

Date: Monday, March 23, 2009

Time: 9:00 a.m.

Where: Orange County Transportation Authority Headquarters
600 South Main Street, First Floor - Conference Room 154
Orange, California 92868



BOARD AGENDA

Orange County Transportation Authority Board Meeting
Orange County Transportation Authority Headquarters
First Floor - Room 154
600 South Main Street, Orange, California
Monday, March 23, 2009, at 9:00 a.m.

ACTIONS

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA Clerk of the Board, telephone (714) 560-5676, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

Agenda Descriptions

The agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Board of Directors may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

Public Comments on Agenda Items

Members of the public wishing to address the Board of Directors regarding any item appearing on the agenda may do so by completing a Speaker's Card and submitting it to the Clerk of the Board. Speakers will be recognized by the Chairman at the time the agenda item is to be considered. A speaker's comments shall be limited to three (3) minutes.

Public Availability of Agenda Materials

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



BOARD AGENDA

ACTIONS

Call to Order

Invocation

Vice Chairman Amante

Pledge of Allegiance

Director Winterbottom

Special Matters

1. Presentation of Resolutions of Appreciation for Employees of the Month for March 2009

Present Orange County Transportation Authority Resolutions of Appreciation Nos. 2009-012, 2009-013, 2009-014 to Kenny Enwright, Coach Operator; Roger Perez, Maintenance; and Dan Geiser, Administration, as Employees of the Month for March 2009.

2. Presentation of Resolution of Appreciation to Orange County Sheriff's Department Employee of the Quarter

Present Orange County Transportation Authority Resolution of Appreciation No. 2009-015 to Orange County Sheriff's Deputy Dave Beeler.

3. Special Recognition for Thirty Years of Safe Driving

Present an award to Coach Operator Tony Aidukas for achieving thirty years of safe driving.

4. Resolution of Appreciation for Departing Chief Executive Officer, Arthur T. Leahy



BOARD AGENDA

ACTIONS

5. **Measure M Taxpayers' Oversight Committee Annual Public Hearing Results and Compliance Findings**

Alice T. Rogan/Ellen S. Burton

Overview

The Measure M Ordinance, passed in 1990 and renewed in 2006, calls for an oversight committee to serve as a watchdog over the program of transportation improvements. As required by the Ordinance, the Taxpayers' Oversight Committee conducted the 18th Annual Public Hearing on February 10, 2009. The Taxpayers' Oversight Committee has found the Orange County Local Transportation Authority has acted in accordance with Measure M ordinances No. 2 and No. 3 during fiscal year 2007-2008.

Recommendation

Receive and file as an information item.

Consent Calendar (Items 6 through 21)

All matters on the Consent Calendar are to be approved in one motion unless a Board Member or a member of the public requests separate action on a specific item.

Orange County Transportation Authority Consent Calendar Matters

6. **Approval of Minutes**

Of the Orange County Transportation Authority and affiliated agencies' regular meeting of March 9, 2009.



BOARD AGENDA

ACTIONS

7. State Legislative Status Report
Manny Leon/P. Sue Zuhlke

Overview

A sponsor position is requested on SB 454, a bill that would facilitate local flexibility and coordination along the Los Angeles-San Diego-San Luis Obispo rail corridor. A support position is requested on AB 729, a bill that would remove the 2011 sunset provision for transit design-build projects. A support with amendments position is requested on AB 628, a bill that would provide toll operators with the option to implement the "pay-by-plate" toll collection method. On May 19, 2009, California will hold a special election on six ballot measures which were part of the recent 2009-2010 state budget deal which requires voter approval. An overview of all six propositions is provided.

Recommendation

Adopt the following recommended positions on legislation:

Sponsor SB 454 (Lowental, D-Long Beach), which facilitates local flexibility and coordination in passenger rail service along the Los Angeles San Diego San Luis Obispo (LOSSAN) rail corridor.

Support AB 729 (Evans, D-Santa Rosa), which would remove the 2011 sunset provision for transit design-build projects.

Support with amendments for AB 628 (Block, D-Chula Vista), which provides toll operators with the option of implementing "pay by plate" as a toll collection method.



BOARD AGENDA

ACTIONS

8. Selection of Consultants for On-Call Transportation Planning Technical Support

Michael A. Litschi/Kia Mortazavi

Overview

Consultant services are required to provide technical support to the Orange County Transportation Authority staff on a range of transportation planning efforts, including development of the 2010 Long-Range Transportation Plan. Proposals were solicited for on-call transportation planning technical support services in accordance with the Orange County Transportation Authority's procurement procedures for retention of consultants for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute agreements between the Orange County Transportation Authority and Fehr & Peers (Agreement No. C-8-1316), IBI Group (Agreement No. C-9-0254), Kimley-Horn and Associates, Inc. (Agreement No. C-9-0255), PB Americas, Inc. (Agreement No. C-9-0256), and Wilbur Smith Associates (Agreement No. C-9-0257), in an aggregate amount not to exceed \$600,000, for a three-year contract term to provide on-call services for transportation planning technical support.

9. Amendment to Agreement for Claims Administration for Self-Insured Workers' Compensation Program

Al Gorski/Patrick J. Gough

Overview

On October 14, 2005, the Board of Directors approved a three-year agreement with TRISTAR Risk Management, for the amount of \$1,156,526, to provide claims administration services for the Orange County Transportation Authority's Self-Insured Workers' Compensation Program. On March 24, 2008, the Board of Directors approved Amendment No. 1 exercising the first option year which will expire on October 31, 2009.



BOARD AGENDA

ACTIONS

9. (Continued)

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 2 to exercise the second and final option year to Agreement C-5-2590 between the Orange County Transportation Authority and TRISTAR Risk Management, in an amount not to exceed \$424,297, to provide workers' compensation claims administration services for the period of November 1, 2009, through October 31, 2010, bringing the total contract value to \$1,990,771.

10. **Annual Investment Policy Update**

Kirk Avila/James S. Kenan

Overview

The Treasurer has revised the Orange County Transportation Authority's Annual Investment Policy for 2009. The Annual Investment Policy sets forth the investment guidelines for all funds invested on and after March 23, 2009. As recommended under California Government Code Section 53646(a)(2), the Orange County Transportation Authority is submitting its Annual Investment Policy to be reviewed at a public meeting. Further, the governing body of a local agency has the authorization to appoint, for a period of one year, a Treasurer to invest, reinvest, purchase, exchange, sell, or manage public funds.

Recommendations

- A. Adopt the 2009 Annual Investment Policy.
- B. Authorize the Treasurer to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2009-10.



BOARD AGENDA

ACTIONS

11. Agreement for Oniqua Inventory Analytics Implementation
Annette L. Hess/James S. Kenan

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2009 Budget, the Orange County Transportation Authority has planned to implement the Inventory Optimizer Software system. A proposal was solicited and received from Oniqua, Inc. in accordance with the Orange County Transportation Authority's sole-source procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. 8-1335 between the Orange County Transportation Authority and Oniqua Inc., in an amount not to exceed \$100,000, for implementation assistance and expertise with the inventory module of the Oniqua analytic suite. The scope of this effort will include project management, design, configuration, programming, training, testing, and go-live support.

12. Proposed Overall Annual Race-Neutral Disadvantaged Business Enterprise Goal for Federal Fiscal Year 2008-2009
Virginia Abadessa/James S. Kenan

Overview

An Overall Annual Disadvantaged Business Enterprise Goal has been developed for the Orange County Transportation Authority's Federal Transit Administration-assisted contracts in compliance with federal regulations set forth in 49 CFR Part 26 entitled "Participation by Disadvantaged Business Enterprises in United States Department of Transportation Programs" for the federal fiscal year 2008-09.

Recommendation

Adopt the proposed federal fiscal year 2008-09 overall annual race-neutral Disadvantaged Business Enterprise participation goal of 4 percent for contracts assisted by the Federal Transit Administration, in accordance with 49 CFR Part 26.



BOARD AGENDA

ACTIONS

13. **Approval of Local Transportation Fund Fiscal Year 2009-10 Apportionment Estimates**
William Dineen, Jr./James S. Kenan

Overview

The Orange County Transportation Authority, as the transportation planning agency and county transportation commission for Orange County, is responsible for developing estimates used in apportioning revenues earned and deposited in the Orange County Local Transportation Fund. Transportation Development Act regulations require that the apportionments for fiscal year 2009-10 be determined and prospective claimants be advised of the amounts.

Recommendation

Approve the Local Transportation Fund fiscal year 2009-10 apportionment estimates and authorize the Chief Executive Officer to advise all prospective claimants of the amounts of all area apportionments from the Orange County Local Transportation Fund for the following fiscal year.

14. **Project Management Requirements to Deliver the Renewed Measure M Early Action Plan**
Andrew Oftelie/Paul C. Taylor

Overview

A series of studies were recently completed that addressed the Orange County Transportation Authority's organizational readiness to deliver the Renewed Measure M Early Action Plan. These studies were commissioned by the Orange County Transportation Authority to assure that the agency is adequately prepared to manage and deliver the projects promised to the voters. Two of the key findings of the four studies were the need to strengthen and expand the project management capabilities of the organization and to focus efforts on the early development phases of the projects. This report provides an overview of the current efforts underway to address the findings of the reports and a recommendation to implement staffing changes needed to implement the proposed changes.



BOARD AGENDA

ACTIONS

14. (Continued)

Recommendations

- A. Approve the proposed changes to the staffing plan for the Highway Project Delivery Department.
- B. Amend the Orange County Transportation Authority staffing plan by two positions to add a principal right-of-way administrator and a senior right-of-way administrator to support the early development phases of Renewed Measure M projects.
- C. Amend the Orange County Transportation Authority Fiscal Year 2008-09 Salaries and Benefits Budget by \$41,504 to accommodate the addition of two new right-of-way positions.

15. **Agreement for Strategic Management Services**

Andrew Oftelie/James S. Kenan

Overview

Over the next few years, the Orange County Transportation Authority will be challenged to successfully close out Measure M, develop and implement new policies and procedures related to Renewed Measure M, and deliver on the promises of the Renewed Measure M Early Action Plan. To help ensure the successful delivery of these programs, a proposal for strategic management services was solicited and received from Monte Ward in accordance with the Orange County Transportation Authority's sole source procurement procedures.

Recommendation

Authorize the Chief Executive Officer to execute Sole Source Agreement No. C-9-0181 between the Orange County Transportation Authority and Monte Ward, in an amount not to exceed \$174,720 over a two-year period, for Strategic Management Services.



BOARD AGENDA

ACTIONS

Orange County Local Transportation Authority Consent Calendar Matters

16. **Approval of Agreements for Renewed Measure M Freeway Mitigation Program**
Monte Ward

Overview

Renewed Measure M allocates at least 5 percent of funds in the freeway mode, subject to a master agreement between the Orange County Transportation Authority and state and federal resource agencies, for comprehensive mitigation of the impacts of the 13 freeway projects in the Renewed Measure M Transportation Investment Plan. A draft master agreement and an associated draft Planning Agreement to create a Natural Community Conservation Plan/Habitat Conservation Plan have been developed. The Renewed Measure M Environmental Oversight Committee is recommending these agreements for approval, along with associated actions to enable implementation.

Committee Recommendations

- A. Approve the draft Memorandum of Understanding Agreement C-9-0278 among the Orange County Transportation Authority, United States Fish and Wildlife Service, California Department of Fish and Game, and California Department of Transportation to serve as the master agreement and guide for the implementation of the Renewed Measure M Freeway Mitigation Program.
- B. Approve the draft Planning Agreement C-9-0279 among the Orange County Transportation Authority, United States Fish and Wildlife Service, California Department of Fish and Game, and California Department of Transportation to establish the process, roles, responsibilities, and commitments for the preparation of the Orange County Transportation Authority Natural Community Conservation Plan/Habitat Conservation Plan.



BOARD AGENDA

ACTIONS

16. (Continued)

- C. Approve the draft Agreement C-9-0169 between the Orange County Transportation Authority and the California Department of Fish and Game, in an amount not to exceed of \$300,000, for staffing services to enable the California Department of Fish and Game to meet its responsibilities for preparation and timely approval of the Orange County Transportation Authority Natural Community Conservation Plan/Habitat Conservation Plan. Direct staff to incorporate adherence to plan schedule and reporting milestones into the scope of work.
- D. Authorize up to \$2.5 million from the Early Action Plan commercial paper program to be available in fiscal years 2009-2010 and 2010-2011 for the purposes specified in Memorandum of Understanding Agreement C-9-0278, Planning Agreement C-9-0279, and Agreement C-9-0169.
- E. Direct that a method for criteria prioritization of advance mitigation expenditures be developed and presented to the Transportation 2020 Committee and the Board of Directors, before seeking further authorization of funding for property acquisition, restoration or management.

17. **Approval to Release Request for Proposals for Lane Addition on the Westbound Riverside Freeway (State Route 91) Between the Santa Ana Freeway (Interstate 5) and the Orange Freeway (State Route 57)**

Dipak Roy/Kia Mortazavi

Overview

Staff has developed a request for proposals to initiate a competitive procurement process to retain a design consultant to provide plans, specifications, and estimates for adding a westbound lane on the Riverside Freeway (State Route 91) between the Santa Ana Freeway (Interstate 5) and Orange Freeway (State Route 57).



BOARD AGENDA

ACTIONS

17. (Continued)

Recommendations

- A. Approve the proposed evaluation criteria and weightings for selection of consultant services for Request for Proposals No. 9-0244.
- B. Approve the release of Request for Proposals No. 9-0244 for the design of the westbound Riverside Freeway (State Route 91) between the Santa Ana Freeway (Interstate 5) and Orange Freeway (State Route 57).

Orange County Transit District Consent Calendar Matters

18. **Approval to Release Request for Proposals for Janitorial Services** Ryan Erickson/Beth McCormick

Overview

Orange County Transportation Authority staff has developed a request for proposals to initiate the competitive procurement process for selecting a firm to provide janitorial services at five bus bases and seven transportation centers. A request for proposals has been developed and staff is seeking Board of Directors' approval to issue it.

Recommendations

- A. Approve the proposed evaluation criteria and weights for Request for Proposal 9-0259 for janitorial services.
- B. Approve the release of Request for Proposals 9-0259 for janitorial services.



BOARD AGENDA

ACTIONS

19. **Amendment to Cooperative Agreement with South County Senior Services for the Provision of Adult Day Healthcare Transportation**
Dana Wiemiller/Beth McCormick

Overview

Since May 2000, South County Senior Services has been responsible for providing transportation to a group of ACCESS riders attending an adult day healthcare program under a cost sharing agreement with the Orange County Transportation Authority. The current agreement was executed in July 2007. An amendment is requested to increase the maximum obligation for the initial term and exercise the first option year.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement No. C-7-0689 between the Orange County Transportation Authority and South County Senior Services, to add \$25,000 to the initial term and exercise the first option year, in an amount not to exceed \$286,104, for a total amendment of \$311,104, bringing the total contract value to \$766,104.

20. **Amendment to Cooperative Agreement with Orange County ARC for the Provision of Adult Day Healthcare Transportation**
Dana Wiemiller/Beth McCormick

Overview

On April 26, 2007, the Board of Directors approved a cooperative agreement with Orange County ARC, in the amount of \$892,000, to provide transportation for Regional Center of Orange County consumers traveling to and from the Orange County ARC day program. An amendment is requested to exercise the first option term and extend the agreement through June 30, 2010.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement No. C-7-0693 between the Orange County Transportation Authority and Orange County ARC, in an amount not to exceed \$396,165, for the provision of transportation services through June 30, 2010, bringing the total contract value to \$1,288,165.



BOARD AGENDA

ACTIONS

21. **Amendment to Agreement for Bus Revenue-Generating Advertising Contract**
Stella Lin/Ellen S. Burton

Overview

On May 23, 2005, the Orange County Transportation Authority Board of Directors approved an agreement with Titan Outdoor to sell, place, and maintain advertisements on the interior and exterior of the buses. Due to the current economic downturn and a significant decrease in advertising sales revenue, Titan Outdoor is requesting the elimination of the minimum annual guarantee payment and adoption of a revenue-sharing payment arrangement.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement No. C-5-0127 between the Orange County Transportation Authority and Titan Outdoor, to modify the payment provisions and to exercise the second option term.

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

22. **Central County Corridor Major Investment Study Update**
Tamara S. Warren/Kia Mortazavi

Overview

The Central County Corridor Major Investment Study is underway and the study is being conducted in cooperation with the Southern California Association of Governments. The initial set of strategies created in Phase I of the study have been refined and the evaluation criteria has been developed. Both of these are presented for Board of Directors consideration.



BOARD AGENDA

ACTIONS

22. (Continued)

Committee Recommendations

- A. Approve the study of the Refined Set of Conceptual Alternative Strategies A, B, C, D3, D4, D7, and E.
- B. Approve the evaluation criteria.
- C. Authorize staff to present the refined set of strategies for public input.

23. Renewed Measure M Project T Funding Recommendations

Roger M. Lopez/Kia Mortazavi

Overview

In January 2009, the Board of Directors approved funding guidelines and a call for projects for Renewed Measure M's Project T (Convert Metrolink Stations to Regional Gateways), with applications due February 20, 2009. This competitive transit program will provide funding to convert key Metrolink stations to regional gateways that connect to planned high-speed rail systems. Four applications were received from local agencies, and recommendations are presented for review and approval.

Committee Recommendations

- A. Approve the funding requests included in this report for the cities of Anaheim, Fullerton, Irvine, and Santa Ana.
- B. Direct staff to return to the Transportation 2020 Committee in April 2009 with funding options for the Anaheim Regional Transportation Intermodal Center using Renewed Measure M Project T and other fund sources.
- C. Direct staff to return to the Transportation 2020 Committee in April 2009 with funding options using non-Project T fund sources for Fullerton, Irvine, and Santa Ana requests.



BOARD AGENDA

ACTIONS

Orange County Transportation District Regular Calendar Matters

24. **June 2009 Bus Service Reduction Program**
Scott Holmes/Beth McCormick

Overview

As the revenue forecast for the Orange County Transportation Authority continues to worsen, staff is working on a number of programs to address the shortfall in the current fiscal year budget, as well as that forecasted for coming fiscal year 2009-10. Included in these efforts is a bus service reduction program that will be implemented as part of the June 2009 service change removing approximately 55,000 annual revenue vehicle hours of service.

Recommendation

Receive and file as an information item.

25. **Fiscal Year 2009-10 Transit Budget Assumptions**
Kenneth Phipps/James S. Kenan

Overview

In response to rapidly declining revenues, the Orange County Transportation Authority must reduce ongoing operating costs. A bus service reduction program is required as part of these cost reduction efforts.

Recommendations

- A. Approve a one-year bus service reduction program and direct staff to implement a service reduction of 400,000 annual revenue vehicle hours as part of the fiscal year 2009-10 budget.
- B. Authorize the Chief Executive Officer to lay off employees, including, but not limited to, employees subject to collective bargaining agreements with Teamsters Local 952 or the Transportation Communications International Union, when the Chief Executive Officer decides a reduction in force is necessary.



BOARD AGENDA

ACTIONS

Discussion Items

26. Public Comments

At this time, members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action may be taken on off-Agenda items unless authorized by law. Comments shall be limited to three (3) minutes per speaker, unless different time limits are set by the Chairman subject to the approval of the Board of Directors.

27. Chief Executive Officer's Report

28. Directors' Reports

29. Closed Session

- A. Pursuant to Government Code Section 54957 to consider the appointment of a Chief Executive Officer.
- B. Pursuant to Government Code Section 54957.6 to meet with designated representatives Chairman Buffa, Vice Chairman Amante, and Director Norby to discuss the compensation of the Chief Executive Officer.

30. Consideration of Appointment of a Chief Executive Officer and the Compensation of the Chief Executive Officer
Chairman Peter Buffa

31. Adjournment

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, April 13, 2009**, at the OCTA Headquarters.



ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

KENNY ENWRIGHT

WHEREAS, the Orange County Transportation Authority recognizes and commends Kenny Enwright; and

WHEREAS, let it be known that Kenny Enwright has been a principal player at the OCTA since 1999, and has performed his responsibilities as a Coach Operator in a professional, safe, courteous and reliable manner; and

WHEREAS, Kenny has demonstrated his integrity by maintaining an exceptional attendance record. His dedication exemplifies the high standards set forth for Orange County Transportation Authority employees; and

WHEREAS, Kenny has demonstrated that safety is paramount by achieving eight (8) years of safe driving and that his exceptional customer service ensures continued patronage for OCTA; and

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Kenny Enwright as the Orange County Transportation Authority Coach Operator Employee of the Month for March, 2009; and

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

Dated: March 23, 2009

Peter Buffa, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority

OCTA Resolution No. 2009-012





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

ROGER PEREZ

WHEREAS, the Orange County Transportation Authority recognizes and commends Roger Perez; and

WHEREAS, be it known that Roger Perez is a valued member of the Maintenance Department; and

WHEREAS, Roger's dedication to his duties and desire to excel are duly noted, and he is recognized as an outstanding Authority employee. Roger is always willing to tackle any assigned task and is highly conscientious of the repetitive items that must be accomplished. He ensures our customers receive a quality product in a timely manner; and

WHEREAS, Roger's contribution to the Rebuild Section is commendable. Roger recently found an innovative way to reduce the cost of rebuilding the Allison World Transmission by simply ordering the necessary items individually instead of ordering a standard rebuild kit. Roger's idea reduced the waste of unnecessary components and saves the Department and Authority much needed monies.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Roger Perez as the Orange County Transportation Authority Maintenance Employee of the Month for March 2009; and

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

Dated: March 23, 2009

Peter Buffa, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority

OCTA Resolution No. 2009-013





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

DAN GEISER

WHEREAS, the Orange County Transportation Authority recognizes and commends Dan Geiser; and

WHEREAS, be it known that Dan Geiser has performed his duties as OCTA's Business Computing Solutions Specialist for the Lawson Human Resources and Payroll System with the highest level of professionalism and integrity in his stewardship of the system and in servicing the needs of the system's stakeholders; and

WHEREAS, Dan's contributions to OCTA's highly successful eight-month Lawson System Upgrade project underscore his outstanding qualifications and commitment to excellence that resulted in a project that completed two weeks early.

WHEREAS, Dan's knowledge and diverse technical skills, his extraordinary dedication to the success of his customers to perform their work, paired with an exceptional ability to recognize problems and offer practical solutions resulted in a seamless transition for staff that use the Lawson system; and

WHEREAS, Dan is expert in remedying unanticipated software implementation challenges under extreme deadline conditions as demonstrated in OCTA's successful 2009 On-Line Benefits Open Enrollment event for administrative employees.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Dan Geiser as the Orange County Transportation Authority Administration Employee of the Month for March, 2009; and

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

Dated: March 23, 2009

Peter Buffa, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority

OCTA Resolution No. 2009-014





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

DEPUTY DAVE BEELER

WHEREAS, the Orange County Transportation Authority recognizes and commends Deputy Dave Beeler; and

WHEREAS, Deputy Beeler has been assigned to Transit Police Services since July 2006, where he was initially assigned to Fixed Route Operations. His hard driving work ethic and "can do" attitude quickly earned him a transfer to the Right-Of-Way team. Within his first year at his new assignment, Dave and his partner made over 100 arrests;

WHEREAS, Deputy Beeler formed a working group and developed the "TAGRS" program - Tracking Automated Graffiti Reporting System. Since the implementation of the program OCTA has experienced a reduction in graffiti costs;

WHEREAS, Deputy Beeler also handles follow up investigative duties for crimes occurring on buses. On September 3, 2008, an OCTA customer was a victim of a robbery on a bus in Mission Viejo. Deputy Beeler and his partner were assigned to the case. They viewed the bus video and were able to acquire a picture of the suspect. Deputy Beeler put together a wanted bulletin and distributed them in the area where the crime had occurred. They received a phone tip with a name. On September 10, 2009 Deputy Beeler and his partner located and arrested the suspect at a bus stop in Mission Viejo.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Deputy Dave Beeler as the Orange County Transportation Authority Transit Police Services Employee of the Quarter for March 2009; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Deputy Dave Beeler's valued service to the Authority.

Dated: March 23, 2009

Peter Buffa, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority

OCTA Resolution No. 2009-015





March 23, 2009

To: Members of the Board of Directors
From: Arthur T. Leany, Chief Executive Officer
Subject: Measure M Taxpayers' Oversight Committee Annual Public Hearing Results and Compliance Findings

Overview

The Measure M Ordinance, passed in 1990 and renewed in 2006, calls for an oversight committee to serve as a watchdog over the program of transportation improvements. As required by the Measure M Ordinance, the Taxpayers' Oversight Committee conducted the 18th Annual Public Hearing on February 10, 2009. The Taxpayers' Oversight Committee has found the Orange County Local Transportation Authority has acted in accordance with Measure M Ordinance No. 2 during fiscal year 2007-2008.

Recommendation

Receive and file as an information item.

Background

The Measure M Taxpayers' Oversight Committee (TOC) is required by the Measure M Ordinance. The TOC is an independent committee representing all five supervisorial districts in Orange County. The TOC is responsible for ensuring the transportation projects in Measure M are implemented according to the expenditure plan approved by the voters in 1990 and the investment plan in 2006. The TOC meets bimonthly to review progress on the implementation of the Measure M.

Annually, the TOC is required to hold a public hearing to hear comments from citizens regarding Measure M as part of its oversight effort to determine whether the Orange County Transportation Authority (OCTA), acting as the Orange County Local Transportation Authority (OCLTA), is proceeding in accordance with the Measure M (M1) Countywide Traffic Improvement and Growth Management Plan, dated May 22, 1989, and the Renewed

Measure M (M2) Transportation Ordinance and Investment Plan, dated July 24, 2006.

The results of the hearing and the findings of the TOC are transmitted to the OCTA Board of Directors annually. The TOC has consistently found OCTA in compliance for the past 17 years.

Discussion

The 18th Measure M Annual Public Hearing took place on February 10, 2009. The hearing was publicized through news releases and public notices. After the public hearing and review of the annual financial audit of OCLTA and all other information the committee members have been provided to date, the TOC made the determination at its February meeting that during fiscal year 2007-2008, OCTA has acted in accordance with the Measure M Countywide Traffic Improvement and Growth Management Plan and the Renewed Measure M Transportation Ordinance and Investment Plan. David Sundstrom, the Chairman of the TOC, has prepared an official letter stating their findings (Attachment A).

In addition, in accordance with Ordinance No. 2, Section 12, Paragraph B.3, Chairman Sundstrom certified that the expenditures from the trust fund, through fiscal year ending June 30, 2008, have been spent on specific transportation purposed identified in the M1 Expenditure Plan. To date, total expenditures related to the M2 Expenditure Plan are less than one-tenth of 1 percent of the nominal dollars expected to be expended over the life of the plan. As a result, total expenditures to date under the M2 Expenditure Plan are immaterial.

Summary

Subsequent to bimonthly meetings and the Measure M Annual Public Hearing on February 10, 2009, the Measure M TOC has determined that OCTA is proceeding in accordance with the Measure M Countywide Traffic Improvement and Growth Management Plan and the Renewed Measure M Transportation Ordinance and Investment Plan.

Attachment

- A. 18th Annual Measure M Public Hearing Memo, dated February 10, 2009,
from Taxpayers Oversight Committee

Prepared by:

Alice T. Rogan

Alice T. Rogan
Community Relations Officer
(714) 560-5577

Approved by:

Ellen Burton

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



Measure M Taxpayers Oversight Committee



February 10, 2009

To: Peter Buffa, Chairman
Board of Directors
Orange County Transportation Authority

From: Taxpayers Oversight Committee

Subject: 18th Annual Measure M Public Hearing

In accordance with both Policy Resolution No. 1 "Citizens Oversight Committee," and Attachment C "Taxpayers Oversight Committee," the Taxpayers Oversight Committee (TOC) is required to conduct an annual public hearing to determine whether the Orange County Transportation Authority (Authority) is proceeding in accordance with the M1-Countywide Traffic Improvement and Growth Management Plan (Plan), dated May 22, 1989 and the M2-Renewed Measure M Transportation Ordinance and Investment Plan dated July 24, 2006.

