provides for allocation of at least five percent of the total Renewed Measure M (M2) freeway budget for comprehensive environmental mitigation for the impacts from freeway improvements.

The Mitigation Program was approved by Orange County voters under the M2 half-cent sales tax for transportation improvements in 2006. In August 2007, the OCTA Board of Directors (Board) approved a five-year M2 Early Action Plan, covering the years 2007 to 2012, to advance the implementation of key M2 projects, including the freeway mitigation program. The mitigation program will be implemented under a master agreement between OCTA, Caltrans, and state and federal resources agencies.

This will offer higher-value environmental benefits such as habitat protection, connectivity and resource preservation in exchange for streamlined project approvals for the 13 M2 freeway projects. The Environmental Oversight Committee (EOC), subcommittee created by the OCTA Board of Directors (Board), is responsible for making recommendations to the Board on matters related to the Mitigation Program, including the Master Agreement. Comprised of 12 members, the EOC has been meeting on a monthly basis since November 2007. In March 2009, the EOC and the Board approved the draft Master Agreement and draft Planning Agreement to establish the process, roles, responsibilities and commitments for the preparation of the Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP). The Master Agreement and Planning Agreement were approved by the Board in November 2009. The NCCP/HCP process examines habitat resources within broad geographic areas and identifies conservation and mitigation measures to protect habitat and species. This process could take 18 to 24 months to complete. However, the Master Agreement includes an "advance credit" provision that could allow funds to be allocated prior to completion of the NCCP/HCP.

1.2 RESTORATION PROJECT FUNDING

The M2 Mitigation Program will provide approximately $27.5 million for acquisition and restoration projects for the first tranche of funding, available beginning in Fiscal Year 2009/10. With a current allocation goal of 80 percent of funds for acquisition and 20 percent for restoration over the life of the freeway mitigation program, the first tranche of funding will yield approximately $5.5 million towards restoration projects.

The second tranche of funding is approximately $25 million for acquisition and restoration and is expected to be available during Fiscal Year 2011/12. Future tranches of funding have yet to be determined beyond the second tranche.

The Project Sponsor shall disclose in the Restoration Plan any and all other funding sources which have been utilized for current maintenance and/or will be used for the restoration of the proposed project.

1.3 SUMMARY OF OVERALL PROJECT

In conjunction with Caltrans, California Department of Fish and Game (CDFG), and United States Fish and Wildlife Service (USFWS), all restoration proposals have been evaluated based on biological merits. There were 25 restoration proposal submittals during the first tranche of funding, including those within core habitat areas. The evaluation of these restoration properties resulted in four hierarchical groups with the following characteristics:

Group 1	typically possess the highest potential to support similar vegetative communities lost to freeway projects, restore habitat for species that are considered sensitive, and provide connectivity/contiguity opportunities
Group 2	typically possess good potential to support similar vegetative communities lost to freeway projects, restore habitat for species that are considered sensitive, and provide connectivity/contiguity opportunities
Group 3	generally possess lower potential to support similar vegetative communities lost to freeway projects, fewer sensitive species, and fewer connectivity/contiguity opportunities
Group 4	generally possess very low potential to support vegetative communities lost to freeway projects, very few species considered sensitive, and very low connectivity/contiguity opportunities

See Attachment—Preliminary Results Restoration Proposals: Biological Factors

Through preliminary discussions with CDFG and USFWS (Wildlife Agencies), restoration proposals within the first two groups (11 total proposals) possess the necessary biological value that would enable OCTA to obtain mitigation credits for the M2 freeway projects.

1.4 GOALS AND OBJECTIVES OF THE NCCP

The M2 Mitigation Program has the potential to minimize or reduce regulatory delays in the implementation of the 13 M2 freeway improvement projects. The specific type of mitigation will be determined by OCTA working in conjunction with various stakeholders. The various forms of mitigation may include acquisition and/or restoration of land for conservation.

OCTA is developing a NCCP/HCP Joint Programmatic Environmental Impact Report/Environmental Impact Statement (EIR/EIS), which is to include a Master Streambed Alteration Agreement (MSAA) for the 13 freeway improvement projects under M2.

The EIR/EIS/MSAA will be prepared to ensure that the following planning goals are met:

- Conservation and management of covered species within the planning area;
- The preservation, restoration and enhancement of aquatic, riparian and terrestrial natural communities and ecosystems that support covered species within the planning area;
- A means to implement Covered Activities in a manner that complies with applicable state and federal fish and wildlife protection laws and other environmental laws, inclusive of the California and Federal Endangered Species Acts (CESA and ESA), the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA);
- A basis for permits necessary to lawfully take covered species;
- A comprehensive means to coordinate and standardize mitigation and compensation requirements for covered activities within the planning area;
- An accounting process that will document net environmental benefit from regional, programmatic mitigation in exchange for net benefit in the delivery of transportation improvements through streamlined and timely approvals an permitting;
- A less costly, more efficient project review process that results in greater conservation values than project-by-project, species-by-species review; and
- Clear expectations and regulatory assurances regarding covered activities occurring within the planning area.

2 RESTORATION PLAN OVERVIEW

The Project Sponsor(s) shall submit a Restoration Plan to OCTA for review and written approval at least 30 days prior to commencing restoration activities. Plans shall be prepared by persons with expertise in restoration and monitoring of Southern California ecosystems. Restoration plans shall include the following elements:

- Land ownership/land management
- Property Analysis Record
- Restoration strategy
- Goals and objectives
- Success criteria
- Site assessment
- Planting plan
- Source materials
- Species protection
- Site preparation and installation
- Maintenance program
- Monitoring program
- Contingency measures
- Reporting and documentation

2.1 LAND OWNERSHIP AND LAND MANAGEMENT

The Project Sponsor(s) shall provide a description of the land ownership status including the name and address of the land owner(s), the total acreage of the property, the proposed restoration acreage. Where the property is managed by a different entity than the land owner, the Project Sponsor(s) shall include the name, address, and organizational status (e.g., private company, non-profit organization) of the land management entity, including years of experience managing habitat lands and/or conducting habitat restoration.

The protection status of the land shall also be provided including any documentation indicating the project sponsor has permission to restore habitat with the appropriate conservation easement or deed restrictions (see Section 7.1).

2.2 PROPERTY ANALYSIS RECORD

The Property Analysis Record (PAR), developed by The Center for Natural Lands Management (http://cnlm.org/), is a tool to allow land managers identify long-term land management tasks and associated costs, including site monitoring, maintenance, and administrative fees. Assigning realistic costs allows establishment of an estimate of the level of effort required to successfully complete and maintain the restoration. Prior to project funding, the Project Sponsor(s) shall prepare a site-specific PAR, or PAR-like equivalent analysis, for review and approval by OCTA and the Wildlife Agencies.

2.3 RESTORATION STRATEGY

The Project Sponsor(s) shall provide a description of the restoration strategy or strategies to be used for the proposed project. Restoration strategies include habitat enhancement, restoration, or creation, and can be defined as follows:

- *Enhancement* refers to improving the functions and values of existing (but marginal or degraded habitat) to benefit species and/or landscape integrity or connectivity. Enhancement typically does not result in a net gain in habitat acres, but has a high potential for success.
- *Restoration* focuses on re-establishing or rehabilitating former or degraded habitat so that it is capable of supporting native species and/or landscape functions. Restoration may or may not result in a net gain in habitat acres.
- *Creation* creates habitat where none currently exists, and often involves site manipulations such as grading. Creation may result in a net gain in one or more types of habitat acres, but may have a lower potential for success than enhancement or restoration. Creation also has the potential to impact existing habitats.

Although all strategies will have similar goals of improving the structure, composition, and overall function of the system, they will vary in methods, cost,

potential for success, and possibly, maintenance and monitoring requirements. In the following sections, these strategies are referred to collectively as 'restoration.'

2.4 GOALS AND OBJECTIVES

The Project Sponsor(s) shall identify specific goals and objectives for the proposed project. Establishing goals and objectives is an essential component of any restoration effort. Goals and objectives provide a framework against which to measure the overall success of the project and ensure that implementation and monitoring is sufficiently tailored to assess project progress. Goals and objectives should be clear, understandable, measurable, feasible, and sufficiently detailed to avoid interpretation regarding the intent of the project. Goals focus on overall project results, while objectives list the steps or tasks that will be used to attain the goal(s). An example of an appropriate project-specific restoration goal with objectives might be:

- Goal: Improve habitat quality for riparian birds by increasing native plant species diversity, density, and structure within XX feet (acres) of a streambed channel.
    - Objective 1: Remove XX acres of fill within the restoration area to improve hydrological flows (specify timeframe)
    - Objective 2: Remove XX acres of the non-native, invasive Pampas grass (*Cortaderia selloana)* within the restoration area (specify timeframe)
    - Objective 3: Plant XX acres of willows, cottonwoods, and sycamores within the restoration area at a density of XX trees per acre (specify timeframe)

2.5 SUCCESS CRITERIA

The Project Sponsor(s) shall identify appropriate success criteria prior to project implementation. Success criteria provide a standard by which to (1) measure the progress of the restoration effort and (2) allow for remedial actions or adaptive management if milestones are not achieved. Criteria should evaluate specific attributes of the target habitat or ecosystem that are tied to ecological functioning *and* linked to the project-specific goals and objectives. In addition, species responses to habitat improvements will also be evaluated, where appropriate.

General and selected habitat-specific criteria are provided in Sections 2.5.1 and 2.5.2, below. However, OCTA recognizes that there may be instances where site conditions and/or operational or ecological parameters preclude attainment of these success criteria. Therefore, the Project Sponsor(s) may establish alternative site-specific success criteria based on historic and/or existing conditions at reference sites on or near the restoration site(s). In these cases, proposed alternative success criteria must be scientifically defensible and supported by scientific evidence, including but not limited to published reports or papers, quantitative field studies, or long-term monitoring data that is relevant to the proposed effort. Documentation to

support alternative success criteria must be included in the Restoration Plan and will be subject to approval by OCTA.

2.5.1 General Success Criteria

Success criteria are often defined in terms of percent cover by native and non-native species and species diversity within restored habitat. For restoration projects that involve planting trees, the survival rate of individual trees is also a success criterion. Habitat-specific success criteria are included below. If survival and/or cover requirements have not been met, the Project Sponsor(s) shall be responsible for replacement plantings or additional weed control efforts to achieve these results. Replacement plantings shall be subject to the same survival, growth, and monitoring requirements as initial plantings, and the monitoring period shall begin *after* re-planting. Irrigation shall stop two years prior to achieving the success criteria.

2.5.2 Habitat-specific Success Criteria

Oak, Walnut and Sycamore Woodlands Orange County supports a variety of oak, walnut, and sycamore woodlands, and these habitats may be included in restoration projects. The monitoring period for oak and walnut restoration will be a minimum of 10 years, and the monitoring period for sycamore restoration will be a minimum of 5 years. For these and other tree-dominated woodlands, the following success criteria shall be used.

Restoration plantings shall attain a minimum of 80% survival the first year, 95% the second year, and 100% survival thereafter. By the end of the monitoring period, cover by non-native species will be less than 5%, and none of the non-native invasive species identified in Section 2.10.3 will be present within the restoration site. Because non-native annual grasses have become naturalized in upland environments in Southern California, the performance criteria for non-native annual grasses will be less than 10% cover at the end of the monitoring period.

All tree plantings should achieve measurable annual growth in height and trunk girth and no loss of the primary growth leader. Loss of the primary growth leader shall require tree replacement if this occurs in years 1-3. Replacement plantings shall be subject to the same survival, growth, and monitoring requirements as initial plantings, and the monitoring period shall begin *after* re-planting (e.g., 5 years after replanting for sycamores, 10 years for oaks and walnuts).

The planting plan for woodlands (Section 2.6.1) should specify the targeted planting density. Surviving trees should be well-distributed spatially across the planting area and any area greater than 400 square feet lacking surviving trees with measurable growth in years 1-3 shall receive replacement plantings. The maintenance and monitoring period shall be extended an additional 5 years *after* replacement plantings for sycamores, and 10 years for oaks and walnuts.

If survival and/or cover requirements have not been met, the Project Sponsor(s) shall be responsible for replacement plantings to achieve these results. Replacement plants shall be monitored with the same survival and growth requirements for 5 years after replacement planting for sycamores and 10 years after replacement planting for oaks and walnuts. Irrigation shall be stopped two years prior to achieving the success criteria (minimum of 5 years prior to achieving the success criteria for oak and walnut restoration sites).

Willow Woodland and Riparian Scrub Restoration plantings shall attain a minimum of 75% native cover after 3 years and 90% cover after 5 years with less than 5% cover by non-native species and 0% cover by non-native invasives. The site shall have 90% of the species diversity of a nearby reference site.

Coastal Sage Scrub Restoration plantings shall attain 50% native shrub cover after 3 years, and 75% native shrub cover after 5 years, with less than 5% cover by non-native species (except annual grassland, which will have less than 10% cover), and 0% cover by non-native invasives. The site shall have 90% of the species diversity of a nearby reference site.

Native Grasslands If the proposed restoration site will include native grasslands, success criteria should be proposed by the Project Sponsor in the Restoration Plan for concurrence by OCTA and the Wildlife Agencies.

Open Water and Emergent Wetland If the proposed restoration site will include open water and/or emergent wetlands, success criteria should be proposed by the Project Sponsor in the Restoration Plan for concurrence by OCTA and the Wildlife Agencies.

2.5.3 Species Success Criteria

Assessing species responses to habitat restoration will focus on demonstrating upward trends in presence, abundance, nesting/breeding activity, and/or diversity of selected target species or groups of species (e.g., riparian birds). Target species selection shall focus on species that are indicators of habitat conditions, and may include covered species (as appropriate) and/or non-sensitive common species.

2.6 SITE ASSESSMENT

A site assessment shall be conducted to (1) identify the basic opportunities and constraints for successful restoration and (2) establish existing or baseline conditions *prior* to initiation of restoration activities. The latter will allow for a comparison of pre- and post-restoration conditions and thus, a measure of the overall success of the restoration effort. The assessment of baseline conditions may assist in establishing realistic success criteria.

In many cases, existing data will be available for use in completing all or a portion of this assessment. It is anticipated that the site assessment will utilize a combination

of existing data and surveys, including (but not limited to) technical reports, plant and animal surveys, vegetation and species mapping, field sampling, aerial photography, photos of existing conditions, and historic records. At a minimum, the site assessment shall document:

- Existing and historic habitat conditions on the restoration site(s)
- Sensitive species mapping (distribution) on or near the restoration site(s)
- Invasive species mapping (abundance and distribution) on the restoration site(s)
- Soil suitability, as appropriate to the specific restoration effort
- Topography
- Hydrology
- Reference sites for alternative success criteria (if applicable)

2.7 PLANTING PLAN

For those projects that propose to introduce plant materials into restoration sites, the Project Sponsor(s) shall include a detailed planting plan in the Restoration Plan. At a minimum, the planting plan shall include:

- Location (with map) of the restoration site(s)
- Schematic depicting the restoration site(s), including identification of suitable planting locations based on soils, aspect, and other site features
- Detailed irrigation plan (if applicable)
- Plant palette (list of all species proposed to be used in the restoration area)
- Size and number of container plantings or cuttings (by species) and amount of seed (by species)
- Planting density (including on-center spacing for each tree and shrub species)
- Planting methodology
- Planting schedule
- Plant protection methods (e.g., invasive species control, herbivory control)
- Photos of existing condition
- Videography (if possible) of existing condition

The following guidelines are provided for additional clarification on the planting plan.

2.7.1 Woodlands

Woodland habitats with multiple canopy layers shall include detailed plans for both the canopy (tree) layer and the associated understory layers (including early successional native species); all structural layers shall be monitored to ensure restoration of viable habitat, and all layers shall be subject to general or habitat-specific success criteria, as outlined sections 2.5.1 and 2.5.2.

2.7.2 Tree Relocation

Tree relocation is not anticipated for most restoration projects; however, the following conditions must be met where tree relocation is deemed feasible and appropriate.

- Prior to relocation, the Project Sponsor(s) shall prepare a complete inventory of trees to be relocated, including species and diameter-at-breast-height (dbh); results of this inventory shall be included in the Restoration Plan.
- The Project Sponsor(s) shall only relocate trees that are in good health, less than 30 inches dbh, *and* that will otherwise be removed as a result of project activities. The trees shall be boxed and relocated to an appropriate location within the restoration site. If a tree is damaged or destroyed during boxing or relocation, it will not be suitable for use in the restoration area.
- Relocation of trees shall be conducted by a certified arborist experienced with transplanting oaks and other native trees.
- If tree relocation is tied to mitigation credit, any damaged or destroyed trees shall be replaced onsite and in-kind. For oak and walnut trees that are less than 5" dbh, replacement ratios shall be 3:1; for trees from 5-12" dbh, the replacement ratio shall be 5:1; and for trees that are 12" or greater dbh, the replacement ratio shall be 10:1. All sycamores shall be replaced in-kind at a 10:1 ratio.
- In the event that relocated trees need to be replaced, Project Sponsor(s) shall use acorns or walnuts, plants rooted in liners, or one gallon containers to increase the likelihood of survival.
- Relocated trees shall be monitored for survival annually by a biologist according to the schedule in Section 2.5.2. Any relocated tree that does not survive shall be replaced in-kind, at the ratios specified above. Any relocated trees that do not survive or appear unhealthy due to transplanting during the 10 year monitoring period shall be replaced. Replacement plantings shall be monitored with the same survival and growth requirements as initial plantings, for 10 years *after* re-planting.
- All replacement tree stock shall be obtained from a native plant nursery, using locally adapted stock, and shall not be inoculated to prevent heart rot.

2.8 SOURCE MATERIALS

While source materials typically refer to materials used for restoration plantings, guidelines are also provided to ensure that plant materials used in areas adjacent to the restoration site(s) are compatible with the restoration program.

2.8.1 Restoration Plants

Appropriate selection of restoration plant materials (seed, cuttings, container stock) will have a direct bearing on the overall success of the restoration effort. Locally collected material will be better-adapted to site conditions and thus, have a greater potential for survival. Equally important is maximizing genetic diversity of restoration

materials; genetically diverse populations are better able to adapt to changing conditions.

In many cases, procurement of source materials from the restoration site or general vicinity will provide adequate material if the source population(s) is large and collection methods include an adequate number of parental plants. In some cases (e.g., relatively common plants or plants with small, local populations), collection from a wider zone (e.g., South Coast ecoregion) may be appropriate. The Project Sponsor(s) shall include a list of all plant sources in the Restoration Plan. The plant source refers to the geographic area where the material was collected, which may be different from the nursery or facility where the restoration material is grown.

2.8.2 Invasive Plants

The use of invasive plants in or adjacent to restoration area(s) is prohibited. The Project Sponsor(s) shall not plant, seed, or otherwise introduce invasive plant species into the restoration area(s) *or* into adjacent landscaped areas. Invasive plant species include those on the California Native Plant Council's (Cal-IPC) California Invasive Plant Inventory (Cal-IPC 2006) and updates (e.g., Cal-IPC 2007). The Invasive Plant Inventory replaces the earlier Exotic Pest Plants of Greatest Ecological Concern in California (Cal-EPPC 1999).

2.8.3 Landscape Plants

The Project Sponsor(s) shall not use plants that require intensive irrigation, fertilizers, or pesticides in landscaped areas adjacent to restoration area(s). In addition, runoff from adjacent areas shall be routed away from restoration site(s) unless specifically intended to augment flows onsite. Any runoff allowed into the restoration area(s) shall be treated prior to entering the site to remove debris or pollutants. The Project Sponsor(s) shall submit a list of plants proposed for use in areas adjacent to the restoration site to OCTA for review and approval. This list shall be submitted with the Restoration Plan or at least 30 days prior to acquiring and/or use of any plant materials in adjacent areas.

2.9 SPECIES PROTECTION

A key objective of restoration projects is to improve habitat for the benefit of native species, including sensitive plants and animals. However, the process of restoration has the potential to directly or indirectly impact species during implementation. For this reason, the Restoration Plan shall incorporate sensitive species protection measures. Species protection measures include (1) focused surveys to identify sensitive species that may be impacted during project implementation, (2) permits and authorizations for take of listed species and Species Protection Plans for listed species, and (3) restoration activities restrictions to limit or minimize impacts to sensitive species.

2.9.1 Sensitive Species Surveys

Where the site assessment indicates the presence or potential for occurrence of sensitive species and these species may be directly or indirectly impacted by restoration activities, the Project Sponsor(s) or a qualified biologist under direction of the Project Sponsor(s), shall conduct appropriately timed surveys prior to initiation of restoration activities. Where sensitive species are documented, the Project Sponsor(s) shall adhere to conditions in sections 2.9.2 and 2.9.3, as applicable.

Focused surveys may include (but are not limited to) surveys for threatened, rare, or endangered species, breeding/nesting birds, southwestern pond turtle, and bats. The Project Sponsor(s) shall use survey guidelines provided below or agency-approved survey protocols. Findings shall be included in the Restoration Plan (if timing allows) or documented in a letter report to OCTA prior to the onset of restoration activities.

Federally or state-listed species. The restoration site(s) (or suitable habitat within the restoration site[s]) shall be surveyed for listed species prior to the onset of restoration activities to ensure that no direct or indirect impacts will occur from project implementation. Surveys shall be conducted by a qualified biologist using agency-approved, species-specific survey protocols. If listed species are detected, the Project Sponsor(s) shall adhere to conditions in sections 2.8.2 and 2.8.3, as appropriate, including the preparation of a Species Protection Plan.

If restoration activities occur subsequent to site preparation (e.g., remedial grading in year 2 or 3), a qualified biologist shall re-survey for listed species using agency-approved, species-specific survey protocols. If listed species are detected, the Project Sponsor(s) shall adhere to conditions in sections 2.8.2 and 2.8.3, as appropriate, including the preparation of a Species Protection Plan.

Breeding/nesting birds. If vegetation removal or other activities that may result in the destruction of nests and death or injury of nestlings and fledglings will be conducted during the bird breeding season (March 15th to September 15th in riparian habitat and February 15th through August 31st in upland habitat), breeding bird surveys will be conducted. These surveys will consist of at least three surveys conducted the week prior to conducting activities, with the last survey occurring within 2 days prior to commencement of work activities. If no breeding/nesting birds are observed and concurrence has been received from OCTA, work activities may begin. If breeding/nesting birds are observed, the measures described in 2.9.3 will be implemented.

