

MEASURE M



2009 PROGRESS REPORT

Fulfilling Promises.
Building a Better Tomorrow.

Dear Friend,

I am pleased to present the 2009 Measure M Progress Report. As the Measure M (M1) program winds down, it is gratifying to see the results created throughout Orange County. At the same time, the need for transportation improvements continues and work on the Renewed Measure M (M2) Transportation Investment Plan has begun.

The last major freeway project under M1, the Santa Ana Freeway (I-5) Gateway Project to widen the I-5 through Buena Park, is nearing completion. Construction on the M2 Riverside Freeway (SR-91) Eastbound Lane Addition Project began. As a “shovel ready” project, the Orange County Transportation Authority (OCTA) was able to leverage funding under the federal American Recovery and Reinvestment Act of 2009 to expedite this M2 project. In addition, \$19.8 million was saved in construction costs due to a favorable bidding market.

Major progress also was made on M2 projects on the Orange Freeway (SR-57), including completion of design for a new northbound lane between Orangethorpe Avenue and Lambert Avenue. This project will be advertised for construction in mid-2010 while concurrently, the segment between Katella Street and Lincoln Avenue finishes design. Because project development of these M2 improvements were expedited, OCTA was able to successfully compete for \$123 million of Proposition 1B funding, which saved M2 dollars.

In the transit area, the Metrolink Service Expansion Program moved forward, with design completed for track and infrastructure improvements. The final design for grade crossing safety enhancements was completed and construction started on projects in Orange and Anaheim. To enhance future connections between local communities and Metrolink stations, planning started for two fixed-guideway and 30 bus/shuttle concepts under the M2 “Go Local” program.

The Anaheim Regional Transportation Intermodal Center (ARTIC) moved closer to becoming Orange County’s premier transportation hub, with conceptual design and environmental clearance under way. Construction is scheduled to begin in 2011. Before year’s end, two public scoping meetings were held to gather community input on the ARTIC environmental document.

This is just a snapshot of the results achieved this past year. I am proud of OCTA’s accomplishments in improving our transportation system through M1 and we are committed to continue expediting delivery of needed transportation solutions under M2.

Sincerely,



Will Kempton
Chief Executive Officer

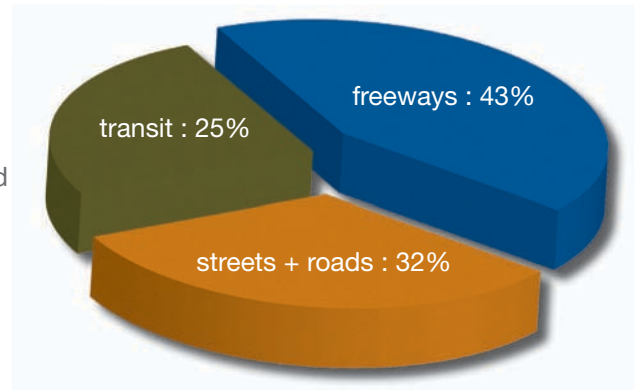
Overview

Envisioning the Future

During the 1980s, Orange County's economy boomed and its population grew. County transportation and elected officials envisioned an expanded transportation system that would sustain economic growth and ensure future mobility. Without delay, a long-range transportation improvement plan was developed that would keep Orange County moving into the approaching 21st Century.

Voters Take Action

In 1990, Orange County voters took decisive action. They approved Measure M (M1), a 20-year program for local transportation improvements funded by a half-cent sales tax. M1 formed a contract with Orange County voters to improve transportation in three major areas—freeways, streets and roads, and transit—until the plan reaches its sunset in 2011.



Measure M1 Fund Allocation

Safeguarding Funds

Specific safeguards, such as the Citizens Oversight Committee, were put in place to review and certify that any M1 funds were spent in accordance with the voter-approved transportation improvement plan. Voters entrusted the newly created Orange County Transportation Authority (OCTA) to administer M1 funds.

Additional Benefits

Through careful stewardship and strategic early action, OCTA has kept the promises made to the voters under M1. Completing the bulk of the freeway improvement program within the first 10 years of M1 helped relieve traffic congestion. Cost savings and more than anticipated revenues made it possible to add an entirely new project—widening the Garden Grove Freeway (SR-22)—to the list of improvements.

Time for Renewal

On November 7, 2006, Orange County voters, by a wide majority vote of nearly 70 percent, approved the renewal of the Measure M half-cent sales tax for transportation improvements. With the renewal of Measure M (M2), the voters agreed to continued investment of local tax dollars in Orange County's transportation infrastructure for another 30 years to 2041.