The TOC conducted the annual public hearing on February 10, 2009. No items were presented at the hearing to indicate that the Authority was not proceeding in accordance with the M1 and the M2 Plans during 2008.

Based upon the above-mentioned hearing, 2007/08 LTA financial audit results and all other information the TOC has to date, the TOC hereby finds the Authority is proceeding in accordance with the both the M1 and the M2 Plans.

In addition, in accordance with Ordinance No. 2, Section 12, Paragraph B.3, I certify that the expenditures from the trust fund, through fiscal year ending June 30, 2008, have been spent on specific transportation purposed identified in the M1 Expenditure Plan. To date, total expenditures related to the M2 Expenditure Plan are less than one-tenth of one percent of the nominal dollars expected to be expended over the life of the plan. As a result, total expenditures to date under the M2 Expenditure Plan are immaterial.

Sincerely,

David Sundstrom, Chairman
Measure M Taxpayers Oversight Committee
Orange County Auditor-Controller

Minutes of the Meeting of the
Orange County Transportation Authority
Orange County Service Authority for Freeway Emergencies
Orange County Local Transportation Authority
Orange County Transit District
Board of Directors
March 9, 2009

Call to Order

The March 9, 2009, regular meeting of the Orange County Transportation Authority and affiliated agencies was called to order by Chairman Buffa at 9:00 a.m. at the Orange County Transportation Authority Headquarters, Orange, California.

Roll Call

Directors Present: Peter Buffa, Chairman
Jerry Amante, Vice Chairman
Patricia Bates
Bill Campbell
Carolyn Cavecche
William J. Dalton
Cathy Green
Allan Mansoor
John Moorlach
Janet Nguyen
Chris Norby
Curt Pringle
Miguel Pulido
Gregory T. Winterbottom
Cindy Quon, Governor's Ex-Officio Member

Also Present: Paul C. Taylor, Deputy Chief Executive Officer
Wendy Knowles, Clerk of the Board
Laurena Weinert, Assistant Clerk of the Board
Kennard R. Smart, Jr., General Counsel
Members of the Press and the General Public

Directors Absent: Arthur C. Brown
Richard Dixon
Paul Glaab

Invocation

Director Dalton gave the invocation.

Pledge of Allegiance

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

Public Comments on Agenda Items

Chairman Buffa announced that members of the public who wished to address the Board of Directors regarding any item appearing on the agenda would be allowed to do so by completing a Speaker's Card and submitting it to the Clerk of the Board.

Special Matters

There were no Special Matters Calendar items.

Consent Calendar (Items 1 through 14)

Chairman Buffa announced that members of the public who wished to address the Board of Directors regarding any item appearing on the agenda would be allowed to do so by completing a Speaker's Card and submitting it to the Clerk of the Board.

Orange County Transportation Authority Consent Calendar Matters

1. Approval of Minutes

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to approve the minutes of the Orange County Transportation Authority and affiliated agencies' regular meeting of February 23, 2009.

Directors Campbell and Pringle were not present to vote on this item.

2. Purchasing Card Review

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to direct staff to implement recommendations in the Purchasing Card Program Review, Internal Audit Report No. 09-029.

Directors Campbell and Pringle were not present to vote on this item.

3. Assembly Bill 1234 Review

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

- A. Direct staff to implement recommendations in the Assembly Bill 1234 Review, Internal Audit Report No. 09-021.
- B. Approve amendment to the Policy for Compensation, Reimbursement of Expenses, and Ethics Training for Members of the Board of Directors, to clarify that the Policy is not applicable to the Director of Transportation, District 12.

Directors Campbell and Pringle were not present to vote on this item.

4. State Legislative Status Report

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to support federal recovery implementation legislation as agreed to by local agencies and the California Department of Transportation that is consistent with the principles adopted by the Board of Directors.

Directors Campbell and Pringle were not present to vote on this item..

5. Federal Legislative Status Report

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to receive and file as an information item.

6. Cooperative Agreement with the Orange County Flood Control District and the California Department of Transportation for the Lewis Channel Improvement Project

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0176 among the Orange County Transportation Authority, the Orange County Flood Control District, and the California Department of Transportation, in an amount not to exceed \$1,500,000.

Directors Campbell and Pringle were not present to vote on this item.

7. Operational Improvement Study for the Ortega Highway (State Route 74)

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to receive and file as an information item.

Directors Campbell and Pringle were not present to vote on this item.

8. Second Quarter Fiscal Year 2008-09 Grant Status Report

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to receive and file as an information item.

Directors Campbell and Pringle were not present to vote on this item.

9. Fiscal Year 2008-09 Second Quarter Budget Status Report

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to receive and file as an information item.

Directors Campbell and Pringle were not present to vote on this item.

Orange County Service Authority for Freeway Emergencies Consent Calendar Matters

10. Services for the Traveling Public in Orange County

Director Norby pulled this item (as well as Item 11) and addressed them together, stating that these items relate to the need for and reduction of call boxes, as well as how much is obligated for future maintenance of the remaining call boxes. He also cited the diminishing need for the call boxes as the traveling public utilizes cell phones more and more.

Director Norby proposed reducing call boxes in Item 10 from 700 to 350 and look at reducing the maintenance contract for call boxes.

Iain Fairweather, Manager of Motorist Services, responded that the total number of call boxes is currently at 585 and with the plan reduction, if accepted by Caltrans and the California Highway Patrol, that number could be reduced by one-third to one-half of the existing call boxes. That reduction would be reflected in the maintenance contract (proposed in Item 11) and is for the current number of call boxes, and the amount will be reduced as the number of call boxes decreases.

A motion was made by Director Norby, seconded by Director Amante, and declared passed by those present, to authorize the Chief Executive Officer to seek appropriate approval for a specified plan to reduce the number of call boxes in service in fiscal year 2009-2010.

Director Nguyen was not present to vote on this item.

Director Bates asked for clarification on the length of the maintenance contract, and Mr. Fairweather answered that the contract is for five years and it is stated in the contract that OCTA's intent is to reduce call boxes. Mr. Fairweather indicated the contract can be terminated at any time without penalty.

11. Approval to Release Request for Proposals (RFP) and Evaluation Criteria Weighting for Call Box System Operations and Maintenance Services

Director Norby pulled this item and addressed his comments under Item 10, above.

A motion was made by Director Norby, seconded by Director Amante, and declared passed by those present, to:

- A. Approve the release of the Request for Proposals No. 9-0176 for the call box system operations and maintenance services.
- B. Approve proposed evaluation criteria weighting allocation.

Director Nguyen was not present to vote on this item.

Orange County Transit District Consent Calendar Matters

12. Amendment to Agreement for Heating, Ventilation, Air Conditioning Repairs and Maintenance Services

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 5 to Agreement No. C-5-3001 between the Orange County Transportation Authority and ACM Systems, Inc., to exercise the third and fourth option terms in an amount not to exceed \$400,000 for heating, ventilation, air conditioning repairs and maintenance services for a total contract value of \$972,500.

Director Nguyen abstained from voting on this item.

13. Customer Relations Report for Second Quarter Fiscal Year 2008-09

A motion was made by Director Green, seconded by Director Moorlach, and declared passed by those present, to receive and file as an information item.

Directors Campbell and Pringle were not present to vote on this item.

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

14. Programming of Economic Stimulus Funds

Director Bates reported that she had been requested by Director Glaab, who was unable to attend this meeting, to ask that this item be continued (in particular the programming of funds) and returned to the Highways Committee for discussion.

14. (Continued)

Kia Mortazavi, provided an update on the programming of the economic stimulus funds and explained revised attachments which explain the bill, what may be available to the State of California and to Orange County. Discussion followed.

Public comments were heard from Ken Rosenfield, Director of Public Works and City Engineer for the City of Laguna Hills, and Chair of the Technical Advisory Committee for OCTA. Mr. Rosenfield provided comments regarding this item, stating that staff has been working with the City Engineers in Orange County to prepare them for using the economic stimulus money, and many are preparing to put projects out to bid.

Mr. Rosenfield reported that while the Technical Advisory Committee supports the State Route (SR) 91 project being first in priority, they felt that local agencies' projects in the approximately \$33 million range should be next in line, and requested the Board consider moving that category of projects to second on the matrix, moving the State Route 22/Interstate 405 Carpool Connectors to third.

Public comments were next heard from Jane Reifer, resident of Fullerton, who urged the Board to initiate restoring bus operations funding. She expressed her ongoing concern for the decrease of bus service.

A motion was made by Director Pulido, seconded by Director Bates, and declared passed by those present, to:

- A. Authorize staff to use economic stimulus revenues to fund projects consistent with Board of Directors-approved guiding principles for implementation.
- B. Direct staff to make local agency projects the next priority to the Riverside Freeway (State Route 91) for use of economic stimulus funds, made available through the state of California, and make a minimum of 40 percent the funds available for such projects.
- C. Authorize staff to process all necessary amendments to the Regional Transportation Improvement Program and execute any necessary agreements to facilitate programming of economic stimulus funds.
- D. Authorize the Chief Executive Officer to file and execute grant-related agreements with the Federal Transit Administration for the purpose of obtaining economic stimulus funds.

15. June 2009 Bus Service Reduction Program

Scott Holmes, Service Planning Manager, provided background on the events which led to the current proposed service reductions and updated the Board on the upcoming June bus service reduction program. The actions at this time include hiring and wage freezes, recent fare increase, deferment of the bus rapid transit project until 2010, suspension of the service of the Orange County Fair Flyer service, along with the proposed reduction of revenue service hours.

Public comment was heard from Jane Reifer, resident of Fullerton, who stated there are errors in communicating the bus cutbacks and other related information to riders and provided examples and identified areas for improvement in communicating route changes and service cancellations to riders.

Director Winterbottom cautioned that service reductions will have an impact on ACCESS service and asked staff to provide information on the ACCESS contract when the item returns to the Transit Committee.

Discussion on the communication of information to riders followed, and the Board requested that an update be provided by the end of the day on how that information will be corrected and how soon the changes can be made. Director Nguyen, who is also Chair of the Transit Committee, requested that this item return to that Committee for further discussion.

A motion was made by Director Nguyen, seconded by Director Norby, and declared passed by those present, to receive and file as an information item and return this item to the Transit Committee.

Deputy Chief Executive Officer (CEO), Paul Taylor, indicated that revenue losses are driving the service reductions and staff will evaluate further the rationale for reductions and the subsequent impacts.

16. Radio Communication Systems Upgrade

Citing Government Code 84308, Director Campbell recused himself from the discussion and voting on this item and left the room.

Deputy CEO, Paul Taylor, informed the Board that OCTA operates two radio systems, one for fixed-route, and one for the paratransit ACCESS service. Both systems are in need of attention and upgrade at this time.

Joe Vincente, Department Manager, Transit Program Management, presented an overview and reasons for the need of a radio communication system upgrade.

Director Cavecche expressed her concern of a sole source award and Mr. Vincente expressed staff's confidence in the company recommended to provide the service.

16. (Continued)

Nelson S. Lee, President of Eiger TechSsystems, addressed the Board and advised that his firm was hired to do the assessment of the 800 Mhz system. He stated that when the current system was analyzed, it was found that OCTA has a Tyco system, which was the first system that was implemented. The radios were inferior, and that was why there were issues with the initial radios. He identified several areas that are being upgraded and stated that the new system will be far more robust.

A motion was made by Director Winterbottom, seconded by Director Green, and declared passed by those present, to:

- A. Approve consultant recommendation to proceed with an upgrade to the existing radio communication systems.
- B. Authorize the Chief Executive Officer to negotiate a sole source agreement between the Orange County Transportation Authority and Affiliated Computer Services and Tyco for the upgrade of the radio communication systems, in an amount not to exceed \$20 million, contingent upon the Internal Audit Department's review of cost and price.

Directors Nguyen, Norby, Pringle, and Pulido were not present to vote on this item.

Director Bates abstained from voting on this item.

Discussion Items

17. Update on High-Speed Rail Efforts in California

Darrell E. Johnson, Director of Transit Project Delivery, presented this update to the Board. He stated that two recent milestones have occurred at the state and federal level that have given high-speed rail in California a big push. The first is Proposition 1A passed by the California voters in November 2008, and secondly, the recent adoption of the American Recovery and Reinvestment Act of 2009.

Mr. Johnson stated that these two funding sources, and their corresponding guidelines for implementation, will work in parallel in California as the next steps are taken towards implementation of a high-speed rail system.

18. 91 Express Lanes' Toll Adjustment Review

Kirk Avila, Treasurer and General Manager of the State Route 91 Express Lanes, provided a presentation on the Express Lanes' toll adjustment which covered:

- Toll adjustments on east- and west-bound lanes;
- Volume comparisons;
- Historical traffic volumes;
- Next steps

No action was requested on this item.

19. Public Comments

At this time, Chairman Buffa stated that members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action would be taken on off-agenda items unless authorized by law.

No additional public comments were offered.

20. Chief Executive Officer's Report

Deputy CEO, Paul Taylor, reported:

- CEO, Arthur T. Leahy, is in Washington, D.C., today attending Mobility 21 Coalition meetings.

21. Directors' Reports

Director Campbell stated that two bills have been submitted to the Senate, SB 679 and SB 372, both of which relate to state parks, and requested that staff look at these two bills and present an analysis to the Legislative and Communications Committee.

Chairman Buffa asked that OCTA's state lobbyist, Moira Topp, provide information on these bills.

22. Closed Session

A Closed Session was held pursuant to Government Code Section 54957, regarding the Chief Executive Officer.

Chairman Buffa, Vice Chairman Amante, and Directors Bates, Campbell, Cavecche, Dalton, Green, Mansoor, Moorlach, Norby, and Winterbottom were in attendance.

23. Adjournment

The meeting adjourned at 11:50 a.m. The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, March 23, 2009**, at the OCTA Headquarters.

ATTEST

Wendy Knowles
Clerk of the Board

Peter Buffa
OCTA Chairman



MEMO

March 18, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: **Board Committee Transmittal for Agenda Item**

The following item is being discussed at a Committee meeting which takes place subsequent to distribution of the Board agenda. Therefore, you will be provided a transmittal following that Committee meeting (and prior to the Board meeting) informing you of Committee action taken.

Thank you.



March 19, 2009

To: Legislative and Communications Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: State Legislative Status Report

Overview

A sponsor position is requested on SB 454, a bill that would facilitate local flexibility and coordination along the Los Angeles-San Diego-San Luis Obispo rail corridor. A support position is requested on AB 729, a bill that would remove the 2011 sunset provision for transit design-build projects. A support with amendments position is requested on AB 628, a bill that would provide toll operators with the option to implement the "pay-by-plate" toll collection method. On May 19, 2009, California will hold a special election on six ballot measures which were part of the recent 2009-2010 state budget deal which requires voter approval. An overview of all six propositions is provided.

Recommendation

Adopt the following recommended positions on legislation:

Sponsor SB 454 (Lowental, D-Long Beach), which facilitates local flexibility and coordination in passenger rail service along the Los Angeles-San Diego-San Luis Obispo (LOSSAN) rail corridor

Support AB 729 (Evans, D-Santa Rosa), which would remove the 2011 sunset provision for transit design-build projects

Support with amendments for AB 628 (Block, D-Chula Vista), which provides toll operators with the option of implementing "pay-by-plate" as a toll collection method

Discussion

February 27, 2009, marked the final day legislative bills could be introduced by both houses of the Legislature. As hundreds of bills have been introduced,

several bills have been initially identified as bills which may impact the Orange County Transportation Authority (OCTA). Below is a summary of three bills for which a Board of Directors (Board) position is being sought.

SB 454 (Lowenthal, D-Long Beach) is a "spot bill" which currently makes nonsubstantial changes to the Division of Rail within the California Department of Transportation (Caltrans). In the "Key Transportation Policy Issues" section of the OCTA 2009 Legislative Platform, it states that OCTA will sponsor legislation which addresses the coordination of passenger rail services along the Los Angeles-San Diego-San Luis Obispo (LOSSAN) corridor. SB 454 is intended to serve as the vehicle for any necessary changes to state statutes as determined by regional transportation agencies along the LOSSAN corridor upon completion of an integration study currently underway.

The integration study, organized by OCTA along with other LOSSAN regional agencies, is currently in the process of studying service alternatives and will provide recommendations on how to enhance and coordinate intercity and commuter rail services on the corridor with the ultimate goal of increasing ridership and improving operational efficiency. This integration study is anticipated to be completed in spring 2009.

Staff Recommendation: SPONSOR

AB 729 (Evans, D-Santa Rosa) proposes to remove the January 1, 2011, sunset provision which authorizes transit operators to use design-build for transit capital projects. Originally enacted in 2000, AB 958 (Chapter 541, Statutes of 2000) authorized transit operators to use design-build for transit-related construction projects until January 1, 2005. Legislation was introduced and enacted twice to move the sunset to 2011.

The author's office asserts that with the upcoming infusion of federal stimulus dollars coupled with the remaining Proposition 1B funds for transit capital and security projects, removing the sunset provision will allow transit agencies to continue to expedite projects beyond 2011. Moreover, under AB 729, transit agencies will be granted more time to identify the most cost-effective transit capital projects and not have to rush to select projects to meet the 2011 sunset.

Staff Recommendation: SUPPORT

AB 628 (Block, D-Chula Vista) will allow toll operators with the option of using the "pay-by-plate" as an additional toll collection method within California. AB 628 also includes language to consider a vehicle which lacks properly

affixed license plates on both the front and rear of the vehicle as a toll violation for toll agencies which implement pay-by-plate and makes technical modifications to allow toll agencies to issue a notice of toll evasion to toll violators based on the agency's policies for pay-by-plate toll processing and payment.

AB 628 intends to provide toll operators with the option to implement "pay-by-plate," yet current bill language does not explicitly state this is not required. Any mandate to implement pay-by-plate technology would require OCTA to incur additional cost and staff time to develop and carry out new procedures in advance of a decision by the Board of Directors about this possible direction. Although the pay-by-plate method would be a helpful tool which could be utilized in the future, a mandate to implement pay-by-plate would not be consistent with current 91 Express Lanes operation policy.

The sponsor of the bill, the South Bay Expressway (State Route 125), has indicated to staff that this was not the intent of the bill and that they will work with OCTA to clarify the issue.

Staff Recommendation: SUPPORT WITH AMENDMENTS

Upcoming Special Election

On the May 19, 2009, statewide special election ballot, there will be six initiatives brought before voters, which either play a direct role in the balancing of the fiscal year (FY) 2008-2009 and FY 2009-2010 budgets, as adopted in February, or create budget and legislative revisions in later years. The balancing of the FY 2009-2010 budget depends specifically on the voter approval of three measures: Proposition 1C, Proposition 1D, and Proposition 1E. If the state is unable to access the \$6 billion in revenues available through these measures, further budget balancing actions will need to be completed mid-year to re-balance the budget, in addition to any other shortages that exist at that time. Below is a more detailed summary of each initiative.

Proposition 1A: State Finance

Proposition 1A would amend the State Constitution to increase the state budgetary reserve, further restrict transfers and use of revenues, and authorize tax increases included in the FY 2009-2010 budget to be extended for one to two additional years. Current law creates two reserve funds in the state: the Special Fund for Economic Uncertainties (SFEU), where any unexpected funding for the state is deposited to be used for any purpose approved by the

Legislature, and the Budget Stabilization Account (BSA), where 3 percent of the general fund state revenues are deposited and can be transferred to be used for any purpose approved by the Legislature by passing a law, subject to certain restrictions. Under current law, general fund revenues do not have to be deposited in the BSA once it contains either \$8 billion or 5 percent of total revenues (currently about \$5 billion), whichever is higher.

Proposition 1A would create the Budget Stabilization Fund (BSF) that would replace the BSA and increase the goal level of reserves to 12.5 percent of total state revenues (currently about \$12 billion). The use of BSF funding would be limited to increased education spending (through a newly created Supplemental Education Payment Account), and after that be used for infrastructure and to pay down state bond debt if Proposition 1B also passes. If Proposition 1B does not pass, the Controller is to transfer from the BSF an amount equal to 1.5 percent of general fund revenues for the current fiscal year to the Supplemental Budget Stabilization Account to be used for such things as paying down bond debt, infrastructure, and tax rebates. The Governor would only be able to suspend transfers to the BSF when the state does not have enough revenues to pay for state spending needs equal to that spent in the prior year, adjusted for population and inflation. The Legislature would only be able to transfer funds out of the BSF to cover the costs of an emergency situation, like a natural disaster, when revenues were not high enough to cover the spending levels from the prior year adjusted for inflation and population, and for short-term loans to be repaid within the same fiscal year.

Proposition 1A would further define "unanticipated revenues" to mean revenues that exceed projections based on the revenues the state received over the past 10 years. This would exclude any short-term tax increases. In the alternative, "unanticipated revenues" could also mean any revenues beyond that needed to pay for spending equal to the prior year, adjusted for population and inflation. For each fiscal year, whichever formula produces the lesser amount will be used to determine unanticipated revenues for the year, unless the first formula results in an amount less than zero, in which case unanticipated revenues will be zero for the year. Proposition 1A specifies that unanticipated revenues are first to be used to pay any education expenses not met, then to be transferred to BSF to meet its target, and lastly to pay off any budget debt. After those obligations are met, the revenues can be used to pay for infrastructure, provide one-time tax relief, or pay off unfunded health care liabilities for state employees.

Lastly, Proposition 1A would grant the Governor authority to reduce certain spending in a fiscal year without legislative approval pursuant to AB 1389 (Chapter 751, Statutes of 2008). Specifically, the Governor could reduce

spending for general state operations or capital outlay by 7 percent, or can reduce cost-of-living adjustments (COLA) for any programs in the annual budget, except for increases in state employees' salaries.

Proposition 1B: Education Finance

Proposition 1B would amend the State Constitution to require the state to make \$9.3 billion in supplemental payments to K-14 education, but will only take effect if Proposition 1A passes. These payments would be funded through the Supplemental Education Payment Account (Account) established by Proposition 1A, where the state will be required to deposit one and one-half percent of yearly general fund revenues beginning in FY 2011-2012. This funding will be placed into the Account until all \$9.3 billion of the current Proposition 98 "maintenance factor" is paid (see below).

Under Proposition 98, passed in 1988 and modified in 1990, the state is to provide K-14 education with a minimum level of funding each year, commonly referred to as the "minimum guarantee." There are three methods to determine the minimum guarantee, the first being 40 percent of General Fund revenues, the second is adjusted based on changes in school attendance and the state's per capital personal income, and the last is based on changes in attendance and the state's tax revenues. The state can also suspend Proposition 98 funding through a two-thirds vote of each house and with approval by the Governor. If Proposition 98 is suspended or the third funding test is used, a maintenance factor is created which is the difference between what the highest funding level would have given to education and what the state actually paid. The state in turn is required to pay back this maintenance factor in future years, and this funding is used to calculate future Proposition 98 payments. Funding from Proposition 1B will be used in place of any maintenance factor payments that were required for FY 2007-2008 and FY 2008-2009, and will be added onto Proposition 98 payments to determine funding levels in latter years.

Proposition 1C: California State Lottery

Proposition 1C would amend the State Constitution and other related state laws to allow the state to borrow from future lottery profits and create changes to state lottery operations. Specifically, Proposition 1C will allow the state to borrow \$5 billion in future lottery revenues to balance the FY 2009-2010 budget and authorize additional borrowing in the future. Under current law, at least 34 percent of funds from the state lottery are to be used for educational funding and are not authorized for use to balance General Fund expenditures. Proposition 1C will eliminate the allocation of state lottery profits to education and will instead transfer the funds to a new account, the Debt Retirement Fund,

to be used to first repay loans from future state lottery profits, and then if funding remains, to be used for debt repayment on state infrastructure bonds, economic recovery bonds, and other general fund debt. To compensate for the elimination of educational funding from state lottery profits, Proposition 1C would require the state to increase General Fund payments to education equal to what the state lottery profits for that year would have traditionally provided, adjusted for growth in the number of students and cost of living. These payments will become part of Proposition 98 funding. Furthermore, Proposition 1C allows the California State Lottery Commission to set lottery prizes at a level beyond the current limit of 50 percent of revenues to create more demand and gives additional flexibility for the Legislature to amend state law related to lottery operations in the future.

Proposition 1D: California Children and Families Act; Use of Funds

Proposition 1D authorizes the temporary diversion of a portion of the California Children and Families Act Proposition 10 (1998) funding and creates permanent changes to the administration the California Children and Families Program (First 5). Passed by voters in November 1998, Proposition 10 created the First 5 program that expanded development programs for children up to the age of five, funded through a 50 cent state excise tax on cigarettes and other tobacco products. Twenty percent of Proposition 10 funding is used by the California Children and Families Commission, which administers the First 5 program, and the remaining 80 percent of the revenues is allocated to 58 county commissions. Specifically, Proposition 1D will divert \$340 million in unspent reserves controlled by the California Children and Families Commission. In addition, Proposition 1D would divert another \$268 million from Proposition 10 funds over the FY 2009-2010 through FY 2013-2014 period. Furthermore, Proposition 1D will make permanent administrative changes to the First 5 program, including a requirement that local county commissions submit a copy of the annual audit and reports to the county board of supervisors, amendments to the allocation requirements for the funds that go to the state commission, and authorizes a county controller to borrow local commission funds for the county's general fund, unless it would impact the functions of the local commission.

Proposition 1E: The Mental Health Services Act: Proposition 63 Amendments

Proposition 1E authorizes the temporary diversion of a portion of the Mental Health Services Act Proposition 63 (2004) funding over the next two years. Proposition 63 provides funding for new and expanded mental health programs in the state through a surcharge of 1 percent on taxable income over \$1 million. Traditionally this funding is used for expanding community services, providing

workforce education and training, building capital facilities and addressing technological needs, expanding prevention and early intervention, and establishing innovative programs. Specifically, Proposition 1E will divert \$226.7 million in FY 2009-2010, and between \$226.7 million and \$234 million in FY 2010-2011 from Proposition 63. This funding will instead be used to support the Early and Periodic Screening, Diagnosis, and Treatment Program (EPSDT), which is traditionally funded by the General Fund.

Proposition 1F: State Office Salary Increases

Proposition 1F would amend the Constitution to prevent the California Citizens Compensation Commission (Commission), which establishes the annual salaries for specified state officials each year, from increasing the annual salary of state elected officials in situations where the state general fund is projected to end the year in a deficit. Each year, on or before June 1, the Director of Finance will be required to notify the Commission whether the SFEU, the state's traditional rainy day fund, is going to have a negative balance equal or greater than 1 percent of the annual revenues of the state general fund. Current state elected salaries range from \$116,000 (for legislators) to \$212,000 (for the Governor). This measure will not impact state elected per diem payments, which are not controlled by the Commission.

Summary

Three bill positions are submitted for consideration. On May 19, 2009, California will hold a special election for six ballot measures which were part of the recent 2009-2010 state budget deal requiring voter approval. An overview of all six propositions is provided.

Attachments

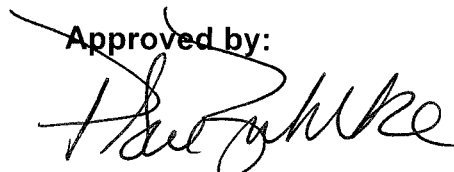
- A. Bill Analysis for SB 454 (Lowenthal, D-Long Beach)
- B. Bill Analysis for AB 729 (Evans, D-Santa Rosa)
- C. Bill Analysis for AB 628 (Block, D-Chula Vista)
- D. Orange County Transportation Authority Legislative Matrix

Prepared by:



Manny S. Leon
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Representative
(714) 560-5393

Approved by:



P. Sue Zuhlke
Chief of Staff
(714) 560-5574

BILL: SB 454 (Lowenthal D-Long Beach)
Introduced February 26, 2009

SUBJECT: Will serve as a vehicle to facilitate local flexibility and coordination along the Los Angeles-San Diego-San Luis Obispo (LOSSAN) rail corridor.