Southwestern pond turtle. Suitable habitat within the restoration site(s) (i.e., drainages that contain standing water and adjacent uplands) shall be surveyed for southwestern pond turtle (*Actinemys marmorata)* prior to the onset of restoration activities to ensure that no direct or indirect impacts will occur from project implementation. Presence/absence surveys shall be conducted by a qualified turtle

biologist. The biologist shall survey both aquatic habitat and potential breeding areas or existing nests in adjacent uplands.

Bats. If the restoration project includes any work at a bridge site, a qualified bat biologist shall survey the bridge structure for bats prior to the onset of restoration activities. The biologist shall conduct a minimum of 3 surveys, 7 days apart; unless a positive presence is determined, the surveys can be ended.

2.9.2 Permitting

If federally or state-listed species are documented on or adjacent to the restoration site(s) during the site assessment and/or focused surveys, the following conditions shall apply:

- The Project Sponsor(s) shall consult with the appropriate agencies, as prescribed in Federal and State Endangered Species Acts, and obtain any necessary federal and/or state permits/authorizations prior to the onset of any restoration activities. Any unauthorized take of listed species may result in prosecution.
- The Project Sponsor(s) shall be required to prepare a Species Protection Plan that contains specific measures to avoid, minimize, or mitigate impacts to listed species. The plan shall be submitted to OCTA with the Restoration Plan (if timing allows) or prior to initiation of any restoration activities, and will require OCTA review and approval prior to commencing work.

If federally and/or state-listed species are found on or near the restoration area *after* the project has been initiated, the following conditions shall apply:

- The Project Sponsor(s) shall cease work in the affected area and consult with the appropriate agencies, as prescribed in Federal or State Endangered Species Acts.
- If the work requires that the species be removed, disturbed, or otherwise impacted, the Project Sponsor(s) shall obtain the appropriate federal and/or state permits/authorizations prior to re-starting work in the affected area. In addition, the Project Sponsor(s) shall submit a Species Protection Plan to OCTA for review and approval.

The Project Sponsor(s) shall also be responsible for obtaining any other resource agency permits applicable to any work related to restoration activities. Such permits may include compliance with CDFG Section 1600, and/or Army Corps of Engineers (ACOE) and Regional Water Quality Control Board Sections 401 and 404.

2.9.3 Restoration Activities Restrictions

Where sensitive species may be directly or indirectly impacted by project implementation, the following species protection measures shall be implemented, as appropriate:

- If threatened or endangered bird species are present in or adjacent to the restoration area, no work shall occur during the breeding season (March 15th through September 15th in riparian habitat and February 15th to August 31st in upland habitat) to avoid direct or indirect (e.g., noise) impacts to listed species *except* as authorized by state and/or federal threatened/endangered species permits/authorizations which may be required prior to commencing restoration activities.
- If breeding activities and/or active bird nests of unlisted bird species are located and concurrence has been received from OCTA, the breeding habitat/nest site shall be fenced or otherwise marked a minimum of 50 feet (250 feet for raptors) in all directions, and this area shall not be disturbed until the nest becomes inactive, or the young have fledged, are no longer being fed by the parents, have left the area, or will no longer be impacted by the project.
- Where restoration activities may disturb nesting swallows on bridges, the Project Sponsor(s) shall avoid work March 15th through September 15th. If such a condition cannot be met, then prior to March 1st of each year, the Project Sponsor(s) shall remove all existing nests which would be impacted by the project. The Project Sponsor(s) shall continue to discourage new nest building in places where they would be disturbed using methods approved by OCTA. Nest removal and hazing must be repeated at least weekly until restoration activities begin or until a swallow exclusion device is installed. The exclusion device must provide a space of four to six inches for the passage of snakes at the bottom edge. Nests must be discouraged throughout the restoration implementation phase. At no time shall occupied nests be destroyed as a result of project implementation.
- If southwestern pond turtles are present in or adjacent to the restoration area, impacts to turtle habitat in wetlands or uplands from project implementation shall take place outside the breeding period (April-August).
- If bats are present in or adjacent to the restoration area, OCTA shall be notified and provisions for their protection/conservation will be discussed. If loss of significant bat roosting habitat occurs due to the implementation of the project, the Project Sponsor(s) shall institute protection measures including the installation of roosting structures below the deck at OCTA approved locations.
- If work is performed within any stream channel during the winter storm period, the Project Sponsor(s) shall monitor the five day weather forecast. Where the forecast indicates precipitation, the Project Sponsor(s) shall secure the site to prevent materials from entering the stream or washing downstream. The site shall be completely secured one day prior to precipitation, unless prior written approval has been provided by OCTA. During precipitation events, restoration activities are prohibited *except* for those activities necessary to secure the site. No work shall occur in areas containing flowing water until the flows have receded and the soil moisture content has stabilized.

2.10 SITE PREPARATION AND INSTALLATION

2.10.1 Grading

Where grading is necessary to achieve an appropriate planting surface for restoration, the Project Sponsor(s) shall prepare a pre-grading plan which will include final contours, hydrological testing and anticipated flow regime (as appropriate), and schedule for implementation. The pre-grading plan shall be included in the Restoration Plan.

Grading activities shall be subject to the following conditions:

- Grading of restoration sites(s) shall be completed no later than December 31st. To the extent feasible, grading should be conducted when soil moisture is relatively low.
- Heavy machinery used in grading may result in soil compaction. Therefore, grading activities shall avoid the dripline of oaks and other areas where compaction may limit restoration success. If necessary, protective fencing shall be placed around the oak dripline to prevent compaction of the root zone from equipment.

2.10.2 Soil Testing

For restoration strategies that focus on restoring or creating habitat, soil testing may be required prior to and during installation to determine soil suitability and prescribe appropriate soil amendments (if necessary) to ensure adequate growing conditions. Soil testing may occur during the site assessment, site preparation, or restoration monitoring phases, and shall include an assessment of soil texture, nutrients, pH, and compaction, among other factors.

2.10.3 Pre-planting Weed Control

Weed control at restoration sites must be addressed at least 3 months before planting activities are initiated. Sites with a significant weed population may require one or more seasons of weed control before native plantings can be installed. While many methods of weed control are available, weed control strategies shall be site-specific and consider target weed species (including extent and abundance of infestation), existing native vegetation, presence of sensitive species, proximity to water sources, and in some cases, importance of maintaining an intact soil profile.

Methods for controlling many perennial invasive weeds (e.g., Pampas grass, tamarisk, eucalyptus) are relatively standard and include removal and/or herbicide treatment. Refer to Cal-IPC (http://www.cal-ipc.org/ip/management/index.php) for sources on specific treatment methods. In all cases, treated plant material shall be removed from the site and disposed of at an appropriate offsite facility.

Effective herbaceous weed eradication requires initial stimulation of weed growth. This allows a larger crop of weeds to be eradicated and reduces the weed seed

bank in the soil. This 'weed farming' method of removal is recommended for restoration sites where target herbaceous weeds are established *and* where irrigation is feasible. Weed farming includes a cycle of irrigation, weed germination, and weed removal that may be repeated up to 12 times or more as a means of reducing the weed seed bank. Mechanical clearing, mowing, and non-residual herbicides (e.g., Rodeo and/or Roundup) may be used to remove weed and exotic species, either in combination with weed farming or as an alternative where weed farming is not feasible. The weed farming process is described below:

- The site will be cleared of weeds by mechanical mowing. Cut vegetation (including stems and flowering heads) will be removed from the site and disposed of at an appropriate offsite facility.
- In the absence of natural rainfall, the restoration area will be irrigated two times per week for a two week period using a temporary irrigation system. Soils shall be saturated to a depth of at least 3 inches during each irrigation cycle.
- Germinated weeds will be mowed and/or treated with an appropriate post-emergent herbicide at the end of the first two week irrigation cycle. Dead vegetation will be removed from the site and disposed of at an appropriate offsite location.
- The cycle of irrigation and weed removal, as described above, will be repeated at least 3 times, including the initial cycle. The cycle will be repeated during different seasons to ensure the removal of both annuals and perennials. The Project Sponsor(s) shall determine if further treatment is required to reduce the weed seed bank.

At the time of planting, the Project Sponsor(s) shall assess whether any undesirable vegetation has become established in the restoration area(s) and whether additional eradication is necessary. Wherever feasible, pre-planting weed control will use mechanical methods such as removal by hand or string trimmers. If effective weed control cannot be attained through mechanical means, appropriate systemic non-residual herbicides may be applied by a licensed applicator under the supervision of the Project Sponsor(s). In some cases, herbicide application may be preferable to mechanical control, particularly where the latter results in excessive impacts to the soil profile. Weed species to be removed may include, but are not limited to the following species listed in Table 1:

Table 1
Invasive Species

Common Name	Scientific Name
Tamarisk	*Tamarix ramossissima*
Eucalyptus	*Eucalyptus* spp.
Castor Bean	*Ricinus communis*
Pepper trees	*Schinus* spp.
Mustards	*Brassica* spp.
Tree tobacco	*Nicotiana glauca*
Fennel	*Foeniculum vulgare*
Arundo	*Arundo donax*
Ailanthus	*Ailanthus altissima*
Perennial pepper weed	*Lepidium latifolium*
Russian thistle	*Salsola tragus*
Mexican fan palm	*Washingtonia robusta*
Italian thistle	*Carduus pycnocephalus*
Milk thistle	*Silybum marianum*
Non-native weedy thistles	*Cirsium* spp.
Non-native annual grasses: Wild Oats Slender wild oats Foxtail chess Ripgut brome Soft chess Mediterranean barley Italian ryegrass Annual beard grass	 *Avena fatua* *Avena barbata* *Bromus madritensis* ssp. *rubens* *Bromus diandrus* *Bromus hordeaceus* *Hordeum murinum* *Lolium multiflorum* *Polypogon monspeliensis*
Non-native perennial grasses: Pampas grass Bermuda grass Fountain grass Smilo grass	 *Cortaderia selloana* *Cynodon dactylon* *Pennisetum setaceum* *Piptatherum miliaceum*

It should be noted that some non-native species (e.g., annual grasses) are naturalized in southern California and reducing their levels to <5% cover may not be practicable in all situations.

Invasive species consisting of, but not limited to, Arundo (*Arundo donax*), tree tobacco (*Nicotiana glauca*), pepper tree (*Schinus* sp.), Ailanthus (*Ailanthus altissima*), tamarisk (*Tamarix* sp.), perennial pepperweed (*Lepidium latifolium*),

Russian thistle (*Salsola tragus*), Mexican fan palm (*Washingtonia robusta*), and castor bean (*Ricinus communis*) shall comprise 0% of the cover at the end of the 5-year monitoring period.

2.10.4 Irrigation

Many (but not all) restoration projects will require a supplemental source of irrigation for following plant installation. The irrigation system utilized will depend on site conditions (including access and sources of water) and target plant species. Potential irrigation systems include (but are not limited to) drip or bubbler systems, or water trucks. The Project Sponsor(s) shall include a detailed irrigation plan in the Restoration Plan. The irrigation plan shall identify the irrigation system and materials, water source, and irrigation schedule.

2.10.5 Planting

All plantings shall occur between October 1st and April 30th to take advantage of winter rains. If supplemental irrigation will be provided for container stock, planting (but not seeding) may occur into early spring. Container stock shall be installed no later than April 30th, cuttings shall be installed no later than February 1st, and seed shall be planted no later than December 31st. The plant palette, as well as planting density and methodology, shall follow specifications set forth in the detailed Planting Plan (Section 2.6).

3 RESTORATION MAINTENANCE PROGRAM

Maintenance of the restoration site(s) shall be performed by the Project Sponsor(s) or a qualified restoration contractor ('Maintenance Contractor') under direction of the Project Sponsor(s). The individual conducting maintenance inspections shall be a professional (e.g., biologist, landscape architect, horticulturist) knowledgeable of the physical requirements of native vegetation and experienced in the installation and maintenance of native habitats.

3.1 SCHEDULE AND DURATION

Restoration site(s) shall be maintained on a regular basis throughout the maintenance period. The frequency of maintenance activities will depend on a variety of factors, including (but not limited to) restoration site size, type of plantings, use of irrigation, weed control requirements, and herbivore issues. Typically, maintenance will occur more frequently in the year following plant installation and will taper off as plantings become established and success criteria are met. The maintenance period shall begin upon completion of plant installation.

During the maintenance period, sufficient personnel and equipment shall be allocated to perform maintenance of all planted areas. Maintenance of the restoration site(s) shall occur for 5 years (10 years for oak and walnut restoration sites) following plant installation (sections 2.5.1 and 2.5.2). Maintenance visits shall be conducted a minimum of once monthly during the first year after installation and

quarterly thereafter. The need for additional maintenance visits shall be determined by OCTA and the Wildlife Agencies depending on site conditions.

3.2 MAINTENANCE ACTIVITIES

The Project Sponsor(s) or Maintenance Contractor shall be responsible for implementing maintenance activities in Sections 3.2.1-3.2.9, as appropriate, according to the schedule and duration in Section 3.1.

3.2.1 Erosion Control

Drainage and sedimentation control devices shall be routinely cleaned, maintained, and repaired, as necessary. The Project Sponsor(s) or Maintenance Contractor shall install additional erosion control devices where necessary, as indicated by OCTA. Once sufficient vegetative cover has developed to prevent erosion, the erosion control devices shall be removed at the direction of OCTA.

3.2.2 Weed Control

Weeds shall be controlled in the restoration area(s) for a minimum of 5 years (10 years for oak and walnut restoration sites). Weeds shall be removed mechanically, to the degree feasible. Where mechanical removal is ineffective or detrimental to the soil profile, herbicides shall be applied utilizing appropriate methodologies and application rates, as determined by the Project Sponsor(s) and/or Maintenance Contractor.

Follow-up foliar application of herbicide shall be applied to any resprouting stems of invasive species in the restoration area(s) approximately 5 to 7 weeks after the initial treatment. At a minimum, quarterly inspections and reapplication of herbicide, if necessary, shall be conducted for a period of 5 years (10 years for oak and walnut restoration sites) to ensure weed control.

Weed control activities shall occur prior to seed set to prevent weed seed from contributing to the soil seed back. Care should be taken to avoid native plantings during weed control activities. Spraying shall not be done under windy conditions to avoid herbicide drift.

3.2.3 Plant Protection

In restoration areas where plant loss or damage from herbivores (e.g., rabbits, gophers, ground squirrels, deer) is high, individual plants may need protective barriers. The need for plant protection shall be assessed on a site-specific basis. Plant protection may include (but is not limited to) wire cages lining planting holes for root protection (e.g., oaks, walnuts); shields or protective sleeves around trunks (trees) or entire plants (e.g., herbaceous perennials, shrubs) for sapling or shoot protection; or fencing of all or a portion of the restoration site(s) to exclude herbivores completely. Above-ground plant protectors shall be removed once plants

are sufficiently large to withstand herbivore damage. After removal, plant protection devices shall be disposed of at an appropriate offsite facility.

3.2.4 Trash and Debris Removal

Although trash and debris will be removed from the restoration area during initial site preparation, it is anticipated that ongoing trash and debris removal will be required (e.g., following rain events or weed control activities). The Project Sponsor(s) or Maintenance Contractor shall be responsible for removing trash and debris during the maintenance period. Garbage, debris, and noxious weed biomass shall be removed from the restoration site(s) and disposed of at an appropriate offsite facility. Dead or downed wood of native species shall not be removed except as required for safety or flood control purposes.

3.2.5 Irrigation

The Project Sponsor(s) or Maintenance Contractor shall be responsible for ensuring proper irrigation of plantings and maintaining all components of the temporary irrigation system at the restoration site(s). The irrigation system shall be maintained and repaired as necessary during the period of use. When irrigation is discontinued, all irrigation equipment shall be removed from the site and disposed of at an appropriate offsite facility.

For restoration projects that use supplemental irrigation, irrigation shall be discontinued 2-5 years before the end of the maintenance period. Projects with a 5-year maintenance program may utilize irrigation for a maximum of 3 years after planting, while projects with a 10-year program may utilize irrigation for up to 5 years following planting. For 5-year projects, it is anticipated that in the first year following installation, plants will be irrigated at a frequency sufficient to keep soil within the root zone moist during the active growing season. In year 2, irrigation is anticipated to lessen, with frequency based on specific plant requirements. In year 3, it is anticipated that little to no irrigation shall be required. This schedule shall be tailored, as appropriate for 10-year projects. In all cases, the timing and frequency of irrigation shall be adjusted, as necessary, based on climatic conditions.

3.2.6 Vandalism

The Project Sponsor(s) or Maintenance Contractor should note any instance of vandalism and report occurrences to OCTA within 24 hours. Recommendations for the replacement of damaged plants and their protection shall be developed by the Project Sponsor(s) and submitted to OCTA for review and approval. Remedial measures will be undertaken in a timely manner by the Project Sponsor. A description of all remedial actions will be included in the annual reports.

3.2.7 Replacement Plantings

Any portion of the restoration area that is bare or exhibits cover significantly below the success criteria due to low seed germination or establishment shall be reseeded.

Prior to reseeding, soil compaction and soil chemical analyses may be required to identify site-specific characteristics that may inhibit plant establishment and thus, require specialized site preparation methods or seed mixes.

Dead container plants shall be recorded by the Maintenance Contractor and replaced on an annual basis to ensure that project success criteria are met. Prior to replanting, the Project Sponsor(s) shall assess the cause of mortality to determine whether the same or alternative (native) species shall be re-installed. All reseeding and replanting shall be conducted from October through December of each year, unless irrigation is provided.

3.2.8 Fire Suppression

Wildfires are an integral component of the Mediterranean ecosystem of southern California and will likely affect some restoration sites. Although native vegetation is generally fire-dependent, recovery from fire depends on a variety of factors, including the age and health of pre-fire native vegetation, presence of an established native species soil seed bank, and fire intensity and frequency. Preventing overly frequent fires (particularly for young or establishing vegetation) will assist in achieving a diverse age structure of vegetation, while promoting natural fire cycles will prevent habitat from becoming too mature and dense. This, in turn, will reduce the fuel load and the chances of large, uncontrollable fire events.

Although prevention of fire is not possible, the damaging effects can be minimized by maintaining the overall health of the restoration plantings *and* reducing invasive species to the degree feasible. Many invasive species, such as grasses, are highly flammable and capable of spreading fire quickly across the landscape. Further, they often exhibit higher post-fire establishment rates than native species, thereby perpetuating the cycle of increased fire frequency and intensity at the expense of native plant establishment.

In addition to appropriate site maintenance, the Project Sponsor(s) shall develop a Fire Management Plan that addresses wildland fire suppression and pre-fire vegetation management for the restoration site(s). If the restoration site(s) is part of a larger property for which a Fire Management Plan already exists, it shall be subject to guidelines in the existing plan. The Fire Management Plan shall identify the following elements:

- Fire management objectives and general guidelines
- Fire management units (if appropriate, depending on size of site)
- Restricted uses onsite to help prevent catastrophic wildfires
- Prevention and suppression tactics, including fuelbreaks and targeted fuel management
- Sensitive resource areas to be avoided
- Staging areas for trucks and equipment
- Road repair and maintenance requirements for specified fire access roads

In developing the Fire Management Plan, the Project Sponsor(s) shall coordinate with the appropriate fire agencies (e.g., CalFire, Orange County Fire Authority).

3.2.9 Flood Control

Flooding is a natural occurrence along stream channels. However, severe flooding that uproots establishing vegetation within restoration site(s) and causes excessive erosion may hinder achievement of restoration-specific success criteria. The Project Sponsor(s) shall implement erosion control measures (Section 3.2.1) in advance of flooding events to minimize damage.

4 RESTORATION MONITORING PROGRAM

The purpose of restoration monitoring is to evaluate progress towards achieving success criteria and ultimately, project goals and objectives, through repeated observations or measurements. Where monitoring indicates that the project is under-performing, maintenance or management activities can be modified or adapted in a timely fashion to correct the deficiency (i.e., adaptive management).

4.1 FREQUENCY AND DURATION

Restoration monitoring shall begin prior to project implementation with the establishment of baseline conditions during the site assessment. Thereafter, monitoring to assess project success shall commence subsequent to installation of plant materials or initiation of specific maintenance activities (e.g., invasive weed control). At a minimum, restoration monitoring will be conducted yearly during the life of the restoration project (e.g., 5- or 10-year maintenance and monitoring period plus any extensions due to replacement plantings).

4.2 ADAPTIVE MANAGEMENT PLAN

Adaptive management is a structured approach to resource management that includes (1) establishing objectives, (2) monitoring to determine whether objectives have been met, and (3) using monitoring results to update and/or alter management activities to achieve objectives. The Project Sponsor(s) shall develop an Adaptive Management Plan for restoration monitoring which will:

- Document the ranges of natural variation within the targeted restoration habitats (i.e., baseline conditions)
- Collect and continuously update information that will inform adaptive management (e.g., qualitative and quantitative data collection)
- Measure the success of specific restoration activities (e.g., vegetative growth, non-native species removal)
- Measure species response to restoration activities (e.g., distribution and abundance of target species)

Sections 4.2.1 – 4.2.4 identify potential monitoring methods, with the understanding that these may be refined or altered based on expert input and monitoring results. In general, monitoring for restoration success should focus on assessing both habitat condition and species responses to restored habitat.

4.2.1 Photo-monitoring

The Project Sponsor(s) or designated biologist(s) under direction of the Project Sponsor(s) shall establish photo-monitoring stations (points, plots), as appropriate, within the restoration site(s). Photo stations allow a photographic record to be developed over time, and are a valuable tool for monitoring change, as well as re-locating transect or plot locations. For monitoring change, the ability to replicate conditions (e.g., location, direction, camera lens and angle) between years is particularly important; therefore, photo stations and photographs need to be well-marked and documented, as follows:

- Photo stations shall be marked in the field with metal stakes or posts, and triangulated or otherwise referenced to permanent landmarks (e.g., large boulders, roads, structures) so that the photo station can be reestablished if the marker is lost or destroyed.
- Photo station locations shall be recorded using a GPS device; in addition, the location shall be marked on a map and included with the annual and final reports.
- A photo log form shall be used for all photo documentation. The log shall include (but is not limited to) the following information:
  - Photographer name
  - Date of photo documentation
  - Photo station location (including GPS point)
  - Camera type and lens
  - Film type
  - Compass direction for each photograph
  - Height and angle or camera for each photograph
- Both the photo log for each photo station and all photographs taken at the station shall be included in the annual and final reports. Photographs shall be labeled and cross-referenced to the photo log.