Results Build Trust

The primary reason for the voters' willingness to renew Measure M was they saw and experienced tangible results—the promises made in the M1 plan were kept. Since 1990, most of Orange County's freeway system has been improved, including a major overhaul of the Santa Ana Freeway (I-5) through the heart of Orange County; major roads and local streets have been upgraded; fares were subsidized for seniors and persons with disabilities and a new Metrolink commuter rail system has been added, linking Orange County with jobs and housing in the surrounding counties.

Ensuring Improvements

The M2 Transportation Investment Plan is a 30-year, \$14 billion program designed to mitigate Orange County's continuing growth. It is intended to reduce traffic congestion, strengthen our economy and improve our quality of life by upgrading key freeways, fixing major freeway interchanges, maintaining streets and roads, synchronizing traffic signals countywide, building a visionary rail-transit system, and protecting our environment from the street runoff that can lead to pollution.

Allocating Revenues

To achieve these improvements, the net sales tax revenues from M2 will be allocated in the same percentages as M1 revenues. Freeways will receive 43 percent of net revenues. Thirty-two percent of net revenue will be devoted to improving the 6,500 miles of streets and roads throughout the county. The remaining 25 percent of the net revenue from M2 will be dedicated to transit programs countywide to expand rail and community transit services.

Additionally, under M2, two percent of the gross revenues will be dedicated to protecting Orange County beaches from transportation-generated pollution (sometimes called urban runoff) while improving ocean water quality.

Attracting Other Funding

Most transportation improvement projects rely on a combination of funding sources. OCTA is able to leverage M2 funds against other funding sources to attract additional funding for improvement projects. Many M2 projects have been accelerated to shovel-ready status, which increases the potential for funding from other sources such as the American Recovery and Reinvestment Act of 2009.

Strict Safeguards and Oversight

Like M1, the M2 Transportation Investment Plan focuses solely on improving the transportation system. The provisions of M2 have many taxpayer safeguards, including a Taxpayer Oversight Committee. The safeguards require annual audits, and regular, public reports on project progress. The M2 Transportation Investment Plan must be reviewed annually and a triennial assessment conducted. Every 10 years, a detailed review of the plan must take place to ensure that the plan stays current over its 30-year life span.

Starting Future Improvements Today

M2 Early Action Plan (EAP)

Upon voter approval of M2, the OCTA Board of Directors requested that OCTA staff prepare a five-year plan, covering the years 2007 to 2012, to advance the implementation of M2 prior to the revenue actually being collected beginning in April 2011. The Board of Directors approved the draft plan outlining the projects and programs that could be advanced along with anticipated schedules and major milestones and released the plan on May 29, 2007. The Board of Directors actively sought input from city officials and key stakeholders, and added recommendations on financing and budget needs before approving the final M2 Early Action Plan (EAP) on August 13, 2007.

There are nine key objectives of the M2 EAP:

1. Complete the first major milestone—conceptual engineering—for every freeway project in the plan.
2. Start construction on five major M2 freeway projects on SR-91, SR-57 and I-5.



3. Enable every Orange County city and the county to meet eligibility requirements for M2 funds, including new pavement management and signal synchronization programs.
4. Award up to \$165 million to cities and the county for signal synchronization and road upgrades.
5. Implement high-frequency Metrolink service within Orange County with associated railroad crossing safety and quiet zone improvements completed or under construction. Begin project development for at least five major grade separation projects to separate railroad tracks from major streets.
6. Award up to \$200 million in competitive funding for transit projects.
7. Complete development work and allocate funds for transit fare discounts and improved services for seniors and persons with disabilities.
8. Complete an agreement between OCTA and resource agencies detailing environmental mitigation of freeway improvements and commitments for project permitting. Begin allocation of funds for mitigation.
9. Complete program development for road runoff/water quality improvements; begin allocation of funds to water quality projects.

Due to the economic downturn since the reauthorization of M2, the Board directed staff to re-evaluate the EAP goals, which is currently taking place.



FY 2008-2009 ACCOMPLISHMENTS

M1 Freeway Improvements

Santa Ana Freeway (I-5)

The Santa Ana Freeway (I-5) Gateway Project is the final link in the ambitious M1 freeway improvement program. The project is widening the remaining two miles of the I-5 in Orange County from the Riverside Freeway (SR-91) to the Los Angeles County line. The project was more than 73 percent complete at the end of the fiscal year. Motorists are now traveling on the newly rebuilt Beach Boulevard bridge, which was completed in September 2009. Construction activities through the end of the year will focus on adding lanes to the northbound and southbound I-5 and finishing retaining walls along the freeway corridor. The entire project is slated to finish by fall 2010.

M2 Freeway Improvements

Relieving Freeway Congestion

Relieving congestion on the San Diego Freeway (I-405) in west Orange County is one of the major focuses of the M2 freeway program, and will include new lanes, new interchanges and new bridges. Another major focus of the plan is to reduce congestion on the Riverside Freeway (SR-91) by adding new lanes and new interchanges. Other major projects will make substantial improvements on the Santa Ana/San Diego Freeway (I-5) in southern Orange County. Under the plan, major traffic chokepoints on almost every Orange County freeway will be addressed. Improving Orange County freeways will be the greatest investment in the M2 program, utilizing 43 percent of net revenues.