STATUS: Pending Committee Assignment

SUMMARY AS OF MARCH 19, 2009:

SB 454, in its current form, makes nonsubstantive changes to Section 14007.1 of the California Government Code (CGC). However, the intention behind SB 454 is to serve as a potential vehicle for any necessary policy modifications resulting from the Los Angeles-San Diego-San Luis Obispo (LOSSAN) rail integration study currently being completed by several Southern California regional transportation agencies including the Orange County Transportation Authority (OCTA). Expected to be completed in late spring 2009, the integration study aims to identify a variety of methods to coordinate and improve rail passenger service along the LOSSAN corridor which includes AMTRAK's Pacific Surfliner, Metrolink, and COASTER services.

In 1996, SB 457 (Chapter 1263, Statutes of 1996), attempted to improve California's intercity rail system by authorizing the state to transfer intercity rail service to regional joint powers agency boards (JPA) if the state determines substantial costs saving can be achieved with the transfer. In exploring the development of JPA, Southern California regional agencies identified several potential issues that would need to be addressed including securing state funding for ongoing operations, expanding and distributing intercity rail service throughout Southern California, and effectively coordinating ticketing, marketing, and services along the LOSSAN corridor. Out of the three intercity rail systems in the state, only Northern California's Capitol Corridor entered into an Interagency Agreement (ITA) authorized under SB 457. The two remaining intercity passenger rail services, the San Joaquin and Pacific Surfliner are operated by AMTRAK via a contract with the state.

As mentioned, currently, three passenger rail services, Amtrak, COASTER, and Metrolink, as well as one freight carrier, BNSF Railway, operate along the LOSSAN corridor. The service in the corridor has evolved such that schedules, station stops, fares, and service levels are not coordinated for convenient passenger connections between the various service providers. Each service runs on independent schedules and administers its own ticketing system. The integration study is aimed at setting the framework for developing a plan to coordinate services on LOSSAN. Depending on the final conclusions of the study, legislation may be required to implement programmatic changes as desired by regional transportation agencies. SB 454 will serve as the legislative vehicle.

EFFECTS ON ORANGE COUNTY:

OCTA, along with other LOSSAN regional agencies, are currently in the process of studying service alternatives in an integration study which will review and provide recommendations on how to enhance and coordinate intercity and commuter rail services on the corridor with the ultimate goal of increasing ridership and improving operational efficiency. This integration study is anticipated to be completed in Spring 2009.

A number of reports have previously been compiled reviewing the operations and effectiveness of passenger rail service on the LOSSAN corridor. These studies have identified a variety of actions which can improve the coordination and effectiveness of passenger rail service and increase ridership on the LOSSAN corridor. However, these studies did not specifically examine in detail the coordination of services on the LOSSAN corridor.

Upon completion and review by LOSSAN regional transportation agencies, OCTA intends to work with regional stakeholders to develop legislation which will set up a framework based on a multi-agency consensus to implement the recommendations of the integration study. The intent is for the legislation to serve as a vehicle for any policies agreed upon by the regional agencies which require statutory modifications. Ultimately, legislation will seek to establish a framework to enhance service options and availability to LOSSAN rail users while simultaneously meeting the needs of LOSSAN regional transportation agencies.

OCTA POSITION:

Staff recommends: SPONSOR

Introduced by Senator Lowenthal

February 26, 2009

An act to amend Section 14007.1 of the Government Code, relating to the Department of Transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 454, as introduced, Lowenthal. Department of Transportation: Division of Rail.

Existing law creates the Division of Rail within the Department of Transportation.

This bill would make a nonsubstantive change to that provision.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14007.1 of the Government Code is
2 amended to read:
3 14007.1. (a) There is in the Department of Transportation the
4 Division of Rail, which is responsible for the development of a
5 comprehensive rail passenger system and the preparation of the
6 rail passenger development plan ~~required pursuant to~~ *as required*
7 *by* Section 14036.
8 (b) An undersecretary of the agency shall be assigned to give
9 attention to rail matters to ensure that the rail passenger system
10 and plan are carried out.

1 (c) It is the intent of the Legislature that the commission give
2 high priority to the implementation of the rail passenger system
3 and plan.

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BILL: AB 729 (Evans, D-Santa Rosa)
Introduced February 26, 2009

SUBJECT: Repeals the January 1, 2011, sunset provision to allow transit operators to enter into design-build contracts for transit capital projects.

STATUS: Pending Committee Assignment

SUMMARY AS OF MARCH 19, 2009:

AB 729 would delete the January 1, 2011, sunset provision which allows transit operators to enter into design-build contracts for construction projects. Originally enacted in 2000, AB 958 (Chapter 541, Statutes of 2000) authorized transit operators to use design-build for transit-related construction projects until January 1, 2005. SB 1130 (Chapter 196, Statutes of 2004) extended the sunset provision to January 1, 2007, while AB 372 (Chapter 262, Statutes of 2006) extended the sunset provision to January 1, 2011. In 2008, AB 387 (Chapter 185, Statutes of 2008) was enacted to eliminate the cost threshold for design-build use on safety, security, and disaster preparedness projects by transit operators.

Although design-build has historically been authorized for transportation-related projects on a limited basis, the 2009-2010 enacted state budget authorized expanded use of design-build for transportation-related projects. Design-build proponents point out that the design-build process is a cost-effective, time-saving process which results in a reduction of outstanding contractor claims and litigation. Opponents of design-build argue that the process does not provide adequate oversight and that reported cost savings are overstated and unproven. Thus, opponents assert a lack of evidence exists to prove design-build's effectiveness. As a result, the design-build provisions in the enacted 2009-2010 budget and current transit design-build authority both contain specific reporting requirements to determine design-build effectiveness.

AB 729 retains the design-build reporting requirements while deleting the sunset date. AB 729 would allow transit capital projects to continue being built using design-build after January 1, 2011, and due to the reporting requirements, allow more analysis be conducted on the effectiveness of design-build.

EFFECTS ON ORANGE COUNTY:

The Orange County Transportation Authority (OCTA) has been a strong advocate of design-build. The Garden Grove Freeway (State Route 22) project was carried out under design-build authority provided for transit capital projects. The State Route 22 (SR-22) design-build project consisted of adding twelve miles of high-occupancy vehicle (HOV) lanes in each direction, adding auxiliary and general purpose lanes in specific freeway segments, and improving or adding 34 bridges along the corridor. The project

was completed 139 days earlier than the engineer's original estimate which did not include the time for OCTA's supplemental infrastructure improvements.

The SR-22 design-build project illustrates the benefits associated with the design-build method. As required by state law, OCTA submitted a report to the Legislative Analyst's Office completed by an independent consultant, which concluded the SR-22 design-build project was a "resound success" having achieved substantial time savings over "the more traditional design-bid-build approach."

OCTA also intends to use design-build authority to purchase and install video surveillance equipment at the Santa Ana Metrolink train station. At the writing of this report, OCTA staff has indicated the concept of operations has been completed and the scope of work is in the process of being drafted. The scope of work will then be used for the public bid process. Due to the proprietary nature of the technology, OCTA is able to capitalize on the design-build method to minimize costs associated with change orders and project errors by using the same contractor for the entire project.

By removing the sunset provision, transit agencies such as OCTA can continue to consider design-build for use on future transit capital projects. Removing this provision is particularly important due to the infusion of funds coming from Proposition 1B transit capital and security dollars and American Reinvestment and Recovery Act funds. Moreover, under AB 729, transit agencies will be granted more time to identify the most cost-effective transit capital projects and not have to rush to select projects to meet the 2011 sunset.

OCTA POSITION:

Staff recommends: SUPPORT

ASSEMBLY BILL

No. 729

Introduced by Assembly Member Evans

February 26, 2009

An act to repeal Section 20209.14 of the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 729, as introduced, Evans. Public contracts: transit design-build contracts.

Existing law authorizes transit operators to enter into a design-build contract, as defined, according to specified procedures. Existing law repeals these provisions on January 1, 2011.

This bill would delete the January 1, 2011, repeal date of these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 20209.14 of the Public Contract Code is
2 repealed.
3 ~~20209.14. This article shall remain in effect only until January~~
4 ~~1, 2011, and as of that date is repealed.~~

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BILL: AB 628 (Block, D-Chula Vista)
Introduced February 25, 2009

SUBJECT: Provides toll operators with the option of using the pay-by-plate method to collect tolls from toll road drivers

STATUS: Pending Committee Assignment

SUMMARY AS OF MARCH 19, 2009:

AB 628 would amend existing law to provide toll operators in the state with the option of using the “pay-by-plate” method to collect tolls from toll road drivers. Current statutes in the California Vehicle Code (CVC) allow for toll operators to collect tolls through cash payment or electronic toll collection. Additionally, the CVC allows for the use of license plate capture technology to enforce toll violations. However, the CVC does not specifically allow this technology to be used for the collection of tolls. This bill provides toll operators with the option to use pay-by-plate as another method of toll collections and adds vehicles which lack properly affixed license plates on both the front and rear of the vehicle for toll agencies which implement pay-by-plate as a toll violation.

“Pay-by-plate” is an alternative toll collection method that is practiced in other states throughout the country. The pay-by-plate method uses license plate capture technology which is high-speed, high-resolution photography to identify vehicles on the toll road, capture their license plates, and automatically charge a toll or deduct a toll from an already established account. The pay-by-plate tolling method is currently used on toll roads in Texas and Florida.

AB 628 in its current form provides toll operators with the option of using pay-by-plate as an additional method of toll collection. Generally, additional options to collect tolls benefits both drivers as well as toll operators. Pay-by-plate allows less frequent toll road users the opportunity to use the toll road without having to purchase an electronic transponder. In turn, toll operators could potentially generate additional revenue from non-traditional riders. However, current bill language does not explicitly state that toll operators have the option to implement the pay-by-plate method. The sponsor of the bill has indicated to staff that this was not the intent of the bill and will work with OCTA on clarifying language.

EFFECTS ON ORANGE COUNTY:

The Orange County Transportation Authority (OCTA) currently operates the 91 Express Lanes which provide a critical transportation option for commuters along the Inland Empire-Orange County corridor. For 2008, over estimated 13.4 million drivers used the 91 Express Lanes and generated approximately \$51 million in toll revenue. Current 91 Express Lanes policies as stipulated by State law, requires electronic toll collection as an authorized payment method and requires drivers to place an electronic

toll payment device, otherwise known as a transponder, within the vehicle to record tolls. As a result, any mandate to implement pay-by-plate technology for toll collection would require OCTA to incur additional cost and staff time to develop and carry out alternative procedures and also limits OCTA's flexibility to implement toll collection methods which best fit the 91 Express Lanes business model. OCTA staff has indicated that the pay-by-plate method would be a helpful tool which could be utilized in the future and a support position is recommended with the clarification that it is not mandatory.

OCTA POSITION:

Staff recommends: SUPPORT WITH AMENDMENTS

ASSEMBLY BILL

No. 628

Introduced by Assembly Member Block

February 25, 2009

An act to amend Sections 23302 and 40255 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 628, as introduced, Block. Vehicles: toll evasion violations.

(1) Existing law makes it unlawful for any person to refuse to pay tolls or other charges on any vehicular crossing or toll highway and provides that it is prima facie evidence of a violation of this provision for any person to enter upon any vehicular crossing without either lawful money of the United States in the person's immediate possession in an amount sufficient to pay the prescribed tolls or other charges due from that person or a transponder or other electronic toll payment device associated with a valid Automatic Vehicle Identification account with a balance sufficient to pay those tolls. A violation of these provisions is an infraction.

This bill would additionally provide that, for vehicular crossings and toll highways where the issuing agency permits pay-by-plate toll processing and payment of tolls and other charges in accordance with policies adopted by the issuing agency, it is prima facie evidence of a toll evasion violation for a person to enter the vehicular crossing or toll highway without at least one of the following: (A) lawful money of the United States in the person's immediate possession in an amount sufficient to pay the prescribed tolls or other charges due from that person, or (B) a transponder or other electronic toll payment device associated with a valid Automatic Vehicle Identification account with

a balance sufficient to pay those tolls, or (C) valid California vehicle license plates properly affixed to both the front and rear of the vehicle in which that person enters onto the vehicular crossing or toll highway. Where electronic toll collection is the only other method of paying tolls or other charges, the bill would provide that it is prima facie evidence of a toll evasion violation for a person to enter the vehicular crossing or toll highway without either (i) a transponder or other electronic toll payment device associated with a valid Automatic Vehicle Identification account with a balance sufficient to pay those tolls, or (ii) valid California vehicle license plates properly affixed to both the front and rear of the vehicle in which that person enters onto the vehicular crossing or toll highway.

(2) Existing law provides that the officer or person authorized to issue a notice of toll evasion violation is not required to participate in an administrative review of the toll evasion violation and that the issuing agency is not required to produce any evidence other than the notice of toll evasion violation or a copy thereof, information received from the department identifying the registered owner of the vehicle, and a statement under penalty of perjury from the person reporting the violations. Under existing law perjury is a crime.

This bill would require, for a toll evasion violation that occurs on a vehicular crossing or toll highway where the issuing agency allows pay-by-plate toll processing and payment, the required statement under penalty of perjury from the officer or person reporting the violation to include a statement that the tolls or other charges and any applicable fee were not paid in accordance with the issuing agency's policies for pay-by-plate toll processing and payment.

(3) The bill would make other technical, nonsubstantive and conforming changes to these provisions.

Because the bill would create new crimes, the bill would impose a state-mandated local program.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 23302 of the Vehicle Code is amended
2 to read:

3 23302. (a) It is unlawful for ~~any~~ a person to ~~refuse~~ fail to pay
4 tolls or other charges on any vehicular crossing or toll highway.
5 ~~It~~ *Subject to subdivision (b), (c), or (d), it is prima facie evidence*
6 *of a violation of this section for* ~~any~~ a person to enter upon any
7 vehicular crossing without either lawful money of the United States
8 in the person's immediate possession in an amount sufficient to
9 pay the prescribed tolls or other charges due from that person or
10 a transponder or other electronic toll payment device associated
11 with a valid Automatic Vehicle Identification account with a
12 balance sufficient to pay those tolls. *If a transponder or other*
13 *electronic toll payment device is used to pay tolls or other charges*
14 *due, the device shall be located in, or on the vehicle in a location*
15 *so as to be visible for the purpose of enforcement at all times when*
16 *the vehicle is located on the vehicular crossing or toll highway.*
17 *Where required by the operator of a vehicular crossing or toll*
18 *highway, this requirement applies even if the operator offers free*
19 *travel or nontoll accounts to certain classes of users.*

20 (b) For vehicular crossings and toll highways that ~~uses~~ use
21 electronic toll collection as the only method of paying tolls or other
22 charges, it is prima facie evidence of a violation of this section for
23 ~~any~~ a person to enter the vehicular crossing or toll highway without
24 a transponder or other electronic toll payment device associated
25 with a valid Automatic Vehicle Identification account with a
26 balance sufficient to pay those tolls. ~~If a transponder or other~~
27 ~~electronic toll payment device is used to pay tolls or other charges~~
28 ~~due, the device shall be located in, or on the vehicle in a location~~
29 ~~so as to be visible for the purpose of enforcement at all times when~~
30 ~~the vehicle is located on the vehicular crossing or toll highway.~~
31 ~~Where required by the operator of a vehicular crossing or toll~~
32 ~~highway, this requirement applies even if the operator offers free~~
33 ~~travel or nontoll accounts to certain classes of users.~~

34 (c) *Subject to subdivision (d), for vehicular crossings and toll*
35 *highways where the issuing agency, as defined in Section 40250,*
36 *permits pay-by-plate toll processing and payment of tolls and other*
37 *charges in accordance with policies adopted by the issuing agency,*
38 *it is prima facie evidence of a violation of this section for a person*

1 to enter the vehicular crossing or toll highway without at least one
2 of the following:

3 (1) Lawful money of the United States in the person's immediate
4 possession in an amount sufficient to pay the prescribed tolls or
5 other charges due from that person.

6 (2) A transponder or other electronic toll payment device
7 associated with a valid Automatic Vehicle Identification account
8 with a balance sufficient to pay those tolls.

9 (3) Valid California vehicle license plates properly affixed to
10 both the front and rear of the vehicle in which that person enters
11 onto the vehicular crossing or toll highway.

12 (d) For vehicular crossings and toll highways where the issuing
13 agency, as defined in Section 40250, permits pay-by-plate toll
14 processing and payment of tolls and other charges in accordance
15 with policies adopted by the issuing agency, and where electronic
16 toll collection is the only other method of paying tolls or other
17 charges, it is prima facie evidence of a violation of this section for
18 a person to enter the vehicular crossing or toll highway without
19 either a transponder or other electronic toll payment device
20 associated with a valid Automatic Vehicle Identification account
21 with a balance sufficient to pay those tolls or valid California
22 vehicle license plates properly affixed to both the front and rear
23 of the vehicle in which that person enters onto the vehicular
24 crossing or toll highway.

25 (e) As used in this section, "Pay-by-plate toll processing and
26 payment" means an issuing agency's use of on-road vehicle license
27 plate identification recognition technology to accept payment of
28 tolls within a specified period of time following the use of the
29 vehicular crossing or toll highway by persons entering upon the
30 vehicular crossing or toll highway without the payment of tolls or
31 other charges by either cash payment in lawful money of the United
32 States or use of an electronic toll payment device associated with
33 a valid Automatic Vehicle Identification account with a balance
34 sufficient to pay the tolls or other charges, in accordance with
35 policies adopted by the issuing agency.

36 SEC. 2. Section 40255 of the Vehicle Code is amended to read:

37 40255. (a) Within 21 days from the issuance of the notice of
38 toll evasion violation, or within 15 days from the mailing of the
39 notice of delinquent toll evasion, whichever occurs later, a person
40 may contest a notice of toll evasion violation or a notice of

1 delinquent toll evasion. In that case, the processing agency shall
2 do the following:

3 (1) The processing agency shall either investigate with its own
4 records and staff or request that the issuing agency investigate the
5 circumstances of the notice with respect to the contestant's written
6 explanation of reasons for contesting the toll evasion violation. If,
7 based upon the results of that investigation, the processing agency
8 is satisfied that the violation did not occur or that the registered
9 owner was not responsible for the violation, the processing agency
10 shall cancel the notice of toll evasion violation and make an
11 adequate record of the reasons for canceling the notice. The
12 processing agency shall mail the results of the investigation to the
13 person who contested the notice of toll evasion violation or the
14 notice of delinquent toll evasion violation.

15 (2) If the person contesting a notice of toll evasion violation or
16 notice of delinquent toll evasion violation is not satisfied with the
17 results of the investigation provided for in paragraph (1), the person
18 may, within 15 days of the mailing of the results of the
19 investigation, deposit the amount of the toll evasion penalty and
20 request an administrative review. After January 1, 1996, an
21 administrative hearing shall be held within 90 calendar days
22 following the receipt of a request for an administrative hearing,
23 excluding any time tolled pursuant to this article. The person
24 requesting the hearing may request one continuance, not to exceed
25 21 calendar days.

26 (b) The administrative review procedure shall consist of the
27 following:

28 (1) The person requesting an administrative review shall indicate
29 to the processing agency his or her election for a review by mail
30 or personal conference.

31 (2) If the person requesting an administrative review is a minor,
32 that person shall be permitted to appear at an administrative review
33 or admit responsibility for a toll evasion violation without the
34 necessity of the appointment of a guardian. The processing agency
35 may proceed against that person in the same manner as if that
36 person were an adult.

37 (3) (A) The administrative review shall be conducted before a
38 reviewer designated to conduct the review by the issuing agency's
39 governing body or chief executive officer. In the case of violations
40 on facilities developed pursuant to Section 143 of the Streets and

1 Highways Code, the processing agency shall contract with a public
2 agency or a private entity that has no financial interest in the facility
3 for the provision of administrative review services pursuant to this
4 subdivision. The costs of those administrative review services shall
5 be included in the administrative fees authorized by this article.

6 ~~In~~

7 (B) *In* addition to any other requirements of employment, a
8 reviewer shall demonstrate those qualifications, training, and
9 objectivity prescribed by the issuing agency's governing body or
10 chief executive as are necessary and which are consistent with the
11 duties and responsibilities set forth in this article.

12 ~~The~~

13 (C) *The* examiner's continued employment, performance
14 evaluation, compensation, and benefits shall not be directly or
15 indirectly linked to the amount of fines collected by the examiner.

16 (4) The officer or person authorized to issue a notice of toll
17 evasion violation shall not be required to participate in an
18 administrative review. The issuing agency shall not be required to
19 produce any evidence other than the notice of toll evasion violation
20 or copy thereof, information received from the department
21 identifying the registered owner of the vehicle, and a statement
22 under penalty of perjury from the person reporting the ~~violations~~
23 *violation. For a toll evasion violation that occurs on a vehicular*
24 *crossing or toll highway where the issuing agency allows*
25 *pay-by-plate toll processing and payment, as defined in Section*
26 *23302, the required statement under penalty of perjury from the*
27 *person reporting the violation shall include a statement that the*
28 *tolls or other charges and any applicable fee was not paid in*
29 *accordance with the issuing agency's policies for pay-by-plate toll*
30 *processing and payment. The documentation in proper form shall*
31 *be considered prima facie evidence of the violation.*

32 (5) The review shall be conducted in accordance with the written
33 procedure established by the processing agency which shall ensure
34 fair and impartial review of contested toll evasion violations. The
35 agency's final decision may be delivered personally or by first-class
36 mail.

37 SEC. 3. No reimbursement is required by this act pursuant to
38 Section 6 of Article XIII B of the California Constitution because
39 the only costs that may be incurred by a local agency or school
40 district will be incurred because this act creates a new crime or

1 infraction, eliminates a crime or infraction, or changes the penalty
2 for a crime or infraction, within the meaning of Section 17556 of
3 the Government Code, or changes the definition of a crime within
4 the meaning of Section 6 of Article XIII B of the California
5 Constitution.

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Orange County Transportation Authority Legislative Matrix

**2009 State Legislation Session
March 19, 2009**

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
BILLS BEING MONITORED			
<p>▶ AB 26 (Hernandez – D)</p> <p>Public Contracts: Bid Preferences: Employee Health Care</p>	<p>Requires a state agency awarding a public works contract to provide a bid preference to a bidder whose employee health care expenditures, and those of its subcontractors, are a percentage of the aggregate Social Security Wages paid to its employees in the state. Requires a bidder and its subcontractors to submit statements certifying that they qualify for the bid preference. Requires the bidder and contractors to continue to make employee health care expenditures.</p>	<p>INTRODUCED: 12/01/2008 LOCATION: Assembly Business and Professions Committee</p> <p>STATUS: 02/05/2009 To ASSEMBLY Committee on BUSINESS AND PROFESSIONS Hearing: 03/17/2009 at 10:00 am</p>	<p>None Listed</p>
<p>AB 31 (Price – D)</p> <p>Public Contracts: Small Business Procurement Act</p>	<p>Relates to existing law which permits a state agency to award a contract to a certified small business without complying with competitive bidding requirements. Increases the maximum amount of the contracts from \$100,000 to \$250,000. Requires the contractor upon completion of a public contract for which a commitment to achieve small business or disabled veteran business enterprise participation goals was made, to report the actual percentage of participation that was achieved.</p>	<p>INTRODUCED: 12/01/2008 LOCATION: Assembly Jobs, Economic Development and The Economy Committee</p> <p>STATUS: 02/05/2009 To ASSEMBLY Committee on JOBS, ECONOMIC DEVELOPMENT AND THE ECONOMY</p>	<p>None Listed</p>
<p>▶ AB 109 (Feuer – D)</p> <p>Outdoor Advertising</p>	<p>Amends the Outdoor Advertising Act; prohibits an advertising display that is visible from a state, county or city highway from being constructed as, or converted, enhanced, improved, modified, modernized or altered into a digital advertising display; prohibits an official highway changeable message sign from being constructed as or converted, enhanced, improved modified, modernized or altered into a digital advertising display for the purpose of displaying commercial messages.</p>	<p>INTRODUCED: 1/13/2009 LOCATION: Assembly</p> <p>STATUS: 03/04/2009 To ASSEMBLY Committees on JUDICIARY and GOVERNMENTAL ORGANIZATION</p>	<p>None Listed</p>

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
<p>► AB 118 (Logue – R) California Global Warming Solutions Act of 2006</p>	<p>Repeals the California Global Warming Solutions Act of 2006, which requires the State Air Resources Board to adopt regulations to require the reporting of greenhouse gases and to adopt a statewide greenhouse gas emissions limit.</p>	<p>INTRODUCED: 01/15/2009 LOCATION: Assembly STATUS: 02/26/2009 To ASSEMBLY Committee on NATURAL RESOURCES</p>	<p>None Listed</p>
<p>► AB 216 (Beall – D) Public Contracts: Claims</p>	<p>Provides for a mediation process and binding arbitration process for 3rd party claim disputes between a contractor and a local agency, charter city, or charter county that does not have an alternative dispute process, if those claims remain unresolved after a 105 day time period for review of the claim, 10 day period for a meet and confer conference to occur, and 30 day time period for mediation.</p>	<p>INTRODUCED: 02/03/2009 LOCATION: Assembly STATUS: 03/04/2009 To ASSEMBLY Committees on BUSINESS AND PROFESSIONS and JUDICIARY</p>	<p>None Listed</p>
<p>► AB 231 (Huffman – D) Global Warming Solutions Act of 2006: Trust Fund</p>	<p>Requires the State Air Resources Board to adopt a schedule of fees to be paid by the sources of greenhouse emissions which would be deposited in the Climate Protection Trust Fund for purposes of carrying out the Global Warming Solutions Act of 2006.</p>	<p>INTRODUCED: 02/05/2009 LOCATION: Assembly STATUS: 03/04/2009 To ASSEMBLY Committee on NATURAL RESOURCES</p>	<p>None Listed</p>
<p>AB 251 (Knight – R) L.A. County Metropolitan Transportation Authority</p>	<p>Provides for the appointment of one member of the Los Angeles County Metropolitan Transportation Authority by the city councils of the Cities of Palmdale, Lancaster, and Santa Clarita, and deletes one of the public members appointed by the Mayor of Los Angeles. Excludes the Cities of Palmdale, Lancaster, and Santa Clarita from the selection of the 4 members appointed from other cities in the county.</p>	<p>INTRODUCED: 02/10/2009 LOCATION: Assembly STATUS: 02/10/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► AB 254 (Jeffries – R) Emergency Vehicles: Payment of Tolls</p>	<p>Exempts emergency vehicles from the payment of a toll or charge on a bridge or toll road while engaged in rescue operations.</p>	<p>INTRODUCED: 02/11/2009 LOCATION: Assembly STATUS: 03/04/2009 To ASSEMBLY Committee on TRANSPORTATION</p>	<p>None Listed</p>