As an option, video-monitoring to demonstrate the restoration progress and to make comparisons between before and after conditions is also recommended.

4.2.2 Habitat Monitoring

This section provides general guidelines on monitoring methodologies for those habitats expected to be the focus of most restoration efforts. Additional habitats not included here (e.g., coastal wetlands) may require alternative methodologies. In those cases, the Project Sponsor(s) shall develop habitat-specific monitoring methods for review and approval by OCTA.

Habitat monitoring methods outlined below are largely quantitative in nature, and shall be supplemented by plant survival data collected by the Maintenance Contractor (Section 3.2.7). When developing or refining methodologies for habitat monitoring, the Project Sponsor(s) shall:

- Define the type and number of sampling units (e.g., transects, plots, points)
- Describe the sampling unit size and shape
- Determine the placement of sampling units and whether they will be temporary or permanent
- Provide sample data collection forms

Oak, Walnut, and Sycamore Woodlands. The Project Sponsor(s) or designated biologist(s) shall establish permanent vegetation transects within the restoration site(s), and collect quantitative data on species composition and structure (e.g., cover, height, development of multiple vertical layers) along each transect. Monitoring should quantify recruitment of trees and shrub species within 2 x 2-m plots along each transect, and measure heights and girths for the dominant tree and shrub species along each transect. In addition, the biologist(s) should qualitatively assess trees for evidence of damage or disease.

Riparian Habitat. The Project Sponsor(s) or designated biologist(s) shall establish permanent vegetation transects perpendicular to the riparian corridor, and collect quantitative data on species composition and structure (e.g., cover, height, development of multiple vertical layers) along each transect. Monitoring should measure foliage volume at 1-m height intervals within 2 x 2-m plots, identify species contributing to the foliage volume, quantify recruitment of woody riparian tree and shrub species within 2 x 2-m plots along each transect, and measure heights and girths for the dominant riparian tree and shrub species along each transect.

Coastal Sage Scrub. The Project Sponsor(s) or biologist(s) shall establish transects within scrub habitat, and collect quantitative data (e.g., species richness, cover) along each transect and in quadrats. Number and size of transects/plots may vary depending on the site; however, a relatively efficient and effective sampling design has been demonstrated using a combination of 10 50-m point-intercept transects with 1 m x 1-m quadrats placed on alternate sides of the transect at 5 m intervals. Cover data is collected at 1 m intervals along the transect line; species richness data is collected within the quadrats and should be correlated with climatic conditions, particularly for annual species (Deutschman and Strahm 2009).

Grasslands. The Project Sponsor(s) or biologist(s) shall collect quantitative data on vegetation species distribution, abundance, composition, and structure (e.g., cover, height, amount of thatch), using randomly allocated transects and/or randomly placed 1-m^2 quadrats. Monitoring shall record percent vegetative cover (categorized by native versus non-native species cover), species abundance, and amount of thatch for each quadrat. Quadrat size may need to be adjusted based on the size of the restoration area and/or results of initial monitoring studies.

4.2.3 Native Species Monitoring

While habitat monitoring provides an indication of the structure and composition of restored habitat, species monitoring can determine the functionality of the habitat for wildlife species. Species monitoring shall focus on sensitive and/or non-sensitive species, as appropriate. Although some sensitive species (e.g., California gnatcatcher, least Bell's vireo) can act as indicators of habitat condition, these species are not always present, even if suitable habitat is available. Therefore, monitoring increases or changes in species diversity (including common species), particularly where these changes can be correlated to habitat improvement or successional stages, may be a more useful measure of restoration success.

Based on restoration goals and objectives, the Project Sponsor(s), in coordination with OCTA and the wildlife agencies, shall identify suitable target species or species groups for monitoring (e.g., California gnatcatcher, arroyo toad, riparian birds, coastal sage scrub birds). The Project Sponsor(s) or designated biologist(s) shall monitor target species annually to assess their distribution, relative abundance, and/or breeding activity. Surveys shall be conducted according to standard survey protocols, where available.

Surveys for riparian birds shall be conducted along systematic survey routes, monitoring all portions of the riparian habitat. Monitoring shall identify species using the habitat and their relative abundance, and quantify the number of nesting pairs of any sensitive riparian bird species (e.g., least Bell's vireo, southwestern willow flycatcher, yellow-breasted chat, Cooper's hawk) using the habitat for nesting. Surveys shall be conducted at varying times of day between visits. The stream reach shall be monitored three times during January through mid-March, with at least a 7-day interval between site visits. Surveys shall begin within 1 hour after sunrise and end by noon, and should not be conducted under extreme conditions (i.e., during heavy rain or when the temperature is >95°F or <40°F or with winds >10 mph). Taped vocalizations shall be used, as needed. Territories (singing males) and nest locations shall be mapped, and the nest fate recorded (i.e., determine number of eggs laid, nest parasitism rates, eggs or nests lost to nest predators, and number of chicks fledged).

Surveys for upland birds (exclusive of those conducted using protocol surveys) shall be conducted by point counts 4 times per year (according to season), with each site visited 2 times per season. Point count monitoring shall record species and relative abundance within a given area, and counts shall begin at dawn.

4.2.4 Invasive Species Monitoring

Invasive Plant Species. Invasive plant species shall be monitored by the Project Sponsor(s) or Maintenance Contractor as part of the Maintenance Program (Section 3.2.2) and by the Project Sponsor(s) or designated biologist during habitat monitoring (Section 4.2.2). Where invasive plant species are determined to pose a

threat to restoration success, remedial actions will be implemented, as discussed in Sections 3.2.2, and documented in the appropriate reports.

Invasive Animal Species. The Project Sponsor(s) or biologist(s) shall survey annually for bullfrogs, cowbirds, and other invasive animal species that have the potential to significantly and negatively affect native wildlife. Surveys shall be conducted by walking through suitable habitat and mapping their distribution and relative abundance. Where invasive animals are determined to pose a threat to native species, recommendations for management will be included in the appropriate reports.

5 CONTINGENCY MEASURES

If at any time, the restoration project appears to be under-performing according to the established success criteria, the Project Sponsor(s) shall conduct remedial actions in a timely fashion to ensure that goals and objectives of the project are met. In addition, the Project Sponsor(s) may consult with the agencies regarding adaptive management that may result in alterations to the Restoration Plan. Potential remedial actions have been addressed throughout this document and include (but are not limited to):

- Replacement plantings
- Remedial reseeding
- Soil testing
- Invasive control
- Supplemental irrigation

In the event of a major fire or flood or other disturbance that substantially damages the restoration project, post-disturbance site conditions will be assessed as soon as the area is safe to access (e.g., the threat has passed). This site assessment shall be conducted by the Project Sponsor(s) and results shall be documented in a letter report to OCTA with accompanying photographs. At a minimum, invasive species abatement practices will likely be initiated or increased to encourage natural recovery processes. If evidence of natural recovery, as defined by native species regeneration (e.g., seedlings, stump sprouting), is not observed within three months or one growing season of the disturbance, or if the recovery is deemed inadequate to meet the stated goals and objectives of the project, the Project Sponsor(s) shall prepare an analysis detailing the cause of the failure and shall enter into consultation with the agencies to determine an appropriate course of action, including (but not limited to) remedial actions, adaptive management, and/or modified project goals and objectives.

Where fire or flood damages the restoration site(s), the Project Sponsor(s) shall work with OCTA and the Wildlife Agencies to develop an adaptive management strategy that allows the restoration effort to move forward. This strategy may include

(but is not limited to) post-disturbance monitoring, re-planting, and modified success criteria.

6 REPORTING AND DOCUMENTATION

Reporting is an important tool to assess project success and determine the need for remedial actions or adaptive management. Documentation provides a permanent record of the restoration project, and informs long-term site management and/or other restoration or research efforts.

6.1 REPORTS

The Project Sponsor(s) shall be responsible for submitting reports to OCTA for review and approval according to the schedules below. In addition, the Project Sponsor(s) shall be responsible for any other reporting requirements necessitated by federal or state permits or authorizations.

6.1.1 Maintenance Reports

The Project Sponsor(s), with input from appropriate contractors, shall be responsible for preparing maintenance reports during the entire maintenance period. Maintenance reports shall be prepared and submitted to OCTA and the Wildlife Agencies following each maintenance visit. As set forth in Section 3.1, maintenance visits shall be conducted a minimum of once monthly during the first year after installation and quarterly thereafter. Maintenance reports shall be letter reports (unless specific issues dictate a longer report) and shall include:

- Person or person(s) conducting the maintenance
- Date(s) of maintenance visits
- General site conditions
- Description of maintenance activities (e.g., irrigation maintenance, weed control, trash removal) and actions taken
- Issues or problems requiring follow-up attention
- Recommendations

Maintenance activities shall be summarized in the annual status report (Section 6.1.2) and final report (Section 6.1.3). In addition, those reports shall review the Maintenance Program budget, project schedule, and restoration site viability. Any proposed changes and/or recommendations shall be subject to review and approval by OCTA.

6.1.2 Annual Status Reports

The Project Sponsor(s) shall provide OCTA and the Wildlife Agencies with an Annual Status Report (ASR) no later than January 31 of every year after project initiation and continuing until OCTA accepts the Final Report. The ASR shall present an overview of the restoration effort, focusing on year-to-date activities, and

shall specifically address maintenance activities, monitoring methodologies and results, success criteria (as measured by plant survival, percent cover, or other parameters), remedial actions (including but not limited to replanting or reseeding), and recommendations for the following year. The ASR shall include the following:

- a list of names, titles, and companies of all persons who prepared the content of the annual report and participated in monitoring activities for that year
- a description of the existing conditions of the site
- the results of focused wildlife surveys
- an analysis of all qualitative and quantitative vegetation monitoring data
- the method used to assess these parameters
- the number by species of plants replaced
- copies of all photo documentation
- maps identifying monitoring areas, transects, and planting zones
- GPS points of all transect locations and photo documentation points
- discussion and recommendations
- copies of all permits, and any special conditions or letters modifying the original permit conditions
- a description of the status of the restoration site and restoration activities, including actual or projected completion dates, if known
- a table showing the implementation status of each restoration task
- an assessment of the effectiveness (e.g., success criteria) of each completed or partially completed restoration task

6.1.3 Final Report

Upon completion of the maintenance and monitoring programs, the Project Sponsor(s) shall prepare a Final Report that summarizes methods, results, remedial actions, and adaptive management from all monitoring years (see elements in Section 4.2, above); appendices shall include all pertinent data and photo documentation. The Final Report shall serve as the complete record of the restoration project. The Final Report shall also include recommendations for long-term management of the restoration site(s).

6.1.4 Data Documentation

The Project Sponsor(s) shall be responsible for maintaining and submitting project documentation to OCTA with all reports. Data to be submitted shall include maps (including GIS-generated maps where possible), quantitative monitoring data (including forms and field notes), photo documentation (photographs and accompanying photo logs) and video documentation (if applicable). Data shall be provided in an electronic format, to the degree feasible.

The Project Sponsor(s) shall maintain a record of maintenance and monitoring activities to assist in evaluating changes in resource status, and responses to remedial or adaptive management actions. Restoration status should be reviewed

annually to inform the next year's restoration maintenance and management activities.

7 LONG-TERM RESTORATION SITE PROTECTION

While the restored habitat will be presumed to be self-sufficient once maintenance and monitoring obligations are met, some level of post-restoration site protection and monitoring may be required to ensure long-term habitat viability. In the Final Report, the Project Sponsor(s) shall document site-specific conservation mechanisms and long-term land management tasks and costs.

7.1 SITE CONSERVATION MECHANISMS

The Project Sponsor(s) shall provide information on site-specific strategies for long-term land protection of restoration site(s). Strategies should include conservation easements or Deed restrictions.

Prior to sign off, the Project Sponsor will place a conservation easement, or other Wildlife Agencies approved conservation mechanism, in favor of the Wildlife Agencies (or an approved third party), over the project site specifying that the area will be retained in perpetuity as open space for the sole purpose of native habitat conservation. The conservation easement or mechanism language should be approved by the Wildlife Agencies and OCTA prior to its execution. The conservation easement or mechanism shall disclose the obligations of future owners/tenants of the property.

References

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Deutschman, D. and S. Strahm. 2009. Improving statistical sampling and vegetation monitoring for the NROC reserves in central Orange County: Year 2. 2008 Final Report. Prepared for The Nature Reserve of Orange County (NROC). Addendum #1 to research agreement #07-03. January.

Preliminary Results Restoration Proposals: Biological Factors*

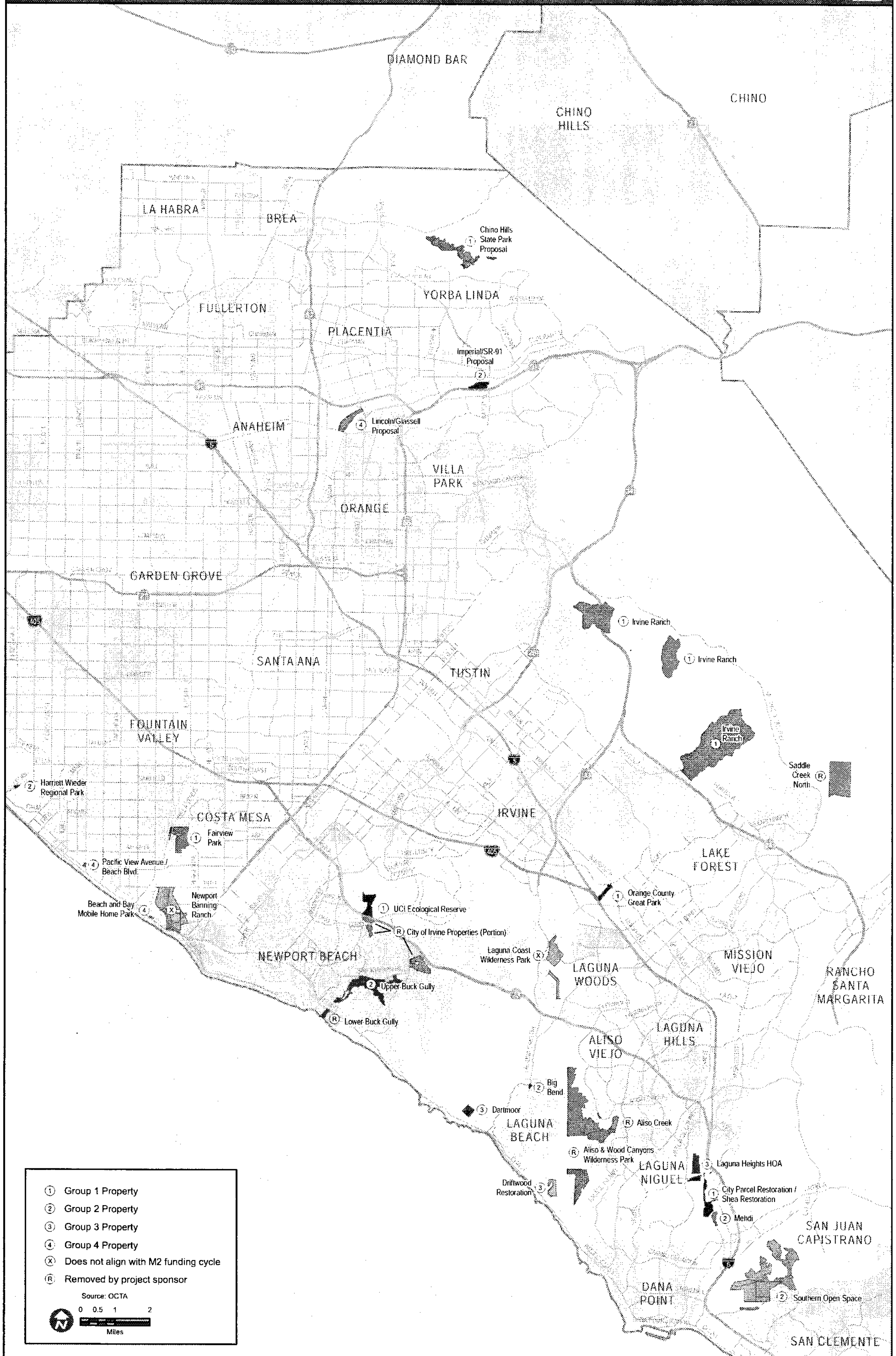
Property Number	Acquisition / Restoration	Property	Sponsor	Geographic Area	Watershed	Acreage	Project Information	Cost / Acre	Est. Total Cost		
8	Restoration	Chino Hills State Park	Chino Hills State Park	Chino Hills State Park	Lower Santa Ana River	180.0	150 acres of CSS & cactus scrub	$50,000	$7,500,000	GROUP 1	General Biological Characteristics: high potential to support similar vegetative communities lost to freeway projects, restores habitat for species that are considered sensitive under the California Natural Diversity Database (CNDDB), high potential net benefit in ecological value for target species, and high connectivity/contiguity opportunities
								$75,000	$11,250,000		
							30 acres of sycamore/willow riparian	$25,000	$750,000		
								$35,000	$1,050,000		
10/74	Restoration	City Parcel Restoration (aka Shea Restoration)	San Juan Capistrano	San Juan Capistrano	San Juan Creek	53.0	Riparian corridor, upland CSS, oak woodlands, native grassland habitats, artichoke thistle, mustard invasives, arundo	$25,000	$1,325,000		
								$35,000	$1,855,000		
21	Restoration	Fairview Park	Costa Mesa	Costa Mesa	Talbert Channel/Greenville Banning	23	6 acres Wetland Pond Planting	$107,666	$646,000		
							5 acres Native Grasslands Planting	$20,000	$100,000		
							9 acres Coastal Sage Scrub, Willow Scrub	$26,666	$240,000		
							3 acres Oak Woodland	$28,333	$85,000		
							Total request (23 acres of restoration, water deliver system, amenities, and plant est.)	**$139,130**	**$3,200,000**		
36	Restoration	Irvine Ranch	Irvine Ranch Conservancy	Irvine	San Diego Creek & Lower Santa Ana Creek	500.0	2.2 acres chaparral, 362.4 CSS, 138.4 CSS/native grassland mix, 108.3 native grassland, 47.4 oak/sycamore woodland, 81.5 passive restoration (est. total of 740.5 acres, but proposing 500 acres for restoration)	$11,000	$5,500,000		
57	Restoration	Orange County Great Park	Orange County Great Park Corporation	Irvine	San Diego Creek	176.4	88 acres of CSS, 45 acres of grasslands, 34 acres of riparian thickets and wetlands, 5.4 acres of oak, 4 acres of cactus scrub	sponsor assumes prevailing market rate per acre			
89	Restoration	UCI Ecological Reserve	Nature Reserve of Orange County	Irvine	San Diego Creek	8.5	8.5 acres cactus scrub	$38,235	$325,000		
6	Restoration	Big Bend	Laguna Beach	Laguna Beach	Laguna Canyon Channel	5.0	3.5 acres of native habitat	$20,000	$70,000	GROUP 2	General Biological Characteristics: good potential to support similar vegetative communities lost to freeway projects, restores habitat for species that are considered sensitive under CNDDB, good potential net benefit in ecological value for target species, and good connectivity/contiguity opportunities
								$25,000	$87,500		
27	Restoration	Harriett Wieder Regional Park (aka Bolsa Chica Conservancy)	Bolsa Chica Conservancy	Bolsa Chica	Los Alamitos/E Garden Grove/Bolsa Chica	25.0	coastal wetlands, coastal dune, upland/mesa habitats	$50,000	$1,250,000		
35	Restoration	Imperial/SR-91 Proposal (Pelanconi Park)	Anaheim	Anaheim	Lower Santa Ana River	5-10	Est. five to ten acres to establish riparian, transitional, and upland native plan communities	$45,000	$225,000		
80	Restoration	Southern Open Space (OS) Restoration	San Juan Capistrano	San Juan Capistrano	San Juan Creek	39.7	Upland CSS	$27,000	$812,927		
90	Restoration	Upper Buck Gully	Newport Beach	Newport Beach	Los Trancos/Muddy Creek	68.3	Active restoration (47.7 acres)	$7,000	$333,900		
							Passive restoration (20.6 acres)	$1,500	$30,900		
								$5,400/acre avg.			
							Total request ($500,000 [BARRIERS] & $367.000 [RESTORATION])		**$867,000**		
13	Restoration	Dartmoor	Laguna Beach	Laguna Beach	Los Trancos/Muddy Creek/Laguna Canyon Channel	39.7	High quality CSS, sensitive plants	$27,000	$812,927	GROUP 3	General Biological Characteristics: lower potential to support similar vegetative communities lost to freeway projects, fewer species that are considered sensitive under CNDDB, lower net benefit in ecological value for target species, and fewer connectivity/contiguity opportunities
19	Restoration	Driftwood Restoration	Laguna Beach	Laguna Beach	Laguna Canyon Channel/Aliso Creek/Salt Creek	6.0	ESHA replanting, monitoring; high quality CSS	$120,000	$720,000		
39	Restoration	Laguna Heights HOA	San Juan Capistrano	San Juan Capistrano	San Juan Creek	20-30	Upland CSS, native grasslands	$27,000	$540,000		
									$810,000		

* The restoration pror re based primarily on the biological criteria. It may be possible their placement will change upon further information that are obtained for the non-biological factors. For instance, the type of habitats to be restored; price per acre for restoral veraging partnership may change the overall ranking of the restoration proposals.