Project A

Santa Ana Freeway (I-5) Improvements between the Costa Mesa Freeway (SR-55) and the Orange Freeway (SR-57)

Caltrans is preparing the engineering studies and concepts to relieve congestion along the I-5 between the SR-55 and the SR-57 freeways. Current traffic volume on this section is 389,000 Average Daily Traffic (ADT) and is projected to reach 464,000 ADT by 2030. The proposed improvements would increase freeway capacity and decrease congestion on this key section of the I-5.

Project C

San Diego Freeway (I-5) Improvements South of the El Toro “Y”

OCTA prepared an environmental document for improvements along the San Diego Freeway (Interstate 5) between Avenida Pico and Pacific Coast Highway. An engineering feasibility report is in preparation to improve traffic flow on the I-5 between the San Joaquin Hills Toll Road (SR- 73) and the San Diego Freeway (I-405).

Project D

Santa Ana Freeway/San Diego Freeway (I-5) Local Interchange Upgrades

OCTA prepared a project study report to evaluate options for improving the Avenida Pico interchange on the I-5. This project will modernize the interchange and improve freeway access in the area. Caltrans is preparing final design for reconstruction of the I-5/Ortega Highway (SR-74) interchange. When completed, this project will help relieve congestion and improve freeway access in the area.

Project G

Orange Freeway (SR-57) Improvements

OCTA is preparing an environmental analysis to add a new northbound lane on the SR-57 between Katella Street and Lincoln Avenue. The existing traffic volume in this segment is expected to increase from 128,000 ADT in 2008 to 160,000 ADT in 2035—a 25 percent increase in daily traffic volume. This project will reduce congestion and facilitate the regional flow of goods and services via SR-57, and will enhance safety and reduce delays.

Final design is under way for a new northbound lane on the SR-57 from Orangethorpe Avenue to Lambert Avenue. The existing traffic volume on this segment is expected to increase from 101,000 ADT in 2004 to 157,000 ADT in year 2030—a 55 percent increase in daily traffic volume. This project also will reduce congestion and facilitate the regional flow of goods and services via SR-57 and enhance safety and reduce delays.

Project H

Riverside Freeway (SR-91) Improvements from the I-5 to the SR-57

OCTA is preparing an environmental document for a new westbound lane on the Riverside Freeway (SR-91) between the I-5 and the SR-57. The existing traffic volume on this section is 256,000 ADT and is projected to climb to 289,000 ADT by 2030. This project will add up to two lanes, including a potential auxiliary lane, and improve on-ramps and off-ramps along this key stretch of freeway.

Project I

Riverside Freeway (SR-91) Improvements from the SR-57 to the SR-55

Caltrans is preparing an environmental document to assess options to improve traffic flow through the SR-55/SR-91 interchange.

Project J

Riverside Freeway from the Eastern Toll Road (SR-241) to the Riverside County line

Construction began on the SR-91 Eastbound Lane Addition Project. As a shovel-ready project, this improvement to the SR-91 received federal stimulus dollars under the American Recovery and Reinvestment Act of 2009. The new eastbound auxiliary lane will improve the general flow of traffic through the project area. The SR-91 Eastbound Lane Addition Project is expected to open by the end of 2010 and is just one of the freeway improvement projects that OCTA is delivering ahead of the 2011 completion schedule.

Caltrans is preparing the final design for a project that adds one lane in each direction along the SR-91 from the SR-55 to the Eastern Toll Road (SR-241). The existing traffic volume is approximately 314,000 ADT and is projected to reach 426,000 ADT by 2030. These improvements will help reduce congestion and increase freeway capacity.

Project K

San Diego Freeway (I-405) Improvements from the San Gabriel River Freeway (I-605) to the SR-55

Caltrans, in cooperation with OCTA, is preparing an Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for this project. The project will add one or two new lanes in each direction on the I-405 between the I-605 and the SR-55. The proposed improvements will create better travel conditions for work, recreation, school and commerce by increasing freeway capacity and improving interchanges along the corridor serving the communities of Fountain Valley, Huntington Beach, Los Alamitos, Santa Ana, Seal Beach and Westminster.



M1 Streets & Roads Improvements

Improving 6,500 Miles of Streets

More than 6,500 lane miles of aging streets and roads need repair, rejuvenation and improvement. City streets and county roads need to be maintained regularly and potholes have to be filled quickly. Thirty-two percent of net revenue from M1 is devoted to fixing potholes, improving intersections, building highway/rail grade separations, synchronizing traffic signals and making the existing countywide network of streets and roads safer and more efficient.