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
<p>► AB 263 (Miller – R)</p> <p>Riverside County Transportation Commission</p>	<p>Authorizes the Riverside County Transportation Commission (RCTC) to approve and award one best-value design-build contract for transportation improvements on the State Highway Route 91 corridor based on criteria established by RCTC.</p>	<p>INTRODUCED: 02/11/2009 LOCATION: Assembly STATUS: 03/04/2009 To ASSEMBLY Committee on TRANSPORTATION</p>	<p>None Listed</p>
<p>► AB 266 (Carter – D)</p> <p>Transportation Needs Assessment</p>	<p>Requires the California Transportation Commission to develop an assessment of the unfunded costs of programmed state projects and federally earmarked projects in the state, as well as an assessment of available funding for transportation purposes and unmet transportation needs on a statewide basis.</p>	<p>INTRODUCED: 02/11/2009 LOCATION: Assembly STATUS: 03/04/2009 To ASSEMBLY Committee on TRANSPORTATION</p>	<p>None Listed</p>
<p>► AB 282 (Assembly Transportation Committee)</p> <p>Transportation</p>	<p>Requires any interest or other return earned by a city or county from investment of bond funds from Proposition 1B - the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 to be expended or reimbursed under the same conditions as are applicable to the bond funds themselves. Extends the time period with which transit operators must file an annual report of their operation with transportation planning agencies having jurisdiction over them and the state Controller from 90 to 110 days after the close of the operator's fiscal year, if the report is filed electronically.</p>	<p>INTRODUCED: 02/12/2009 LOCATION: Assembly STATUS: 03/04/2009 To ASSEMBLY Committee on TRANSPORTATION</p>	<p>None Listed</p>
<p>AB 309 (Price – D)</p> <p>Public Contracts: Small Business Participation</p>	<p>Requires state agencies, departments, boards, and commissions to establish and achieve a goal of small business participation in state procurements and contracts and to work with the Department of General Services to help small businesses market their products, goods and services to the state by providing access to information about current bid opportunities on their web sites. Requires the Office of Small Business Advocate to collaborate with the Department of General Services to enhance the states small business program.</p>	<p>INTRODUCED: 02/17/2009 LOCATION: Assembly STATUS: 02/17/2009 INTRODUCED</p>	<p>None Listed</p>

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
<p>► AB 319 (Niello – R) Elections: Ballot Titles</p>	<p>Requires the Legislative Analyst, instead of the Attorney General, to prepare the ballot title and summary for all measures submitted to the voters of the state. Requires the Legislative Analyst, instead of the Department of Finance and the Joint Legislative Budget Committee, to prepare any fiscal estimate or opinion required by a proposed initiative measure.</p>	<p>INTRODUCED: 02/18/2009 LOCATION: Assembly STATUS: 03/04/2009 To ASSEMBLY Committee on ELECTIONS AND REDISTRICTING</p>	<p>None Listed</p>
<p>AB 338 (Ma – D) Transit Village Developments: Infrastructure Financing</p>	<p>Recasts the area included in a transit village plan to include all land within at least a half mile of the main entrance to a transit station. Provides that voter approval for the formation of an infrastructure financing district, adoption of a financing plan, and an issuance of bonds for developing and financing a transit facility would be eliminated. A transit village plan financed by these bonds would have to show affordable housing benefits, and include provisions dedicating at least 20 percent of revenues derived from the property tax increment to affordable housing in the transit village.</p>	<p>INTRODUCED: 02/18/2009 LOCATION: Assembly STATUS: 02/18/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► AB 628 (Block - D) Vehicles: Toll Evasion Violations</p>	<p>Permits agencies to use pay-by-plate processing for toll roads and bridges. Provides that where the issuing agency permits pay-by-plate toll processing and payment of tolls and other charges, it is prima facie evidence of toll evasion violation for a person to enter the toll road or bridge without lawful money of the United States in the person's immediate possession, a transponder or other electronic payment device, or valid California vehicle plates properly affixed to the vehicle.</p>	<p>INTRODUCED: 02/25/2009 LOCATION: Assembly STATUS: 02/25/2009 INTRODUCED</p>	<p>Staff Recommends: SUPPORT WITH AMENDMENTS Sponsor: South Bay Expressway (State Route 125)</p>
<p>► AB 729 (Evans - D) Public Contracts: Transit Design-Build Contracts</p>	<p>Repeals the January 1, 2011 sunset provision to allow transit operators to enter into design-build contracts for transit capital projects.</p>	<p>INTRODUCED: 02/26/2009 LOCATION: Assembly STATUS: 02/26/2009 INTRODUCED</p>	<p>Staff Recommends: SUPPORT</p>

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
<p>► AB 782 (Jeffries - R) Regional Transportation Plans: Sustainable Communities</p>	<p>Provides that upon the California Air Resources Board's (CARB) acceptance that the sustainable communities strategy or an alternative planning strategy, if implemented, will achieve the greenhouse gas emissions reduction targets established by CARB, that acceptance shall be final, and no person or entity may initiate or maintain any judicial proceeding to review the propriety of the CARB's acceptance. Expands the Regional Targets Advisory Committee membership to include commercial builders, the business community, and those involved in transportation funding. Exempts transportation projects funded by Proposition 1B, the American Recovery and Reinvestment Act of 2009, and expands the exemption related to sales tax projects to include measures passed until 2010. Expands California Environmental Quality Act (CEQA) streamlining provisions to additional projects consistent with a sustainable communities strategy or alternative planning scenario.</p>	<p>INTRODUCED: 02/26/2009 LOCATION: Assembly STATUS: 02/26/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► AB 1018 (Hill - D) State Finance</p>	<p>Requires the Governor's proposed budget to include estimates of revenues and expenditures for the 3 subsequent fiscal years. Requires the Director of Finance to submit revised estimates of revenue and expenditures for the current fiscal year and 3 subsequent fiscal years on or before May 14, July 15, and September 15 of each year. Requires the state Controller and Treasurer to review revised estimates and submit assessment to the fiscal committees of each house and the Director of Finance on or before May 31 of each year.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► AB 1062 (Garrick - R) Design-build contracts</p>	<p>Revises the definition of skilled labor force availability for purposes of public works design-build contracting to mean a commitment to training the future construction workforce through apprenticeship and requires the design-build entity to provide specified information from which it intends to request the dispatch of apprentices for use on the design-build contract.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
<p>► AB 1072 (Eng - D)</p> <p>Public Transportation Modernization, Improvement, and Service Enhancement Account</p>	<p>Clarifies that the formula used to calculate an agency's share of Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) is to be the same in future fiscal years (FY) as was used to appropriate funding in the FY 2009-2010 budget. Requires eligible project sponsors to provide the California Department of Transportation a list of projects that they plan to fund with PTMISEA funds that have not yet been appropriated.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly STATUS: 02/27/2009 INTRODUCED</p>	<p>SUPPORT: California Transit Association (sponsor)</p>
<p>► AB 1085 (Mendoza - D)</p> <p>State Air Resources Board: Regulations</p>	<p>Requires CARB to make available to the public all methodologies, inputs, assumptions, and any other information used in the development of a proposed regulation.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► AB 1086 (Miller - R)</p> <p>Public Contracts and Bids</p>	<p>Relates to public works contracts and bid specifications. Makes findings and declarations regarding the intent to encourage contractors and manufacturers to develop and implement new and ingenious materials, products, and services that provide the same functionality as those required by contract, but at a lower cost to tax payers. An agency when drafting a contract is not to limit materials to a specific type without also specifying that material "equal" to that specified may also be used. A period of time is to be specified within the contract related to requests to substitute materials with equivalent items.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► AB 1091 (Ruskin - D)</p> <p>Natural Resources: Climate Change</p>	<p>Requires the Natural Resources Agency to incorporate climate change predictions into all relevant planning processes. Specifies key tools for adaptation planning, including requiring a plan for how proposed investments in infrastructure, such as highways, are to incorporate climate change impact on reducing or increasing protection of natural resources from climate change.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
<p>► AB 1135 (Skinner - D)</p> <p>Vehicles: Registration Renewal</p>	<p>Requires the owner of a vehicle, upon application for renewal of a vehicle registration, to report the current odometer reading of the vehicle. Requires the information, except for the name of the vehicle owner, to be public information. States intent that data can be used to better transportation and land use planning, and would be key to CARB and local agencies in reducing greenhouse gas emissions related to tailpipe controls, and in agency monitoring of vehicle miles traveled.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly</p> <p>STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► AB 1204 (Huber - D)</p> <p>Environment: CEQA: Sustainable Communities Strategy</p>	<p>Expands CEQA streamlining provisions related to greenhouse gas emissions and growth inducing impacts to any project consistent with a sustainable communities strategy or alternative planning strategy that meets the regional greenhouse gas targets set by CARB.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly</p> <p>STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► AB 1212 (Ruskin - D)</p> <p>Air Resources: Clean Vehicle Incentive Program</p>	<p>Authorizes CARB to adopt and implement a clean vehicle incentive, or feebate, program consisting of one-time rebates and one-time surcharges on the sale of new passenger motor vehicles. CARB is only to establish this program if it funds that the implementation of the program would be beneficial to achieving AB 32 greenhouse gas emission reduction goals. This is to be implemented in such a way that does not result in a levying of a tax, and all revenues are to be deposited into the Air Pollution Control Fund.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly</p> <p>STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► AB 1229 (Evans - D)</p> <p>Public Contracts: Local Public Agencies</p>	<p>Requires the Contractors State License Board, rather than the Department of Industrial relations, in collaboration with impacted agencies and parties, to develop guidelines and a standardized questionnaire related to qualifying bidders and regulating local public works projects. Factors to be considered in qualifying bidders are to include the size and contract volume of a perspective bidder. Factors are to be used to determine qualifications of a bidder on a weighted basis. Specifies that a prequalifying questionnaire, if used by a public entity, shall remain valid for 3 years, rather than a year, as long as the public entity determines the information has not substantially changed for that 3 year period.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly</p> <p>STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
<p>► AB 1277 (Harkey -R) State Bonds: Sale</p>	<p>Authorizes the Treasurer to delay the sale of state bonds that are subject to the approval under Article 16 of the state constitution if the Treasurer, in consultation with the state Controller and Director of Finance determine that making the principal and interest payments would result in payments from the general fund for total debt service on the bonds would exceed 6 percent of total general fund revenues for the fiscal year, or if the cost of commercial paper needed to find a start-up loan would be more than three times the normal costs of commercial paper experienced by the Treasurer over the last two fiscal years, or if the Treasurer determines the Pooled Money Investment Account does not have sufficient funds to loan an amount equal to the bond proceeds.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► AB 1278 (Harkey -R) Elections: Initiatives</p>	<p>Requires the Legislative Analyst to include additional information in the ballot pamphlet for each state initiative measure that proposes the issuance of a state bond. This information is to include the total amount of proposed bond indebtedness, the total amount of interest that would be paid over the term of the proposed bond, state that by approving this measure it is authorizing the state to incur debt, state whether tax revenue will be used to repay the bond, and state that repayment of the proposed bond may take priority over funding provided to local government or provided for public services.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► AB 1278 (Coto – D) State Taxes: Vote Requirement</p>	<p>Clarifies the meaning of state taxes for purposes of the constitutional vote requirement to mean taxes that are imposed by state law, levied and collected by the state, and required by state law to be deposited in the state treasury.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► AB 1321 (Eng – D) Environment: Strategic Growth Council</p>	<p>Requires the Strategic Growth Council to develop strategies that would allow for streamlined and effective mitigation of infrastructure projects.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
<p>► AB 1323 (Lowenthal – D)</p> <p>Business, Transportation and Housing Agency</p>	<p>States the intent of the Legislature to enact legislation to require the Secretary of Business, Transportation and Housing to consider job creation when prioritizing infrastructure projects.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► AB 1364 (Evans – D)</p> <p>Public Contracts</p>	<p>Provides that any state agency that has entered into a contract where the agency has or may be unable to comply with the terms of that contract because of the suspension of programs by the Pooled Money Investment Board shall have authority to amend the terms of the contract to address contract deadlines and deliverables that may not be met because of the suspension.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► AB 1375 (Galgiani – D)</p> <p>High-speed Rail</p>	<p>Revises and recasts provisions by repealing and reenacting the California High-Speed Train Act. Continues the High-Speed Rail Authority. Would also create the Department of High-Speed Trains within the Business, Transportation and Housing Agency to implement policies related to Proposition 1A (2008) and specifies its duties in relation to the High-Speed Rail Authority. Requires the newly formed department to have control over the annual submission of a 6-year high-speed train capital improvement program and progress report to the Legislature.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► AB 1381 (Perez – D)</p> <p>High-occupancy Toll Lanes</p>	<p>Requires the Los Angeles County Metropolitan Transportation Authority high-occupancy toll lanes program to be implemented with the active participation of the Department of the California Highway patrol. Requires the Los Angeles County Metropolitan Transportation Authority to establish appropriate performance measures for the purpose of ensuring optimal use of the high-occupancy toll lanes without adversely affecting other traffic on the state highway system.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
<p>► AB 1382 (Niello – R) State Budget</p>	<p>Requires that the state budget submitted by the Governor to the Legislature for the 2011-12 fiscal year and each following year be developed pursuant to performance-based budgeting methods, for each state agency. Requires the Department of Finance to utilize the annual report on the measurements of performance-based budgeting methods prepared by the Joint Legislative Budget Committee.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Assembly STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>
<p>ACA 1 (Silva – R) Legislature</p>	<p>Proposes an amendment to the Constitution to provide that no bill that would result in more than \$150,000 of annual expenditure by the state may be passed unless, by roll call vote entered in the journal, two thirds of the membership of each house concurs.</p>	<p>INTRODUCED: 12/01/2008 LOCATION: Assembly STATUS: 12/01/2008 INTRODUCED</p>	<p>None Listed</p>
<p>ACA 3 (Blakeslee – R) Initiatives: Bond Funding Source</p>	<p>Requires an initiative measure that would authorize the issuance of state general obligation bonds in a total amount exceeding \$1 billion to either provide additional tax or fee revenues, the elimination of existing programs, or both, as necessary to fully fund the bonds, as determined by the Legislative Analyst, in order to be submitted to the voters or take effect.</p>	<p>INTRODUCED: 12/01/2008 LOCATION: Assembly STATUS: 12/01/2008 INTRODUCED</p>	<p>None Listed</p>
<p>ACA 5 (Calderon – D) Initiatives: State General Obligation Bonds</p>	<p>Proposes an amendment to the State Constitution to require an initiative measure that would authorize the issuance of state general obligation bonds to either provide additional tax or fee revenues, the elimination of existing programs, or both, as necessary to fully fund the bonds, as determined by the Legislative Analyst, in order to be submitted to the voters or to take effect. Requires the Attorney General to identify the new revenue source. Requires at least 55 percent of voters approve an initiative authorizing the issuance of state general obligation bonds.</p>	<p>INTRODUCED: 12/15/2008 LOCATION: Assembly STATUS: 12/15/2008 INTRODUCED</p>	<p>None Listed</p>

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
ACA 9 (Huffman – D) Local Government Bonds: Special Taxes: Voter Approval	Changes the two-thirds voter-approval requirement for special taxes to, instead, authorize a city, county, or special district to impose a special tax with the approval of 55 percent of its voters voting on the tax. Lowers the voter-approval threshold for a city, county, or city and county to incur general obligation bonded indebtedness for amounts exceeding in one year the income and revenue provided in that year to 55 percent.	INTRODUCED: 02/06/2009 LOCATION: Assembly STATUS: 02/06/2009 INTRODUCED	None Listed
ACR 14 (Niello – R) Global Warming Solutions Act of 2006	Calls upon the State Air Resources Board, prior to any regulatory action being taken consistent with the scoping plan for the implementation of the Global Warming Solutions act of 2006, to perform an economic analysis that will give the State a more complete picture of costs and benefits of the implementation. Calls upon the Governor to use the authority granted by the act to adjust any applicable deadlines.	INTRODUCED: 01/27/2009 LOCATION: Assembly Natural Resources Committee STATUS: 02/05/2009 To ASSEMBLY Committee on NATURAL RESOURCES	None Listed
ACR 16 (Silva – R) Joint Rules: Fiscal Committee	Provides that whenever a bill that would result in net costs for a program is referred or re-referred to the fiscal committee of either house, the bill shall not be heard or acted upon by the committee or either house until the bill either provides for an appropriation or other funding source in an amount that meets or exceeds the net costs.	INTRODUCED: 02/02/2009 LOCATION: Assembly STATUS: 02/02/2009 INTRODUCED	None Listed
► SB 27 (Hancock – D) Local Agencies: Sales and Use Tax: Reallocation	Prohibits a local agency from entering into any agreement with a retailer, or any other person that would involve the payment, transfer, diversion or rebate of any amount of local tax proceeds if the agreement results in a reduction in the amount of revenue received by another agency from a retailer located within the jurisdiction of that other agency, and the retailer continues to maintain a physical presence within the territorial jurisdiction of the other local agency. Provides exceptions.	INTRODUCED: 12/02/2008 AMENDED: 02/23/2009 LOCATION: Senate Third Reading File STATUS: 03/05/2009 In SENATE. Read second time. To third reading.	SUPPORT (partial list): City of Livermore (sponsor), American Federation of State, County, and Municipal Employees; California State Association of Counties; City of Industry; League of Cities; California Peace Officers Association; California Professional Firefighters

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
SB 31 (Pavley – D) Global Warming Solutions Act	Relates to the Global Warming Solutions Act of 2006. Requires that revenues collected pursuant to compliance mechanisms adopted by the State Air Resources Board be deposited in the Air Pollution Control Fund. Specifies that uses of the revenues collected pursuant to the fee and the compliance mechanisms are to include such things as renewable energy and energy efficiency programs, investments in technologies to reduce greenhouse gas emissions, green jobs development and training, and for administrative costs related to implementing the Act.	INTRODUCED: 12/02/2008 LOCATION: Senate Environmental Quality Committee STATUS: 01/29/2009 To SENATE Committee on ENVIRONMENTAL QUALITY and ENERGY, UTILITIES AND COMMUNICATIONS	None Listed
SB 104 (Oropeza – D) Global Warming Solutions Act of 2006: Greenhouse Gases	Amends the Global Warming Solutions Act of 2006 to include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride. Includes nitrogen trifluoride and any other anthropogenic gas, one metric ton of which makes the same or greater contribution to global warming as one metric ton of carbon dioxide. Includes a procedure by which any person could petition for a designation. Requires the State Air Resources Board to adopt appropriate regulations.	INTRODUCED: 01/27/2009 LOCATION: Senate Environmental Quality Committee STATUS: 02/05/2009 To SENATE Committee on ENVIRONMENTAL QUALITY	None Listed
► SB 136 (Huff - R) Surplus State Real Property: Exemption from CEQA	Exempts the sale of surplus state real property made on an "as is" basis from designated provisions of the California Environmental Quality Act (CEQA). Exempts from those provisions of CEQA the execution of the disposition agreement for surplus state real property when the disposition is not made on an "as is" basis and the close of escrow is contingent on specified conditions.	INTRODUCED: 02/10/2009 LOCATION: Senate Environmental Quality Committee STATUS: 02/23/2009 To SENATE Committee on ENVIRONMENTAL QUALITY	None Listed
► SB 165 (Lowenthal – D) Federal Transportation Funds	Makes legislative findings and declarations relative to additional federal funds to be made available to the state pursuant to federal economic stimulus legislation, the American Recovery and Reinvestment Act of 2009. States that the investment of federal transportation funds should be guided by the principles that investments should stimulate job creation in the near term and support economic activity in the long term, and contribute to a transportation system that is environmentally sustainable.	INTRODUCED: 02/14/2009 LOCATION: Senate Rules Committee STATUS: 03/05/2009 To SENATE Committee on RULES	None Listed

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
<p>► SB 295 (Dutton - R)</p> <p>California Global Warming Solutions Act of 2006</p>	<p>Prohibits CARB from implementing regulations under AB 32 until June 1, 2009 and until CARB conducts a peer-review economic analysis, including impacts on small business. Also prohibits CARB from implementing AB 32 regulations until the unemployment rate in the state is below 5.8 percent for 3 consecutive months.</p>	<p>INTRODUCED: 02/25/2009 LOCATION: Senate Environmental Quality Committee</p> <p>STATUS: 03/05/2009 To SENATE Committee on ENVIRONMENTAL QUALITY</p>	<p>None Listed</p>
<p>► SB 372 (Kehoe - D)</p> <p>State Parks System</p>	<p>Prohibits the modification or adjustment of state park units, or the removal of state park units from within the state park system, without the State Park and Recreation Commission making that recommendation to the Legislature and the Legislature enacting legislation approving the recommendation.</p>	<p>INTRODUCED: 02/26/2009 LOCATION: Senate</p> <p>STATUS: 02/26/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► SB 454 (Lowenthal -D)</p> <p>Department of Transportation: Division of Rail</p>	<p>Makes non-substantive changes to the preparation of the rail passenger development plan as prepared by the Division of Rail within the State Department of Transportation.</p>	<p>INTRODUCED: 02/26/2009 LOCATION: Senate</p> <p>STATUS: 02/26/2009 INTRODUCED</p>	<p>Staff Recommends: SPONSOR</p>
<p>► SB 560 (Ashburn - R)</p> <p>Regional Transportation Plans: Sustainable Communities</p>	<p>Relates to transportation planning. Provides that greenhouse gas emission credits for counties and cities that permit commercial wind, solar, and biomass projects may be used as credit in the formulation of the sustainable communities strategy or an alternative planning strategy. Excludes transportation trips related to a military installation.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Senate</p> <p>STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► SB 575 (Steinberg - D)</p> <p>Local Planning: Housing Element</p>	<p>Requires that all local governments within the regional jurisdiction of the San Diego Association of Governments adopt their 5th revision of the housing element of its general plan no later than an unspecified period of time. Relates to the implementation of SB 375 (Chapter 728, Statutes of 2008).</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Senate</p> <p>STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
<p>► SB 679 (Wolk - D)</p> <p>State Parks and Acquired Land</p>	<p>Prohibits land acquired for the state park system, through public funds or gifts, from being disbursed of or used for other than park purposes without the express authority of an act of the Legislature. Any request for such authority would be required to provide for the substitution of other lands of equal environmental value and fair market value and reasonably equivalent usefulness and location to those to be disposed of or used for other than park purposes.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Senate</p> <p>STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>
<p>► SB 711 (Leno - D)</p> <p>Public Meetings: Sessions: Labor Negotiations</p>	<p>Amends the Ralph M. Brown Act. Requires a local agency, before holding a closed session regarding employee compensation to identify the employee(s) subject to the negotiations, the representatives of the employees, all known negotiation matters, and to make public written proposals. In addition, before an agency commences negotiations for a new collective bargaining agreement or initial proposal for an unrepresented employee, to present, in an open and public session, a new collective bargaining agreement or initial proposal. Requires any vote on the collective bargaining agreement or initial proposal to be taken at an open and public session.</p>	<p>INTRODUCED: 02/27/2009 LOCATION: Senate</p> <p>STATUS: 02/27/2009 INTRODUCED</p>	<p>None Listed</p>
<p>SCA 1 (Walters - R)</p> <p>State Budget</p>	<p>Proposes an amendment to the State Constitution. Provides, that if the total amount of General Fund appropriations in a Budget Bill for the ensuing fiscal year combined with all other General Fund appropriations for that fiscal year on the date of passage does not exceed by 5 percent or more the amount of the General Fund appropriations for the immediately preceding fiscal year, the budget bill may be passed by a simple majority.</p>	<p>INTRODUCED: 12/01/2008 LOCATION: Senate Rules Committee</p> <p>STATUS: 01/29/2009 To SENATE Committees on RULES and ELECTIONS, REAPPORTIONMENT AND CONSTITUTIONAL AMENDMENTS</p>	<p>None Listed</p>

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
SCA 3 (Wyland – R) Transportation Investment Fund	Proposes an amendment to the State Constitution. Deletes current provisions authorizing the transfer of revenues to the Transportation Investment Fund to be suspended during a fiscal emergency. Prohibits a loan of fund revenues under any circumstances. Prohibits any statute that would reduce the extent to which these tax revenues are deposited into the General Fund for transfer to the fund for transportation purposes.	INTRODUCED: 12/01/2008 LOCATION: Senate Revenue and Taxation Committee STATUS: 01/29/2009 To SENATE Committees on REVENUE AND TAXATION; ELECTIONS, REAPPORTIONMENT AND COSTITUTIONAL AMENDMENTS; and APPROPRIATIONS	None Listed
SCA 5 (Hancock – D) State Budget	Exempts General Fund appropriations in the Budget Bill from the two-thirds vote requirement.	INTRODUCED: 12/02/2008 LOCATION: Senate Rules Committee STATUS: 01/29/2009 To SENATE Committees on RULES; and ELECTIONS, REAPPORTIONMENT AND CONSTITUTIONAL AMENDMENTS	None Listed
► SCA 7 (Maldonado – R) Legislature: Compensation	Proposes an amendment to the State Constitution. Provides that if a Budget Bill is not passed by June 15, Members of the Legislature may not be paid any salary or per diem until the Budget Bill is passed and sent to the Governor.	INTRODUCED: 01/15/2009 LOCATION: Senate Rules Committee STATUS: 02/24/2009 Re-referred to SENATE Committee on RULES	None Listed

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
SCA 9 (Ducheny – D) Finance: State Budget: Taxes	Proposes an amendment to the Constitution that exempts from the two-thirds vote requirement appropriations made in a Budget Bill, and appropriations made in a bill identified in the Budget Bill containing only changes in law necessary to implement the Budget Bill, and instead be passed by a 55 percent vote in each house.	INTRODUCED: 01/26/2009 LOCATION: Senate Budget & Fiscal Review Committee STATUS: 02/05/2009 To SENATE Committees on BUDGET AND FISCAL REVIEW; and ELECTIONS, REAPPORTIONMENT, AND CONSTITUTIONAL AMENDMENTS	None Listed



BOARD COMMITTEE TRANSMITTAL

March 23, 2009

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Selection of Consultants for On-Call Transportation Planning Technical Support

Highways Committee Meeting of March 16, 2009

Present: Directors Amante, Cavecche, Dixon, Glaab, Green, Norby, and Pringle
Absent: Director Mansoor

Committee Vote

This item was passed by all Committee Members present.

Director Pringle was not present to vote on this item.

Committee Recommendation

Authorize the Chief Executive Officer to execute agreements between the Orange County Transportation Authority and Fehr & Peers (Agreement No. C-8-1316), IBI Group (Agreement No. C-9-0254), Kimley-Horn and Associates, Inc. (Agreement No. C-9-0255), PB Americas, Inc. (Agreement No. C-9-0256), and Wilbur Smith Associates (Agreement No. C-9-0257), in an aggregate amount not to exceed \$600,000, for a three-year contract term to provide on-call services for transportation planning technical support.

Note: Attachment A has been revised to include the "Blended Hourly Rate" (Transmittal Attachment).