Preliminary Results Restoratio[illegible]posals: Biological Factors*

Property Number	Ac R[illegible]	Property	Sponsor	Geographic Area	Watershed	Acreage	Project Information	Cost / Acre	Est. Total Cost		
5	Restoration	Beach and Bay Mobile Home Park	Newport Beach	Newport Beach		3.0	purchase and/or habitat improvement			GROUP 4	General Biological Characteristics: very low potential to support similar vegetative communities lost to freeway projects, very few species that are considered sensitive under CNDDB, very low net benefit in ecological value for target species, and very low connectivity/contiguity opportunities
43	Restoration	Lincoln/Glassel Proposal	Anaheim	Anaheim		1.6	Est. one acre to establish ruparian, transitional, and upland native plan communities				
59	Restoration	Pacific View Avenue/Beach Blvd.	Huntington Beach	Huntington Beach		1.0	Wetland retoration				
60	Restoration	Pacific View Avenue/Beach Blvd.	Huntington Beach	Huntington Beach		2.0	Wetland retoration				
38	Restoration	Laguna Coast Wilderness Park	Laguna Beach	Laguna Beach	Laguna Canyon Channel	6,000.0	Laguna Lakes/wetlands, upland habitat meadows			DOES NOT ALIGN WITH M2 FUNDING CYCLE	
55	Restoration	Newport Banning Ranch	Newport Beach	Newport Beach	Santa Ana River	80.0	coastal mesa, bluffs, arroyos, and wetlands; cactus wren, maritime succulent scrub, southern coastal bluff scrub, tidal coastal salt marsh, southern willow forest, vernal pools, southern tarplant				
2	Restoration	Aliso & Wood Canyons Wilderness Park	County of Orange	Laguna Niguel	Aliso and Sulphur Creeks	4,000.0	CSS; riverine habitat			REMOVED BY PROJECT SPONSOR	
3	Restoration	Aliso Creek	County of Orange	Laguna Niguel	Aliso and Sulphur Creeks	4.0	ecosystem restoration and streambed stabilization				
9	Restoration	City of Irvine Properties	Irvine	Irvine		203.0					
49	Restoration	Lower Buck Gully	Newport Beach	Newport Beach		50.0	habitat improvements				
65	Restoration	Saddle Creek North	Conservation Fund	Trabuco (Unincorporated County)		30.0	upland and riparian restoration	$24,733	$741,990		

Restoration Proposals



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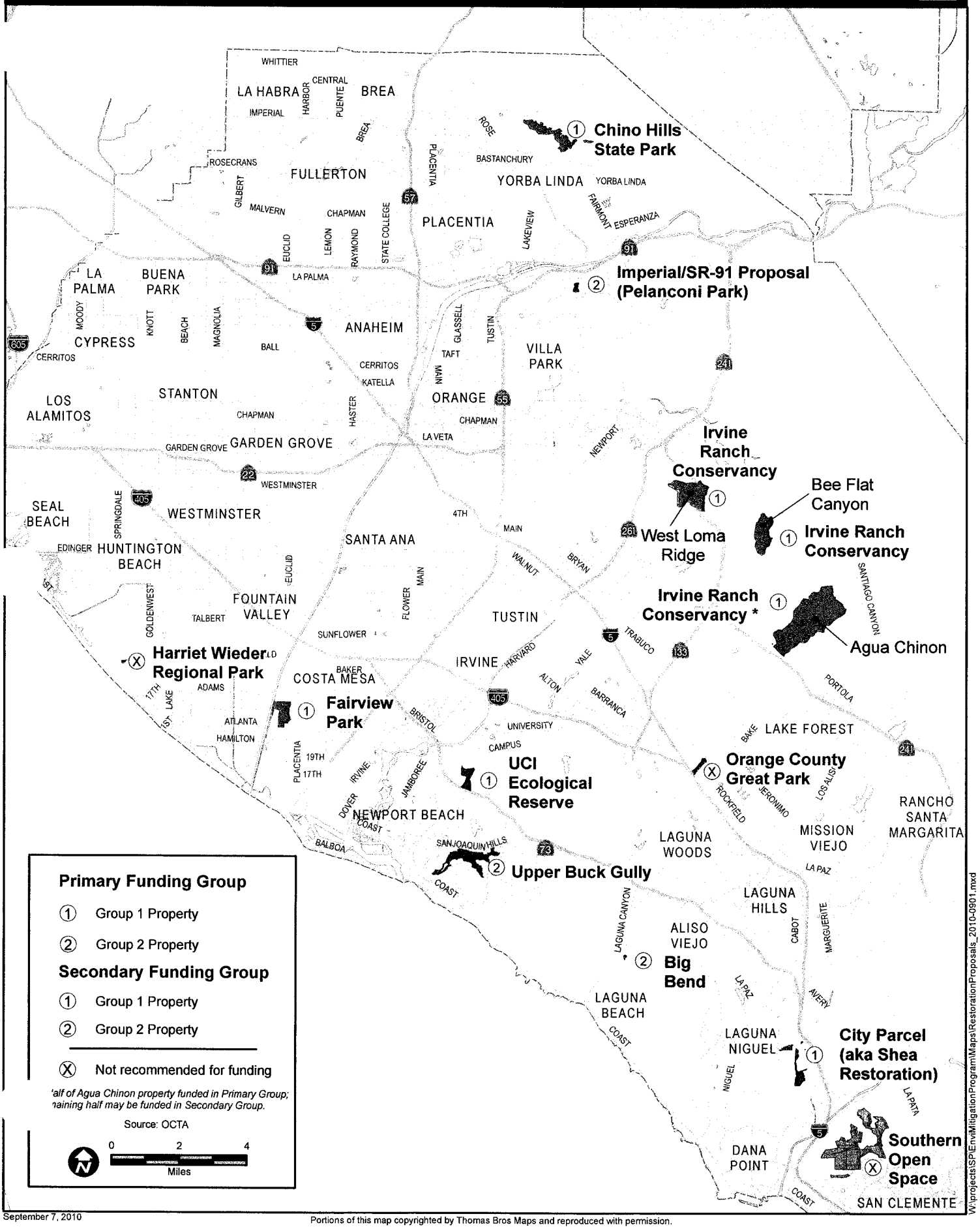
Restoration Projects Map

ATTACHMENT B



September 7, 2010

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Information Items

OCTA

August 23, 2010

To: Members of the Board of Directors

From: Will Kempton, Chief Executive Officer

Subject: Measure M2 Progress Report for April 2010 through June 2010

Overview

Staff has prepared a Measure M2 progress report for April 2010 through June 2010 for review by the Orange County Transportation Authority Board of Directors. Despite current economic conditions, implementation of Measure M2 continues at a fast pace. This report highlights progress on Measure M2 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 Measure M2 (M2) Transportation Investment Plan be filed with the Orange County Transportation Authority (OCTA) Board of Directors (Board). All M2 progress reports are posted online for public review.

Discussion

Voter safeguards are a critical factor for public acceptance of 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 are web-based. Hard copies are 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 with 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 report in this quarter include:

- Advertising for construction bids on the Orange Freeway (State Route 57) widening project occurred in May. Bids for the two segments of the project were opened in July.

- Construction is more than 60 percent complete on the new eastbound lane for the Riverside Freeway (State Route 91) between the Foothill Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71). The project is expected to be complete in late 2010.

- Final design was completed and funding was authorized to start construction on the West County Connectors projects, which are part of the M2 EAP and partially funded by Measure M (M1). A construction contract for the east segment of the San Diego Freeway (Interstate 405)/ Garden Grove Freeway (State Route 22), in the amount of $65,784,398 (39 percent below the engineer's estimate), was awarded.

- The first phase of the Traffic Light Synchronization Program, with projects on Alicia Parkway (41 signalized intersections along 11 miles), Beach Boulevard (71 signalized intersections along 20 miles), and Chapman Avenue (47 signalized intersections along 13 miles), is approximately 75 percent complete.

- Project development continued on the Anaheim Regional Transportation Intermodal Center (ARTIC). Anaheim, assisted by a team of consultants and in coordination with OCTA, continued development of the ARTIC project description and the environmental clearance documents. The project remains on schedule with environmental clearance anticipated to be complete in October 2010.

- Construction continued on railroad crossing safety enhancements in Orange and Anaheim, with the activation of the first eight crossings in Orange scheduled for late September 2010. Construction also has begun in Tustin and will begin later this summer in Santa Ana.

- Work on the Orangethorpe railroad grade separation projects continues at a fast pace. Final design was completed for the Placentia Avenue and Kramer Boulevard undercrossings, and OCTA staff received Board authorization to begin the right-of-way process with property owners and

tenants impacted by the Orangethorpe Avenue and Tustin Avenue/ Rose Drive projects. A public information effort was developed for the grade separation program. The program now is designated as O.C. Bridges.

- Project development continued on the two Board-approved Go Local fixed-guideway projects, one from Anaheim and the other from Santa Ana and Garden Grove. Step Two efforts to complete detailed planning are currently underway, including alternatives analysis and environmental clearance activities.

- During the reporting period, 30 bus/shuttle concepts were in Step Two service planning under Go Local/Project S. An additional 22 bus/shuttle community-based circulator concepts were incorporated into the Step Two service planning effort and are currently undergoing phase two analysis activities.

- The Board approved actions proposed by the M2 Environmental Cleanup Allocation Committee, including a two-tier water quality grant program, a funding plan and guidelines for both tiers, and the development of a Tier 2 planning study scope of work.

- The Board approved the M2 Freeway Mitigation Program Environmental Oversight Committee's recommendations to include all 14 Group 1 properties for appraisal. Properties within Group 1 generally possess higher quality habitats and are larger-sized properties that align with impacted habitats and contain covered species.

To encourage the public review of the quarterly report online, information will be placed on OCTA's website. Staff will also notify all Orange County cities and use other existing communication tools, such as project newsletters, to notify the public about the online availability of the M2 progress report. Because the public may view both the original M1 and M2 as one program, the original M1 annual report also includes an update on the progress of M2.

Summary

As required by M1 Ordinance No. 3, a quarterly report covering activities from April 2010 through June 2010 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. Measure M2 Quarterly Progress Report - April through June 2010

Prepared by:

Robert Nathan
Senior Public Information Specialist
(714) 560-5327

Approved by:

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

ATTACHMENT A

Measure M2 Quarterly Progress Report
April through June 2010

The following is a summary of the progress made on the Measure M2 (M2) Early Action Plan (EAP) covering the second quarter, April - June of 2010.

Highway Projects
Tom Bogard (714) 560-5918

San Diego Freeway (Interstate 5) Projects

The Orange County Transportation Authority (OCTA) is preparing an environmental document for improvements along the Interstate 5 (I-5) between Avenida Pico and Pacific Coast Highway, through San Clemente and Dana Point. The environmental study will evaluate the impacts of extending the current high-occupancy vehicle (HOV) lanes on the I-5 from its present terminus at the Pacific Coast Highway interchange, to Avenida Pico in San Clemente. The project will also evaluate improvements to the freeway on-ramps and off-ramps at Avendia Pico. Environmental approval is expected in mid-2011. (Part of Projects C and D).

The California Department of Transportation (Caltrans) is preparing the final design for the reconstruction of the I-5 interchange at Ortega Highway (State Route 74) in San Juan Capistrano. The project will reconstruct the State Route 74 (SR-74) bridge over the freeway and improve local traffic flow along the SR-74 and Del Obispo Street adjacent to the freeway. Design is expected to be complete in late 2011. (Part of Project D).

OCTA is preparing a project study report to look at ways to improve traffic flow along the I-5 between the San Joaquin Transportation Corridor (State Route 73) and the San Diego Freeway (Interstate 405) through the communities of Lake Forest, Laguna Hills, and Mission Viejo. The study will look at capacity enhancements and interchange improvements to improve the flow of traffic through this area. The study is expected to be complete in mid-2010. (Part of Projects C and D).

Caltrans is preparing a project study report to add additional capacity to the I-5 between the Costa Mesa Freeway (State Route 55) and the Orange Freeway (State Route 57) through the City of Santa Ana. The study will look at options to add capacity to the existing HOV and general purpose lanes. The study is expected to be complete in early 2011. (Project A).

State Route 57 (SR-57) Projects

OCTA is preparing final design for the addition of a new northbound lane on the SR-57 between Katella Avenue and Lincoln Avenue in Anaheim. The final design is expected to be complete in late 2010. (Part of Project G).

OCTA completed the final design for a new northbound lane on the SR-57 from Orangethorpe Avenue to Lambert Avenue through Brea and Fullerton. Funding was recently approved for the construction of the projects. Advertising for construction bids on the SR-57 widening project occurred in May. Bids for the two segments of the project will be opened in July. Construction is expected to begin in late 2010. (Part of Project G).

Riverside Freeway (State Route 91) Projects

The environmental document was recently approved to add a new lane to the State Route 91 (SR-91) between the I-5 and the SR-57 in Anaheim. OCTA is now preparing the final design for the project, which will add a new general purpose lane in the westbound direction. Final design is expected to be complete in early 2012. (Project H).

Caltrans is preparing an environmental document to improve traffic flow through the State Route (SR-55) and the SR-91 interchange. The improvements to the interchange will focus on the westbound off-ramp to Tustin Avenue and the westbound connector from the SR-55. Environmental approval is expected in early 2011. (Part of Project I).

Caltrans is preparing final design to add one new lane in each direction along the SR-91 from the SR-55 to the Foothill Transportation Corridor (State Route 241). The new lanes generally will be within existing right-of-way (ROW) through Anaheim and Yorba Linda. Final design is expected to be complete in late 2010. (Part of Project J).

Construction is 63 percent complete on a new eastbound lane on the SR-91 between State Route 241 (SR-241) and the Corona Expressway (State Route 71). The project will extend the existing eastbound auxiliary lane that currently terminates within Santa Ana Canyon to the State Route 71 (SR-71) interchange in Riverside County. Construction of the project is funded under the federal economic stimulus program. Construction is expected to be complete in late 2010. (Part of Project J).

The Riverside County Transportation Commission (RCTC) is planning to extend the 91 Express Lanes eastward from their current terminus in Anaheim to the Corona Freeway (Interstate 15). This project will also add one general purpose lane in each direction from the Interstate (I-15) to the SR-241 in Orange County. RCTC is currently preparing an environmental analysis for the proposed improvements, which is expected to be complete in mid 2011. (Part of Project J).

Interstate 405 (I-405) Projects

Final design was completed and funding was authorized to start construction on two HOV projects along the I-405 between the Garden Grove Freeway (State Route 22) and the San Gabriel River Freeway (Interstate 605). The West County Connectors projects, which are part of the M2 EAP, and partially funded by Measure M (M1), will add a direct HOV connector between the State Route 22 (SR-22) and the I-405, and one between the I-405 and the Interstate 605 (I-605), as well as an additional HOV lane in each direction between the SR-22 and the I-605. A construction contract for the east

segment, I-405/SR-22, was awarded, in the amount of $65,784,398 (39 percent below the engineer's estimate). Construction is expected to be complete for both projects in mid-2014.

OCTA is preparing an environmental study to add new lanes in each direction on the I-405 between the SR-55 and the I-605. These improvements will add mainline capacity and improve the local interchanges along the corridor that serves Fountain Valley, Huntington Beach, Los Alamitos, Santa Ana, Seal Beach, and Westminster. The environmental impact report considers four alternatives ranging from minor improvements to the addition of two lanes in each direction. One alternative being studied is to add a general purpose lane and an express lane in each direction in the median of the freeway to provide a free-flowing toll facility similar to that currently operating on the SR-91 in Anaheim. The environmental document is expected to be complete in 2012. (Project K).

Streets and Roads Projects

Signal Synchronization
Anup Kulkarni (714) 560-5867

In April 2008, the California Transportation Commission (CTC) awarded OCTA $4 million as part of the Proposition 1B Traffic Light Synchronization Program (TLSP) for interagency signal synchronization. When combined with $4 million from the original M1 Signal Improvement Program, a total of $8 million will be provided to fund signal synchronization along ten significant corridors comprised of 533 signalized intersections on 158 miles of roadway over the next three years.

In summer 2009, OCTA began working on the three corridors that make up the first phase of the project: Alicia Parkway with 41 signalized intersections along 11 miles, Beach Boulevard with 71 signalized intersections along 20 miles, and Chapman Avenue with 47 signalized intersections along 13 miles. These projects are approximately 75 percent complete. Preliminary optimized signal timings for the projects have been implemented in the field and are in the process of being fine-tuned. Results from the projects are now being compiled and will be presented to the Board of Directors (Board) in September 2010.

OCTA also commenced work on the second phase of the TLSP. This phase includes the following four corridors: Brookhurst Street with 59 signalized intersections along 16 miles, Edinger Avenue/Irvine Center Drive/Moulton Parkway/Street of Golden Lantern with 81 signalized intersections along 21 miles, El Toro Road with 39 signalized intersections along 11 miles, and Orangethorpe Avenue with 43 signalized intersections along 19 miles. OCTA has finished procurement of traffic engineering services and will start the projects in July 2010, with major work beginning in the fall.

OCTA began initial work on the design phase of the third and final phase of the TLSP. This phase includes the following three corridors: Katella Avenue with 58 traffic signalized intersections along 15 miles, La Palma Avenue with 58 traffic signalized intersections along 18 miles, and Yorba Linda Boulevard with 45 traffic signalized intersections along 12 miles. The CTC is scheduled to allocate funds as soon as August 2010. OCTA will have the procurement process well underway and anticipates that the start of these projects will occur prior to February 2011.

OCTA also continued work on the Regional Traffic Signal Synchronization Program included as part of M2. The goal of the program is to improve traffic flow by developing and implementing regional signal coordination through more than 2,000 intersections. OCTA will be seeking Board guidance on key elements of the program in summer 2010. The Regional Traffic Signal Synchronization Program will begin in April 2011 with the start of M2.

Grade Separation Projects
Tresa Oliveri (714) 560-5374

Throughout the months of April, May, and June the design teams for the Placentia Avenue and Kraemer Boulevard undercrossings worked to complete the final designs due on June 30. Drafts of the construction and maintenance agreement with the Burlington Northern Santa Fe railroad have been circulated with Placentia and Anaheim in preparation for presentation to the Board next quarter. The ROW staff is negotiating with property owners to finalize offers regarding the property impacts on both of the undercrossing projects.

OCTA staff received Board authorization to begin the ROW process with property owners and tenants impacted by the Orangethorpe Avenue and Tustin Avenue/Rose Drive projects. The outreach team conducted several outreach events to support the ROW efforts. The design teams submitted a 35 percent design plan before the end of June. The Lakeview Avenue overcrossing design has been under review with property owners to address access concerns on the south side of the project. Staff is exploring concepts to mitigate any construction overlap at concurrent intersections including possible schedule adjustments. A budget amendment was presented to the Highways Committee in June and will be brought to the Board next quarter.

In addition, the outreach team developed the branding for the grade separation program: O.C. Bridges. OCTA's outreach effort is focused on the projects implemented by OCTA: Placentia Avenue, Kraemer Boulevard, Orangethorpe Avenue, Tustin Avenue/Rose Drive, and Lakeview Avenue. Collateral materials have been developed and the website is scheduled to debut early next quarter. There has been ongoing outreach with property owners, business owners, and residents who work and live near the O.C. Bridges projects.

Metrolink

Grade Crossing Improvements
Mary Toutounchi (714) 560-5833

Orange County's at-grade rail-highway crossing (railroad crossing) safety enhancement project began in August 2009 and is continuing to make progress. Improvements to railroad crossings can cover a wide spectrum from basic safety improvements (improving crossing surfaces, reapplying pavement markings, and enhancing signage), to the installation of supplemental safety measures that allow for quiet zones where locomotives are no longer required to sound their horns.

Construction continues on railroad crossing safety enhancements in Orange and Anaheim, with the activation of the first eight crossings in Orange scheduled for late September 2010. Construction also has begun in Tustin and will begin later this summer in Santa Ana. Signal crews are continuing to work at night and weekends installing conduits and foundations in preparation for pedestrian safety treatments at the crossings and synchronizing traffic signals with railroad signals. Civil construction crews continue to work during the week installing new medians and sidewalks, resurfacing pavement, restriping lines, and installing new signage.

Construction for all 50 railroad crossings in the eight participating cities is anticipated to be complete by the end of 2011. OCTA staff and the Southern California Regional Rail Authority construction teams continue to meet weekly with partner cities to coordinate construction activities and to ensure that any issues are being resolved.

Once construction is complete and the new crossings are activated, cities may establish a quiet zone through the Federal Railroad Administration (FRA). A quiet zone is an area along the tracks where trains are not required to sound their horns. Many of the cities have already completed the first step of this process by submitting a Notice of Intent to implement a quiet zone to the FRA, California Public Utilities Commission, and appropriate railroad agencies.

Installation of pedestrian gate foundations, sidewalk improvements, raised medians, handrails, and pedestrian swing gates have been completed for most of the crossings in Orange and Anaheim. In Tustin, signal foundations and conduits are being installed at Red Hill Avenue and civil construction of medians and sidewalk improvements will follow later this summer.

A comprehensive public outreach program is continuing to notify communities of construction impacts such as road detours, nighttime work, and dust impacts throughout the program. The goal is to inform and engage the public throughout the development of construction, raise awareness of increased train service, and partner with participating cities to create a quiet zone outreach program. E-mail and toll-free hotline calls continue to be received and responded to.

Rail Safety
Sarah Swensson (714) 560-5376

The "Be Rail Safe" education program continues to teach important safety lessons to youth. The team partnered with the Orange County Boy Scouts of America and Knott's Berry Farm to host a Boy Scouts Railroading Merit Badge Day in April. The scouts learned how to be rail safe, visited the historic Calico Railroad, and were able to enjoy a day at the park while earning their Railroading Merit Badge. The goal of these efforts is to spark attention to rail safety as communities see increased rail service, which contributes to reduced vehicle trips and improved mobility.

As part of continued rail safety awareness for youth, Max and Lucy, the rail safety superheroes, have been incorporated into a bilingual comic book. With the title, "Rail Tale with Max and Lucy," the comic book is a great way to teach children how to be safe around train tracks.

The Be Rail Safe team also shared safety tips with community members at the annual Railroad Days in Brea. More than 10,000 people participated in the two-day event, creating an ideal opportunity for the team to distribute safety messages while visitors enjoyed rail-related exhibits.

Go Local

Go Local Fixed-Guideway
Kelly Long (714) 560-5725

Project development continued with the two Board-approved Go Local fixed-guideway projects, one from Anaheim and the other from Santa Ana and Garden Grove. Both teams are currently underway with Step Two efforts to complete detailed planning, including alternatives analysis (AA) and environmental clearance activities.

Consistent with the state and federal AA and environmental clearance practices, Anaheim continued to develop the technical studies and reports for the Anaheim Rapid Connection (ARC) project. The ARC project activities completed include the scoping report, basis of design report, preliminary operations and maintenance cost estimates, and preliminary capital cost estimates. The draft environmental studies prepared during the reporting period include technical memos on hydrology and water quality.

The project team from Santa Ana and Garden Grove completed the purpose and need statement for their project, as well as the evaluation methodology report. In addition, the cities prepared for and conducted public outreach scoping meetings to satisfy state environmental clearance requirements. The scoping meetings included meeting with local stakeholders and conducting four workshops in the cities. Approximately 40 members of the public attended the scoping meetings to provide input on the alignments and technologies being evaluated for the project.