In fiscal year 2008-09, OCTA allocated to cities and the county \$41.6 million in M1 funds through the Combined Transportation Funding Program and \$36.4 million in formula turnback funds, for a total investment of \$78 million to streets and roads improvements in Orange County. The following are a few of the many improvements made using these funds:

- OCTA issued Anaheim \$5.2 million toward the right-of-way phase of the Gene Autry Way project and \$2.2 million for right-of-way activities related to the Katella Avenue Smart Street Project.
- Brea received \$600,000 toward construction of a traffic improvement project at Birch Street and Kraemer Boulevard.
- Buena Park received \$400,000 for Valley View Street improvements.
- OCTA issued \$2.9 million to Costa Mesa for intersection improvements at 17th and 19th streets along Newport Boulevard.
- Dana Point received \$1.2 million for its construction project at Del Obispo Street.
- Huntington Beach was issued \$1.8 million for the Heil Avenue Widening Project.
- Irvine received \$6.6 million to begin the construction phase of the MacArthur Boulevard at Red Hill Avenue widening project.
- Laguna Niguel was awarded approximately \$1 million for its portion of the Moulton Parkway Smart Street Project.
- Mission Viejo received approval of a signal synchronization project to improve traffic flow within the city.
- Orange was issued \$1.2 million for efforts in improving Santiago Canyon Road.
- OCTA issued Santa Ana \$500,000 for its efforts in improving the Bristol Street and First Street intersection.
- OCTA issued Stanton \$2.8 million toward the construction phase of its Katella Avenue Smart Street project.
- Tustin received \$1 million for the Newport Avenue/SR-55 Ramp Reconfiguration Project.
- OCTA issued \$1.8 million to the County of Orange for intersection improvements at Ortega Highway and Antonio Parkway.

Signal Synchronization

Traffic light synchronization, or signal synchronization, coordinates signals along a major arterial road based on recorded congestion levels to allow motorists to travel farther in less time by reducing stops. Expanding signal synchronization is a cost-effective way to increase street and road capacity without major construction.

During summer 2008, OCTA completed a signal synchronization project along Oso Parkway/Pacific Park Drive. The project spanned eight miles and included 34 traffic signals through five cities and an unincorporated area of the county. The synchronized signals improved travel times along the route between 13 and 27 percent, well above the expected industry standard of five to 15 percent reduction in travel time.

In January 2008, OCTA chose 10 major Orange County roadways for signal synchronization between 2009 and 2011. A combined \$8 million from M1 and the state funded Proposition 1B Traffic Light Synchronization Program will fund this program. The 10 corridors designated for signal synchronization are:

- Alicia Parkway
- Beach Boulevard
- Brookhurst Street
- Chapman Avenue
- El Toro Road
- Irvine Center Drive/Moulton Parkway/Golden Lantern
- Katella Avenue
- La Palma Avenue
- Orangethorpe Avenue
- Yorba Linda Boulevard

Beginning in 2011, M2 will fund a master plan for countywide synchronization of more than 2,000 signalized intersections.



M1 Transit Improvements

Delivering More Commuting Options

M1 brought the first Metrolink commuter rail service to Orange County and helped expand the number of Metrolink rail lines in Orange County to three: the Orange County Line, with service from Oceanside to Los Angeles Union Station; the Inland Empire-Orange County Line, serving Riverside to Irvine; and the 91 Line, with service from Riverside to Fullerton and Los Angeles Union Station. M1 also helped increase the number of Metrolink stations in Orange County by building four new stations.

For the second consecutive year, more people discovered a convenient way to commute that relieved traffic congestion and helped clean up our air by reducing emissions. Metrolink ridership topped 4 million passengers on the three lines serving Orange County, including Rail 2 Rail passengers. Rail 2 Rail is a program that allows Metrolink monthly pass holders to ride Amtrak Pacific Surfliner trains within the limits of their passes.

Expanding Metrolink Service

OCTA, in cooperation with the Southern California Regional Rail Authority (SCRRA), developed the Metrolink Service Expansion Plan (MSEP). This project will provide more frequent weekday Metrolink service from Fullerton to Laguna Niguel/Mission Viejo. The project also will provide track improvements, more trains, and will improve grade crossings. Improvements to grade 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 reduced train horn blowing (quiet zones).

MSEP Improvements

To prepare for this expansion, track and signal improvements are under way, including building additional passenger platforms and train turnback facilities at the Fullerton and Laguna Niguel/Mission Viejo Stations.