"ON-CALL TRANSPORTATION PLANNING TECHNICAL SUPPORT"

Review of Proposals RFP 8-1316
Presented to Highways Committee - 3/16/2009

Attachment A

Revised

20 proposals were received, 10 firms were short-listed, 5 firms being recommended

Overall Ranking	Proposal Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Blended Hourly Rate
1	81	IBI Group Irvine, California	AFSHA Consulting, Inc.	Highest ranked overall firm Multi disciplinary firm with plenty of staff resources Demonstrated experience in parking studies/mixed use transportation studies Key team brings national and international perspective on transit planning Excellent interview, provided comprehensive answers to interview questions Strong background in goods movement Fourth lowest hourly rate; Excellent work plan that shows understanding of the scope of work	\$131.53
2	78	PB Americas Inc. Orange, California	None	Excellent professional firm with multiple locations and a large pool of staff Staff presented good understanding of upcoming policy issues related to LRTP Provided knowledgeable information and track record of success in related projects Experience key staff with related project skills Fifth lowest hourly rate; Good interview, demonstrated knowledge of scope of work	\$141.28
3	77	Fehr & Peers Irvine, California	None	Good professional firm with related experience to scope of work Key personnel has related project experience with similar projects Demonstrated good understanding of emerging Greenhouse Gas issues Solid work plan with project related experience Second lowest hourly rate; Interview demonstrated relevant experience to the project scope	\$118.20
4	75	Kimley-Horn and Associates Inc. Orange, California	The Tioga Group, Inc. Patti Post & Associates	Strong firm with good presence in transportation industry Interview demonstrated understanding of policy related to developing LRTP Work plan met the requirement of the scope, and shows considerable knowledge of project needs Ninth lowest hourly rate; Experienced key staff with related project skills	\$172.96
5	74	Wilbur Smith Associates Los Angeles, California	MK Planning Consultants	Good professional firm with knowledge of scope requirements Interview demonstrated staff experience in developing LRTP Eighth lowest hourly rate; Firm has strong experience in transit projects	\$157.22
6	69	RBF Consulting Irvine, California	None	Strong, large firm Work plan was very well presented with a solid approach Interviews emphasized on project development experience - not planning related projects Sixth lowest hourly rate; Key staff has more engineering/environmental background	\$148.27
7	69	URS Corporation Santa Ana, California	None	Firm has a large diverse staff with good work experience Key personnel is well qualified Demonstrated strength in engineering projects which is not the focus of the scope Third lowest hourly rate; Weak in alternative modes and goods movement	\$130.23
8	68	Cambridge Systematics Inc. Oakland, California	Lucy Yeager & Associates Sharon Greene & Associates AFSHA Consulting, Inc.	Good professional firm Demonstrated lots of experience in goods movement Highest hourly rate; Work plan presented was very general and lacked specificity	\$202.74
9	68	Iteris Inc. Long Beach, California	AFSHA Consulting, Inc.	Good firm, technically strong firm Presented a good understanding of policy and planning issues Firm emphasized modeling capabilities and traffic operations Work plan presented was general and lacked specificity Seventh lowest hourly rate; Interview did not demonstrate highway experience	\$150.83
10	66	LSA Associates Inc. Irvine, California	None	Mid size professional firm Firm has prior experience in preparing environmental documents Interview did not reflect in-depth understanding of policy issues related to LRTP Lowest hourly rate; Work plan presented was very general and lacked specificity	\$116.75

Evaluation Panel:

CAMM (1)
LONG RANGE STRATEGIES (2)
PROJECT DEVELOPMENT (1)
CORRIDOR PLANNING (1)

Criteria

Qualifications of the Firm
Staffing & Project Organization
Work Plan
Cost and Price

Weight Factor

35%
25%
20%
20%



March 16, 2009

To: Highways Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Selection of Consultants for On-Call Transportation Planning Technical Support

Overview

Consultant services are required to provide technical support to the Orange County Transportation Authority staff on a range of transportation planning efforts, including development of the 2010 Long-Range Transportation Plan. Proposals were solicited for on-call transportation planning technical support services in accordance with the Orange County Transportation Authority's procurement procedures for retention of consultants for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute agreements between the Orange County Transportation Authority and Fehr & Peers (Agreement No. C-8-1316), IBI Group (Agreement No. C-9-0254), Kimley-Horn and Associates, Inc. (Agreement No. C-9-0255), PB Americas, Inc. (Agreement No. C-9-0256), and Wilbur Smith Associates (Agreement No. C-9-0257), in an aggregate amount not to exceed \$600,000, for a three-year contract term to provide on-call services for transportation planning technical support.

Background

Every four years, the Orange County Transportation Authority (OCTA) prepares a Long-Range Transportation Plan (LRTP) that establishes a vision for Orange County's transportation system over the next 25 years. The last OCTA LRTP, known as New Directions, was approved in 2006, and staff is currently beginning the process of updating the next LRTP for release in late 2010.

OCTA's 2010 LRTP will provide a blueprint for transportation improvements and investments through 2035 and will form the basis of OCTA's submittal of transportation projects to the Southern California Association of Governments' (SCAG) 2012 Regional Transportation Plan (RTP).

The development of OCTA's 2010 LRTP and SCAG's 2012 RTP will be influenced by new requirements under SB 375 (Chapter 728, Statutes of 2008) that call for reductions in greenhouse gas emissions from automobiles and light-duty trucks through a closer integration of land-use and transportation planning.

Discussion

The contracts awarded under this procurement will provide technical services in one or more of five basic categories: general transportation planning, transit planning, highway planning, goods movement, and alternative transportation modes. This approach provides flexibility and assurance that multiple qualified firms will be available to perform tasks in each service category. Flexibility will be especially important in light of the passage of SB 375 and AB 32 (Chapter 488, Statutes of 2006), which could have unanticipated impacts on future OCTA planning efforts, including development of the 2010 LRTP.

The awarded contracts will have an initial three-year term and will be on an as-needed basis by contract task order (CTO). When specific projects are identified, all contracted firms will be requested to submit a technical and price proposal for the work requested. The proposals will be reviewed and CTOs will be awarded on a competitive basis. This procurement was handled in accordance with OCTA procedures for professional and technical services.

On November 25, 2008, Request for Proposals (RFP) No. 8-1316 was released and a notice was sent electronically to 2,705 firms registered on CAMM NET. A pre-proposal conference was held on December 5, 2008, with 32 attendees representing 32 firms. Addendum No. 1 and Addendum No. 2 were issued on December 5 and December 15, 2008, respectively, to respond to questions submitted by the firms and for administrative changes.

On December 22, 2008, 20 proposals were received. An evaluation committee comprised of staff from OCTA's Long Range Strategies, Project Development and Corridor Planning, and the Contracts Administration and Materials Management Department reviewed the proposed work plans and staffing qualifications. All proposals were evaluated based on the following weighted criteria:

- Qualifications of the Firm 35 percent
- Staffing and Project Organization 25 percent
- Work Plan 20 percent
- Cost and Price 20 percent

The weighting deviated from the 25 percent norm for each criterion because the experience, qualifications, and staffing of the firms are particularly important to the overall success of the project given the on-call nature of the contract.

Based on review of the written proposals, the evaluation committee invited ten firms that were most qualified for an interview. On February 2 and 3, 2008, the evaluation committee interviewed the ten short-listed firms. Questions were posed to the firms regarding proposals, understanding of project requirements, and each team's staffing resources and availability for the duration of the project. The firms' proposed project managers and key personnel had an opportunity to answer questions and explain how the proposed staffing and work plans will assure a successful project. Brief summaries of evaluation results follow for the recommended firms.

After the interviews, the evaluation committee recommended the following five firms for the on-call services. They are listed in alphabetical order:

Firm and Location

Fehr & Peers
Irvine, California

IBI Group
Irvine, California

Kimley-Horn and Associates, Inc.
Orange, California

PB Americas, Inc.
Orange, California

Wilbur Smith Associates
Los Angeles, California

Qualifications of Firms

All five firms being recommended are qualified and technically competent to provide the services identified in the RFP. Several firms have experience working with a variety of projects in all of the five categories listed in the scope of work including long-range transportation plans. Each firm's proposal and

interview displayed the firm's expertise in working within the transportation industry and, in some cases, demonstrated prior experience on similar projects. The firms that are not being recommended for award, though qualified, focused more heavily on the engineering aspects of previous contract/project experience rather than on the planning experience requested in the RFP, or did not demonstrate the depth and breadth of experience required in the scope.

Staffing and Project Organization

All ten firms interviewed proposed qualified personnel, although the five firms being recommended have the requisite experience and staff resources directly relevant to support the various projects. Each firm's key personnel had strong relevant credentials and proven record of accomplishments in providing related services and clearly understood the requirements outlined in the scope of work.

Work Plan

The work plans proposed by all the short-listed firms conformed to the written scope of work identified in the RFP. Each of the recommended firms highlighted extensive experience in the transportation planning projects outlined in the scope of work and provided a thorough overview of the staffing and technical approach used to complete similar work tasks.

Based on the evaluation of the written proposals, the firms' qualifications, and information obtained from the interviews, it is recommended that Fehr & Peers, IBI Group, Kimley-Horn and Associates, Inc., PB Americas, Inc., and Wilbur Smith Associates be awarded CTO-based contracts. The resources provided through these on-call contracts will enable OCTA to manage the variety of transportation planning projects, including development of the 2010 LRTP, in an effective manner.

Fiscal Impact

This project was approved in OCTA's Fiscal Year (FY) 2008-09 Budget, Development Division, Account 1531-7519-A4461-P5V, and is funded with \$200,000 in state planning, programming, and monitoring funds. It is anticipated that additional funding will be available for each of the following two FYs (2009-10 and 2010-11), for a total amount of \$600,000.

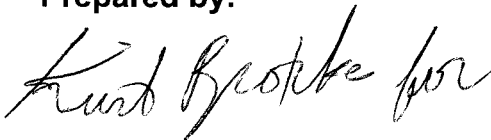
Summary

Based on the information provided, staff recommends award of three-year agreements to the five firms identified, in a not-to-exceed aggregate amount of \$600,000, to provide on-call transportation planning technical support.

Attachments

- A. Review of Proposals - Request for Proposals No. 8-1316 - On-Call Transportation Planning Technical Support
- B. Proposal Evaluation Criteria Matrix (Short-List) - Request for Proposals No. 8-1316 - On-Call Transportation Planning Technical Support
- C. Contract History for the Past Two Years - Request for Proposals No. 8-1316 - On-Call Transportation Planning Technical Support

Prepared by:



Michael Litschi
Section Manager, Long-Range Strategies
(714) 560-5581

Approved by:



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

Review of Proposals - Request for Proposals No. 8-1316 On-Call Transportation Planning Technical Support

Presented to Highways Committee - March 16, 2009

20 proposals were received, 10 firms were short-listed, 5 firms being recommended

Overall Ranking	Proposal Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments
1	81	IBI Group Irvine, California	AFSHA Consulting, Inc.	Highest ranked overall firm. Multi-disciplinary firm with plenty of staff resources. Demonstrated experience in parking studies/mixed use transportation studies. Key team brings national and international perspective on transit planning. Excellent interview, provided comprehensive answers. Strong background in goods movement. Excellent work plan that shows understanding of the scope of work.
2	78	PB Americas, Inc. Orange, California	None	Excellent professional firm with multiple locations and a large pool of staff. Staff presented good understanding of upcoming policy issues related to Long-Range Transportation Plan (LRTP). Provided knowledgeable information and track record of success in related projects. Experience key staff with related project skills. Good interview, demonstrated knowledge of scope of work.
3	77	Fehr & Peers Irvine, California	None	Good professional firm with related experience to scope of work. Key personnel has related project experience with similar projects. Demonstrated good understanding of emerging greenhouse gas issues. Solid work plan with project related experience. Interview demonstrated relevant experience to the project scope.
4	75	Kimley-Horn and Associates, Inc. Orange, California	The Tioga Group, Inc. Patti Post & Associates	Strong firm with good presence in transportation industry. Experienced key staff with related project skills. Work plan met the requirement of the scope and shows considerable knowledge of project needs. Interview addressed understanding of policy related to developing LRTP.
5	74	Wilbur Smith Associates Los Angeles, California	MK Planning Consultants	Good professional firm with knowledge of scope requirements. Interview demonstrated staff experience in developing LRTP. Firm has strong experience in transit projects.
6	69	RBF Consulting Irvine, California	None	Strong and large firm. Work plan was very well presented with a solid approach. Interviews emphasized on project development experience - not planning related projects. Key staff has more engineering/environmental background.
7	69	URS Corporation Santa Ana, California	None	Firm has a large diverse staff with Orange County work experience. Key personnel is well qualified. Demonstrated strength in engineering projects which is not the focus of the scope. Not as strong as other firms in alternative modes and goods movement.
8	68	Cambridge Systematics, Inc. Oakland, California	Lucy Yeager & Associates Sharon Greene & Associates AFSHA Consulting, Inc.	Good professional firm. Demonstrated lots of experience in goods movement. Work plan was generic and lacked details.
9	68	Iteris, Inc. Long Beach, California	AFSHA Consulting, Inc.	Good midsize, technically strong firm. Presented a good understanding of policy and planning issues. Firm emphasized in modeling capabilities and traffic operations. Work plan lacked defined approach.
10	66	LSA Associates, Inc. Irvine, California	None	Mid-size professional firm. Firm has prior experience in preparing environmental documents. Interview did not reflect indepth understanding of policy issues related to LRTP. Work plan presented was very general and lacked specificity.

Evaluation Panel:

CAMM (1)
Long Range Strategies (2)
Project Development (1)
Corridor Planning (1)

Criteria

Qualifications of the Firm
Staffing and Project Organization
Work Plan
Cost and Price

Weight Factor

35%
25%
20%
20%

Proposal Evaluation Criteria Matrix (Short-List)								
Request for Proposals No. 8-1316 - On-Call Transportation Planning Technical Support								
FIRM: IBI Group							Weights	Overall Score
Evaluation Number	1	2	3	4	5			
Qualifications of Firm	4.50	4.00	4.50	4.50	4.00	7	30.10	
Staffing/Project Organization	4.00	4.00	4.00	4.00	4.00	5	20.00	
Work Plan	4.00	4.00	4.00	4.00	4.50	4	16.40	
Cost and Price	3.60	3.60	3.60	3.60	3.60	4	14.40	
Overall Score	81.90	78.40	81.90	81.90	80.40		81	
FIRM: PB Americas, Inc.							Weights	Overall Score
Evaluation Number	1	2	3	4	5			
Qualification of Firm	4.00	4.00	4.00	4.00	4.00	7	28.00	
Staffing/Project Organization	4.50	4.00	4.00	4.50	3.50	5	20.50	
Work Plan	4.50	4.00	4.50	3.50	3.50	4	16.00	
Cost and Price	3.30	3.30	3.30	3.30	3.30	4	13.20	
Overall Score	81.70	77.20	79.20	77.70	72.70		78	
FIRM: Fehr & Peers							Weights	Overall Score
Evaluation Number	1	2	3	4	5			
Qualification of Firm	4.00	4.00	4.00	4.00	3.50	7	27.30	
Staffing/Project Organization	4.00	3.50	4.00	4.00	3.50	5	19.00	
Work Plan	4.00	3.50	3.50	3.50	3.50	4	14.40	
Cost and Price	4.00	4.00	4.00	4.00	4.00	4	16.00	
Overall Score	80.00	75.50	78.00	78.00	72.00		77	
FIRM: Kimley-Horn and Associates, Inc.							Weights	Overall Score
Evaluation Number	1	2	3	4	5			
Qualification of Firm	4.00	4.00	4.50	4.00	4.50	7	29.40	
Staffing/Project Organization	4.00	3.50	4.00	4.00	4.00	5	19.50	
Work Plan	4.00	3.50	4.00	3.50	3.50	4	14.80	
Cost and Price	2.70	2.70	2.70	2.70	2.70	4	10.80	
Overall Score	74.80	70.30	78.30	72.80	76.30		75	
FIRM: Wilbur Smith Associates							Weights	Overall Score
Evaluation Number	1	2	3	4	5			
Qualification of Firm	4.00	3.50	4.00	4.00	3.50	7	26.60	
Staffing/Project Organization	4.00	4.00	4.00	4.00	3.50	5	19.50	
Work Plan	4.50	4.00	4.00	4.00	3.00	4	15.60	
Cost and Price	3.00	3.00	3.00	3.00	3.00	4	12.00	
Overall Score	78.00	72.50	76.00	76.00	66.00		74	

FIRM: RBF Consulting						Weights	Overall Score
Evaluation Number	1	2	3	4	5		
Qualification of Firm	3.50	3.00	3.50	3.00	3.50	7	23.10
Staffing/Project Organization	3.50	4.00	4.00	4.00	4.00	5	19.50
Work Plan	3.50	3.00	3.50	3.50	4.00	4	14.00
Cost and Price	3.20	3.20	3.20	3.20	3.20	4	12.80
Overall Score	68.80	65.80	71.30	67.80	73.30		69
FIRM: URS Corporation						Weights	Overall Score
Evaluation' Number	1	2	3	4	5		
Qualification of Firm	3.50	3.00	3.00	3.50	4.00	7	23.80
Staffing/Project Organization	3.50	3.00	3.00	3.50	3.50	5	16.50
Work Plan	3.50	4.00	3.50	3.50	3.50	4	14.40
Cost and Price	3.60	3.60	3.60	3.60	3.60	4	14.40
Overall Score	70.40	66.40	64.40	70.40	73.90		69
FIRM: Cambridge Systematics, Inc.						Weights	Overall Score
Evaluation Number	1	2	3	4	5		
Qualification of Firm	4.00	4.00	4.00	3.50	4.00	7	27.30
Staffing/Project Organization	3.50	3.50	4.00	4.00	4.00	5	19.00
Work Plan	3.50	3.50	3.50	2.00	3.00	4	12.40
Cost and Price	2.30	2.30	2.30	2.30	2.30	4	9.20
Overall Score	68.70	68.70	71.20	61.70	69.20		68
FIRM: Iteris						Weights	Overall Score
Evaluation Number	1	2	3	4	5		
Qualification of Firm	3.50	3.50	4.00	3.00	3.00	7	23.80
Staffing/Project Organization	3.50	3.00	4.00	3.50	4.00	5	18.00
Work Plan	3.50	4.00	3.50	3.50	2.50	4	13.60
Cost and Price	3.10	3.10	3.10	3.10	3.10	4	12.40
Overall Score	68.40	67.90	74.40	64.90	63.40		68
FIRM: LSA Associates, Inc.						Weights	Overall Score
Evaluation Number	1	2	3	4	5		
Qualification of Firm	3.50	3.50	3.00	3.00	3.00	7	22.40
Staffing/Project Organization	3.50	3.00	3.00	3.00	3.00	5	15.50
Work Plan	3.50	3.00	3.00	2.50	2.50	4	11.60
Cost and Price	4.00	4.00	4.00	4.00	4.00	4	16.00
Overall Score	72.00	67.50	64.00	62.00	62.00		66
10 firms were short-listed							
Range of scores for non-short-listed firms range is 47-67							

CONTRACT HISTORY FOR THE PAST TWO YEARS
Request for Proposals No. 8-1316 - On-Call Transportation Planning Technical Support

Prime Firm (Alphabetical)	Contract No.	Description	Contract Start Date	Contract Completion Date	Contract Amount
Cambridge Systematics, Inc.	None	No Contracts Awarded	NA	NA	\$0
Sub Total					\$0
Fehr & Peers	C-6-0812	Traffic Data Collection Services	2/12/2007	1/31/2008	\$349,500
Sub Total					\$349,500
IBI Group	C-7-0658	OC/LA Intercounty Transportation Study	6/27/2007	1/31/2009	\$343,723
	C-4-0894	On Call Transportation Services	8/23/2004	6/30/2009	\$258,615
Sub Total					\$602,338
Iteris, Inc.	C-6-0208	Intelligent Transportation Systems Strategic Deployment Plan	5/4/2006	3/31/2007	\$93,030
Sub Total					\$93,030
Kimley-Horn and Associates, Inc.	C-4-1048	Project Report & Environmental documents for SR 91	12/13/2004	2/29/2008	\$1,944,204
Sub Total					\$1,944,204
	C-8-1195	Freeway Retrofit Soundwall Program (contract awarded but not executed)	TBD	TBD	\$0
LSA Associates, Inc.	C-7-0217	Strategic Transportation Study For SR-55	5/22/2007	10/31/2008	\$275,000
	C-2-0779	On-Call Sound Wall Noise Barrier Services	10/15/2002	6/30/2008	\$219,108
Sub Total					\$494,108
PB Americas, Inc.	C-8-1368	Freeway Retrofit Soundwall Program (contract awarded but not executed)	TBD	TBD	\$0
	C-6-0165	Project Management Services for Metrolink	6/26/2006	6/30/2011	\$13,120,000
	C-3-1363	On Call Model Development	4/22/2004	6/30/2007	\$222,690
	C-2-0778	On-Call Sound Wall Noise Barrier Services	12/26/2002	6/30/2008	\$509,310
Sub Total					\$13,852,000
RBF Consulting	C-8-1371	SR-91 Implementation Plan 2009 Update	3/4/2009	6/30/2009	\$46,500
	C-8-0427	Update SR-91 Plan	3/24/2008	7/31/2008	\$40,000
	C-7-0887	Design Services For Northbound SR-57 Freeway	2/18/2008	7/31/2014	\$6,129,518
	C-7-0052	Update State Route 91 Implementation Plan	2/28/2007	7/31/2007	\$40,000
	C-6-0889	Signal Timing and Synchronization for OSO Parkway	2/26/2007	12/30/2008	\$248,272
	C-5-2713	Design Services for I-5 and Culver	2/22/2006	12/31/2008	\$315,718

CONTRACT HISTORY FOR THE PAST TWO YEARS
Request for Proposals No. 8-1316 - On-Call Transportation Planning Technical Support

	C-5-2261	Project Report and Environmental Document For Northbound from Orangethorpe Avenue and Lambert Road	5/23/2005	2/29/2008	\$1,189,908
	C-3-1385	On-Call Right of Way Engineering & Surveying Services	11/10/2003	12/31/2009	\$278,186
Sub Total					\$8,288,102
URS Corporation	C-8-1369	Freeway Retrofit Soundwall Program (contract awarded but not executed)	TBD	TBD	\$0
Sub Total					\$0
Wilbur Smith Associates	C-8-0548	LOSSAN South Comprehensive Strategic Assessment Study	6/26/2008	6/30/2009	\$357,464
	C-7-1154	LOSSAN Integration Study	11/15/2007	6/30/2008	\$50,000
Sub Total					\$407,464



BOARD COMMITTEE TRANSMITTAL

March 23, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Amendment to Agreement for Claims Administration for Self-Insured Workers' Compensation Program

Finance and Administration Committee meeting of March 11, 2009

Present: Directors Bates, Buffa, Campbell, Green, and Moorlach
Absent: Directors Amante and Brown

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 2 to exercise the second and final option year to Agreement C-5-2590 between the Orange County Transportation Authority and TRISTAR Risk Management, in an amount not to exceed \$424,297, to provide workers' compensation claims administration services for the period of November 1, 2009 through October 31, 2010, bringing the total contract value to \$1,990,771.



March 11, 2009

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Amendment to Agreement for Claims Administration for Self-Insured Workers' Compensation Program

Overview

On October 14, 2005, the Board of Directors approved a three-year agreement with TRISTAR Risk Management, for the amount of \$1,156,526, to provide claims administration services for the Orange County Transportation Authority's Self-Insured Workers' Compensation Program. On March 24, 2008, the Board of Directors approved Amendment No. 1 exercising the first option year which will expire on October 31, 2009.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 2 to exercise the second and final option year to Agreement C-5-2590 between the Orange County Transportation Authority and TRISTAR Risk Management, in an amount not to exceed \$424,297, to provide workers' compensation claims administration services for the period of November 1, 2009 through October 31, 2010, bringing the total contract value to \$1,990,771.

Background

The State of California requires each employer to secure the payment of compensation for workers' compensation as provided in Section 3700 of the Labor Code. An employer may be insured through an insurance company or be permissibly self-insured. The Orange County Transportation Authority (OCTA) has received approval from the Director of the California Department of Industrial Relations to self-insure and self-administer its workers' compensation claims, guaranteeing benefit payments. OCTA presently administers its claims through a third-party administrator, TRISTAR Risk Management (TRISTAR).

OCTA awarded TRISTAR a three-year contract which began on November 1, 2005 and expired on October 31, 2008, for a total of \$1,156,526. On March 24, 2008, the Board of Directors approved Amendment No. 1 to exercise the first option year to Agreement C-5-2590, at a cost of \$409,948 for the period of November 1, 2008 to October 31, 2009.

The original three-year contract detailed a total firm-fixed price with two option years. The Board of Directors approved an annual price increase each year of 3.5 percent due to inflation within the terms of the original contract.

Discussion

This procurement was handled in accordance with the OCTA's procedures for professional and technical services. The original agreement was awarded on a competitive basis. As the administration of OCTA's workers' compensation claims is ongoing and necessary to comply with state regulations, staff is requesting to extend the agreement through October 31, 2010.

Over the course of this contract, TRISTAR has provided accurate and timely support and has assisted OCTA in reducing claims payouts while maintaining full compliance with California State Workers' Compensation Laws and Regulations.

If the Board of Directors approves Amendment No. 2 to exercise the second and final option year to Agreement C-5-2590, for the period of November 1, 2009 to October 31, 2010, the additional cost will be \$424,297. The total cost for the five years of this service from November 1, 2005 to October 31, 2010, will be \$1,990,771.

Fiscal Impact

The original agreement was awarded on October 14, 2005, for the amount of \$1,156,526. This proposed amendment of the contract which extends service through October 31, 2010, will add \$424,297 to the total contract. The total contract amount, after Amendment No. 1 and after approval of Amendment No. 2 to exercise the second and final option year, will be \$1,990,771.

This project has been submitted in OCTA's Fiscal Year 2009-10 Budget, in the Human Resources and Organizational Development Division, Risk Management Department, Internal Services Fund Account 0041.

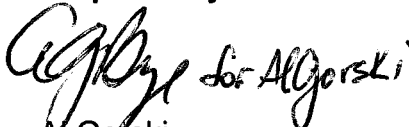
Summary

Based on the information provided, staff recommends approval of Amendment No. 2 to exercise the second and final option year of Agreement C-5-2590 with TRISTAR, in an amount not to exceed \$424,297, for workers' compensation claims administration services for the period of November 1, 2009 through October 31, 2010.

Attachment

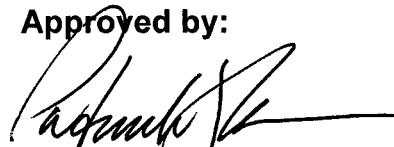
- A. TRISTAR Risk Management - Agreement C-5-2590 Fact Sheet

Prepared by:



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Department Manager,
Risk Management
(714) 560-5817

Approved by:



Patrick J. Gough
Executive Director,
Human Resources and Organizational
Development
(714) 560-5824

**TRISTAR Risk Management
Agreement C-5-2590 Fact Sheet**

1. October 14, 2005, Agreement C-5-2590 in the amount of \$1,156,526, was approved by the Board of Directors.
 - Contract to provide claims administration services for Orange County Transportation Authority's Self-Insured Workers' Compensation Program.
2. March 24, 2008, Amendment No. 1 to Agreement C-5-2590, was approved by Board of Directors.
 - Amendment to exercise the first option year for claims administration services for the Orange County Transportation Authority's Self-Insured Workers' Compensation Program for the period November 1, 2008 through October 31, 2009, in an amount not to exceed \$409,948.
3. March 23, 2009, Amendment No. 2 to Agreement C-5-2590, pending approval by Board of Directors.
 - Amendment to exercise the second option year for claims administration services for the Orange County Transportation Authority's Self-Insured Workers' Compensation Program for the period November 1, 2009 through October 31, 2010, in an amount not to exceed \$424,297.



BOARD COMMITTEE TRANSMITTAL

March 23, 2009

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Annual Investment Policy Update

Finance and Administration Committee meeting of March 11, 2009

Present: Directors Bates, Buffa, Campbell, Green, and Moorlach
Absent: Directors Amante and Brown

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Adopt the 2009 Annual Investment Policy.
- B. Authorize the Treasurer to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2009-10.



March 11, 2009

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Annual Investment Policy Update

Overview

The Treasurer has revised the Orange County Transportation Authority's Annual Investment Policy for 2009. The Annual Investment Policy sets forth the investment guidelines for all funds invested on and after March 23, 2009. As recommended under California Government Code Section 53646(a)(2), the Orange County Transportation Authority is submitting its Annual Investment Policy to be reviewed at a public meeting. Further, the governing body of a local agency has the authorization to appoint, for a period of one year, a Treasurer to invest reinvest, purchase, exchange, sell, or manage public funds.

Recommendations

- A. Adopt the 2009 Annual Investment Policy.
- B. Authorize the Treasurer to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2009-10.