OCTA staff continued its ongoing participation, review, and comment on development activities and deliverables related to both fixed-guideway projects. In addition, OCTA staff continued coordination with the Federal Transit Administration staff in discussions on the AA and environmental clearance processes for both projects to ensure compliance with all potential federal funding sources.

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), funded by M2.

Go Local Bus/Shuttle
Dana Wiemiller (714) 560-5718

During the reporting period, phase two of the service planning work was implemented in each of the six bus/shuttle sub-regions, which included an evaluation of passenger demands and needs, route segment performance, and overall system impacts. In addition, a financial analysis tool was in development to ensure consistent evaluation among all service planning consultants when assessing capital and operating cost estimates.

A consultant was selected to conduct the Board-approved system-wide transit study. The Go Local consulting firms will coordinate with this study process as it moves forward to ensure an evaluation of both regional and community transit objectives.

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), funded by M2. Staff continues to develop guidelines for the evaluation of Go Local projects that will compete for M2 Project S funds. Staff expects to bring draft guidelines for the Board's consideration in 2010.

Community-Based Transit Circulators
Dana Wiemiller (714) 560-5718

During the reporting period, there were 30 bus/shuttle concepts in Step Two service planning under Go Local/Project S. The service planning contracts and participating city cooperative agreements were amended to include the Project V concepts. Under Project V, an additional 22 bus/shuttle community-based circulator concepts have been incorporated into the Step Two service planning effort and are currently undergoing phase two analysis activities.

Environmental Committees
Marissa Espino (714) 560-5607

The Environmental Cleanup Allocation/Water Quality Committee (Allocation Committee) and the Environmental Oversight Committee (EOC) both began meeting on a monthly basis 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. These funds will be allocated on a countywide competitive basis to assist jurisdictions in meeting the Clean Water Act standards for controlling transportation-generated pollution.

During the second quarter of 2010, the Board approved actions proposed by the Allocation Committee. Among the items approved were: a two-tier water quality grant program, a funding plan and guidelines for both tiers, and the development of a Tier 2 planning study scope of work. The scope of work will identify the most strategically effective areas, opportunities, and types of investments to reduce road and freeway runoff impacts to waterways in Orange County.

The Tier 1 grant program is a catch basin improvement program that will offer funding for equipment purchases and upgrades to existing catch basin screens, filters, and inserts.

Tier 2 is a second grant program that will focus on funding for multi-jurisdictional, multi-year capital-intensive projects.

Freeway Mitigation Program

The purpose of the EOC is to make recommendations to the Board on the allocation of environmental freeway mitigation funds and to 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 13 M2 freeway projects.

On May 24, 2010, the Board approved the EOC's recommendations to include all 14 Group 1 properties for appraisal. Properties within Group 1 generally possess higher quality habitats and are larger sized properties that align with impacted habitats and contain covered species.

The Board also directed the EOC be given the authority to add the six Group 2 properties for appraisal based upon any of the current properties falling out. The appraisal process began in late June and is expected to take six to eight weeks.

Additionally, OCTA staff was tasked with developing an acquisition plan that outlines the details of the appraisal, negotiations and escrow process.

Finally, the Board approved the preliminary results for the restoration proposals, which focused on the biological factors for each of the 11 properties, and the Board directed staff to further evaluate restoration proposals under Group 1 and Group 2 to determine the overall mitigation value.

Financing
Ken Phipps (714) 560-5637

Staff has received updated taxable sales forecasts from Chapman University, the University of California, Los Angeles (Anderson Forecast), and California State University, Fullerton through the M2 period. These forecasted growth rates are being applied to the M1 sales tax budget for fiscal year 2010-11, which is based on a 1.1 percent sales tax growth rate applied to projected sales tax revenue for fiscal year 2009-10.

As compared to the 2005 nominal revenue estimates, the first 12 months of M2 sales tax revenue is now projected to be more than $130 million less than the 2005 projections and the average annual growth rate over the 30-year period is projected to be approximately 0.5 percent less. As a result, the nominal M2 sales tax revenue is projected to decrease from the 2005 estimate of $24.3 billion to a revised estimate of $13.6 billion for the 30-year period.

OCTA

August 23, 2010

To: Members of the Board of Directors

From: Will Kempton, Chief Executive Officer

Subject: Measure M Quarterly Progress Report

Overview

Staff has prepared a Measure M progress report for the second quarter of 2010. This is a regular report that highlights the Measure M projects and programs currently under development.

Recommendation

Receive and file as an information item.

Background

Measure M Ordinance No. 2 requires quarterly reports to the Orange County Transportation Authority's (OCTA) Board of Directors (Board), which present the progress of implementing the Measure M Expenditure Plan. Quarterly reports highlight accomplishments for the freeway, streets and roads, and transit programs within Measure M. Reports also include summary financial information for the period and total program to date.

Discussion

This quarterly report updates progress in implementing the Measure M Expenditure Plan during the second quarter of 2010 (April through June). Highlights and accomplishments of work-in-progress for freeway, streets and roads, and transit programs, along with expenditure information are presented for Board review.

Freeway Program

Prior Measure M construction projects along the Santa Ana Freeway (Interstate 5), Costa Mesa Freeway (State Route 55), Orange Freeway (State Route 57), and

the Riverside Freeway (State Route 91) are complete. The following are highlights and major accomplishments along active freeway corridor projects:

Interstate 5 (I-5), Gateway Project

The two-mile stretch of the I-5, from just north of the I-5/State Route 91 (SR-91) interchange to the Los Angeles County line, is the last phase of the I-5 in Orange County to be improved. On April 18, 2006, the freeway widening construction package was awarded to FCI Constructors/Balfour Beatty Construction, Inc. Various construction activities continued during the report period, with the project currently 95 percent complete.

In April 2010, the OCTA Board approved an $8.2 million increase for the I-5 Gateway Project right-of-way capital and support costs. The increased costs are within the estimate at completion.

Construction activities during the quarter focused on completing concrete paving work for the new mainline center lanes. Work was completed on the reconstruction of the northbound Beach Boulevard off-ramp and the southbound Artesia Boulevard off-ramp. Retaining wall construction is now 99 percent complete with crews installing fencing at the top of the walls.

The public outreach team continued distributing emails and faxes regarding nighttime full freeway closures and meeting with community organizations and the auto dealers association to provide project updates.

Streets and Roads Programs

Substantial funding to cities and the County is provided by the various programs within the Measure M Local and Regional Streets and Roads programs through OCTA's Combined Transportation Funding Program (CTFP). The CTFP encompasses Measure M streets and roads competitive programs, as well as federal sources such as the Regional Surface Transportation Program. Funds are awarded on a competitive basis within the guidelines of each program and are used to fund a wide range of transportation projects.

In July 2009, the Board requested quarterly updates on the CTFP similar to those provided as part of the semi-annual review. OCTA has completed the March 2010 semi-annual review. As of June 30, 2010, 95 percent of the funding has been obligated to projects. OCTA will continue to monitor the projects through completion. The current status of the program are reflected in the table below.

Status	Definition	Measure M Allocations (millions) 3/31/10	Measure M Allocations (millions) 6/30/10
Completed	Project work is complete, final report is filed, approved, and the final payment has been made.	$ 425.7	$ 429.8
Pending	Project work has been completed and only final report submittal/approval is pending.	48.4	84.6
Started	Project has begun and the funds have been obligated.	137.4	145.3
Planned	Projects are planned but have not entered the program year or a delay has been requested.	84.3	36.2
	TOTAL PROJECT ALLOCATIONS	$ 695.8	$ 695.9

As required in Measure M, all Orange County eligible jurisdictions receive 14.6 percent of the sales tax revenue based on population ratio, Master Plan of Arterial Highways miles, and total taxable sales. There are no competitive criteria to meet, but there are administrative requirements such as having a growth management plan. This money can be used for local transportation projects as well as ongoing maintenance of local streets and roads. The total amount of Measure M turnback funds distributed since program inception is $562.4 million. Distributions to individual agencies, from inception-to-date and for the report period, are detailed in Attachment A.

Transit Programs

Rail Program

The OCTA rail program is comprised mainly of the Metrolink Commuter Rail Program and the associated capital improvements intended to support existing services as well as future service expansion.

Metrolink Service Expansion Program (Expansion)

On November 14, 2005, the Board authorized the implementation of the Expansion. The Expansion includes all of the capital and operational improvements necessary to accomplish high-frequency service between the stations located in Fullerton and Laguna Niguel/Mission Viejo. When feasible and appropriate, local, state, and federal funds are used to fund program elements. Only those elements supported by Measure M funding are discussed here. Attachment B provides details on the status of various program elements.

Financial Status

Net Measure M expenditures through June 30, 2010, total $3.39 billion but do not include year-end accruals or other financial adjustments. Net expenditures include project specific reimbursements to Measure M from local agencies and the California Department of Transportation on jointly-funded projects. Total net tax revenues consist primarily of Measure M sales tax revenues and non-bond interest minus estimated non-project related administrative expenses through 2011. Net revenues, expenditures, estimates at completion, and summary project budgets, per the Measure M Expenditure Plan, are presented in Attachment C. The basis for project budgets within each of the Measure M Expenditure Plan programs is identified in the notes section of Attachment C. With the economic downtown, the additional $22 million funding allocation is no longer available. In December 2009, the Board directed staff to initiate the process to amend the Measure M Expenditure Plan to remove the $22 million allocation for the SR-57 project. The Board conducted a public hearing and approved the amendment on March 8, 2010. Additional details and supporting information to the Measure M Revenue and Expenditure Summary are provided under Attachment D.

Budget Variances

Project budget versus estimate at completion variances relate to freeway and transitway elements as these programs have defined projects. Other programs, such as regional and local streets and roads, assume all net tax revenues will be spent on existing or yet to be defined future projects.

Revenue Projections

Staff continues to closely monitor actual local sales tax revenues versus prior forecasts. Unlike prior quarterly reports which continued to predict declining revenues, the June 2010 report includes an updated forecast that indicates a revenue increase of $9.2 million as compared to the March 2010 report.

OCTA continues to evaluate the status of all active and pending Measure M competitive projects to assess potential project delivery issues. At the present time, the funding commitment to competitive projects is within the current updated revenue forecast.

Summary

As required in Measure M Ordinance No. 2, a quarterly report is provided to update progress in implementing the Measure M Expenditure Plan. This report covers freeways, streets and roads, transit program highlights, and accomplishments from April through June 2010.

Attachments

A. Measure M Local Turnback Payments
B. Metrolink Service Expansion Program (Expansion) Overview
C. Measure M Revenue and Expenditure Summary as of June 30, 2010
D. Supporting Information to Measure M Revenue and Expenditure Summary

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ATTACHMENT A

MEASURE M LOCAL TURNBACK PAYMENTS

Agency	Second Quarter 2010	Total Apportionment as of 6/30/10
Aliso Viejo	$ 120,628	$ 3,826,855
Anaheim	1,107,625	61,524,124
Brea	179,670	10,011,529
Buena Park	299,181	15,219,952
Costa Mesa	464,126	26,393,823
Cypress	181,447	9,893,888
Dana Point	109,815	6,261,843
Fountain Valley	207,918	12,023,717
Fullerton	420,849	24,023,370
Garden Grove	485,593	27,411,214
Huntington Beach	630,444	35,885,616
Irvine	805,656	39,884,804
Laguna Beach	85,048	4,713,294
Laguna Hills	117,277	6,614,843
Laguna Niguel	224,440	11,988,088
Laguna Woods	45,549	1,772,487
La Habra	177,030	9,457,243
Lake Forest	255,369	12,534,466
La Palma	66,213	3,181,939
Los Alamitos	43,285	2,613,234
Mission Viejo	313,793	17,444,463
Newport Beach	349,053	17,544,877
Orange	539,448	29,212,022
Placentia	154,174	8,681,957
Rancho Santa Margarita	140,147	4,886,200
San Clemente	185,241	9,004,666
San Juan Capistrano	125,269	6,942,549
Santa Ana	948,953	54,833,847
Seal Beach	85,395	4,454,992
Stanton	98,017	5,519,480
Tustin	276,183	15,123,343
Villa Park	17,579	1,005,305
Westminster	283,881	16,461,803
Yorba Linda	195,027	10,440,397
County Unincorporated	579,734	35,604,678
Total County:	***$ 10,319,058***	***$ 562,396,912***

ATTACHMENT B

Metrolink Service Expansion Program (Expansion) Overview

On March 27, 2009, the Southern California Regional Rail Authority (SCRRA) awarded the civil package to Herzog Contracting Corporation to support the Expansion. The bid package includes civil construction work for both the Expansion (Measure M) and the Grade Crossing Safety Enhancements (OCX) and Quiet Zone Program, which is part of the Early Action Plan for Measure M2.

In addition to the civil construction contract, four other procurement packages associated with the Expansion, including special track work, signal construction, signal maintenance, and rail and ties, have been awarded. On August 3, 2009, SCRRA issued a notice to proceed to start construction of the rail infrastructure improvements and grade crossing enhancements.

The Expansion project is now in construction. Both the Laguna Niguel and Fullerton turnback facilities are currently under construction and are scheduled to be completed in late fall of 2010. Completion of these two facilities is required prior to implementation of expanded service. Other program elements currently under construction include the universal crossover at CP Lincoln (Santa Ana) and the rehabilitation of relief siding in Orange. These improvements will facilitate more efficient train movements and reduce train delays.

As part of the Orange County Transportation Authority's (OCTA) efforts to preserve Measure M funds and maximize the use of other available sources of funds, staff has been working closely with California Transportation Commission (CTC) to replace Measure M funds with Proposition 116 funding on both the Expansion and OCX programs. SCRRA was directed to issue work orders or materials releases for critical projects only, which reduced the obligation of Measure M funds for these programs. OCTA was able to receive an additional CTC Proposition 116 allocation of $11.5 million on April 7, 2010, to offset Measure M funds. Total Proposition 116 funds allocated to the Expansion and OCX projects is $30.7 million.

The cumulative impacts of Proposition 116 funding, contract protest, ordering of long-lead time materials, and other delays is estimated to be approximately one year for full completion. A more detailed construction update on the Expansion project was provided to the Board of Directors (Board) on April 26, 2010. OCTA staff and SCRRA staff are exploring opportunities to recover some of the time that has been lost on the schedule and finds ways to accelerate program elements in the future.

A plan for the expansion of parking facilities at Metrolink stations is progressing. The City of Orange has chosen a preferred option for two mixed-use parking structures in the Historic Depot Area. The sites chosen for the city-led projects are existing surface parking lots that are currently used for Metrolink parking. Design of the structures is scheduled to begin in the Fall of 2010.

Design work for the new parking structure to be built on the existing surface parking lot at the Tustin Metrolink Station is complete and the project was advertised for bid in

June 2010. This is an OCTA lead project and contractor selection will be taken to the Board in August 2010 with an anticipated notice to proceed to be given in fall 2010.

The City of Fullerton is the lead on an 818 space design-build parking structure project which was advertised in May 2010. Contractor selection will be taken to the city council in August 2010.

OCTA continues to work with the City of Laguna Niguel regarding added station parking capacity. A memorandum of understanding was approved by the city and the Board in September 2009, to study the acquisition of property for additional surface parking on Camino Capistrano.

City-Initiated Transit Extensions to Metrolink

Project development continued with the two Board-approved Go Local fixed-guideway project from the City of Anaheim and the cities of Santa Ana and Garden Grove. Both teams are currently under way with step two efforts to complete detailed planning including alternatives analysis (AA) and environmental clearance activities.

Consistent with the state and federal AA and environmental clearance practices, the City of Anaheim continued to develop the technical studies and reports for the Anaheim Rapid Connection (ARC) project. The AA project activities completed include the scoping report, basis of design report, preliminary operations and maintenance cost estimates, and preliminary capital cost estimates. The draft environmental studies prepared during the reporting period include technical memos on hydrology and water quality.

The project team from the cities of Santa Ana and Garden Grove completed the purpose and need statement for their project as well as the evaluation methodology report. In addition, cities prepared for and conducted public outreach scoping meetings to comply with state environmental clearance requirements. The scoping meetings included meeting with local stakeholders and conducting four workshops in the cities. Approximately 40 members of the public attended the scoping meetings to provide input on the alignments and technologies being evaluated for the project.

OCTA staff continued its ongoing participation, review, and comment on development activities and deliverables related to both fixed-guideway projects. In addition, OCTA staff continued coordination with the Federal Transit Administration staff in discussions on the AA and environmental clearance processes for both projects to ensure compliance with all potential federal funding sources.

Planning work done as part of steps one and two of the Go Local program is funded by Measure M in preparation for the implementation of project S (transit extensions to Metrolink), funded by Measure M2.

Measure M Revenue and Expenditure Summary
as of June 30, 2010

Project Description	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Estimate at Completion	Variance Project Budget to Estimate at Completion	To Date Net Project Cost	Percent Budget Expended	Notes
($ in thousands, escalated to year of expenditure/revenue	A	B	C	(A - C)	(B - C)	D	(D / B)	
Freeways (43%)								
I-5 between I-405 and I-605	$ 971,345	$ 810,010	$ 800,650	$ 170,695	$ 9,360	$ 760,859	93.9%	1
I-5 between I-5/I-405 Interchange and San Clemente	67,981	57,836	59,936	8,045	(2,100)	59,936	103.6%	1
I-5/I-405 Interchange	86,284	72,802	73,075	13,209	(273)	73,075	100.4%	1
SR-55 between I-5 and SR-91	57,522	44,511	50,225	7,297	(5,714)	49,194	110.5%	1
SR-57 between I-5 and Lambert Road	28,761	24,128	22,759	6,002	1,369	22,758	94.3%	1
SR-91 between Riverside Co. line & Los Angeles Co. line	124,196	116,136	105,389	18,807	10,747	105,389	90.7%	1
SR-22 between SR-55 and Valley View Street	396,120	303,297	302,934	93,186	363	302,068	99.6%	1
Subtotal Projects	$ 1,732,209	$ 1,428,720	$ 1,414,968	$ 317,241	$ 13,752	$ 1,373,279	96.1%	
Net (Bond Revenue)/Debt Service		308,684	308,684	(308,684)	-	237,922		
Total Freeways	$ 1,732,209	$ 1,737,404	$ 1,723,652	$ 8,557	$ 13,752	$ 1,611,201	92.7%	3
Expenditures as a Percent of Total Program						47.5%		
Regional Street and Road Projects (11%)								
Smart Streets	$ 151,928	$ 149,544	$ 149,544	$ 2,384	$ -	$ 157,643	105.4%	2,4
Regionally Significant Interchagnes	88,625	88,625	88,625	-	-	63,484	71.6%	2
Intersection Improvement Program	126,607	126,607	126,607	-	-	86,559	68.4%	2
Traffic Signal Coordination	63,303	63,303	63,303	-	-	51,652	81.6%	2
Transportation Systems and Transporation Demand Mgmt	12,661	12,661	12,661	-	-	7,558	59.7%	2
Subtotal Projects	$ 443,124	$ 440,740	$ 440,740	$ 2,384	$ -	$ 366,896	83.2%	
Net (Bond Revenue)/Debt Service		2,384	2,384	(2,384)	-	1,838		
Total Regional Street and Road Projects	$ 443,124	$ 443,124	$ 443,124	$ -	$ -	$ 368,734	83.2%	2
Expenditures as a Percent of Total Program						10.9%		

ATTACHMENT C

Measure M Revenue and Expenditure Summary
as of June 30, 2010

Project Description	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Estimate at Completion	Variance Project Budget to Estimate at Completion	To Date Net Project Cost	Percent Budget Expended	Notes
($ in thousands, escalated to year of expenditure/revenue	A	B	C	(A - C)	(B - C)	D	(D / B)	
Local Street and Road Projects (21%)								
Master Plan of Arterial Highway Improvements	$ 160,296	$ 160,296	$ 160,296	$ -	$ -	$ 102,787	64.1%	2
Streets and Roads Maintenance and Road Improvements	585,667	585,667	585,667	-	-	562,461	96.0%	2
Growth Management Area Improvements	100,000	100,000	100,000	-	-	79,278	79.3%	2
Subtotal Projects	$ 845,963	$ 845,963	$ 845,963	$ -	$ -	$ 744,526	88.0%	
Net (Bond Revenue)/Debt Service						-		
Total Local Street and Road Projects	$ 845,963	$ 845,963	$ 845,963	$ -	$ -	$ 744,526	88.0%	
Expenditures as a Percent of Total Program						22.0%		
Transit Projects (25%)								
Pacific Electric Right-of-Way	$ 19,492	$ 15,000	$ 14,000	$ 5,492	$ 1,000	$ 13,833	92.2%	
Commuter Rail	363,348	347,441	380,047	(16,699)	(32,606)	290,632	83.6%	
High-Technology Advanced Rail Transit	441,824	422,519	410,688	31,136	11,831	173,304	41.0%	
Elderly and Handicapped Fare Stabilization	20,000	20,000	20,000	-	-	19,000	95.0%	
Transitways	162,435	146,381	126,606	35,829	19,775	125,886	86.0%	1
Subtotal Projects	$ 1,007,099	$ 951,341	$ 951,341	$ 55,758	$ -	$ 622,655	65.5%	
Net (Bond Revenue)/Debt Service		55,758	55,758	(55,758)	-	42,976		
Total Transit Projects	$ 1,007,099	$ 1,007,099	$ 1,007,099	$ -	$ -	$ 665,631	66.1%	
Expenditures as a Percent of Total Program						19.6%		
Total Measure M Program	$ 4,028,395	$ 4,033,590	$ 4,019,838	$ 8,557	$ 13,752	$ 3,390,092	84.0%	

Notes:

1. Project budget based on escalated value of 1996 Freeway Strategic Plan plus subsequent Board-approved amendments.
2. Project budget and estimate at completion equal to total net Tax revenues as all funds collected will be expended on future projects.
3. Due to a change in reporting practices, estimates at completion now include approximately $10 million of OCTA direct project labor not included in project budgets.
4. To date net project costs include expenditures approved by the Board for transfer to the Master Plan of Arterial Highways improvements. Transfers are pending.