Additional parking improvements at stations impacted by the MSEP include:

- A new, four-level parking structure opened at the Irvine Transportation Center in October 2008, increasing the number of parking spaces to 1,500. The structure was built to full capacity instead of in phases so that passenger parking at the station would not be interrupted. Recently, a video surveillance system was installed in the parking structure.
- OCTA, in partnership with Tustin, hired a design team to develop and design a parking structure for the Tustin Station. Construction is expected to begin in summer 2010 and take approximately 12 months to complete. When completed, the Tustin station is expected to provide approximately 850 parking spaces and additional passenger amenities such as improved pedestrian access and improved bus access.
- Fullerton also partnered with OCTA to construct a new parking structure for the Fullerton Transportation Center. The proposed 800-space parking structure should provide significant relief to this station. Construction is expected to begin during summer 2010.
- A site study is in progress to expand parking facilities at the Laguna Niguel/Mission Viejo Station.

Improving Metrolink Stations

OCTA is working with Buena Park to develop a site study plan for expanding parking. A project consultant has been hired.

For the Anaheim Canyon Station, OCTA is working with Anaheim on rail improvements, a second platform and a pedestrian undercrossing to increase safety.

Go Local—Getting More People to Metrolink

OCTA developed the Go Local program to help more people discover the convenience of commuting by rail instead of driving. The Go Local program is a four-step process to plan and implement city-initiated transit extensions to Metrolink rail lines. The transit extensions can be either by bus or shuttle, or as a fixed guideway.

All planning work done as part of steps one and two of the Go Local program was funded by M1 in preparation for the implementation of Project S (transit extensions to Metrolink), which will be funded by M2.

Fixed Guideway Projects

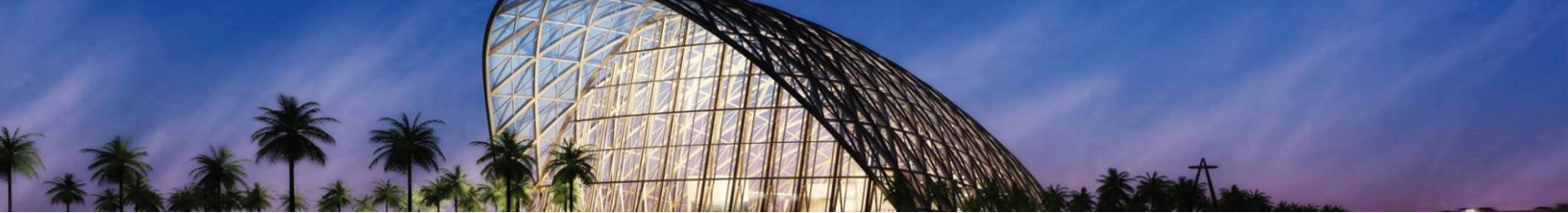
During the fiscal year, the OCTA Board approved two Go Local fixed-guideway project concepts, one from Anaheim and a combined project from the cities of Garden Grove and Santa Ana. Both were under way with step two efforts to complete detailed planning including alternatives analysis, selection of a locally preferred alternative, and environmental clearance.

Bus Shuttle Projects

In fiscal year 2008-09, OCTA executed cooperative agreements with the lead agencies of Aliso Viejo, Anaheim, Fullerton, Lake Forest, Mission Viejo and Westminster to define the roles and responsibilities for step two service planning for the Board-approved bus/shuttle concepts.

Helping Seniors and Disabled

M1 also helped lower the cost of transportation for senior citizens and people with disabilities by subsidizing the cost of bus transportation.



M2 Transit Improvements

Delivering Visionary Transit

As Orange County continues to grow, M2 will help build a visionary rail transportation system that is safe, clean and convenient, uses and preserves existing rights of way, and provides high-speed connections both inside and outside of Orange County. Twenty-five percent of the net revenue from M2 will be dedicated to transit programs countywide. About 20 percent will be dedicated to creating a new countywide high-capacity transit system anchored on the existing, successful Metrolink and Amtrak rail line, and about five percent will be used to enhance senior transportation programs and provide targeted, localized bus service.

Enhancing Grade Crossing Safety

In planning for future increases in passenger and freight rail traffic on Orange County's three rail lines, OCTA placed a renewed emphasis on at-grade rail-highway crossing (grade crossing) improvements. These improvements will focus on vehicle and pedestrian safety.

OCTA completed the final design for the grade crossing safety enhancements along the Los Angeles-San Diego (LOSSAN) rail corridor in spring 2009. There was a modest delay of approximately 90 days in advancing these projects to accommodate use of Proposition 116 funds (in combination with M2 funds). This effort allowed the region to keep Proposition 116 funds within Orange County, which was a critical issue in light of current revenue forecasts and future funding opportunities.

The Southern California Regional Rail Authority (SCCRA) awarded a contract to support the MSEP and grade crossing safety enhancements. In addition to the civil construction contract, SCCRA also awarded contracts for special track work, signal construction, signal maintenance, rails and ties. Construction began in August on the improvements, which include extending or adding new center medians at select crossings to deter people from driving around lowered gates, adding new gates on each side of the crossing to enhance safety, installing pedestrian gates to deter pedestrians from crossing the tracks when gates are down, and installing new signs and warning devices. This program is funded by Proposition 116 funds, in combination with M2 funds.