Background

The Annual Investment Policy (Policy) sets forth the guidelines for all Orange County Transportation Authority (Authority) investments that must conform to the California Government Code. The main objectives of the Policy continue to be the preservation of capital, liquidity, and a market average rate of return through economic cycles.

The Policy is reviewed and approved by the Board of Directors (Board) at least annually. However, relevant changes to the California Government Code may warrant amendments to the Policy throughout the year.

Discussion

The 2009 Policy is being submitted for review and adoption by the Board. Treasury/Public Finance Department staff met with representatives from the Authority's investment advisory firm and investment management firms to evaluate the effectiveness of the Policy and address any potential changes for 2009. There were no legislative changes to Section 53601 of the Government Code (Code) affecting local agencies during the past year nor were there any strategic or structural recommendations requiring updates or amendments to the Policy.

Summary

California Government Code Section 53646(a)(2) recommends that local agencies annually review their Annual Investment Policy at a public meeting. The Treasurer is submitting an update to the Orange County Transportation Authority's Annual Investment Policy for approval by the Board of Directors. Further, the Orange County Transportation Authority requests approval by the Board of Directors, authorizing the Treasurer, for a period of one year, to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2009-10.

Attachments

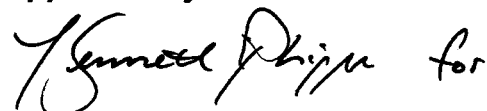
- A. Orange County Transportation Authority 2009 Annual Investment Policy March 23, 2009
- B. Black-line Copy of Orange County Transportation Authority 2009 Annual Investment Policy March 23, 2009

Prepared by:



Kirk Avila
Treasurer
Treasury/Public Finance
(714) 560-5674

Approved by:



James S. Kenan
Executive Director,
Finance and Administration
(714) 560-5678

**Orange County Transportation Authority
2009 Annual Investment Policy
March 23, 2009**

I. PURPOSE

This Annual Investment Policy sets forth the investment guidelines for all funds of the Orange County Transportation Authority (OCTA) invested on and after March 23, 2009. The objective of this Annual Investment Policy is to ensure OCTA's funds are prudently invested to preserve capital, provide necessary liquidity and to achieve a market-average rate of return through economic cycles.

Investments may only be made as authorized by this Annual Investment Policy. The OCTA Annual Investment Policy conforms to the California Government Code (the Code) as well as customary standards of prudent investment management. Irrespective of these policy provisions, should the provisions of the Code be or become more restrictive than those contained herein, such provisions will be considered immediately incorporated into the Annual Investment Policy and adhered to.

II. OBJECTIVES

1. **Safety of Principal** -- Safety of principal is the foremost objective of the Orange County Transportation Authority. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institutional default, broker-dealer default, or erosion of market value of securities.
2. **Liquidity** -- Liquidity is the second most important objective of the Orange County Transportation Authority. It is important that the portfolio contain investments for which there is an active secondary market and which offer the flexibility to be easily sold at any time with minimal risk of loss of either the principal or interest based upon then prevailing rates.
3. **Total Return** -- The Orange County Transportation Authority's portfolio shall be designed to attain a market-average rate of return through economic cycles.

III. COMPLIANCE

The OCTA has provided each of its portfolio managers with a copy of this Annual Investment Policy as a part of their contract and expects its portfolio managers to invest each portfolio they manage for OCTA in accordance with the provisions of the Annual Investment Policy. The OCTA Treasurer is responsible for verifying each portfolio manager's compliance as well as OCTA's entire portfolio's compliance with the provisions of the Annual Investment Policy.

If OCTA's Treasurer, in his sole discretion, finds that a portfolio manager has made an investment that does not comply with the provisions of the Annual Investment Policy, the Treasurer shall immediately notify the portfolio manager of the compliance violation. At that point, the portfolio manager is on probation for a period of one year. The second time a violation

occurs while the portfolio manager is on probation, the Treasurer shall request that the portfolio manager responsible for the compliance violation meet with the Chair of the Finance and Administration Committee and the Treasurer as soon as practical at which time it will be decided whether the Board of Directors will be notified of the violation.

If OCTA's Treasurer finds that the portfolio manager has made a third investment while on probation that does not comply with the provisions of the Annual Investment Policy, the Treasurer shall notify the Board of Directors of the compliance violations, and the Board, thereafter may terminate the contract with the portfolio manager.

IV. PRUDENCE

OCTA's Board of Directors or persons authorized to make investment decisions on behalf of OCTA are trustees and fiduciaries subject to the prudent investor standard.

The standard of prudence to be used by investment officials shall be the "prudent person" standard as defined in the Code below and shall be applied in the context of managing an overall portfolio. OCTA's investment professionals acting in accordance with written procedures and the Annual Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control developments.

The Prudent Person Standard: When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of OCTA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

V. DELEGATION OF AUTHORITY

Authority to manage OCTA's investment program is derived from an order of the Board of Directors. Management responsibility for the investment program is hereby delegated to OCTA's Treasurer pursuant to Section 53607 of the Code. On an annual basis, the Board of Directors is required to renew the authority of OCTA's Treasurer to invest or reinvest OCTA funds. The Treasurer is hereby authorized to delegate his authority as he determines to be appropriate. No person may engage in an investment transaction except as provided under the terms of this Annual Investment Policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all actions undertaken and shall establish a system of controls to regulate the activities of subordinate professionals.

VI. ETHICS AND CONFLICTS OF INTEREST

OCTA's officers and employees involved in the investment process shall not participate in personal business activity that conflicts with the proper execution of OCTA's investment program, or which impairs their ability to make impartial investment decisions. OCTA's

investment professionals and Treasury/Public Finance Department employees are not permitted to have any material financial interests in financial institutions that conduct business with OCTA, and they are not permitted to have any personal financial/investment holdings that have a material effect on the performance of OCTA's investments.

VII. RESPONSIBILITIES

The Finance and Administration Committee of the OCTA Board of Directors, subject to the approval of the OCTA Board of Directors, is responsible for establishing the Annual Investment Policy and ensuring investments are made in compliance with this Annual Investment Policy. This Annual Investment Policy shall be reviewed annually by the Board of Directors at a public meeting.

The Treasurer is responsible for making investments and for compliance with this policy pursuant to the delegation of authority to invest funds or to sell or exchange securities and shall make a quarterly report to the Board of Directors in accordance with Section 53646 (b) of the Code. Under Section 53646 (b) the Code states that the Treasurer may make a quarterly report to the Board of Directors. OCTA policy is to provide a monthly report to the Finance and Administration Committee and provide copies to the Board of Directors. In addition, the Treasurer will prepare a quarterly report to the Board of Directors.

The Treasurer is responsible for establishing a procedural manual for OCTA's investment program and for having an annual independent audit performed on OCTA's investments.

VIII. FINANCIAL BENCHMARKS

In order to establish a basis for evaluating investment results, the Authority uses nationally recognized fixed income security performance benchmarks to evaluate return on investments. The Merrill Lynch 1-3 year Treasury Index benchmark is used for OCTA's short-term portfolios, the Merrill Lynch 1-5 year Treasury Index benchmark is used for the extended fund, while a customized performance benchmark may be used for the bond proceeds portfolios.

IX. BOND PROCEEDS INVESTMENTS

Bond proceeds from OCTA's capital project financing programs are to be invested in accordance with the provisions of their specific indenture and are further limited by the maturity and diversification guidelines of this Annual Investment Policy. Debt service reserve funds of bond proceeds are to be invested in accordance with the maturity provision of their specific indenture.

X. PERMITTED INVESTMENTS FOR NON-BOND PROCEEDS:

Maturity and Term

All investments, unless otherwise specified, are subject to a maximum stated term of five years. Maturity shall mean the stated final maturity or the mandatory redemption date of the security, or the unconditional put option date if the security contains such a provision. Term or tenure shall mean the remaining time to maturity from the settlement date.

The Board of Directors must grant express written authority to make an investment or to establish an investment program of a longer term.

Eligible Instruments and Quality

OCTA policy is to invest only in high quality instruments as permitted by the Code, subject to the limitations of this Annual Investment Policy. If an eligible security already contained in the Authority's portfolio is subsequently placed on "Negative Credit Watch" by any of the three nationally recognized rating services, then the security will be handled under the provisions of Rating Downgrades.

1) OCTA Notes and Bonds

Notes and bonds issued by OCTA, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency or authority of OCTA which may bear interest at a fixed or floating rate.

2) U.S. Treasuries

Direct obligations of the United States of America and securities which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States of America.

U.S. Treasury coupon and principal STRIPS (Separate Trading of Registered Interest and Principal of Securities) and TIPS (Treasury Inflation Protected Securities) are permitted investments pursuant to the Annual Investment Policy.

3) Federal Agencies and U.S. Government Sponsored Enterprises

Senior debt obligations, participation certificates, or other instruments of, or issued by or guaranteed by, the following federal agencies and United States government sponsored enterprises:

- Federal Home Loan Bank (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac)
- Federal National Mortgage Association (FNMA or Fannie Mae)
- Federal Farm Credit Bank (FFCB)
- Student Loan Marketing Association (SLMA or Sallie Mae)
- Government National Mortgage Association (GNMA or Ginnie Mae)
- Small Business Administration (SBA)
- Export-Import Bank of the United States
- U.S. Maritime Administration
- Washington Metro Area Transit
- U.S. Department of Housing & Urban Development
- Federal Agricultural Mortgage Corporation (Farmer Mac)

Any Federal Agency and U.S. Government Sponsored Enterprise security not specifically mentioned above is not a permitted investment.

4) State of California and Local Agency Obligations

Registered state warrants, treasury notes or bonds of the State of California and bonds, notes, warrants or other evidences of indebtedness of any local agency, other than OCTA, of the State, including bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or local agency or by a department, board, agency or authority of the State or local agency. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by Moody's and A-1 by Standard & Poor's equivalent or better for short-term obligations, or A by Moody's or A by Standard & Poor's or better for long-term debt.

OCTA may also purchase defeased state and local obligations as long as the obligations have been legally defeased with U.S. Treasury securities and such obligations mature or otherwise terminate within five years of the date of purchase.

Public agency bonds issued for private purposes (industrial development bonds) are specifically excluded as allowable investments.

5) Bankers Acceptances

Bankers acceptances which:

- A. are eligible for purchase by the Federal Reserve System, and
- B. are rated by at least two of the Nationally Recognized Statistical Rating Organizations with the following ratings; A-1 for short-term deposits by Standard & Poor's, P-1 for short-term deposits by Moody's, or F1 for short-term deposits by Fitch, and
- C. may not exceed the 5 percent limit on any one commercial bank.

Maximum Term: 180 days (Code)

6) Commercial Paper

Commercial Paper must :

- A. be rated by two of the three rating agencies at the following level or better; P-1 by Moody's, A-1 by Standard & Poor's, or F-1 by Fitch
- B. be issued by corporations rated A- or better by Standard & Poor's, A3 or better by Moody's or A- by Fitch or an equivalent rating by a Nationally Recognized Statistical Rating Organizations for issuer's debt, other than commercial paper, and
- C. be issued by corporations organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000), and
- D. not represent more than ten percent (10%) of the outstanding paper of the issuing corporation.

Maximum Term: 180 days (Code 270 days)

7) Negotiable Certificates of Deposit

Negotiable Certificates of Deposit issued by a nationally or state-chartered bank or state or federal association or by a state licensed branch of a foreign bank, which have been rated by at least two of the Nationally Recognized Statistical Rating Organizations with the following minimum ratings; A-1 for short-term deposits by Standard & Poor's, P-1 for short-term deposits by Moody's, F-1 for short-term deposits by Fitch.

Maximum Term: 270 days

8) Repurchase Agreements

Repurchase agreements collateralized by U.S. Treasuries or Agency securities as defined in the Annual Investment Policy with any registered broker-dealer subject to the Securities Investors Protection Act or any commercial banks insured by the FDIC so long as at the time of the investment such dealer (or its parent) has an uninsured, unsecured and unguaranteed obligation rated P-1 short-term or A2 long-term or better by Moody's, and A-1 short-term or A long-term or better by Standard & Poor's, provided:

- A. a Public Securities Association (PSA) master repurchase agreement and a tri-party agreement, if applicable, representing a custodial undertaking in connection with a master repurchase agreement, which governs the transaction and has been signed by OCTA; and
- B. the securities are held free and clear of any lien by OCTA's custodian or trustee or an independent third party acting as agent "Agent" for the custodian or trustee, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50 million and the custodian or trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for OCTA's custodian or trustee; and
- C. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of OCTA's custodian or trustee and OCTA; and
- D. the Agent provides OCTA's custodian or trustee and OCTA with valuation of the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within two business days of such valuation.

Maximum Term: 30 days (Code 1 year)

Reverse repurchase agreements are not permitted unless used as a permitted investment in the Local Agency Investment Fund

9) Medium Term Maturity Corporate Securities

Corporate securities which:

- A. are rated A- or better by Standard & Poor's, A3 or better by Moody's or A- by Fitch or an equivalent rating by two of the three Nationally Recognized Statistical Rating Organizations.
- B. are issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- C. may not represent more than ten percent (10%) of the issue in the case of a specific public offering. This limitation does not apply to debt that is "continuously offered" in a mode similar to commercial paper, i.e. medium term notes ("MTNs"). Under no circumstance can any one corporate issuer represent more than 5% of the portfolio.

Maximum Term: Five (5) years. (Code)

10) Money Market Funds

Shares of beneficial interest issued by diversified management companies (commonly called money market funds) which:

- A. are rated AAA (or equivalent highest ranking) by two of the three largest Nationally Recognized Statistical Rating Organizations.
- B. may not represent more than ten percent (10%) of the money market fund's assets.

11) Other Mutual Funds

Shares of beneficial interest issued by diversified management companies (commonly called mutual funds) which:

- A. are rated AAA (or equivalent highest ranking) by two of the three largest Nationally Recognized Statistical Rating Organizations.
- B. may not represent more than ten percent (10%) of the fund's or pool's assets.

12) Mortgage or Asset-backed Securities

Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond which:

- A. is rated AAA (Code AA) by Standard & Poor's, Aaa by Moody's or AAA by Fitch, and

- B. is issued by an issuer having an A or better rating by Standard & Poor's, A2 or better by Moody's or A or better by Fitch or an equivalent rating by a Nationally Recognized Statistical Rating Organizations recognized rating service for its long-term debt.

Maximum Term: Five year stated final maturity. (Code)

13) Investment Agreements

Investment agreements must be approved and signed by OCTA's Treasurer. Investment agreements are permitted with any bank, insurance company or broker/dealer, or any corporation if:

A. At the time of such investment,

- such bank has an unsecured, uninsured and unguaranteed obligation rated long-term Aa2 or better by Moody's and AA or better by Standard & Poor's, or
- such insurance company or corporation has an unsecured, uninsured and unguaranteed claims paying ability rated long-term Aaa by Moody's and AAA by Standard & Poor's, or
- such bank or broker/dealer has an unsecured, uninsured and unguaranteed obligation rated long-term A2 or better by Moody's and A or better by Standard & Poor's (and with respect to such broker/dealer rated short-term P-1 by Moody's and A-1 by Standard & Poor's); provided, that such broker/dealer or A2/A rated bank also collateralize the obligation under the investing agreement with U.S. Treasuries, Government National Mortgage Association securities, Federal National Mortgage Association securities or Federal Home Loan Mortgage Association securities meeting the following requirements:
 1. the securities are held free and clear of any lien by OCTA's custodian or trustee or an independent third party acting as agent "Agent" for the custodian or trustee, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50 million and the custodian or trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for OCTA's custodian or trustee; and
 2. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of OCTA's custodian or trustee and OCTA; and
 3. the Agent provides OCTA's custodian or trustee and OCTA with valuation of the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within two business days of such valuation.

- B. The agreement shall include a provision to the effect that if any rating of any such bank, insurance, broker-dealer or corporation is downgraded below a minimum rating to be established at the time the agreement is executed, OCTA shall have the right to terminate such agreement.

14) State of California Local Agency Investment Fund (LAIF)

LAIF is a pooled fund managed by the State Treasurer referred to in Section 16429.1 of the Code. All securities are purchased under the authority of the Code Section 16430 and 16480.4.

15) Orange County Treasury Investment Pool (OCIP)

The OCIP is a pooled fund managed by the Orange County Treasurer and is comprised of two funds, the Money Market Fund and Extended Fund. The Money Market Fund is invested in cash equivalent securities and is based on the investment guidelines detailed in the Code section 53601.7, which parallels Rule 2a-7. The Extended Fund is for cash requirements past one year and is based on the Code Sections 53601 and 53635.

16) California Asset Management Program (CAMP)

CAMP is a program for the investment of bond and certificates of participation proceeds only. CAMP investments must be rated AA or better by two of the three largest Nationally Recognized Statistical Rating Organizations.

17) Variable and Floating Rate Securities

Variable and floating rate securities are restricted to investments in securities with a final maturity of not to exceed five years as described above, must utilize traditional money market reset indices such as U. S. Treasury bills, Federal Funds, commercial paper or LIBOR (London Interbank Offered Rate), and must meet all minimum credit requirements previously detailed in the Annual Investment Policy. Investments in floating rate securities whose reset is calculated using more than one of the above indices are not permitted, i.e. dual index notes.

18) Bank Deposits

Bank deposits in California banks which have a minimum short-term rating of A-1 by Standard and Poor's and a minimum short-term rating of P-1 by Moody's. The Treasurer shall draft and execute a contract describing provisions for bank deposits.

19) Derivatives

Derivatives are to be used as a tool for bonafide hedging investments only where deemed appropriate. Derivatives shall not be used for the purpose of interest rate speculation.

Derivative products in any of the eligible investment categories listed above may be permitted. The Treasurer has the sole responsibility for determining which prospective

investments are derivatives. Each prospective investment in a derivative product must be documented by the Treasurer as to the purpose and specific financial risk being hedged. Each such investment must be approved by the Finance and Administration Committee prior to entering into such investment.

No investments shall be permitted that have the possibility of returning a zero or negative yield if held to maturity. In addition, the investment in inverse floaters, range notes, strips derived from mortgage obligations, step-up notes and dual index notes are not permitted investments.

Rating Downgrades

OCTA may from time to time be invested in a security whose rating is down-graded below the quality criteria permitted by this Annual Investment Policy.

Any security held as an investment whose rating falls below the investment guidelines or whose rating is put on notice for possible downgrade shall be immediately reviewed by the Treasurer for action, and notification shall be made to the Board of Directors in writing as soon as practical and/or included in the monthly Orange County Transportation Authority Investment and Debt Programs report. The decision to retain the security until maturity, sell (or put) the security, or other action shall be approved by the Treasurer.

Diversification Guidelines

Diversification limits ensure the portfolio is not unduly concentrated in the securities of one type, industry, or entity, thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

<u>Instruments</u>	<u>At All Times Maximum % Portfolio</u>
1) OCTA Note and Bonds	25%
2) U.S. Treasuries (including U.S. Treasury STRIPS & TIPS)....	100%
3) Federal Agencies and U.S. Government Sponsored Enterprise	100%
4) State of California and Local Agencies	25%
5) Bankers Acceptances	30% (Code 40%)
6) Commercial Paper	25% (Code)
7) Negotiable CDs	30% (Code)
8) Repurchase Agreements	75%
9) Medium Term Maturity Corporate Securities	30% (Code)
10) Money Market Funds and 11) Other Mutual Funds (in total).....	20% (Code)
12) Mortgage and Asset-backed Securities	20% (Code)
13) LAIF	\$40mm maximum per entity
14) OCIP	\$40mm maximum per entity
15) CAMP	10%
16) Variable and Floating Rate Securities	30%
17) Bank Deposits	5%
18) Derivatives (hedging transactions only) and subject to prior approval	5%
19) Investment Agreements pursuant to indenture	100%

Outside portfolio managers must review the portfolios they manage (including bond proceeds portfolios) to ensure compliance with OCTA's diversification guidelines on an ongoing basis.

Issuer/Counter-Party Diversification Guidelines For All Securities Except Federal Agencies, Government Sponsored Enterprises, Investment Agreements, Repurchase Agreements and 91 Express Lanes Debt

Any one corporation, bank, local agency, special purpose vehicle or other corporate name for one or more series of securities. 5%

Issuer/Counter-Party Diversification Guidelines For Federal Agencies, Government Sponsored Enterprises and Repurchase Agreements

Any one Federal Agency or Government Sponsored Enterprise 35%

Any one repurchase agreement counter-party name

If maturity/term is \leq 7 days 50%
If maturity/term is $>$ 7 days 35%

Issuer/Counter-Party Diversification Guidelines For OCTA's 91 Express Lanes Debt

The Authority can purchase all or a portion of the Orange County Transportation Authority's Toll Road Revenue Refunding Bonds (91 Express Lanes) Series B Bonds maturing December 15, 2030 providing the purchase does not exceed 25% of the Maximum Portfolio.

XI. SECURITIES SAFE KEEPING

All security transactions, including collateral for repurchase agreements, entered into by OCTA shall be conducted on a delivery-versus-payment basis. Securities shall be held by a third party custodian designated by the Treasurer, evidenced by safe keeping receipts and in compliance with Code Section 53608.

XII. BROKER DEALERS

The Treasurer, and investment professionals authorized by the Treasurer, may buy securities from a list of broker dealers and financial institutions that will be periodically reviewed.

Outside portfolio managers must certify that they will purchase securities from broker/dealers (other than themselves) or financial institutions in compliance with this Annual Investment Policy.

XIII. DEFINITION OF TERMS

ACCRUED INTEREST: The amount of interest that is earned but unpaid since the last interest payment date.

AGENCY SECURITIES: (See U.S. Government Agency Securities)

ASK PRICE: (Offer Price) The price at which securities are offered from a seller.

ASSET BACKED SECURITIES (ABS): Securities collateralized or backed by receivables such as automobile loans and credit card receivables. The assets are transferred or sold by the company to a Special Purpose Vehicle and held in trust. The SPV or trust will issue debt collateralized by the receivables.

BANKERS ACCEPTANCES (BAs): Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the BA upon maturity if the drawer does not.

BASIS POINT: When a yield is expressed as 5.12%, the digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

BID PRICE: The price at which a buyer offers to buy a security.

BOOK ENTRY: The system, maintained by the Federal Reserve, by which most securities are "delivered" to an investor's custodian bank. The Federal Reserve maintains an electronic record of the ownership of these securities, and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). These securities do not receive physical certificates.

BOOK VALUE: The original cost of the investment.

CALLABLE BONDS: A bond issue which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

CAPITAL GAIN/LOSS: The profit or loss realized from the sale of a security.

CERTIFICATES OF DEPOSIT (NEGOTIABLE CDs): A negotiable (marketable or transferable) receipt for a time deposit at a bank or other financial institution for a fixed time and interest rate.

COLLATERAL: Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits in an Investment Agreement.

COMMERCIAL PAPER (CP): Unsecured promissory notes issued by companies and government entities usually at a discount. Commercial paper is negotiable, although it is typically held to maturity. The maximum maturity is 270 days, with most CP issued for terms of less than 30 days.

COUPON: The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as "interest rate."

CURRENT YIELD: The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's

cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

CUSTODIAN: A bank or other financial institution that keeps custody of assets in the name of the depositor.

DELIVERY VERSUS PAYMENT (DVP): Delivery of securities with a simultaneous exchange of money for the securities.

DERIVATIVE SECURITY: Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

DISCOUNT: The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as Treasury bills and bankers acceptances, are known as discount securities. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION: An investment principal designed to spread the risk in a portfolio by dividing investments by sector, maturity and quality rating.

DOLLAR-WEIGHTED AVERAGE MATURITY: A calculation that expresses the "average maturity" of an investment portfolio using each investment's maturity weighted by the size or book-value of that investment.

DURATION: A measure of the timing of cash flows, such as the interest payments and principal repayment, to be received from a given fixed-income security.

FEDERAL FUNDS RATE: Interest rate at which banks lend federal funds to each other.

FEDERAL OPEN MARKET COMMITTEE (FOMC): A committee within the Federal Reserve System that makes short-term monetary policy for the Fed. The committee decides either to sell securities to reduce the money supply, or to buy government securities to increase the money supply. Decisions made at FOMC meetings will cause interest rates to either rise or fall.

FEDERAL RESERVE SYSTEM: A U.S. centralized banking system which has supervisory powers over the 12 Federal Reserve banks and about 6,000 member banks.

FITCH Ratings referred to as Fitch: (See Nationally Recognized Statistical Rating Organizations)

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INTEREST RATE RISK: The risk associated with declines or rises in interest rates, which causes the market price of a fixed-income security to increase or decrease in value.

LIQUIDITY: The speed and ease with which an investment can be converted to cash.

MARK-TO-MARKET: The process by where the value of a security is adjusted to reflect current market conditions.

MARKET RISK: The risk that the value of a security will rise or decline as a result in changes in market conditions.

MARKET VALUE: The current market price of a security.

MATURITY: The date that the principal or stated value of an investment becomes due and payable.

MEDIUM TERM MATURITY CORPORATE SECURITIES: Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

MONEY MARKET: The market in which short-term debt instruments (Treasury bills, discount notes, commercial paper, bankers acceptances, etc.) are issued and traded.

MONEY MARKET MUTUAL FUNDS: An investment company that pools money from investors and invest in a variety of short-term money market instruments.

MOODY'S INVESTORS SERVICE, INC. referred to as Moody's: (See Nationally Recognized Statistical Rating Organizations)

MORTGAGE-BACKED SECURITY: A debt instrument with a pool of real estate loans as the underlying collateral. The mortgage payments of the individual real estate assets are used to pay interest and principal on the bonds.

MUNICIPAL DEBT: Issued by public entities to meet capital needs.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATIONS (NRSRO's): Firms that review the creditworthiness of the issuers of debt securities, and express their opinion in the form of letter ratings (e.g. AAA, AA, A, BBB, etc.) The primary rating agencies include Standard & Poor's Corporation; Moody's Investor Services, Inc. and Fitch Ratings.

NEGOTIABLE CD: (See Certificates of Deposit)

NET ASSET VALUE (NAV): The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling the fund's assets which includes securities, cash and accrued earnings, then subtracting this from the fund's liabilities and dividing by the total number of shares outstanding. This is calculated once a day based on the closing price for each security in the funds portfolio.

NON-CALLABLE: Bond that is exempt from any kind of redemption for a stated time period.

OCTA BONDS: Bonds, notes, warrants, or other evidences of indebtedness.

OFFER PRICE: An indicated price at which market participants are willing to sell a security.

PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

PHYSICAL DELIVERY: The delivery of an investment to a custodian bank in the form of a certificate and/or supporting documents evidencing the investment (as opposed to "book entry" delivery).

PORTFOLIO: A group of securities held by an investor.

PREMIUM: The amount by which the price paid for a security exceeds the security's par value.

PRIME RATE: A preferred interest rate charged by commercial banks to their most creditworthy customers.

PRINCIPAL: The face value or par value of an investment.

PURCHASE DATE: See (Trade Date)

REINVESTMENT RISK: The risk that coupon payments (or other payments received) cannot be reinvested at the same rate as the initial investment.

REPURCHASE AGREEMENTS (REPOS): A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date. This is in essence a collateralized investment, with the difference between the purchase price and sales price determining the earnings.

SAFEKEEPING: Holding of assets (e.g. securities) by a financial institution.

SECURITIES & EXCHANGE COMMISSION (SEC): The federal agency responsible for supervising and regulating the securities industry.

SETTLEMENT DATE: The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day securities are physically delivered or wired to the buyer in exchange for cash is the settlement date.

SPECIAL PURPOSE VEHICLE (SPV): A trust or similar structure created specifically to purchase securities and reprofile cash flows and/or credit risk. Mortgage or Asset-backed securities may be issued out of the SPV and secured by the collateral transferred from the corporation.