ATTACHMENT D

Schedule 1

Supporting Information to Measure M Revenue and Expenditure Summary

($ in thousands)	Quarter Ended June 30, 2010	Year to Date June 30, 2010 (A)	Period from Inception to June 30, 2010 (B)
Revenues:			
Sales taxes	$ 61,007	$ 216,061	$ 3,795,251
Other agencies share of Measure M costs			
Project related	10,793	19,001	402,183
Non-project related	-	-	613
Interest:			
Operating:			
Project related	8	34	1,049
Non-project related	130	8,751	252,800
Bond proceeds	-	-	136,067
Debt service	167	1,424	82,271
Commercial paper	-	-	6,072
Orange County bankruptcy recovery	-	-	42,268
Capital grants	-	1,955	160,110
Right-of-way leases	163	461	5,173
Proceeds on sale of assets held for resale	537	2,147	24,038
Miscellaneous:			
Project related	-	-	26
Non-project related	-	-	775
Total revenues	72,805	249,834	4,908,696
Expenditures:			
Supplies and services:			
State Board of Equalization (SBOE) fees	468	2,583	54,283
Professional services:			
Project related	3,295	10,094	187,648
Non-project related	944	2,379	31,693
Administration costs:			
Project related	398	1,661	19,408
Non-project related	1,236	4,877	81,940
Orange County bankruptcy loss	-	-	78,618
Other:			
Project related	39	109	1,341
Non-project related	46	217	15,731
Payments to local agencies:			
Turnback	10,319	31,689	562,445
Other	32,469	106,760	670,782
Capital outlay	9,911	40,704	2,005,476
Debt service:			
Principal payments on long-term debt	-	78,405	921,160
Interest on long-term debt and commercial paper	-	9,018	556,922
Total expenditures	59,125	288,496	5,187,447
Excess (deficiency) of revenues over (under) expenditures	13,680	(38,662)	(278,751)
Other financing sources (uses):			
Transfers out:			
Project related	-	(1,990)	(254,664)
Non-project related	-	-	(5,116)
Transfers in project related	-	-	1,829
Bond proceeds	-	-	1,169,999
Advance refunding escrow	-	-	(931)
Payment to refunded bond escrow agent	-	-	(152,930)
Total other financing sources (uses)	-	(1,990)	758,187
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	$ 13,680	$ (40,652)	$ 479,436

Measure M
Schedule of Calculations of Net Tax Revenues and Net Bond Revenues (Debt Service)
Supporting Information to Measure M Revenue and Expenditure Summary

($ in thousands)	Quarter Ended June 30, 2010 (actual)	Year Ended June 30, 2010 (actual)	Period from Inception through June 30, 2010 (actual)	Period from July 1, 2010 through March 31, 2011 (forecast)	Total
		(C.1)	*(D.1)*	*(E.1)*	*(F.1)*
Tax revenues:					
Sales taxes	$ 61,007	$ 216,061	$ 3,795,251	$ 161,974	$ 3,957,225
Other agencies share of Measure M costs	-	-	613	-	613
Operating interest	130	8,751	252,800	6,515	259,315
Orange County bankruptcy recovery	-	-	20,683	-	20,683
Miscellaneous, non-project related	-	-	775	-	775
Total tax revenues	61,137	224,812	4,070,122	168,489	4,238,611
Administrative expenditures:					
SBOE fees	468	2,583	54,283	1,506	55,789
Professional services, non-project related	944	2,378	22,832	1,592	24,424
Administration costs, non-project related	1,236	4,877	81,940	5,279	87,219
Operating transfer out, non-project related	-	-	5,116	-	5,116
Orange County bankruptcy loss	-	-	29,792	-	29,792
Other, non-project related	46	217	6,632	1,244	7,876
	2,694	10,055	200,595	9,621	210,2
Net tax revenues	$ 58,443	$ 214,757	$ 3,869,527	$ 158,868	$ 4,028,395
		(C.2)	*(D.2)*	*(E.2)*	*(F.2)*
Bond revenues:					
Proceeds from issuance of bonds	$ -	$ -	$ 1,169,999	$ -	$ 1,169,999
Interest revenue from bond proceeds	-	-	136,067	-	136,067
Interest revenue from debt service funds	167	1,424	82,271	3,593	85,864
Interest revenue from commercial paper	-	-	6,072	-	6,072
Orange County bankruptcy recovery	-	-	21,585	-	21,585
Total bond revenues	167	1,424	1,415,994	3,593	1,419,587
Financing expenditures and uses:					
Professional services, non-project related	-	1	8,861	-	8,861
Payment to refunded bond escrow	-	-	153,861	-	153,861
Bond debt principal	-	78,405	921,160	82,795	1,003,955
Bond debt interest expense	-	9,018	556,922	4,889	561,811
Orange County bankruptcy loss	-	-	48,826	-	48,826
Other, non-project related	-	-	9,099	-	9,099
Total financing expenditures and uses	-	87,424	1,698,729	87,684	1,786,413
Net bond revenues (debt service)	$ 167	$ (86,000)	$ (282,735)	$ (84,091)	$ (366,826)

Measure M
Schedule of Revenues and Expenditures Summary
Supporting Information to Measure M Revenue and Expenditure Summary

Project Description	Net Tax Revenues Program to date Actual	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures through June 30, 2010	Reimbursements through June 30, 2010	Net Project Cost	Percent of Budget Expended
(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)
($ in thousands)										
Freeways (43%)										
I-5 between I-405 (San Diego Fwy) and I-605 (San Gabriel Fwy)	$ 933,038	$ 971,345	$ 810,010	$ 800,650	$ 170,695	$ 9,360	$ 845,849	$ 84,990	$ 760,859	93.9%
I-5 between I-5/I-405 Interchange and San Clemente	65,300	67,981	57,836	59,936	8,045	(2,100)	70,294	10,358	59,936	103.6%
I-5/I-405 Interchange	82,881	86,284	72,802	73,075	13,209	(273)	98,157	25,082	73,075	100.4%
S.R. 55 (Costa Mesa Fwy) between I-5 and S.R. 91 (Riverside Fwy)	55,254	57,522	44,511	50,225	7,297	(5,714)	55,366	6,172	49,194	110.5%
S.R. 57 (Orange Fwy) between I-5 and Lambert Road	27,627	28,761	24,128	22,759	6,002	1,369	25,617	2,859	22,758	94.3%
S.R. 91 (Riverside Fwy) between Riverside Co. line & Los Angeles Co. line	119,298	124,196	116,136	105,389	18,807	10,747	123,995	18,606	105,389	90.7%
S.R. 22 (Garden Grove Fwy) between S.R. 55 and Valley View St.	380,499	396,120	303,297	302,934	93,186	363	617,317	315,249	302,068	99.6%
Subtotal Projects	1,663,897	1,732,209	1,428,720	1,414,968	317,241	13,752	1,836,595	463,316	1,373,279	
Net (Bond Revenue)/Debt Service			308,684	308,684	(308,684)	-	237,922		237,922	
Total Freeways	$ 1,663,897	$ 1,732,209	$ 1,737,404	$ 1,723,652	$ 8,557	$ 13,752	$ 2,074,517	$ 463,316	$ 1,611,201	
%				42.9%					47.5%	
Regional Street and Road Projects (11%)										
Smart Streets	$ 145,936	$ 151,928	$ 149,544	$ 149,544	$ 2,384	$ -	$ 168,838	$ 11,195	$ 157,643	105.4%
Regionally Significant Interchanges	85,130	88,625	88,625	88,625	-	-	63,630	146	63,484	71.6%
Intersection Improvement Program	121,614	126,607	126,607	126,607	-	-	86,773	214	86,559	68.4%
Traffic Signal Coordination	60,807	63,303	63,303	63,303	-	-	51,784	132	51,652	81.6%
Transportation Systems Management and Transportation Demand Management	12,161	12,661	12,661	12,661	-	-	7,707	149	7,558	59.7%
Subtotal Projects	425,648	443,124	440,740	440,740	2,384	-	378,732	11,836	366,896	
Net (Bond Revenue)/Debt Service			2,384	2,384	(2,384)	-	1,838		1,838	
Total Regional Street and Road Projects	$ 425,648	$ 443,124	$ 443,124	$ 443,124	$ -	$ -	$ 380,570	$ 11,836	$ 368,734	
%				11.0%					10.9%	

Measure M
Schedule of Revenues and Expenditures Summary
Supporting Information to Measure M Revenue and Expenditure Summary

Project Description	Net Tax Revenues Program to date Actual	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures through June 30, 2010	Reimbursements through June 30, 2010	Net Project Cost	Percent of Budget Expended
(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)
($ in thousands)										
Local Street and Road Projects (21%)										
Master Plan of Arterial Highway Improvements	$ 150,030	$ 160,296	$ 160,296	$ 160,296	$ -	$ -	$ 102,886	$ 99	$ 102,787	64.1%
Streets and Roads Maintenance and Road Improvements	562,570	585,667	585,667	585,667	-	-	562,461	-	562,461	96.0%
Growth Management Area Improvements	100,000	100,000	100,000	100,000	-	-	79,709	431	79,278	79.3%
Subtotal Projects	812,600	845,963	845,963	845,963	-	-	745,056	530	744,526	
Net (Bond Revenue)/Debt Service							-		-	
Total Local Street and Road Projects	$ 812,600	$ 845,963	$ 845,963	$ 845,963	$ -	$ -	$ 745,056	$ 530	$ 744,526	
%				21.0%					22.0%	
Transit Projects (25%)										
Pacific Electric Right-of-Way	$ 18,724	$ 19,492	$ 15,000	$ 14,000	$ 5,492	$ 1,000	$ 16,708	$ 2,875	$ 13,833	92.2%
Commuter Rail	348,229	363,348	347,441	380,047	(16,699)	(32,606)	351,437	60,805	290,632	83.6%
High-Technology Advanced Rail Transit	424,400	441,824	422,519	410,688	31,136	11,831	191,585	18,281	173,304	41.0%
Elderly and Handicapped Fare Stabilization	20,000	20,000	20,000	20,000	-	-	19,000	-	19,000	95.0%
Transitways	156,029	162,435	146,381	126,606	35,829	19,775	162,651	36,765	125,886	86.0%
Subtotal Projects	967,382	1,007,099	951,341	951,341	55,758	-	741,381	118,726	622,655	
Net (Bond Revenue)/Debt Service			55,758	55,758	(55,758)	-	42,976		42,976	
Total Transit Projects	$ 967,382	$ 1,007,099	$ 1,007,099	$ 1,007,099	$ -	$ -	$ 784,357	$ 118,726	$ 665,631	
%				25.1%					19.6%	
Total Measure M Program	$ 3,869,527	$ 4,028,395	$ 4,033,590	$ 4,019,838	$ 8,557	$ 13,752	$ 3,984,500	$ 594,408	$ 3,390,092	

OCTA

BOARD COMMITTEE TRANSMITTAL

September 13, 2010

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: California High-Speed Rail Project Update

Transit Committee Meeting of September 9, 2010

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

Committee Vote

This item was passed by all Committee Members present.

Director Pulido was not present to vote on this item.

Committee Recommendation

Direct staff to continue to monitor and participate in project development activities for the Anaheim to Los Angeles segment of the California High-Speed Rail Project.

OCTA

September 9, 2010

To: Transit Committee

From: Will Kempton, Chief Executive Officer

Subject: California High-Speed Rail Project Update

Overview

The California High-Speed Rail Authority is underway with project development activities for a high-speed rail system in California. The Anaheim to Los Angeles segment of the project is currently undergoing state and federal environmental evaluation, with anticipated clearances in September 2011. The Orange County Transportation Authority has been actively participating in the project development.

Recommendation

Direct staff to continue to monitor and participate in project development activities for the Anaheim to Los Angeles segment of the California High-Speed Rail Project.

Background

In 2005, the California High-Speed Rail Authority (CHSRA) completed a program level environmental impact statement/environmental impact report (EIS/EIR) for the statewide high-speed rail (HSR) project, and selected a preferred alignment between Anaheim and Los Angeles that follows the existing Los Angeles – San Diego – San Luis Obispo (LOSSAN) rail corridor owned by the Orange County Transportation Authority (OCTA). Subsequently, the CHSRA initiated the project-level environmental clearance for this segment in 2007. Following that effort, OCTA entered into a cooperative agreement with the CHSRA to provide $7 million for the completion of this analysis, and has been actively participating in the development process since its commencement.

In January 2010, CHSRA was awarded $2.25 billion through the American Recovery Reinvestment Act (ARRA) for the development and implementation of HSR on four segments: Anaheim to Los Angeles, San Francisco to San Jose, Merced to Fresno, and Fresno to Bakersfield.

Proposition 1A, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, passed by California voters in November 2008, made available $9.95 billion in general obligation bonds for the continued development and implementation of HSR. The bonds have a number of requirements for use, including a dollar-for-dollar match with non-state funding.

Discussion

The CHSRA is currently conducting preliminary engineering and project-level environmental analysis on the Anaheim to Los Angeles segment of the HSR project, with the goal of obtaining environmental clearance by September 2011. The CHSRA has launched an extensive public outreach effort to inform and solicit input from communities, local agencies, and elected officials along the corridor. These outreach efforts include presenting project updates in study sessions with city councils of corridor cities; meeting with city managers and technical staff of each corridor city on a regular basis to solicit input and identify concerns; and holding community meetings to inform the public about the project.

The CHSRA is preparing the preliminary engineering necessary to evaluate potential project impacts as part of the environmental review process. OCTA staff has been actively involved in the alternatives analysis process, ensuring maximum benefit to Orange County while minimizing negative impacts. Staff has also been working closely with the City of Anaheim and CHSRA to ensure that the HSR project will be accommodated at the Anaheim Regional Transportation Intermodal Center.

Through the early design efforts, the concept for the HSR segment between Anaheim and Los Angeles evolved from a dedicated, two-track elevated system to a dedicated, two-track at-grade system between Los Angeles and Fullerton that would include two tracks for high-speed trains and four tracks for Amtrak, Metrolink, and freight trains, for a total of six tracks.

Between Fullerton and Anaheim, initial designs called for two at-grade or underground HSR tracks in addition to the two existing tracks that serve Amtrak, Metrolink, and freight trains, for a total of four tracks. Since this "dedicated track" alternative would extend beyond the existing railroad right-of-way and would require substantial numbers of residential and commercial property acquisitions, is has been met with significant opposition from the corridor cities.

At the request of OCTA and the Los Angeles County Metropolitan Transportation Authority, the CHSRA Board of Directors (Board) at the July 8, 2010 Board meeting, approved the inclusion of a "shared-track"

alternative in the draft EIS/EIR. The shared-track alternative is designed to fit almost entirely within existing railroad right-of-way, and calls for two new tracks that would be shared by Amtrak Pacific Surfliner, HSR, and Metrolink Orange County Line trains, while Metrolink 91 Line trains, freight trains, and Amtrak's two daily long-distance trains would run on three conventional tracks, for a total of five tracks.

Both the dedicated and the shared-track alternatives will be carried forward for further analysis as part of the alternatives analysis process for the Anaheim to Los Angeles segment of the statewide HSR system. Staff believes the shared-track option shows promise for delivering the benefits of HSR without the severe right-of-way impacts of the dedicated track option.

To ensure that Orange County cities are updated on the HSR project status and design, OCTA staff has hosted meetings with city managers and city staff. On several occasions, CHSRA staff has been present and supplied project overview and status updates to this select group. These meetings have provided a forum for valuable input from Orange County cities, and have been beneficial to build a partnership with the CHSRA and to receive constructive comments about the design as it evolves. OCTA plans on continuing this dialogue with all the partners in this project.

Summary

The CHSRA is currently conducting preliminary engineering and environmental review on the Anaheim to Los Angeles segment of the statewide HSR project. OCTA staff will continue to work in partnership with the CHSRA to advocate that a viable, environmentally-sensitive HSR project is delivered within the schedule necessary to obtain ARRA funding.

Attachment

None.

Prepared by:

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Approved by:

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OCTA

September 8, 2010

To: Transportation 2020 Committee

From: Will Kempton, Chief Executive Officer

Subject: Traffic Light Synchronization Program Interim Results

Overview

The Orange County Transportation Authority has been working with local agencies, the County of Orange, and the California Department of Transportation on the implementation of the first phase of the Traffic Light Synchronization Program. This report provides a summary of the results for Alicia Parkway, Beach Boulevard (State Route 39), and Chapman Avenue.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) is working to implement multi-agency signal synchronization as part of the first phase of the Traffic Light Synchronization Program (TLSP). The program targets 153 miles of arterials and 533 signalized intersections for improved signal synchronization and infrastructure upgrades along ten regionally significant corridors throughout Orange County. The TLSP is funded by Proposition 1B and matching funds from Measure M. The TLSP has a budget of $8 million and will be implemented over three years.

The first three corridors of the TLSP have a budget of $3.1 million and are Alicia Parkway, Beach Boulevard (State Route 39), and Chapman Avenue. The following agencies participated in the TLSP projects:

- Alicia Parkway - Laguna Hills, Laguna Niguel, Mission Viejo, Rancho Santa Margarita, and the California Department of Transportation (Caltrans)
- Beach Boulevard - Anaheim, Buena Park, Fullerton, Huntington Beach, La Habra, Stanton, Westminster, and Caltrans

- Chapman Avenue - Garden Grove, Orange, Stanton, the County of Orange, and Caltrans

Discussion

This report summarizes the results of the first phase of the TLSP for Alicia Parkway, Beach Boulevard (State Route 39), and Chapman Avenue (Attachment A). All three projects involved multiple local agencies, each of whom separately control, operate, and maintain their respective traffic signals. Caltrans owns and maintains Beach Boulevard (State Route 39) in its entirety as it is a state route.

For all three projects, a coordination strategy was developed that combined interconnected time-based synchronization of the respective agencies' systems, including the necessary modifications in infrastructure to accomplish this task and in preparation for anticipated future uses and upgrades. Care was taken in developing the timing plans to not adversely affect crossing arterials. Additionally, available cross street traffic signal timing parameters were incorporated when applicable. The optimized timing plans were developed in coordination with local agency staff. As part of the regular monitoring, cross street traffic patterns were observed to ensure proper operation and minimal delay in entering the coordinated corridor system. Finally, several components of the project helped in its overall success and are presented below:

- Regular dialogue with each participating agency
- Clear understanding of local agency goals for signal synchronization
- Identify traffic constraints that may have an impact on synchronization
- Define agency roles and responsibilities
- Account for existing synchronization on crossing arterials
- Coordinate between local agencies and Caltrans operations and administrative staff
- Monitor the synchronized system for complimentary operations between jurisdictions

Signal timing plans were optimized for the morning, midday, and evening peak periods. During these peak periods, "before" and "after" studies were conducted to evaluate the improvements from these new optimized timing plans. Historically, traffic signal timing optimization efforts have resulted in statistical improvements in the range of 5 to 15 percent. A summary of the results for each of the corridors is included forthwith.

Alicia Parkway

The corridor is 11 miles in length and has 41 signalized intersections, with limits from Crown Valley Parkway to Santa Margarita Parkway. The cities of Laguna Hills, Laguna Niguel, Mission Viejo, and Rancho Santa Margarita were the project participants, as well as Caltrans and OCTA. Travel time improvements averaged 10 percent in the morning, 17 percent midday, and 6 percent in the evening. Average speeds increased two to four miles per hour during these time periods. Attachment B details the results and the infrastructure improvements installed for the Alicia Parkway TLSP project.

Beach Boulevard

The corridor is 20 miles in length with over 70 signalized intersections, and limits from Pacific Coast Highway to Whittier Boulevard. OCTA and Caltrans were the participants in this project. The cities of Anaheim, Buena Park, Fullerton, Huntington Beach, La Habra, Stanton, and Westminster were part of the associated project development team. OCTA's consultant, in conjunction with Caltrans, was able to implement a key eight-mile segment of 25 intersections between Wax Museum Drive in the north to McFadden Avenue in the south. The remaining portions of the corridor implementation will be finalized during the first week of September.

The results presented in this report represent the key eight-mile segment. Travel time improvements averaged 16 percent in the morning, 8 percent in the midday, and 8 percent in the evening. Average speeds increased two to four miles per hour during these time periods. Attachment C details the results and the infrastructure improvements installed for this project.

Chapman Avenue

The corridor is 15 miles in length, having been extended from the initial programmed 13 miles easterly to include additional intersections. The project limits are from Valley View Street east to Canyon View west. The cities of Garden Grove, Orange, Stanton, and the County of Orange were the participants in the project as well as Caltrans and OCTA. The project has over 50 intersections. Travel time improvements averaged 20 percent in the morning, 14 percent midday, and 16 percent in the evening. Average speeds increased three to five miles per hour during these time periods. From visual observations during the fine tuning process, the optimized timing also resulted in operational improvements for the roundabout intersection in the Old Towne Plaza area. Attachment D details the results and infrastructure improvements installed for this project.

Next Steps

The next step will be to continue monitoring the corridor and fine-tuning the signal synchronization through spring 2011. The respective consultants' staff will each monitor their respective project corridor to identify changes in traffic patterns and synchronization and fine-tune the signal timing to ensure coordinated operation.

Summary

The synchronization of traffic signals on Alicia Parkway, Beach Boulevard, and Chapman Avenue resulted in an increase of two to five miles per hour in average speeds throughout the day. Average travel times decreased from 10 percent to 20 percent for the same time periods. The results also show major improvement in overall efficiency of the corridor through the reduction of stops, increases in number of green lights a vehicle passes before stopping at a red light, and increases in average speed.