Reducing Trade Horn Noise

The grade crossing safety enhancements will allow cities to apply to the Federal Railroad Administration for a quiet zone, an area along the tracks where trains are not required to routinely sound their horns. The establishment of quiet zones will enhance the quality of life for the surrounding community.

Partnering With Cities to Enhance Safety

OCTA continued to meet with cities to discuss pre-construction requirements and plan reviews. This effort is intended to resolve issues early and avoid delays once construction begins. Construction is expected to take slightly more than two years to complete.

Cooperative agreements were signed with nine cities regarding the grade crossing safety enhancements. OCTA developed a comprehensive public outreach program to notify communities of construction impacts, including road detours, nighttime work, and dust impacts throughout the two-year program. The goal of the public outreach program was 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.

Focusing on Rail Safety

OCTA also developed a rail safety public education program, “Be Rail Safe,” to educate youths and adults and to help reduce the number of trespassings on or around the train tracks. In addition, OCTA created an interactive web site and speakers bureau for both the construction awareness and the rail safety outreach programs.

Creating a Regional Transportation Hub

The Anaheim Regional Transportation Intermodal Center (ARTIC) will be a major multi-modal transportation hub for Orange County. ARTIC will serve as a transportation gateway for existing and planned Metrolink, Amtrak and OCTA bus services, as well as the future high-speed rail system.

Environmental clearance and associated design for the development of ARTIC were in full swing in FY 2009. Environmental clearance officially began in April 2009 and public scoping meetings were held in July and November 2009 to solicit input regarding the environmental document. Environmental clearance is expected to be complete in October 2010 .

The design for ARTIC is expected to wrap up in early 2011, with construction beginning shortly thereafter. ARTIC is expected to be open for operations in late 2013.



M2 Environmental Improvements

Protecting the Environment

Along with freeway improvement comes concern for the environment. Before any freeway improvement project can begin, an environmental study must be completed, listing the impacts the project will have on the surrounding environment. In an effort to protect Orange County’s environmental resources and improve our water quality, M2 includes a freeway mitigation program and a water quality improvement program. Two committees have been formed using resource and environmental experts to help guide the process: the Environmental Oversight Committee (EOC) and the Environment Cleanup Allocation Committee (Allocation Committee).

Freeway Mitigation Program

OCTA’s Mitigation and Resource Protection Program allocates at least five percent of the M2 freeway budget for the environmental mitigation of the impacts from freeway improvements. Instead of approaching freeway improvements individually, OCTA developed a comprehensive program to mitigate the environmental impact of all planned freeway improvements at once.

Mitigation Begins

Using a proactive, innovative approach, the EOC and the Board approved the draft Master Agreement and draft Planning Agreement for the mitigation program in March 2009. The master agreement between OCTA and state and federal wildlife agencies will provide enhanced environmental benefits such as habitat protection, wildlife corridors and resource preservation through careful master planning in exchange for streamlined project approvals for the 13 M2 freeway projects.

The Board also unanimously approved a defined five-step process to purchase or restore preserved land in exchange for freeway mitigation credits.

Water Quality Program

The M2 Allocation Committee is designed to make recommendations to the Board of Directors on the disposition of funds for water quality improvements. These funds will be allocated on a countywide, competitive basis to help jurisdictions meet federal Clean Water Act standards for controlling transportation-generated pollution.

The environmental cleanup program is designed to supplement, not supplant, existing transportation-related water quality programs. This clean-up program must improve, and not replace, existing pollution reduction efforts by cities, the county, and special districts. Funds will be awarded to the highest priority programs that improve water quality, keep our beaches and streets clean, and reduce transportation-generated pollution along Orange County's scenic coastline.

Toward Better Water Quality

During the fiscal year, the Allocation Committee identified a program to add filters to storm drains and a process to develop new regional projects as the two categories for water quality funding. The Allocation Committee also developed draft funding guidelines and a framework for the allocation of water quality funding. As specified in the draft funding guidelines, funds will be allocated in a two-tiered grant program, with the first tier consisting of funding for equipment purchases and upgrades to existing catch basins such as screens, filters, inserts, and other low-flow diversion projects. The second tier will consist of funding capital-intensive projects such as constructed wetlands, detention/infiltration basins, hydrodynamic separators, and bioswales.

Operating Through the Recession

The current recession exerted a major impact on Orange County during fiscal year 2008-09. Sales tax revenues, the vital funding source for M1 and M2 transportation improvement projects, were far less than originally projected. State and federal gasoline taxes receipts also were down.