STANDARD & POOR'S CORPORATION referred to as Standard and Poor's or S & P: (See Nationally Recognized Statistical Rating Organizations)

THIRD-PARTY CUSTODIAL AGREEMENT: (See Custodian)

TOTAL RETURN: The sum of all investment income plus changes in the capital value of the portfolio.

TRADE DATE: The date and time corresponding to an investor's commitment to buy or sell a security.

U.S. GOVERNMENT AGENCY SECURITIES or FEDERAL AGENCIES AND U.S. GOVERNMENT SPONSORED ENTERPRISES: U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture). Often simply referred to as "Agencies", they include:

- Federal Home Loan Bank (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac)
- Federal National Mortgage Association (FNMA or Fannie Mae)
- Federal Farm Credit Bank (FFCB)
- Student Loan Marketing Association (SLMA or Sallie Mae)
- Government National Mortgage Association (GNMA or Ginnie Mae)
- Small Business Administration (SBA)
- Export-Import Bank of the United States
- U.S. Maritime Administration
- Washington Metro Area Transit
- U.S. Department of Housing & Urban Development
- Federal Agricultural Mortgage Corporation (Farmer Mac)

Any Federal Agency and U.S. Government Sponsored Enterprise security not specifically mentioned above is not a permitted investment.

U.S. TREASURY SECURITIES: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury bills: non-interest bearing discount securities of the U.S. Treasury with maturities under one year.

Treasury notes: interest-bearing obligations of the U.S. Treasury with maturities ranging from two to ten years from the date of issue.

Treasury bond: interest-bearing obligations issued by the U.S. Treasury with maturities ranging from ten to thirty years from the date of issue.

Treasury STRIPS: U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book entry record-keeping system.

Treasury TIPS: U.S. Treasury securities whose principal increases at the same rate as the Consumer Price Index. The interest payment is then calculated from the inflated principal and repaid at maturity.

VARIABLE AND FLOATING RATE SECURITIES: Variable and floating rate securities are appropriate investments when used to enhance yield and reduce risk. They should have the same stability, liquidity and quality as traditional money market securities.

For the purposes of this Annual Investment Policy, a Variable Rate Security, where the variable rate of interest is readjusted no less frequently than every 762 calendar days, shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest. A Floating Rate Security shall be deemed to have a remaining maturity of one day.

VOLITILITY: The degree of fluctuation in the price and valuation of securities.

YIELD: The current rate of return on an investment security generally expressed as a percentage of the securities current price.

ZERO COUPON SECURITIES: Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

Orange County Transportation Authority

20089 Annual Investment Policy

May-March 23, 20089

I. PURPOSE

This Annual Investment Policy sets forth the investment guidelines for all funds of the Orange County Transportation Authority (OCTA) invested on and after May-March 23, 20089. The objective of this Annual Investment Policy is to ensure OCTA's funds are prudently invested to preserve capital, provide necessary liquidity and to achieve a market-average rate of return through economic cycles.

Investments may only be made as authorized by this Annual Investment Policy. The OCTA Annual Investment Policy conforms to the California Government Code (the Code) as well as customary standards of prudent investment management. Irrespective of these policy provisions, should the provisions of the Code be or become more restrictive than those contained herein, such provisions will be considered immediately incorporated into the Annual Investment Policy and adhered to.

II. OBJECTIVES

1. **Safety of Principal** -- Safety of principal is the foremost objective of the Orange County Transportation Authority. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institutional default, broker-dealer default, or erosion of market value of securities.
2. **Liquidity** -- Liquidity is the second most important objective of the Orange County Transportation Authority. It is important that the portfolio contain investments for which there is an active secondary market and which offer the flexibility to be easily sold at any time with minimal risk of loss of either the principal or interest based upon then prevailing rates.
3. **Total Return** -- The Orange County Transportation Authority's portfolio shall be designed to attain a market-average rate of return through economic cycles.

III. COMPLIANCE

The OCTA has provided each of its portfolio managers with a copy of this Annual Investment Policy as a part of their contract and expects its portfolio managers to invest each portfolio they manage for OCTA in accordance with the provisions of the Annual Investment Policy. The OCTA Treasurer is responsible for verifying each portfolio manager's compliance as well as OCTA's entire portfolio's compliance with the provisions of the Annual Investment Policy.

If OCTA's Treasurer, in his sole discretion, finds that a portfolio manager has made an investment that does not comply with the provisions of the Annual Investment Policy, the Treasurer shall immediately notify the portfolio manager of the compliance violation. At that point, the portfolio manager is on probation for a period of one year. The second time a violation

occurs while the portfolio manager is on probation, the Treasurer shall request that the portfolio manager responsible for the compliance violation meet with the Chair of the Finance and Administration Committee and the Treasurer as soon as practical at which time it will be decided whether the Board of Directors will be notified of the violation.

If OCTA's Treasurer finds that the portfolio manager has made a third investment while on probation that does not comply with the provisions of the Annual Investment Policy, the Treasurer shall notify the Board of Directors of the compliance violations, and the Board, thereafter may terminate the contract with the portfolio manager.

IV. PRUDENCE

OCTA's Board of Directors or persons authorized to make investment decisions on behalf of OCTA are trustees and fiduciaries subject to the prudent investor standard.

The standard of prudence to be used by investment officials shall be the "prudent person" standard as defined in the Code below and shall be applied in the context of managing an overall portfolio. OCTA's investment professionals acting in accordance with written procedures and the Annual Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control developments.

The Prudent Person Standard: When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of OCTA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

V. DELEGATION OF AUTHORITY

Authority to manage OCTA's investment program is derived from an order of the Board of Directors. Management responsibility for the investment program is hereby delegated to OCTA's Treasurer pursuant to Section 53607 of the Code. On an annual basis, the Board of Directors is required to renew the authority of OCTA's Treasurer to invest or reinvest OCTA funds. The Treasurer is hereby authorized to delegate his authority as he determines to be appropriate. No person may engage in an investment transaction except as provided under the terms of this Annual Investment Policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all actions undertaken and shall establish a system of controls to regulate the activities of subordinate professionals.

VI. ETHICS AND CONFLICTS OF INTEREST

OCTA's officers and employees involved in the investment process shall not participate in personal business activity that conflicts with the proper execution of OCTA's investment program, or which impairs their ability to make impartial investment decisions. OCTA's

investment professionals and Treasury/Public Finance Department employees are not permitted to have any material financial interests in financial institutions that conduct business with OCTA, and they are not permitted to have any personal financial/investment holdings that have a material effect on the performance of OCTA's investments.

VII. RESPONSIBILITIES

The Finance and Administration Committee of the OCTA Board of Directors, subject to the approval of the OCTA Board of Directors, is responsible for establishing the Annual Investment Policy and ensuring investments are made in compliance with this Annual Investment Policy. This Annual Investment Policy shall be reviewed annually by the Board of Directors at a public meeting.

The Treasurer is responsible for making investments and for compliance with this policy pursuant to the delegation of authority to invest funds or to sell or exchange securities and shall make a quarterly report to the Board of Directors in accordance with Section 53646 (b) of the Code. Under Section 53646 (b) the Code states that the Treasurer may make a quarterly report to the Board of Directors. OCTA policy is to provide a monthly report to the Finance and Administration Committee and provide copies to the Board of Directors. In addition, the Treasurer will prepare a quarterly report to the Board of Directors.

The Treasurer is responsible for establishing a procedural manual for OCTA's investment program and for having an annual independent audit performed on OCTA's investments.

VIII. FINANCIAL BENCHMARKS

In order to establish a basis for evaluating investment results, the Authority uses nationally recognized fixed income security performance benchmarks to evaluate return on investments. The Merrill Lynch 1-3 year Treasury Index benchmark is used for OCTA's short-term portfolios, the Merrill Lynch 1-5 year Treasury Index benchmark is used for the extended fund, while a customized performance benchmark may be used for the bond proceeds portfolios.

IX. BOND PROCEEDS INVESTMENTS

Bond proceeds from OCTA's capital project financing programs are to be invested in accordance with the provisions of their specific indenture and are further limited by the maturity and diversification guidelines of this Annual Investment Policy. Debt service reserve funds of bond proceeds are to be invested in accordance with the maturity provision of their specific indenture.

X. PERMITTED INVESTMENTS FOR NON-BOND PROCEEDS:

Maturity and Term

All investments, unless otherwise specified, are subject to a maximum stated term of five years. Maturity shall mean the stated final maturity or the mandatory redemption date of the security, or the unconditional put option date if the security contains such a provision. Term or tenure shall mean the remaining time to maturity from the settlement date.

The Board of Directors must grant express written authority to make an investment or to establish an investment program of a longer term.

Eligible Instruments and Quality

OCTA policy is to invest only in high quality instruments as permitted by the Code, subject to the limitations of this Annual Investment Policy. If an eligible security already contained in the Authority's portfolio is subsequently placed on "Negative Credit Watch" by any of the three nationally recognized rating services, then the security will be handled under the provisions of Rating Downgrades.

1) OCTA Notes and Bonds

Notes and bonds issued by OCTA, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency or authority of OCTA which may bear interest at a fixed or floating rate.

2) U.S. Treasuries

Direct obligations of the United States of America and securities which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States of America.

U.S. Treasury coupon and principal STRIPS (Separate Trading of Registered Interest and Principal of Securities) and TIPS (Treasury Inflation Protected Securities) are permitted investments pursuant to the Annual Investment Policy.

3) Federal Agencies and U.S. Government Sponsored Enterprises

Senior debt obligations, participation certificates, or other instruments of, or issued by or guaranteed by, the following federal agencies and United States government sponsored enterprises:

- Federal Home Loan Bank (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac)
- Federal National Mortgage Association (FNMA or Fannie Mae)
- Federal Farm Credit Bank (FFCB)
- Student Loan Marketing Association (SLMA or Sallie Mae)
- Government National Mortgage Association (GNMA or Ginnie Mae)
- Small Business Administration (SBA)
- Export-Import Bank of the United States
- U.S. Maritime Administration
- Washington Metro Area Transit
- U.S. Department of Housing & Urban Development
- Federal Agricultural Mortgage Corporation (Farmer Mac)

Any Federal Agency and U.S. Government Sponsored Enterprise security not specifically mentioned above is not a permitted investment.

4) State of California and Local Agency Obligations

Registered state warrants, treasury notes or bonds of the State of California and bonds, notes, warrants or other evidences of indebtedness of any local agency, other than OCTA, of the State, including bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or local agency or by a department, board, agency or authority of the State or local agency. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by Moody's and A-1 by Standard & Poor's equivalent or better for short-term obligations, or A by Moody's or A by Standard & Poor's or better for long-term debt.

OCTA may also purchase defeased state and local obligations as long as the obligations have been legally defeased with U.S. Treasury securities and such obligations mature or otherwise terminate within five years of the date of purchase.

Public agency bonds issued for private purposes (industrial development bonds) are specifically excluded as allowable investments.

5) Bankers Acceptances

Bankers acceptances which:

- A. are eligible for purchase by the Federal Reserve System, and
- B. are rated by at least two of the Nationally Recognized Statistical Rating Organizations with the following ratings; A-1 for short-term deposits by Standard & Poor's, P-1 for short-term deposits by Moody's, or F1 for short-term deposits by Fitch, and
- C. may not exceed the 5 percent limit on any one commercial bank.

Maximum Term: 180 days (Code)

6) Commercial Paper

Commercial Paper must :

- A. be rated by two of the three rating agencies at the following level or better; P-1 by Moody's, A-1 by Standard & Poor's, or F-1 by Fitch
- B. be issued by corporations rated A- or better by Standard & Poor's, A3 or better by Moody's or A- by Fitch or an equivalent rating by a Nationally Recognized Statistical Rating Organizations for issuer's debt, other than commercial paper, and
- C. be issued by corporations organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000), and
- D. not represent more than ten percent (10%) of the outstanding paper of the issuing corporation.

Maximum Term: 180 days (Code 270 days)

7) Negotiable Certificates of Deposit

Negotiable Certificates of Deposit issued by a nationally or state-chartered bank or state or federal association or by a state licensed branch of a foreign bank, which have been rated by at least two of the Nationally Recognized Statistical Rating Organizations with the following minimum ratings; A-1 for short-term deposits by Standard & Poor's, P-1 for short-term deposits by Moody's, F-1 for short-term deposits by Fitch.

Maximum Term: 270 days

8) Repurchase Agreements

Repurchase agreements collateralized by U.S. Treasuries or Agency securities as defined in the Annual Investment Policy with any registered broker-dealer subject to the Securities Investors Protection Act or any commercial banks insured by the FDIC so long as at the time of the investment such dealer (or its parent) has an uninsured, unsecured and unguaranteed obligation rated P-1 short-term or A2 long-term or better by Moody's, and A-1 short-term or A long-term or better by Standard & Poor's, provided:

- A. a Public Securities Association (PSA) master repurchase agreement and a tri-party agreement, if applicable, representing a custodial undertaking in connection with a master repurchase agreement, which governs the transaction and has been signed by OCTA; and
- B. the securities are held free and clear of any lien by OCTA's custodian or trustee or an independent third party acting as agent "Agent" for the custodian or trustee, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50 million and the custodian or trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for OCTA's custodian or trustee; and
- C. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of OCTA's custodian or trustee and OCTA; and
- D. the Agent provides OCTA's custodian or trustee and OCTA with valuation of the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within two business days of such valuation.

Maximum Term: 30 days (Code 1 year)

Reverse repurchase agreements are not permitted unless used as a permitted investment in the Local Agency Investment Fund

9) Medium Term Maturity Corporate Securities

Corporate securities which:

- A. are rated A- or better by Standard & Poor's, A3 or better by Moody's or A- by Fitch or an equivalent rating by two of the three Nationally Recognized Statistical Rating Organizations.
- B. are issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- C. may not represent more than ten percent (10%) of the issue in the case of a specific public offering. This limitation does not apply to debt that is "continuously offered" in a mode similar to commercial paper, i.e. medium term notes ("MTNs"). Under no circumstance can any one corporate issuer represent more than 5% of the portfolio.

Maximum Term: Five (5) years. (Code)

10) Money Market Funds

Shares of beneficial interest issued by diversified management companies (commonly called money market funds) which:

- A. are rated AAA (or equivalent highest ranking) by two of the three largest Nationally Recognized Statistical Rating Organizations.
- B. may not represent more than ten percent (10%) of the money market fund's assets.

11) Other Mutual Funds

Shares of beneficial interest issued by diversified management companies (commonly called mutual funds) which:

- A. are rated AAA (or equivalent highest ranking) by two of the three largest Nationally Recognized Statistical Rating Organizations.
- B. may not represent more than ten percent (10%) of the fund's or pool's assets.

12) Mortgage or Asset-backed Securities

Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond which:

- A. is rated AAA (Code AA) by Standard & Poor's, Aaa by Moody's or AAA by Fitch, and

- B. is issued by an issuer having an A or better rating by Standard & Poor's, A2 or better by Moody's or A or better by Fitch or an equivalent rating by a Nationally Recognized Statistical Rating Organizations recognized rating service for its long-term debt.

Maximum Term: Five year stated final maturity. (Code)

13) Investment Agreements

Investment agreements must be approved and signed by OCTA's Treasurer. Investment agreements are permitted with any bank, insurance company or broker/dealer, or any corporation if:

A. At the time of such investment,

- such bank has an unsecured, uninsured and unguaranteed obligation rated long-term Aa2 or better by Moody's and AA or better by Standard & Poor's, or
- such insurance company or corporation has an unsecured, uninsured and unguaranteed claims paying ability rated long-term Aaa by Moody's and AAA by Standard & Poor's, or
- such bank or broker/dealer has an unsecured, uninsured and unguaranteed obligation rated long-term A2 or better by Moody's and A or better by Standard & Poor's (and with respect to such broker/dealer rated short-term P-1 by Moody's and A-1 by Standard & Poor's); provided, that such broker/dealer or A2/A rated bank also collateralize the obligation under the investing agreement with U.S. Treasuries, Government National Mortgage Association securities, Federal National Mortgage Association securities or Federal Home Loan Mortgage Association securities meeting the following requirements:
 1. the securities are held free and clear of any lien by OCTA's custodian or trustee or an independent third party acting as agent "Agent" for the custodian or trustee, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50 million and the custodian or trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for OCTA's custodian or trustee; and
 2. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of OCTA's custodian or trustee and OCTA; and
 3. the Agent provides OCTA's custodian or trustee and OCTA with valuation of the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within two business days of such valuation.

- B. The agreement shall include a provision to the effect that if any rating of any such bank, insurance, broker-dealer or corporation is downgraded below a minimum rating to be established at the time the agreement is executed, OCTA shall have the right to terminate such agreement.

14) State of California Local Agency Investment Fund (LAIF)

LAIF is a pooled fund managed by the State Treasurer referred to in Section 16429.1 of the Code. All securities are purchased under the authority of the Code Section 16430 and 16480.4.

15) Orange County Treasury Investment Pool (OCIP)

The OCIP is a pooled fund managed by the Orange County Treasurer and is comprised of two funds, the Money Market Fund and Extended Fund. The Money Market Fund is invested in cash equivalent securities and is based on the investment guidelines detailed in the Code section 53601.7, which parallels Rule 2a-7. The Extended Fund is for cash requirements past one year and is based on the Code Sections 53601 and 53635.

16) California Asset Management Program (CAMP)

CAMP is a program for the investment of bond and certificates of participation proceeds only. CAMP investments must be rated AA or better by two of the three largest Nationally Recognized Statistical Rating Organizations.

17) Variable and Floating Rate Securities

Variable and floating rate securities are restricted to investments in securities with a final maturity of not to exceed five years as described above, must utilize traditional money market reset indices such as U. S. Treasury bills, Federal Funds, commercial paper or LIBOR (London Interbank Offered Rate), and must meet all minimum credit requirements previously detailed in the Annual Investment Policy. Investments in floating rate securities whose reset is calculated using more than one of the above indices are not permitted, i.e. dual index notes.

18) Bank Deposits

Bank deposits in California banks which have a minimum short-term rating of A-1 by Standard and Poor's and a minimum short-term rating of P-1 by Moody's. The Treasurer shall draft and execute a contract describing provisions for bank deposits.

19) Derivatives

Derivatives are to be used as a tool for bonafide hedging investments only where deemed appropriate. Derivatives shall not be used for the purpose of interest rate speculation.

Derivative products in any of the eligible investment categories listed above may be permitted. The Treasurer has the sole responsibility for determining which prospective

investments are derivatives. Each prospective investment in a derivative product must be documented by the Treasurer as to the purpose and specific financial risk being hedged. Each such investment must be approved by the Finance and Administration Committee prior to entering into such investment.

No investments shall be permitted that have the possibility of returning a zero or negative yield if held to maturity. In addition, the investment in inverse floaters, range notes, strips derived from mortgage obligations, step-up notes and dual index notes are not permitted investments.

Rating Downgrades

OCTA may from time to time be invested in a security whose rating is down-graded below the quality criteria permitted by this Annual Investment Policy.

Any security held as an investment whose rating falls below the investment guidelines or whose rating is put on notice for possible downgrade shall be immediately reviewed by the Treasurer for action, and notification shall be made to the Board of Directors in writing as soon as practical and/or included in the monthly Orange County Transportation Authority Investment and Debt Programs report. The decision to retain the security until maturity, sell (or put) the security, or other action shall be approved by the Treasurer.

Diversification Guidelines

Diversification limits ensure the portfolio is not unduly concentrated in the securities of one type, industry, or entity, thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

<u>Instruments</u>	<u>At All Times Maximum % Portfolio</u>
1) OCTA Note and Bonds	25%
2) U.S. Treasuries (including U.S. Treasury STRIPS & TIPS)....	100%
3) Federal Agencies and U.S. Government Sponsored Enterprise	100%
4) State of California and Local Agencies	25%
5) Bankers Acceptances	30% (Code 40%)
6) Commercial Paper	25% (Code)
7) Negotiable CDs	30% (Code)
8) Repurchase Agreements	75%
9) Medium Term Maturity Corporate Securities	30% (Code)
10) Money Market Funds and 11) Other Mutual Funds (in total).....	20% (Code)
12) Mortgage and Asset-backed Securities	20% (Code)
13) LAIF	\$40mm maximum per entity
14) OCIP	\$40mm maximum per entity
15) CAMP	10%
16) Variable and Floating Rate Securities	30%
17) Bank Deposits	5%
18) Derivatives (hedging transactions only) and subject to prior approval	5%
19) Investment Agreements pursuant to indenture	100%

Outside portfolio managers must review the portfolios they manage (including bond proceeds portfolios) to ensure compliance with OCTA's diversification guidelines on an ongoing basis.

Issuer/Counter-Party Diversification Guidelines For All Securities Except Federal Agencies, Government Sponsored Enterprises, Investment Agreements, Repurchase Agreements and 91 Express Lanes Debt

Any one corporation, bank, local agency, special purpose vehicle or other corporate name for one or more series of securities. 5%

Issuer/Counter-Party Diversification Guidelines For Federal Agencies, Government Sponsored Enterprises and Repurchase Agreements

Any one Federal Agency or Government Sponsored Enterprise 35%

Any one repurchase agreement counter-party name

If maturity/term is \leq 7 days 50%
If maturity/term is $>$ 7 days 35%

Issuer/Counter-Party Diversification Guidelines For OCTA's 91 Express Lanes Debt

The Authority can purchase all or a portion of the Orange County Transportation Authority's Toll Road Revenue Refunding Bonds (91 Express Lanes) Series B Bonds maturing December 15, 2030 providing the purchase does not exceed 25% of the Maximum Portfolio.

XI. SECURITIES SAFE KEEPING

All security transactions, including collateral for repurchase agreements, entered into by OCTA shall be conducted on a delivery-versus-payment basis. Securities shall be held by a third party custodian designated by the Treasurer, evidenced by safe keeping receipts and in compliance with Code Section 53608.

XII. BROKER DEALERS

The Treasurer, and investment professionals authorized by the Treasurer, may buy securities from a list of broker dealers and financial institutions that will be periodically reviewed.

Outside portfolio managers must certify that they will purchase securities from broker/dealers (other than themselves) or financial institutions in compliance with this Annual Investment Policy.

XIII. DEFINITION OF TERMS

ACCRUED INTEREST: The amount of interest that is earned but unpaid since the last interest payment date.

AGENCY SECURITIES: (See U.S. Government Agency Securities)

ASK PRICE: (Offer Price) The price at which securities are offered from a seller.

ASSET BACKED SECURITIES (ABS): Securities collateralized or backed by receivables such as automobile loans and credit card receivables. The assets are transferred or sold by the company to a Special Purpose Vehicle and held in trust. The SPV or trust will issue debt collateralized by the receivables.

BANKERS ACCEPTANCES (BAs): Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the BA upon maturity if the drawer does not.

BASIS POINT: When a yield is expressed as 5.12%, the digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

BID PRICE: The price at which a buyer offers to buy a security.

BOOK ENTRY: The system, maintained by the Federal Reserve, by which most securities are "delivered" to an investor's custodian bank. The Federal Reserve maintains an electronic record of the ownership of these securities, and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). These securities do not receive physical certificates.

BOOK VALUE: The original cost of the investment.

CALLABLE BONDS: A bond issue which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

CAPITAL GAIN/LOSS: The profit or loss realized from the sale of a security.

CERTIFICATES OF DEPOSIT (NEGOTIABLE CDs): A negotiable (marketable or transferable) receipt for a time deposit at a bank or other financial institution for a fixed time and interest rate.

COLLATERAL: Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits in an Investment Agreement.

COMMERCIAL PAPER (CP): Unsecured promissory notes issued by companies and government entities usually at a discount. Commercial paper is negotiable, although it is typically held to maturity. The maximum maturity is 270 days, with most CP issued for terms of less than 30 days.

COUPON: The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as "interest rate."

CURRENT YIELD: The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's

cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

CUSTODIAN: A bank or other financial institution that keeps custody of assets in the name of the depositor.

DELIVERY VERSUS PAYMENT (DVP): Delivery of securities with a simultaneous exchange of money for the securities.

DERIVATIVE SECURITY: Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

DISCOUNT: The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as Treasury bills and bankers acceptances, are known as discount securities. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION: An investment principal designed to spread the risk in a portfolio by dividing investments by sector, maturity and quality rating.

DOLLAR-WEIGHTED AVERAGE MATURITY: A calculation that expresses the "average maturity" of an investment portfolio using each investment's maturity weighted by the size or book-value of that investment.

DURATION: A measure of the timing of cash flows, such as the interest payments and principal repayment, to be received from a given fixed-income security.

FEDERAL FUNDS RATE: Interest rate at which banks lend federal funds to each other.

FEDERAL OPEN MARKET COMMITTEE (FOMC): A committee within the Federal Reserve System that makes short-term monetary policy for the Fed. The committee decides either to sell securities to reduce the money supply, or to buy government securities to increase the money supply. Decisions made at FOMC meetings will cause interest rates to either rise or fall.

FEDERAL RESERVE SYSTEM: A U.S. centralized banking system which has supervisory powers over the 2 Federal Reserve banks and about 6,000 member banks.

FITCH Ratings referred to as Fitch: (See Nationally Recognized Statistical Rating Organizations)

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INTEREST RATE RISK: The risk associated with declines or rises in interest rates, which causes the market price of a fixed-income security to increase or decrease in value.

LIQUIDITY: The speed and ease with which an investment can be converted to cash.

MARK-TO-MARKET: The process by where the value of a security is adjusted to reflect current market conditions.

MARKET RISK: The risk that the value of a security will rise or decline as a result in changes in market conditions.

MARKET VALUE: The current market price of a security.

MATURITY: The date that the principal or stated value of an investment becomes due and payable.

MEDIUM TERM MATURITY CORPORATE SECURITIES: Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

MONEY MARKET: The market in which short-term debt instruments (Treasury bills, discount notes, commercial paper, bankers acceptances, etc.) are issued and traded.

MONEY MARKET MUTUAL FUNDS: An investment company that pools money from investors and invest in a variety of short-term money market instruments.

MOODY'S INVESTORS SERVICE, INC. referred to as Moody's: (See Nationally Recognized Statistical Rating Organizations)

MORTGAGE-BACKED SECURITY: A debt instrument with a pool of real estate loans as the underlying collateral. The mortgage payments of the individual real estate assets are used to pay interest and principal on the bonds.

MUNICIPAL DEBT: Issued by public entities to meet capital needs.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATIONS (NRSRO's): Firms that review the creditworthiness of the issuers of debt securities, and express their opinion in the form of letter ratings (e.g. AAA, AA, A, BBB, etc.) The primary rating agencies include Standard & Poor's Corporation; Moody's Investor Services, Inc. and Fitch Ratings.

NEGOTIABLE CD: (See Certificates of Deposit)

NET ASSET VALUE (NAV): The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling the fund's assets which includes securities, cash and accrued earnings, then subtracting this from the fund's liabilities and dividing by the total number of shares outstanding. This is calculated once a day based on the closing price for each security in the funds portfolio.

NON-CALLABLE: Bond that is exempt from any kind of redemption for a stated time period.

OCTA BONDS: Bonds, notes, warrants, or other evidences of indebtedness.

OFFER PRICE: An indicated price at which market participants are willing to sell a security.

PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

PHYSICAL DELIVERY: The delivery of an investment to a custodian bank in the form of a certificate and/or supporting documents evidencing the investment (as opposed to "book entry" delivery).

PORTFOLIO: A group of securities held by an investor.

PREMIUM: The amount by which the price paid for a security exceeds the security's par value.

PRIME RATE: A preferred interest rate charged by commercial banks to their most creditworthy customers.

PRINCIPAL: The face value or par value of an investment.

PURCHASE DATE: See (Trade Date)

REINVESTMENT RISK: The risk that coupon payments (or other payments received) cannot be reinvested at the same rate as the initial investment.