Attachments

A. Traffic Light Synchronization Program: Alicia Parkway, Beach Boulevard, and Chapman Avenue Projects
B. TLSP – Alicia Parkway Summary
C. TLSP – Beach Boulevard Summary
D. TLSP – Chapman Avenue Summary

Prepared by:

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Approved by:

Kia Mortazavi
Executive Director, Planning
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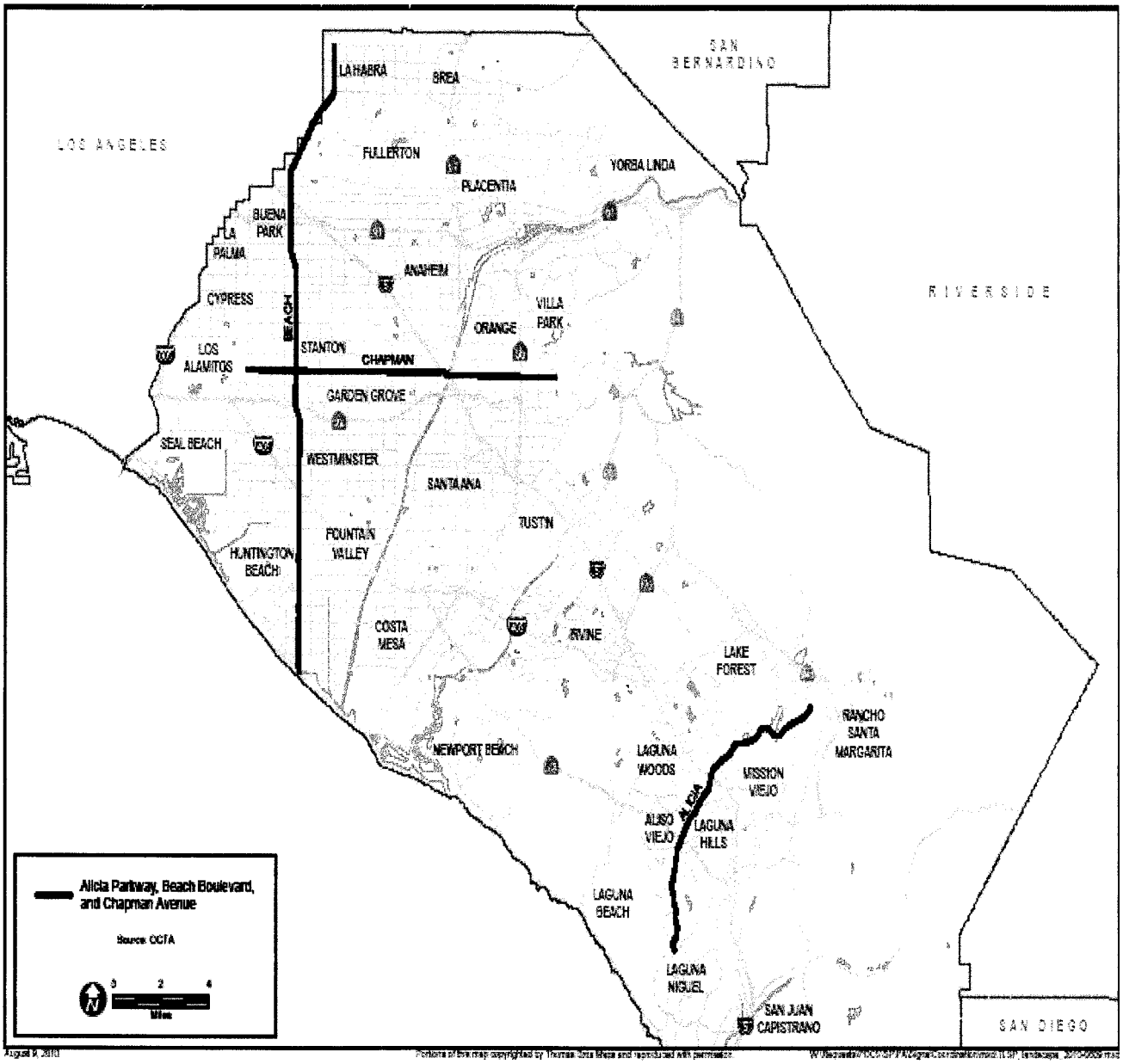
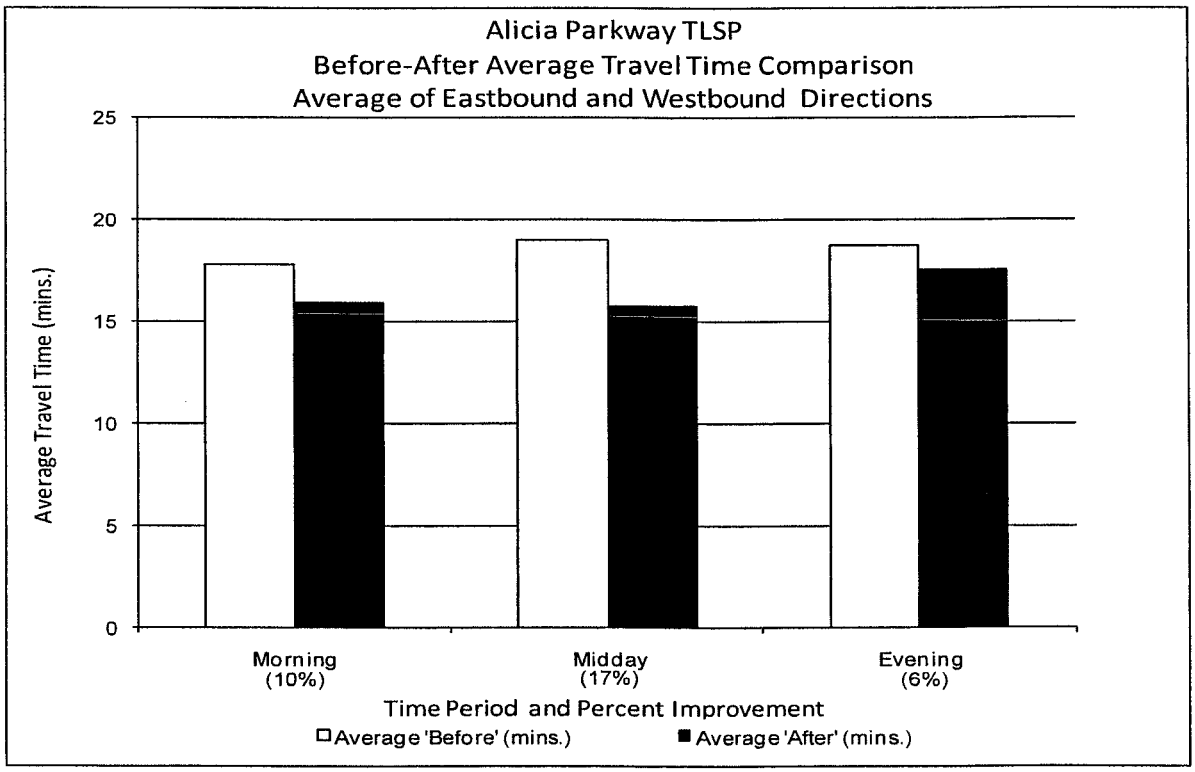
ATTACHMENT A

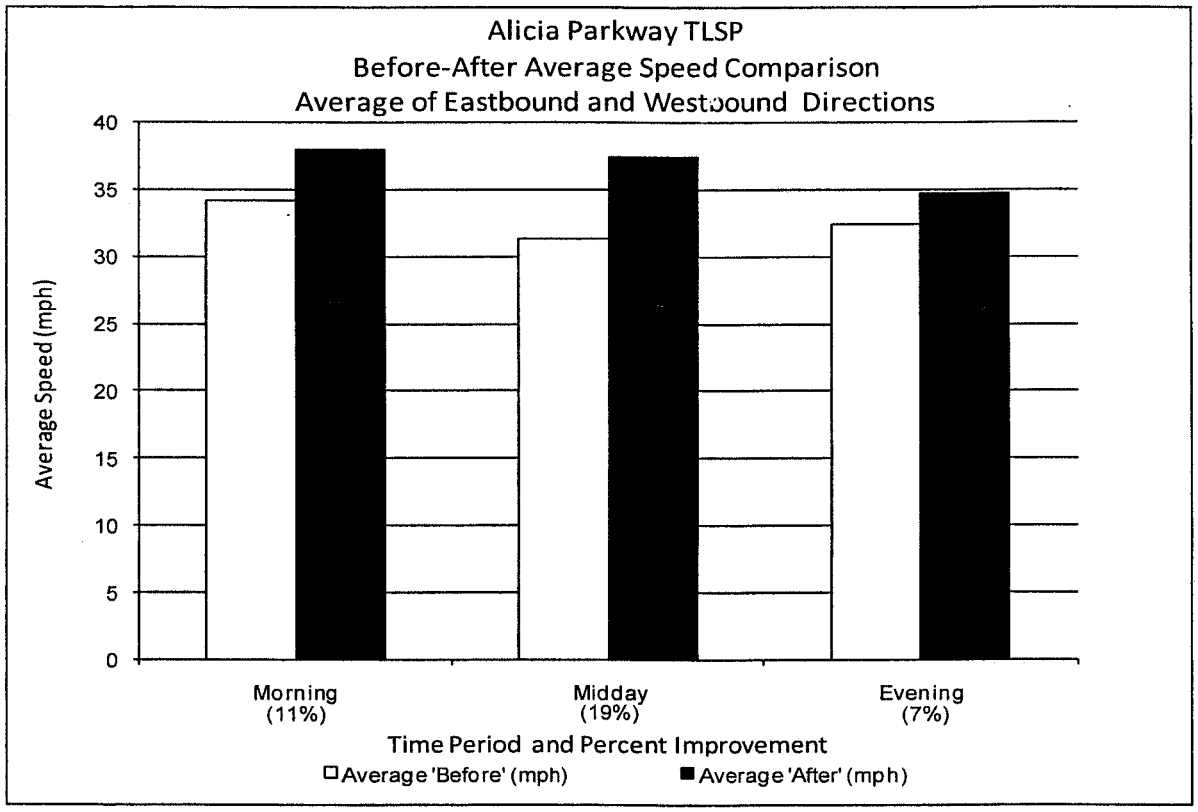
TLSP
ALICIA PARKWA, BEACH BOULEVARD, AND CHAPMAN AVENUE PROJECTS



ATTACHMENT B

TLSP - ALICIA PARKWAY SUMMARY



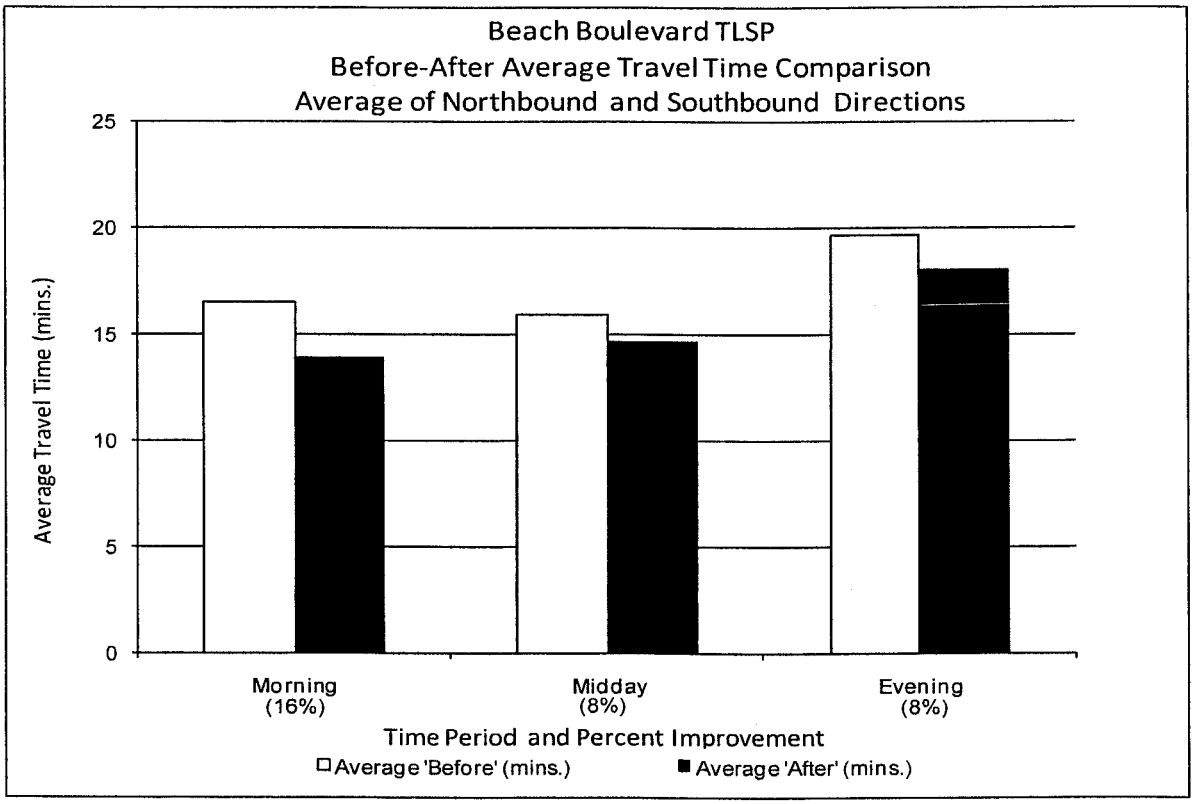


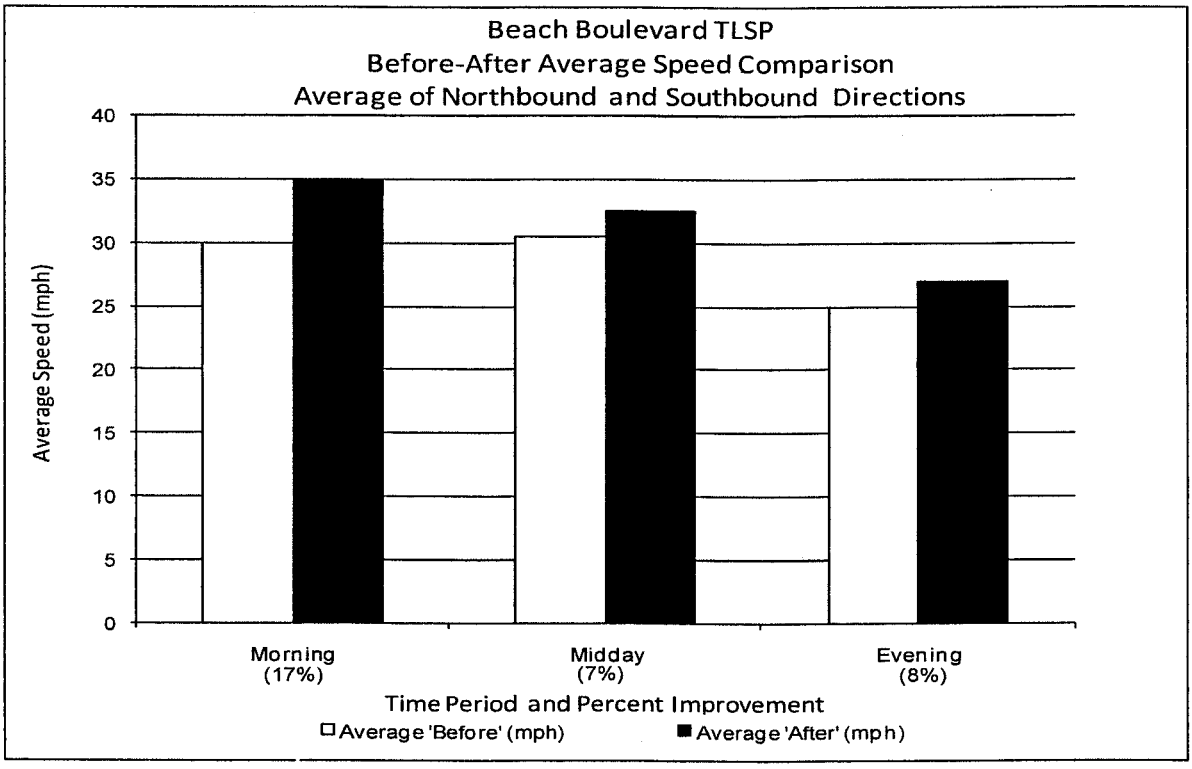
Alicia Parkway Significant Improvements

1. Implemented coordinated signal timing.
2. Upgraded traffic management system in the City of Mission Viejo with interface to Alicia Parkway traffic signal controllers.
3. Upgraded traffic management system in the City of Laguna Hills with interface to Alicia Parkway traffic signal controllers.
4. Installed missing portions of underground interconnect systems in Laguna Hills/ Aliso Viejo shared area.
5. Installed traffic signal controllers at California Department of Transportation (Caltrans) ramp intersections along Santa Ana Freeway (Interstate 5).
6. Improved communications between Alicia Parkway and Caltrans Traffic Management Center (TMC).
7. Included real time travel time information from Interstate 5 to Moulton Parkway.
8. Improved operation along the corridor through adjustments in signing and striping, and special phasing adjustments.
9. Project cost – $950,000

ATTACHMENT C

TLSP - BEACH BOULEVARD SUMMARY



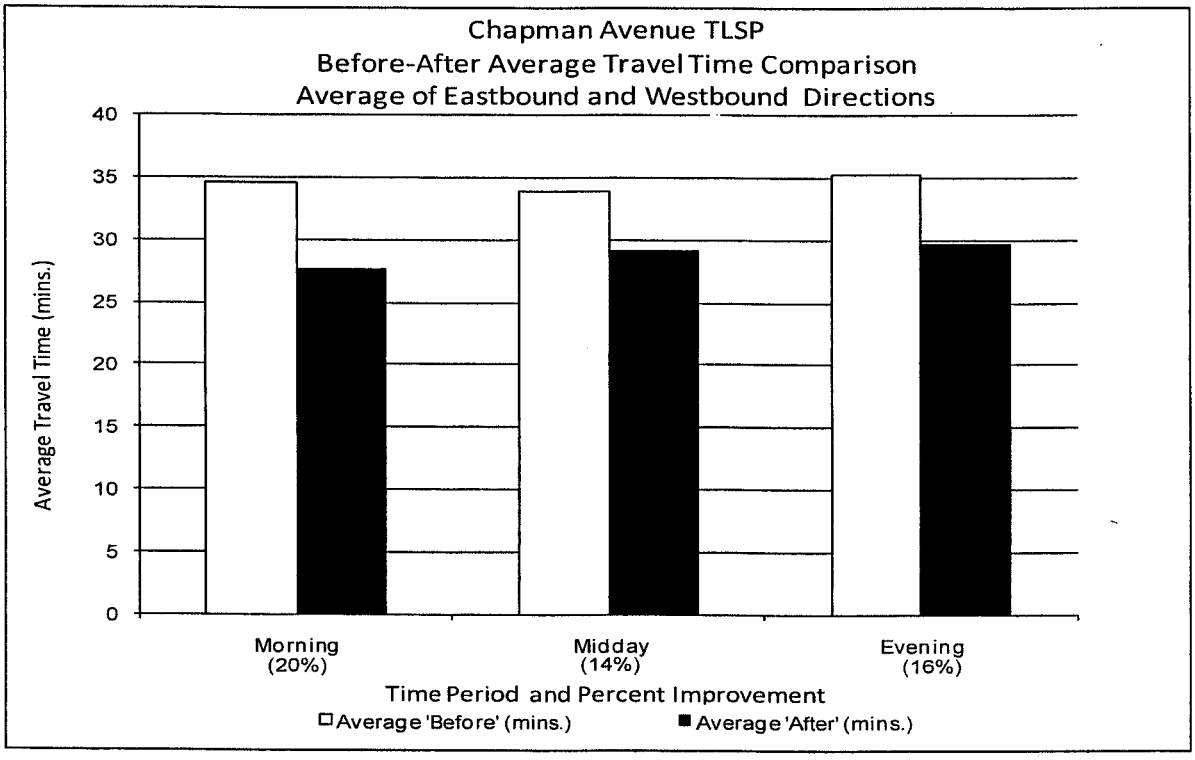


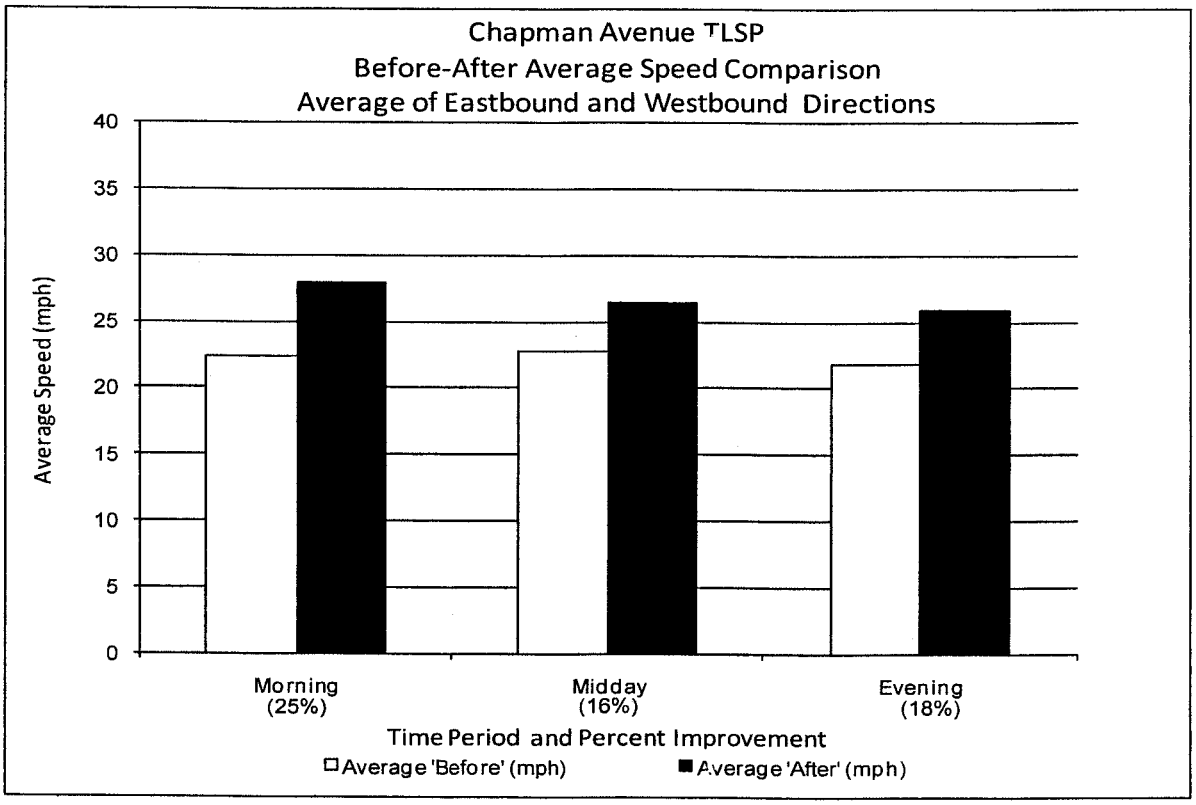
Beach Boulevard Significant Improvements

1. Implemented initial coordinated signal timing along busiest eight-mile road segment along the corridor.
2. Included intersections in evaluation that are within one-eighth mile of Beach Boulevard.
3. Developed special event timing for the Knott's Berry Farm's "Halloween Haunt".
4. Upgraded communication systems along the corridor.
5. Installed 76 new traffic signal controllers along corridor.
6. Installed new video surveillance at 14 key intersections.
7. Converted east-west split phase operation to permissive left-turn phase operation for Anacapa Way at Beach Boulevard, in the City of Anaheim, and other minor timing and phasing adjustments at several intersections.
8. Project cost – $1.3 million

ATTACHMENT D

TLSP - CHAPMAN AVENUE SUMMARY





Chapman Avenue Significant Improvements

1. Implemented coordinated signal timing.
2. Upgraded traffic management system in the City of Garden Grove with interface with Chapman Avenue traffic signal controllers.
3. Modified the communications systems in the City of Orange traffic management center for interface to Chapman Avenue traffic signal controllers and installed new computer servers for global positioning system coordinated universal time.
4. Installed new traffic signal controllers, one for each ramp intersection, and one field control master for both intersections, at the Costa Mesa Freeway (State Route 55) and for Caltrans with communications to Caltrans District 12 TMC.
5. Installed new traffic signal controllers, one for each ramp intersection, and one field control master for both intersections, at the Orange Freeway (State Route 57) for Caltrans with communications to Caltrans District 12 TMC.
6. Installed new traffic signal controllers in the City of Garden Grove and the City of Orange.
7. Updated or modified new and existing communication systems infrastructure in the City of Garden Grove to interface and communicate with existing traffic controllers.
8. Provided special timing and phasing adjustments at several intersections.
9. Project cost – $800,000.