Despite the economic situation, OCTA continued to accelerate project development and design work for the slate of M2 Early Action Plan projects to take advantage of a favorable bid market and position OCTA to receive matching funds. With these actions, OCTA helped put Orange County in line for receipt of state infrastructure bond funds and federal economic stimulus funds, which helped offset a portion of the loss in revenues because of the continuing recession.

In early June 2009, OCTA received a revised projection of taxable sales growth from the State Board of Equalization. The revised projections were sharply lower than what was forecasted last January. OCTA applied the revised State Board of Equalization sales tax forecast for the balance of the M1 period, and used three university average sales tax forecasts from Chapman University, the University of California, Los Angeles (Anderson Forecast), and the California State University, Fullerton to develop a revised M2 forecast.

As compared to the 2005 nominal revenue estimates, the first 12 months of M2 sales tax revenue is now projected to be \$100 million less than the 2005 projections, and the average annual growth rate over the 30-year period is projected to decrease by approximately 0.5 percent. Overall, the nominal M2 sales tax revenue is projected to decrease from a 2005 estimate of \$24.3 billion to a revised estimate of \$14.7 billion for the 30-year period.

On June 24, 2009, OCTA issued another \$25 million in tax-exempt commercial paper (TECP) against future M2 revenues to fund M2 EAP projects. The \$25 million was issued at 1.10 percent for a period of 28 days. With this issuance, the total principal amount outstanding for the TECP program is \$50 million. Proceeds from the TECP program have funded Metrolink, SR-57, I-5 South, SR-91, and I-405 improvement projects.

In conclusion, despite the financial challenges of fiscal year 2008-09, the year ended with the majority of M1 improvement projects either completed or approaching completion. With the Early Action Plan in place, OCTA advanced a host of needed transportation improvements promised under M2.

2009 Measure M1 Distribution

Total Measure M Expenditures fiscal year ended June 30, 2009*

Freeways (43%)

Santa Ana Freeway (I-5) between San Diego Freeway (I-405) and San Gabriel Freeway (I-605)	\$30,970,000
I-5 between I-5/I405 interchange and San Clemente	-
I-5/I-405 Interchange	-
Costa Mesa Freeway (SR-55) between I-5 and Riverside Freeway (SR-91)	1,000
Orange Freeway (SR-57) between I-5 and Lambert Rd.	-
SR-91 between Riverside County line and Los Angeles County line	-
Garden Grove Freeway (SR-22) between SR-55 and Valley View St.	5,130,000
Subtotal:	36,101,000
Net (Bond Revenue) Debt Service**	72,127,000
Total Freeway Projects:	\$108,228,000

Regional Streets and Roads (11%)

Smart Streets	\$8,910,000
Regionally Significant Interchanges	3,878,000
Intersection Improvement Program	7,947,000
Traffic Signal Coordination	3,665,000
Transportation Systems and Transportation Demand Management	-
Subtotal:	24,400,000
Net (Bond Revenue) Debt Service	557,000
Total Regional Streets and Roads Projects:	\$24,957,000

Local Streets and Roads (21%)

Master Plan of Arterial Highway Improvements	\$11,169,000
Streets and Roads Maintenance and Improvements† (for individual city breakdowns, see other side)	36,360,000
Growth Management Area Improvements	6,046,000
Subtotal:	53,575,000
Net (Bond Revenue) Debt Service**	-
Total Local Streets and Roads Projects:	\$53,575,000

Transit (25%)

Pacific Electric Right of Way	\$31,000
Commuter Rail	97,000
High-Technology Advanced Rail Transit	62,710,000
Elderly and Handicapped Fare Stabilization	1,000,000
Transitways	139,000
Subtotal:	\$63,977,000
Net (Bond Revenue) Debt Service**	13,029,000
Total Transit Projects:	\$77,006,000
Total Measure M1 Expenditures:	\$263,766,000

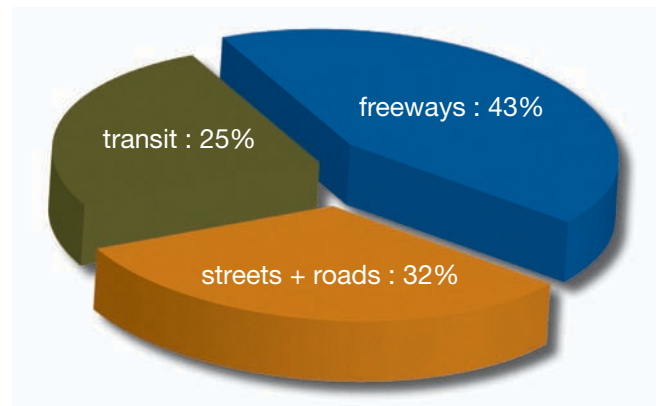
Measure M1 expenditures from inception to June 30, 2009 total \$3.1 billion.††

*Equals expenditures less reimbursement.

**A portion of the Measure M Program was financed by bonds to advance freeway projects and take advantage of lower right-of-way and construction costs in the early 1990s.

†Does not include administrative costs.

††Expenditures less reimbursement.



Safeguarding Funds

The original Measure M Ordinance required a nine-member Citizens Oversight Committee (COC) to monitor OCTA's use of Measure M funds. Their job was to ensure that all revenue collected from Measure M was spent on voter-approved transportation improvement projects. The COC began meeting in January 1991 and met through June 2007. Every year since its inception in 1990, the COC has found OCTA in compliance with the requirements of Measure M.

The Renewed Measure M Ordinance called for the COC to be transformed into the Taxpayers Oversight Committee (TOC) with eleven members. In August 2007, the TOC assumed the role of the COC with essentially the same responsibilities.

Current TOC members as of January 1, 2010:

David Sundstrom	County Auditor-Controller, Chair
Linda Rogers	District 1
Vivian Kirkpatrick-Pilger	District 1
Howard Mirowitz	District 2
Anh-Tuan Le	District 2
Edgar Wylie	District 3
C. James Hillquist	District 3
Gregory Pate	District 4
Rose Coffin	District 4
Hamid Bahadori	District 5
James Kelly	District 5

Local Support for Street and Road Maintenance and Improvement

Fiscal year ended June 30, 2009

Aliso Viejo	\$420,801.20
Anaheim	3,905,271.37
Brea	633,896.46
Buena Park	1,055,939.46
Costa Mesa	1,648,617.04
Cypress	641,396.55
Dana Point	389,779.86
Fountain Valley	733,957.31
Fullerton	1,476,304.03
Garden Grove	1,707,234.49
Huntington Beach	2,207,626.81
Irvine	2,859,362.12
Laguna Beach	303,556.48
Laguna Hills	419,767.69
Laguna Niguel	784,780.85
Laguna Woods	160,500.78
La Habra	621,912.70
Lake Forest	912,169.03
La Palma	204,952.02
Los Alamitos	154,860.84
Mission Viejo	1,107,395.49
Newport Beach	1,235,819.22
Orange	1,889,850.91
Placentia	542,438.32
Rancho Santa Margarita	501,474.83
San Clemente	651,738.53
San Juan Capistrano	452,248.39
Santa Ana	3,349,959.09
Seal Beach	294,863.88
Stanton	347,082.99
Tustin	958,673.23
Villa Park	61,982.02
Westminster	1,013,351.60
Yorba Linda	678,479.96
County Unincorporated	2,032,854.82
TOTAL	36,360,900.37

Local Support for Street and Road Maintenance and Improvement

Inception to June 30, 2009

Aliso Viejo	3,456,410.27
Anaheim	58,122,648.21
Brea	9,459,769.51
Buena Park	14,301,178.22
Costa Mesa	24,968,510.61
Cypress	9,336,670.15
Dana Point	5,924,605.22
Fountain Valley	11,385,209.16
Fullerton	22,730,959.59
Garden Grove	25,919,976.22
Huntington Beach	33,949,545.04
Irvine	37,410,665.39
Laguna Beach	4,452,115.72
Laguna Hills	6,254,689.28
Laguna Niguel	11,298,841.86
Laguna Woods	1,632,607.73
La Habra	8,913,590.71
Lake Forest	11,750,236.46
La Palma	2,978,602.32
Los Alamitos	2,480,306.52
Mission Viejo	16,480,814.61
Newport Beach	16,472,947.39
Orange	27,555,396.30
Placentia	8,208,492.64
Rancho Santa Margarita	4,455,815.38
San Clemente	8,435,798.39
San Juan Capistrano	6,557,852.26
Santa Ana	51,919,645.98
Seal Beach	4,192,746.94
Stanton	5,218,473.18
Tustin	14,275,194.96
Villa Park	951,321.77
Westminster	15,590,013.95
Yorba Linda	9,841,475.75
County Unincorporated	33,824,335.42
TOTAL	530,707,463.11

2010 Orange County Transportation Authority Board of Directors

Jerry Amante	Chairman
Patricia Bates	Vice Chairman
Art Brown	Director
Peter Buffa	Director
Bill Campbell	Director
Carolyn V. Cavecche	Director
William J. Dalton	Director
Richard Dixon	Director
Paul G. Glaab	Director
Don Hansen	Director
Allan Mansoor	Director
John Moorlach	Director
Janet Nguyen	Director
Curt Pringle	Director
Miguel Pulido	Director
Gregory T. Winterbottom	Director
Cindy Quon	Governor's Ex-Officio Member

Executive Office

Will Kempton Chief Executive Officer

714-560-OCTA (6282)
www.octa.net