OCTA

BOARD COMMITTEE TRANSMITTAL

September 13, 2010

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only)

Transportation 2020 Committee Meeting of September 8, 2010

Present: Directors Brown, Buffa, Cavecche, Pringle, and Pulido
Absent: Directors Amante, Campbell, and Dixon

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

A. Approve the Project S (Transit Extensions to Metrolink) funding program guidelines for preliminary engineering for eligible guideway projects.

B. Direct staff to issue a call for projects for preliminary engineering efforts associated with eligible fixed guideway projects and return with recommendations by November 30, 2010.

C. Authorize the use of up to $24 million in federal Section 5307 funds and $3 million of Measure M2 Project S funds for the call for projects.

OCTA

September 8, 2010

To: Transportation 2020 Committee

From: Will Kempton, Chief Executive Officer

Subject: Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only)

Overview

In May and July 2010, the Transportation 2020 Committee reviewed possible funding scenarios and discussed approaches to developing competitive funding guidelines for Measure M2's Project S (Transit Extensions to Metrolink). This competitive transit program will provide funding to expand access to the core commuter rail services. Draft funding guidelines are presented for approval, and these guidelines are the basis of a recommended call for projects. This call for projects is limited to preliminary engineering for guideway projects. Subsequent call for projects will be considered following the completion of the Systemwide Transit Study by June 2011.

Recommendations

A. Approve the Project S (Transit Extensions to Metrolink) funding program guidelines for preliminary engineering for eligible guideway projects.

B. Direct staff to issue a call for projects for preliminary engineering efforts associated with eligible fixed guideway projects and return with recommendations by November 30, 2010.

C. Authorize the use of up to $24 million in federal Section 5307 funds and $3 million of Measure M2 Project S funds for the call for projects.

Background

Twenty-five percent of Measure M2 (M2) net revenues are available for the development and implementation of a countywide transit program that will enhance the public transportation system in Orange County. Four of the six M2 transit program elements are proposed for competitive calls for projects

consistent with the M2 Ordinance. The competitive transit programs include: Project S (Transit Extensions to Metrolink), Project T (Convert Metrolink Stations to Regional Gateways), Project V (Community Based Transit/Circulators), and Project W (Safe Transit Stops). To date, the Orange County Transportation Authority's (OCTA) Board of Directors (Board) has adopted guidelines for Project T. Projects V and W guidelines will be developed pending the completion of the systemwide transit study, anticipated by June 2011. The Go Local effort was envisioned as a four-step process. Policies for the execution of steps one and two were previously adopted by the Board. Currently, the cities of Anaheim and Santa Ana have eligible fixed guideway projects engaged in step two efforts. The guidelines for Project S relate to the initial activities associated with step three as it relates to the fixed guideway projects. Local agencies will need guidance on how to submit competitive funding applications to OCTA. As a result, competitive program guidelines need to be developed and approved by the Board.

Discussion

In May and July, 2010, the Transportation 2020 Committee (T2020) discussed various funding scenarios and policy issues associated with the continuing development of Project S. This competitive transit program will provide funding to broaden the reach of Orange County's rail system by developing transit system extensions that will link communities and activity centers to the backbone services provided by the Metrolink corridor. Staff has taken the prior direction provided by the T2020 and developed funding guidelines (Attachment A) to be used for the initial call for projects. Future calls for projects will be considered following completion of OCTA's Systemwide Transit Study by June 2011. Calls for projects related to the rubber-tired elements will occur following the conclusion of that effort.

One of the key policy issues discussed previously with the T2020 was to focus the initial call for projects on the preliminary engineering (PE) effort associated with the fixed guideway component of the program. This effort is necessary to position the guideway project(s) with committed local PE funds in order to successfully compete for federal New/Small Starts funding, potential federal appropriations, and reauthorization efforts. Although the initial call for projects for Project S would fund only the PE efforts of eligible projects, the scoring criteria was developed to evaluate the fixed guideway projects as a whole.

For the Federal Transit Administration's (FTA's) Small/New Starts competitive funding process, PE is a much more exhaustive effort than the typical definitions of PE. FTA requires that the PE phase produce a solid project definition based on reliable cost estimates, benefits, impacts, and risks. FTA expects this effort to result in the development of a specific project with

definitive scope elements, alignment, and design features such that the project cost and implementation schedule is known with enough certainty to: a) provide a reasonable assurance that the project will continue to meet the New Starts criteria through final design and construction; and b) the amount of New Starts funding to construct the project can be "locked in" and not changed.

A second key policy issue discussed by the T2020 in May and July relates to the use of M2 Project S funds for operations. Generally, the T2020 supported the use of M2 Project S funds for capital but not operations. However, there was an acknowledgement that eligible federal funds (such as Congestion Mitigation Air Quality funds) could be assumed for the initial three years of operations consistent with federal law. After that start-up period, the local agencies would be required to assume full responsibility for operating costs with local, non-OCTA sources. The guidelines, presented below, further discuss this issue.

Guidelines and Selection Criteria

The guidelines address the eligibility requirements and application process linked to M2 and the FTA New Starts process. Details are provided to assist the agencies in assembling key project information as part of the competitive application process. The guidelines address post-award requirements including the reimbursement process, ongoing project reporting requirements, and audit procedures as a part of project closeout.

Competitive selection criteria are included in the draft guidelines (Attachment B). These criteria have been developed to correspond with the priorities set in the evaluation criteria established in M2 (Attachment C). The criteria focus on financial commitments and partnerships, transit usage and congestion relief, regional as well as local benefits, project readiness, ease of connections, approved land uses, and safety. Consistent with the M2 competitive streets and roads programs, these criteria include specific quantitative measures that will result in a numerical score for each project.

Included in the guidelines is the requirement that all agencies applying for funding submit a five-year operations plan, consistent with FTA standards. The plan must include detailed financial assumptions outlining the funding strategy for ongoing operations for a minimum of five years. OCTA staff must concur with the funding assumptions contained in the operations plan. The plan must also include technical information related to operating plan elements, such as the proposed route map, speed profiles, draft service time table, stop location listings, and estimated headways.

While quantitative criteria are important, the funding application also provides an opportunity for local agencies to document other important project features that support the quantitative criteria. For example, the application includes sections for local agencies to describe transit supportive land use changes already in place that support the proposed guideway projects. This documentation will prove important for the federal New and Small Starts process that emphasizes similar criteria.

Funding Assumptions

The current cost estimate for the PE phase of the guideway projects is approximately $30 million. Staff is recommending up to $27 million be made available for the PE phase call for projects from OCTA sources ($24 million from federal Section 5307 formula funds and $3 million from M2 Project S funds). The local agencies would be required to provide the remaining 10 percent match of $3 million for the PE phase costs (for a total of $30 million).

Upon approval of the guidelines, notification will be sent to eligible agencies indicating that the call for projects for the initial funding cycle has been issued. Applications will be due to OCTA by close of business on October 8, 2010. Once the applications are reviewed and ranked by staff, draft programming recommendations will be developed and presented to the T2020 and ultimately the Board for approval. It is anticipated that this process will be completed by November 30, 2010.

Next Steps

Staff is seeking approval of Project S funding guidelines and selection criteria. With approval, staff will issue a call for projects for the preliminary engineering effort associated with eligible fixed guideway projects. Applications will be reviewed and scored using the approved selection criteria. Staff would then return to the T2020 for approval of the programming recommendations by November 30, 2010.

Summary

Project S (Transit Extensions to Metrolink) funding guidelines and selection criteria are presented for T2020 approval. These guidelines are the basis of a call for projects to be issued with OCTA funding a maximum of $27 million for the preliminary engineering efforts associated with eligible fixed guideway projects.

Attachments

A. Project S – Transit Extensions to Metrolink Program Guidelines – Fixed Guideways (Draft)
B. Project S Draft Guideway Evaluation Criteria for Eligible Agencies and Projects
C. Project S Draft Guideway Evaluation Criteria Compared to Ordinance Categories

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Approved by:

Kia Mortazavi
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ATTACHMENT A

Project S – Transit Extensions to Metrolink
Program Guidelines – Fixed Guideways (Draft)

1.0 Overview

This Measure M2 (M2) Program establishes a competitive process to enable local jurisdictions to enhance regional transit capabilities through creation of new connections to the existing Metrolink system. Projects must meet specific criteria in order to compete for funding through this program. In addition, local jurisdictions will be required to demonstrate the ability to fund the local share of operations and maintenance on an ongoing basis using non-Orange County Transportation Authority (OCTA) resources. Public-private partnerships[1] are encouraged but not required.

2.0 Objectives

- Expand multi-modal transit options for regional travel by establishing new transit connections to existing Metrolink stations
- Provide new service on a defined route with primary ridership derived from Metrolink patronage

3.0 Project Participation Categories

Metrolink provides a vital transit option for travel throughout southern California. Orange County is home to 12 Metrolink stations currently serving residents and commuters for employment, education, and pleasure-based trips. These stations serve diverse destination and trip origination needs. Efficient and convenient access enables the system to thrive and the overall transportation network (all motorized and non-motorized modes) to operate effectively.

Transit needs may differ from one location to the next and projects pursued under this program have significant latitude in how the challenge of delivering enhanced transit service to/from existing Metrolink stations are addressed. The program categories listed below identify key project elements that can be pursued through the Project S funding source. Fixed guideway projects are capital intensive. Additional funding sources may be required to supplement M2 for maximum investment opportunities. Selection criteria will parallel Federal Transportation Administration (FTA) programs such as New Starts or Small Starts wherever possible to aid in streamlining the competitive process. The program categories eligible for funding through Project S are:

- Fixed guideway systems including rolling stock acquisition
- Station/stop improvements (includes signage, furniture, and shelters)
- Maintenance facilities and fueling stations

[1] Public-private partnerships are defined as direct financial contributions or sponsorships for eligible program activities.

4.0 Match Funding Requirements

Local funding must meet a minimum 10 percent match requirement for the whole project comprised of any combination private contributions, advertising revenues, and local discretionary funds. Match funding commitments in excess of 10 percent for one project phase (capital or operations/maintenance) may result in a reduced minimum match requirement for another phase subject to Board of Directors (Board) approval. Match funding commitments will be incorporated into the master funding agreement and will apply on an annual basis to the entire service life of the project (typically 5, 7, or 25 years).

5.0 Eligibility Requirements

Minimum eligibility and participation requirements must be considered before a project funding application should be submitted. Adherence to strict funding guidelines is required by the M2 Ordinance. Additional standards have been established to provide assurance that M2 funds are spent in the most prudent, effective manner. There is no guarantee that funding will be approved during a particular call for projects. If no acceptable project is identified during a funding cycle, a subsequent call for projects will be scheduled at an appropriate time.

- Applicant must be eligible to receive M2 funding (established on an annual basis) to participate in this program
- Initial call for projects is limited to fixed guideway projects based upon Go Local Step 3 activities (preliminary engineering)
- Agency must have a financial plan outlining a funding strategy for ongoing operations and maintenance (minimum of five years)
- Project applications must be for complete projects (environmental clearance through implementation, where applicable) for evaluation purposes
- Project application must meet minimum competitive score to be deemed eligible and "of merit" (as determined by the OCTA Board)
- Any proposal to duplicate or replace existing local or OCTA service must be clearly detailed
- Complete applications must be approved by the city council and partner jurisdictions prior to submittal to OCTA to demonstrate adequate community and elected official support for initial consideration
- Procurements associated with the project must follow FTA procurement policies
- Agencies submitting for funding must agree to follow the FTA Small Starts/New Starts process

6.0 Selection Criteria

Specific selection criteria will be used to evaluate competitive program project applications. Emphasis is placed on projects with firm financial commitments and overall project readiness as shown on the Project S selection criteria. In addition, projects will be evaluated based upon existing and future transit usage, ease of connection, cost effectiveness, and local/regional benefits. Although a minimum of 10 percent match funding for capital investments is required, projects that leverage M2 funds with a higher percentage from other sources are encouraged and will be more competitive.

7.0 Application Process

Project allocations are determined through a competitive application process. Local agencies seeking funding must complete a formal application and provide supporting documentation that will be used to fully evaluate the project proposal as outline below.

- Complete information application
- Provide funding/operations plan
- Allocations subject to master funding agreement

The funding plan shall include, at a minimum, the following information:

- Financials (funding needs, match funding availability, operations funding assurances, and public-private partnership arrangements)
- Project development and implementation schedule
- Operations and maintenance facility management
- Service coordination plan (scheduling/ticketing for Metrolink and fixed route service)
- Any additional information deemed relevant by the applicant

A call for projects for the initial funding cycle is expected to be issued September 13, 2010, with **applications due October 8, 2010**, subject to approval by the OCTA Board. Complete project applications must be submitted by the established due date to be eligible for consideration.

Applications will be reviewed by OCTA for consistency, accuracy, and concurrence. Once applications have been completed in accordance with the program requirements, the projects will be scored, ranked and submitted to the Transportation 2020 Committee, and the Board for consideration and funding approval. The process is expected to be concluded by November 30, 2010.

The final approved application (including funding plan) will serve as the basis for any funding agreement required under the program.

8.0 Application Guidelines

Project selection is based upon merit utilizing a series of qualitative and quantitative criteria. Candidate projects are required to submit a financial plan with sufficient data to enable an adequate evaluation of the application. Each jurisdiction is provided broad latitude in formatting, content and approach. However, key elements described below must be clearly and concisely presented to enable timely and accurate assessment of the project.

8.1 Financial Details

Each candidate project application must include all phases through construction of facilities. The financial plan will include, at a minimum, the following information:

- Estimated project cost for each phase of development (planning, environmental, permitting, design, right-of-way (ROW) acquisition, construction, and project oversight)
- Funding request for each phase of project implementation with match funding amounts and sources clearly identified
- Realistic project schedule for each project phase
- Demonstrated financial commitments for match funding and ongoing operations (first five years of operation)
- Discussion of contingency planning for revenue shortfalls
- Revenue projections and methodology where on-site commercial activity is expected to support implementation and/or operations costs
- ROW status and strategy for acquisition
- Project's status in current local plans

8.2 Technical Attributes

The formal application must include feasibility and efficacy components to demonstrate transportation benefit to ensure the selected project(s) meet the spirit and intent of M2. Merit will be demonstrated through technical attributes and industry standard methodologies. The following data will be included and fully discussed in the application.

- Planned employment densities per square mile (opening year)
- Planned population densities per square mile (opening year)
- Projected daily transit boardings with projection methodology fully presented
- Percent of projected ridership from commuter rail riders
- Description of all transit modes serviced by the Metrolink station at time of application and projected future mode increase
- Ease of connections to other travel modes (average walking distance)
- Incremental cost per hour of system user benefits (per FTA guidelines)

8.3 Other Application Materials

Supporting documentation will be required to fully consider each project application. In addition to the information described above, local agencies will be required to submit the following materials:

8.3.1 *Council Resolution:* A Council Resolution authorizing request for funding consideration with a commitment of project match funding (local sources) and operating funds as shown in the funding plan.

8.3.2 *Lease/Cost Sharing Agreements:* Copies of leases, sponsorship, and/or advertising revenue documents. Confidential agreements may be included by reference when accompanied by affidavit from City Treasurer or Finance Director.

8.3.3 *Project Documentation:* If the proposed project has completed initial planning activities (such as project study report or equivalent, environmental impact report, or design), evidence of approval should be included with the application. Satisfactory evidence includes project approval signature page, engineer-stamped site plan, or other summary information to demonstrate completion or planning phases. The applicant will be asked for detailed information only if necessary to adequately evaluate the project application.

8.3.4 *Operations Plan:* In addition to the financial details indicated in 8.1, the operations plan submitted shall include the following technical data (consistent with FTA guidelines) a route map, draft time table, headways, stop location listing, summary of alternatives (including any special operations – interlining, feeder bus connections, etc.), summary of vehicle types and characteristics, speed profile, fleet size, and any other applicable supporting documentation.

8.3.5 *Approved Land Use Supporting Documentation:* Any documentation which describes the transit supportive land use changes already in place to support the proposed guideway projects.

9.0 Reimbursements

This program is administered on a reimbursement basis. Reimbursements will be disbursed upon review and approval of a complete expense report, performance report, and consistent with master funding agreement.

10.0 Project Cancellation

Projects deemed infeasible during the planning process will be cancelled and further expenditures will be prohibited except where necessitated to bring the current phase to a logical conclusion.

Cancelled projects will be eligible for re-application upon resolution of issues that led to original project termination.

11.0 Audits

All M2 payments are subject to audit. Local agencies must follow established accounting requirements and applicable laws regarding the use of public funds. Failure to submit to an audit in a timely manner may result in loss of future funding. Misuse or misrepresentation of M2 funding will require remediation which may include repayment, reduction in overall allocation, and/or other sanctions to be determined. Audits shall be conducted by the OCTA Internal Audit department or other authorized agent either through the normal annual process or on a schedule to be determined by the OCTA Board.

Project S Draft Guideway Evaluation Criteria for Eligible Agencies and Projects

(For Preliminary Engineering Call for Projects Only)

Financial Commitment/Partnership (20 points)

Match funding *(Complete Project; Capital)*

>=30%	6
29% to 20%	4
19% to 11%	2
10% *(Program Minimum)*	0

Five-Year Operations Funding Plan Submitted and OCTA Concurrence with Assumptions*

Yes	10
No	0

Level of Commitment from Private Partners

Binding Agreement	4
Commitment Letter	2

Project Readiness (8 points)

Opening Year

By 2015	4
By 2016	3
By 2017	2
By 2018	1

Land Acquired for Total Project

Yes	4
No	0

Regional/Local Benefits (16 points)

Regional: Planned Employment *(Jobs/Square Mile; Opening Year)***

>15,500	8
15,500 to 13,001	6
13,000 to 8,500	4
<8,500	2

Regional: Daily Vehicle Miles Traveled Reduction *(Opening Year)****

>2,000	4
2,000 to 1,501	3
1,500 to 1,000	2
<1,000	1

Local: Planned Population *(Persons/Square Mile; Opening Year)***

>11,000	4
10,999 to 7,000	3
6,999 to 3,500	2
<3,500	1

Transit Usage/Congestion Relief (16 points)

Percent of Ridership from Commuter Rail Riders *(Opening Year)*

>=50%	8
49% to 40%	6
39% to 30%	4
29% to 20%	2
<20%	0

Projected Average Daily Ridership *(Opening Year)*

>=10,000	8
9,999 to 8,500	6
7,999 to 6,500	4
6,499 to 5,000	2
<5,000	0

Ease of Connections (14 points)

Number of Transit Modes Provided at Metrolink Station *(Opening Year)*

>9	8
9 to 8	6
7 to 6	4
<6	2

Average Walking Distance to Proposed Connections *(From Metrolink Station; Feet; Opening Year)*

<250	6
251 to 500	4
501 to 750	2
>500	1

Cost Effectiveness (16 points)

Incremental Cost per Hour of System User Benefit****

$15 to $17.99	16
$18 to $20.99	12
$21 to $23.99	8
>$24	4

Approved Land Use (5 points)

Included in City Council-Approved Plan

Yes	5
No	0

Safety (5 points)

At-Grade Rail Crossings

No	5
Yes	0

ay assume first three-years Congestion Mitigation Air Quality funded and no Project S funds for operations

** Average within 1/4 mile of each station

*** Total within 2 miles of proposed route (one mile buffer)

****Incremental cost per hour of system user benefit from FTA "Summit" Program (in opening and horizon years)

ATTACHMENT C

Project S Draft Guideway Evaluation Criteria Compared to Ordinance Categories

(For Preliminary Engineering Call for Projects Only)

Voter Pamphlet/Measure M2 Ordinance No. 3 Categories	How Project S Draft Guideway Evaluation Criteria Address Ordinance Categories
1. Traffic congestion relief	Transit usage/congestion relief: (1) Percent of ridership from commuter rail riders, (2) average weekday ridership Regional/local benefits: (1) Daily VMT reduction
2. Project readiness with priority given to projects that can be implemented in the first five years of the plan	Project readiness: (1) Opening year, (2) land acquired for total project
3. Local funding commitments and the availability of right-of-way	Financial commitment/partnership: (1) Match funding Project readiness: (1) Opening year, (2) land acquired for total project
4. Proven ability to attract other financial partners, both public and private	Financial commitment/partnership: (1) Level of commitment from private partners
5. Cost effectiveness	Cost effectiveness: (1) Incremental cost per hour of system user benefits (Federal Transit Administration)
6. Proximity to jobs and population centers	Regional/local benefits: (1) Planned employment density, (2) planned population density
7. Regional as well as local benefits	Regional/local benefits: (1) Planned employment density, (2) planned population density, (3) VMT reduction
8. Ease and simplicity of connections	Ease of connections: (1) Number of transit modes provided at Metrolink station, (2) average walking distance to proposed connections
9. Compatible, approved land uses	Approved land use: (1) Included in general plan
10. Safe and modern technology	Safety: (1) At-grade rail crossings (No measure for "modern technology")
11, A sound, long-term operating plan	Financial commitment/partnership: (1) Five-year operations funding plan

VMT – vehicle miles traveled