REPURCHASE AGREEMENTS (REPOS): A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date. This is in essence a collateralized investment, with the difference between the purchase price and sales price determining the earnings.

SAFEKEEPING: Holding of assets (e.g. securities) by a financial institution.

SECURITIES & EXCHANGE COMMISSION (SEC): The federal agency responsible for supervising and regulating the securities industry.

SETTLEMENT DATE: The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day securities are physically delivered or wired to the buyer in exchange for cash is the settlement date.

SPECIAL PURPOSE VEHICLE (SPV): A trust or similar structure created specifically to purchase securities and reprofile cash flows and/or credit risk. Mortgage or Asset-backed securities may be issued out of the SPV and secured by the collateral transferred from the corporation.

STANDARD & POOR'S CORPORATION referred to as Standard and Poor's or S & P: (See Nationally Recognized Statistical Rating Organizations)

THIRD-PARTY CUSTODIAL AGREEMENT: (See Custodian)

TOTAL RETURN: The sum of all investment income plus changes in the capital value of the portfolio.

TRADE DATE: The date and time corresponding to an investor's commitment to buy or sell a security.

U.S. GOVERNMENT AGENCY SECURITIES or FEDERAL AGENCIES AND U.S. GOVERNMENT SPONSORED ENTERPRISES: U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture). Often simply referred to as "Agencies", they include:

- Federal Home Loan Bank (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac)
- Federal National Mortgage Association (FNMA or Fannie Mae)
- Federal Farm Credit Bank (FFCB)
- Student Loan Marketing Association (SLMA or Sallie Mae)
- Government National Mortgage Association (GNMA or Ginnie Mae)
- Small Business Administration (SBA)
- Export-Import Bank of the United States
- U.S. Maritime Administration
- Washington Metro Area Transit
- U.S. Department of Housing & Urban Development
- Federal Agricultural Mortgage Corporation (Farmer Mac)

Any Federal Agency and U.S. Government Sponsored Enterprise security not specifically mentioned above is not a permitted investment.

U.S. TREASURY SECURITIES: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury bills: non-interest bearing discount securities of the U.S. Treasury with maturities under one year.

Treasury notes: interest-bearing obligations of the U.S. Treasury with maturities ranging from two to ten years from the date of issue.

Treasury bond: interest-bearing obligations issued by the U.S. Treasury with maturities ranging from ten to thirty years from the date of issue.

Treasury STRIPS: U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book entry record-keeping system.

Treasury TIPS: U.S. Treasury securities whose principal increases at the same rate as the Consumer Price Index. The interest payment is then calculated from the inflated principal and repaid at maturity.

VARIABLE AND FLOATING RATE SECURITIES: Variable and floating rate securities are appropriate investments when used to enhance yield and reduce risk. They should have the same stability, liquidity and quality as traditional money market securities.

For the purposes of this Annual Investment Policy, a Variable Rate Security, where the variable rate of interest is readjusted no less frequently than every 762 calendar days, shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest. A Floating Rate Security shall be deemed to have a remaining maturity of one day.

VOLITILITY: The degree of fluctuation in the price and valuation of securities.

YIELD: The current rate of return on an investment security generally expressed as a percentage of the securities current price.

ZERO COUPON SECURITIES: Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.



BOARD COMMITTEE TRANSMITTAL

March 23, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Agreement for Oniqua Inventory Analytics Implementation

Finance and Administration Committee meeting of March 11, 2009

Present: Directors Bates, Buffa, Campbell, Green, and Moorlach
Absent: Directors Amante and Brown

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement No. 8-1335 between the Orange County Transportation Authority and Oniqua Inc., in an amount not to exceed \$100,000, for implementation assistance and expertise with the inventory module of the Oniqua analytic suite. The scope of this effort will include project management, design, configuration, programming, training, testing, and go-live support.



March 11, 2009

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Agreement for Oniqua Inventory Analytics Implementation

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2009 Budget, the Orange County Transportation Authority has planned to implement the Inventory Optimizer Software system. A proposal was solicited and received from Oniqua, Inc. in accordance with the Orange County Transportation Authority's sole-source procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. 8-1335 between the Orange County Transportation Authority and Oniqua Inc., in an amount not to exceed \$100,000, for implementation assistance and expertise with the inventory module of the Oniqua analytic suite. The scope of this effort will include project management, design, configuration, programming, training, testing, and go-live support.

Background

The Orange County Transportation Authority (OCTA) purchased the software license for Oniqua's Inventory Optimizer, Procurement Strategizer and Maintenance Analyzer in 2004 as complementary products to Ellipse, Mincom's integrated maintenance and materials system.

Ellipse, implemented in June 2007, is OCTA's system that encompasses the activities of plant and equipment maintenance, warehousing, inventory, procurement of all goods and services, and costs associated with the aforementioned. Additionally, it interfaces with CAMM NET for vendor solicitations, Interactive Fund Accounting System (IFAS) for both vendor invoicing and financial transactions, and several maintenance-based systems dealing with fuel, labor, and bus scheduling.

During the implementation of Ellipse version 5.2.3.7, the three Oniqua Inc., (Oniqua) products were installed, some configuration was performed on the software and data conversion work from the legacy system Maintenance, Accounting and Procurement System (MAPS) was completed. Due to project constraints related to the Ellipse implementation, it was decided to defer the implementation of Oniqua.

The goal of Oniqua's inventory analytics software is to maximize a firm's inventory investment. In simple terms this equates to ordering what you need at the right time at the lowest cost. What makes Oniqua a fit for OCTA at this time is that it will incorporate advanced ordering algorithms and forecasting tools within the capability of "what-if" scenarios to provide Ellipse with optimal minimum/maximum quantities. To achieve this under current conditions would take hundreds of hours of time spent by Contracts Administration and Materials Management (CMM) personnel whose workload is quite heavy as it is.

It has been 20 months since Ellipse was implemented at the OCTA, and staff is now ready to complete the Oniqua implementation. Since the time OCTA originally licensed the products, Oniqua has upgraded and significantly enhanced their software, which will require a new installation of the Oniqua Analytic Suite.

It is OCTA's intention to implement the software and integrate it fully with Ellipse in three separate phases, the sequence being inventory, maintenance and procurement. This expenditure addresses the implementation of inventory analytics.

Discussion

This procurement was handled in accordance with the OCTA's sole-source procurement procedures for professional and technical services. The requirement was handled as a non-competitive negotiated procurement due to the sole-source nature of the services involved. Oniqua provides a unique technical expertise relating to the analytic software solution and direct knowledge of the OCTA's implementation of Ellipse.

Oniqua is uniquely qualified to perform the services for the following reasons:

- Oniqua Analytic Suite is Oniqua's original work product and is only available and licensed through Oniqua.
- Oniqua was part of the original Ellipse implementation and has specific knowledge about OCTA data and business practices.

This is a sole-source request over \$50,000; the OCTA's Internal Audit Department has conducted a price review and has found the price quoted by Oniqua to be fair and reasonable.

Based on the above, and given Oniqua's knowledge of their newest product and a history of successful client installations, this award is recommended to Oniqua.

Firm and Location

Oniqua Inc.
Englewood, Colorado

Fiscal Impact

The project was approved in the Orange County Transportation Authority's Fiscal Year 2009-10 Budget, Contracts Administration and Materials Management, Account 1275-7519-IX031-K6Y, and is funded through the Local Transportation Fund.

Summary

Based on the information provided, staff recommends the award of Agreement No. 8-1335 to Oniqua Inc., in an amount not to exceed \$100,000, for implementation services related to Oniqua's inventory analytics software and its integration with Ellipse.

Attachment

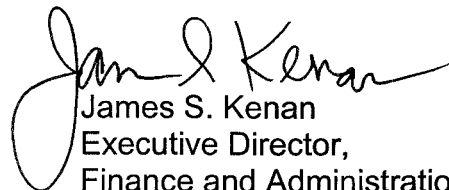
- A. Oniqua Enterprise Analytics, Price Review No. PR09-315

Prepared by:



Annette Hess
IS Business Strategist
Information Systems
(714) 560-5536

Approved by:



James S. Kenan
Executive Director,
Finance and Administration
(714) 560-5678



INTEROFFICE MEMO

February 3, 2009

To: Virginia Abadessa, Director
Contracts Administration and Materials Management

From: Janet Sutter, Section Manager
Internal Audit

Subject: **Oniqua Enterprise Analytics, Price Review No. PR09-315**

Conclusion

In Internal Audit's opinion, the pricing proposed by Oniqua Enterprise Analytics to provide implementation services related to the Oniqua Inventory Analytic Suite for the Orange County Transportation Authority appears fair and reasonable.

Background

The Information Systems Department issued Request For Proposal (RFP) 8-1335 on November 19, 2008, to provide services in relation to implementation services for the Oniqua Inventory Analytic Suite. Because the software is proprietary and there are no authorized resellers of the software product or support services, this RFP was issued as a Sole Source request from Oniqua.

Purpose and Scope

The Internal Audit Department conducts reviews of sole source procurements that exceed \$50,000 at the request of Contracts Administration and Materials Management Department (CAMM). CAMM has requested that Internal Audit review the price proposed by Oniqua Enterprise Analytics to determine if it is fair and reasonable.

Discussion

Internal Audit reviewed the Oniqua fixed fee proposal of \$97,400, including all labor and travel expenses related to the project. Internal Audit compared the hourly rates converted from the fixed fee proposal to the labor rates awarded to other vendors (i.e. Lawson, Hitachi, and Mincom) for similar software implementation and update services acquired in 2004 and 2005, to determine the reasonableness of rates proposed. The labor rates proposed by Oniqua were comparable to the escalated rates awarded in 2004 and 2005. Based on

these reviews, Internal Audit has determined that the proposed labor rate is fair and reasonable.

Summary

Based on the work performed, Internal Audit has concluded that the rates proposed by Oniqua Enterprise Analytics for implementation services related to the Oniqua Inventory Analytic Suite appear fair and reasonable.

c: Sue Ding



March 23, 2008

To: Members of the Board of Directors

From: Arthur T. Leahy, Chief Executive Officer

Subject: Proposed Overall Annual Race-Neutral Disadvantaged Business Enterprise Goal for Federal Fiscal Year 2008-2009

Overview

An Overall Annual Disadvantaged Business Enterprise Goal has been developed for the Orange County Transportation Authority's Federal Transit Administration-assisted contracts in compliance with federal regulations set forth in 49 CFR Part 26 entitled "Participation by Disadvantaged Business Enterprises in United States Department of Transportation Programs" for the federal fiscal year 2008-09.

Recommendation

Adopt the proposed federal fiscal year 2008-09 overall annual race-neutral Disadvantaged Business Enterprise participation goal of 4 percent for contracts assisted by the Federal Transit Administration, in accordance with 49 CFR Part 26.

Background

The Orange County Transportation Authority (Authority) is required to develop and submit a Disadvantaged Business Enterprise (DBE) overall annual goal for DBE participation as a condition of receiving federal assistance, pursuant to Section 1101 of the Transportation Equity Act for the 21st Century; 49 CFR Part 26; the Federal Transit Administration (FTA) Master Agreement; and the American Recovery and Reinvestment Act of 2009 (i.e. Economic Stimulus Package).

On March 23, 2006, the Authority received a notice/guidance from the FTA (Docket No. FTA-2006-24063), which directed all United States (U.S.) Department of Transportation (DOT) recipients in the Ninth Circuit to implement a wholly race-neutral DBE program if they did not have sufficient evidence readily available to satisfy the evidentiary standards established by

the Ninth Circuit Court of Appeals to request a waiver from the U.S. DOT to implement a race-conscious DBE program. The Authority, in response to this requirement, became a funding member agency of the Southern California Disparity Study Consortium. It is anticipated that the results of the Disparity Study will be finalized in September 2009. The results of this study will be incorporated into the Authority's 2009-10 overall annual DBE goal analysis.

A DBE is a for-profit, small business concern that is at least 51 percent owned and controlled by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, is one in which 51 percent of the stock is owned and controlled by one or more socially and economically disadvantaged individuals. A socially and economically disadvantaged individual is defined by the federal regulations to be a citizen or lawfully admitted permanent resident of the United States who is a Black American, Hispanic American, Native American, Asian-Pacific American, Subcontinent Asian American, a woman, or a member of any additional group that can demonstrate that he or she is socially or economically disadvantaged.

The Authority previously submitted correspondence to the FTA regional civil rights officer stating that the Authority would not develop and submit for approval an FTA overall annual DBE goal for federal fiscal year (FFY) 2008-09, as it did not anticipate awarding any new FTA-assisted Projects during FFY 2008-09. However, the Authority now anticipates receiving FTA funds through the passage of the American Recovery and Reinvestment Act of 2009 (i.e. Economic Stimulus Package) and as such is required to submit for approval an overall annual DBE goal for FFY 2008-09.

Discussion

The proposed overall annual goal reflects staff's determination of the level of DBE participation based upon DBE availability in contrast to all firms available to propose or bid on the list of federally funded projects as identified in the Authority's Fiscal Year 2008-09 Budget and in accordance with the requirements set forth in 49 CFR Part 26.

The proposed overall annual race-neutral DBE goal for FFY 2008-09 for the Authority's FTA-assisted contracts is 4 percent. The goal represents the relative availability of DBEs based upon evidence of ready, willing, and able DBEs, in relationship to all comparable businesses known to be available to compete for the Authority's FTA-assisted contracts. The 2006 U.S. Census County Business Patterns data and the California Unified Certification Program (CUCP) statewide DBE database were utilized to calculate and determine the relative availability of DBEs within the Authority's market area in accordance

with the federally prescribed goal-setting methodology, specifically Step I, which is designed to establish the base figure of DBE availability.

Step II of the federally prescribed goal-setting methodology requires that the Authority conduct a review and analysis of other known relevant evidence available to determine what additional adjustments, if any, are needed to narrowly tailor the base figure of availability. Accordingly, the Authority considered past attainments on similar type projects, bidders list data specific to the defined contracting program, evidence from disparity studies, and other agency's DBE goals in this step of the goal-setting process.

In conformance with the mandatory public facilitation requirements of 49 CFR Part 26.45, this goal analysis and corresponding methodology and rationale will be reviewed with minority, women, local business chambers and community organizations. Additionally, the Authority will publish a public notice, in general circulation media and minority focused media, announcing the Authority's proposed overall annual goal for FFY 2008-09 contracts assisted by FTA. This public notice will inform the public that the proposed goal and the rationale are available for inspection at the Authority's administrative offices during normal business hours for 30 days following the date of the public notice and that the Authority and FTA will accept comments on the goals for 45 days from the date of the public notice.

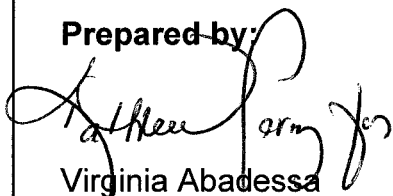
Summary

In summary, staff recommends that the Orange County Transportation Authority Board of Directors adopt the proposed federal fiscal year 2008-09 overall annual race-neutral DBE goal of 4 percent for contracts assisted by the FTA in accordance with 49 CFR Part 26: Participation by Disadvantaged Business Enterprise in the Department of Transportation Programs and United States Department of Transportation's new race-neutral policy directives.

Attachment

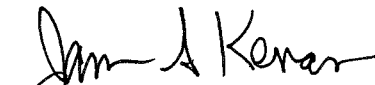
- A. Amended Submission of the Orange County Transportation Authority's Proposed Overall Annual DBE Goal Setting Methodology For FFY 2008/09

Prepared by:



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

Approved by:



James S. Kenan
Executive Director,
Finance and Administration
(714) 560-5678



Amended Submission of the

**Orange County
Transportation Authority's**

**Proposed Overall Annual DBE
Goal Setting Methodology**

For FFY 2008/09

Submitted in fulfillment of:

*Section 1101 of the Transportation Equity Act for the 21st Century
and
49 Code of Federal Regulations Part 26*

**ORANGE COUNTY TRANSPORTATION AUTHORITY
DISADVANTAGED BUSINESS ENTERPRISE (DBE)
OVERALL ANNUAL DBE GOAL AND METHODOLOGY
FOR
FEDERAL FISCAL YEAR (FFY) 2008/09
*(Covering the period of October 1, 2008 to September 30, 2009)***

I. INTRODUCTION

The Orange County Transportation Authority (hereinafter referred to as the "Authority") is required to develop and submit a Disadvantaged Business Enterprise (DBE) Overall Annual Goal for DBE participation as a condition of receiving federal assistance, pursuant to Section 1101 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users; 49 CFR Part 26 "Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation Programs"; and the Federal Transportation Administration (FTA) Master Agreement. The Authority previously submitted correspondence to the FTA Regional Civil Rights Officer stating that the Authority would not develop and submit for approval an FTA Overall Annual DBE Goal for FFY 2008/09 as it did not anticipate awarding any new FTA-assisted Projects during FFY 2008/09; however, the Authority now anticipates receiving FTA funds through the passage of the American Recovery and Reinvestment Act of 2009 (i.e. Economic Stimulus Package) and FTA 5307 funds and as such is required to submit for approval an Overall Annual DBE Goal for FFY 2008/09.

II. BACKGROUND

The Orange County Transportation Authority (Authority) is required to develop and submit a Disadvantaged Business Enterprise (DBE) Overall Annual Goal for DBE participation as a condition of receiving federal assistance, pursuant to Section 1101 of the Transportation Equity Act for the 21st Century; 49 CFR Part 26; Federal Transportation Administration (FTA) Master Agreement and the American Recovery and Reinvestment Act of 2009 (i.e. Economic Stimulus Package), which includes DBE provisions and requirements. Furthermore, it is important to note that the Authority has received a Notice/Guidance from the Federal Transit Administration (Docket No. FTA-2006-24063) dated March 23, 2006, which directed all DOT recipients in the Ninth Circuit to implement a wholly race-neutral DBE Program if they did not have sufficient evidence readily available to satisfy the evidentiary standards established by the Ninth Circuit Court of Appeals to request a waiver from the U.S. DOT to implement a Race-Conscious DBE Program. The Authority, in response to this requirement, became a funding/participating member of the Southern California Disparity Study Consortium. It is anticipated that the results of the Disparity Study will be finalized in April 2009 and its results will be utilized in the Authority's 2009/10 Overall Annual DBE Goal Analysis as amendments. Accordingly, the Authority's proposes to meet its FFY 2008/09 Overall Annual DBE Goal by strictly utilizing race-neutral measures. Pertinent aspects of the Ninth Circuit Court ruling and the Notice are stipulated below:

PERTINENT ASPECTS OF THE GUIDANCE:

- If a recipient does not currently have sufficient evidence of discrimination or its effects, then the recipient would submit an all race-neutral overall DBE goal.
- The recipient submission shall include a statement concerning the absence of adequate evidence of discrimination and its effects and a description of plans to either conduct a disparity/availability study or other appropriate evidence gathering process to determine the existence of discrimination or its effects on the recipient's marketplace.
- An action plan describing the study and timeline for its completion should also be included.
- Recipients will be required to continue to monitor, collect and report participation and utilization of DBE's on Federal-aid contracts.
- All DOT federal-aid procurements shall contain race-neutral DBE solicitation and contract language.
- Recipients may no longer advertise and award contracts with DOT federal-aid funds containing race-conscious DBE goals.

Accordingly the Authority hereby presents its Overall Annual DBE Goal Methodology for FFY 2008/09.

III. DOT-ASSISTED CONTRACTING PROGRAM FOR FFY 2008/09

Table 1 represents the Authority's DOT-assisted contracting program, which includes fifteen (15) projects considered in preparing its *Overall Annual DBE Goal-Setting Methodology*. Three (3) of the fifteen (15) projects, the Fall Protection Improvements, Joint Sealant (Irvine Base) and the Elevator Upgrades will be funded with Economic stimulus funds (These are accented with an *.) The other twelve (12) projects, the Steam Vehicle Lifts, Janitorial services, Data Center Air Conditioner, HP Blade Servers, GFI Data System Upgrade, Upgrades to Operations ITMS strategy, Implement the Oniqua Analytics module for Maintenance, Infrastructure-Software (Including Services) Upgrades, Thin-Client/ Virtual Desktop, Replace General Use Copiers, Cisco Networking Upgrades and Radio Upgrades will be funded through FTA 5307 funds. The 2 projects highlighted in gray, the Elevator Upgrades and Radio Upgrade, haven been exempted from this analysis due to their lack of subcontracting possibilities. These projects listed below are anticipated to be awarded within the upcoming Federal Fiscal Year (FFY) 2008/09:

Table 1

PROJECT	Total Estimated Project Cost	Estimated Federal Dollar Share of Construction	Estimated Federal Dollar Share of Professional Services	Estimated Federal Dollar Share of Materials & Supplies
Fall Protection Improvements*	\$500,000	\$500,000	\$0	\$0
Steam Vehicle Lifts	\$850,000	\$850,000	\$0	\$0

Joint Sealant (Irvine Base)*	\$250,000	\$0	\$0	\$250,000
Janitorial services	\$6,000,000	\$0	\$6,000,000	\$0
Data Center Air Conditioner	\$300,000	\$0	\$0	\$300,000
HP Blade Servers	\$20,000	\$0	\$0	\$20,000
GFI Data System Upgrade	\$450,000	\$0	\$0	\$450,000
Upgrades to Operations ITMS strategy	\$160,000	\$0	\$160,000	\$0
Implement the Oniqua Analytics module for Maintenance	\$250,000	\$0	\$250,000	\$0
Infrastructure-Software (Including Services) Upgrades	\$900,000	\$0	\$900,000	\$0
Thin-Client/ Virtual Desktop	\$250,000	\$0	\$250,000	\$0
Replace General Use Copiers	\$375,000	\$0	\$0	\$375,000
Cisco Networking Upgrades	\$450,000	\$0	\$0	\$450,000
Elevator Upgrades*	\$325,000	\$0	\$0	\$325,000
Radio Upgrades	\$20,400,000	\$0	\$0	\$20,400,000
TOTAL EXEMPT	\$20,725,000	\$0	\$0	\$20,725,000
TOTAL NON-EXEMPT	\$10,755,000	\$1,350,000	\$7,560,000	\$1,845,000

**Indicates a Project funded with Economic Stimulus Funds(American Recovery and Reinvestment Act of 2009.)*

Table 2 provides a summary of work grouped by three (3) primary categories: *Construction, Professional Services & Materials & Supplies*, utilizing the California Unified Certification Program Database (CUCP) by North American Industry Classification System (NAICS) work categories and Census Business Patterns NAICS. **Table 2** also serves to identify the estimated Federal Dollar Share and the Percent of Federal funding, as follows:

Table 2

CONTRACT CATEGORY	CUCP DATABASE¹	CENSUS BUSINESS PATTERN DATABASE	ESTIMATED FEDERAL DOLLAR SHARE	% OF FEDERAL FUNDING
Construction	238220	238220	\$1,350,000	13%
Professional Services	541511	541511	\$7,560,000	70%
Materials & Supplies	443120	443120	\$1,845,000	17%
TOTAL			\$10,755,000	100%

IV. GOAL METHODOLOGY

Step 1: Determination of a Base Figure (26.45)²

To establish the Authority’s Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBEs) available to propose on the Authority’s FFY 2008/09 DOT-assisted contracting opportunities projected to be solicited; the Authority’s followed one of the five prescribed federal goal-setting methodologies in accordance with 49 CFR Part 26 regulations. This was accomplished by accessing the *California Unified Certification Program (CUCP) Directory of Certified DBE Firms* and the *2006 U.S. Census Bureau County Business Patterns (CBP) Database*. Comparisons were made within the Authority’s market area (defined as the Counties of Orange, Los Angeles, Riverside and San Bernardino) and by specified industries and types of businesses identified in Table 2. The Authority’s local market area represents where the substantial majority of the Authority’s contracting dollars are expended and/or where the substantial majority of contractors and subcontractors bids or quotes are received.

The Authority made a concerted effort to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator. For corresponding detail of all work category classifications grouped, refer to *Attachments I and II*.

- ⇒ ***For the numerator: California UCP DBE Database of Certified Firms***
- ⇒ ***For the denominator: 2006 U.S. Census Bureau’s Business Pattern Database (CBP)***

¹ Refer to Attachments I and II for corresponding detail of all work trades grouped under the primary NAICS Codes.
² §26.45 represents Title 49 CFR Part 26 regulatory referenced section.

To determine the relative availability of DBEs, the Authority divided the numerator³ representing the ratio of ready, willing and able DBE firms, by the denominator⁴ representing all firms (DBE and Non-DBEs) available in each work category. Application of this formula yielded the following baseline information:

$$\frac{\text{Number of Ready, Willing and Able DBEs}}{\text{Number of All Available Firms (including DBEs and Non-DBEs)}} = \text{BASE FIGURE}$$

The Base Figure was further weighted by contract type and corresponding contract value. The Base Figure resulting from this weighted calculation is as follows:

Step 1: Base Figure (weighted by type of work to be performed and corresponding contracting dollars)

	Construction	Professional Services	Materials & Supplies
Base Figure =	13% (DBEs in NAICS 238220*) (CBPs in NAICS 238220**)	+ 70% (DBEs in NAICS 541511*) (CBPs in NAICS 541511**)	+ 17% (DBEs in NAICS 443120*) (CBPs in NAICS 443120**)
Base Figure =	$\left[\frac{.13 (941)}{11,347} \right]$	$\left[\frac{.70 (162)}{4,669} \right]$	$\left[\frac{.17 (49)}{1,149} \right]$
Base Figure =	$\left[.13 (.0829) \right]$	$\left[.70 (.0347) \right]$	$\left[.17 (.0426) \right]$
Base Figure =	$\left[(.0108) + (.0243) + (.0072) \right]$		
Base Figure =	$\left[(.0423) \right]$		
Base Figure =	$\left[(.0423) 100 = 4.23 = 4\%^{***} \right]$		
*	For additional NAICS Codes from the California UCP DBE Database of Certified Firms, refer to Attachment I.		
**	For additional NAICS Codes, refer to Attachment II.		
***	Rounded to the nearest whole number.		

³ Numerator represents all DBE firms established within the Authority's market area.

⁴ Denominator represents all comparable available established firms.

Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, the Authority reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within the Authority’s market area, in accordance with prescribed narrow tailoring provisions set forth under 49 CFR Part 26.45 Step 2; DBE Goal Adjustment guidelines.

Evidence considered in making an adjustment to the Base Figure included the Authority’s *Past DBE Goal Attainments, Bidders List, Disparity Studies, and Other Evidence*, as follows:

A. Past DBE Goal Attainments

The following table reflects the demonstrated capacity of DBEs (measured by actual historical DBE participation attainments) on similar DOT-assisted contracts awarded by the Authority within the last three fiscal years:

Table 3

PROJECT	DBE CONTRACT GOAL	DBE GOAL COMMITMENT	DBE GOAL ATTAINMENT
Bus Rapid Transit Design			
C-5-2585	9%	N/A*	N/A*
ADA Bus Stop Modification Project/Contracts Issued			
C5-2930	15%	15%	0%
C5-2450	15%	89.55%	74.55%
C6-0412	0%	89.68%	89.68%
C6-0780	0%	89.84%	89.84%

** DBE Goal Attainment data is not available at this time as the Project is still in Progress.*

The Authority considered an adjustment to the Base Figure based on historical DBE goal attainments on similar contracts to those contracting opportunities identified and considered in the Overall Annual DBE Goal Analysis for this federal fiscal year 2008/09. The projects highlighted in grey were excluded from this analysis as they were awarded to DBE Primes and as such are not indicative of DBE subcontracting opportunities, along with the Bus Rapid Transit Design project which was excluded from this analysis as DBE attainment data is not available at this time. This leaves one (1) relevant project in Table 3 above for consideration, C5-2930, however, one project is not sufficient to ascertain a DBE utilization attainment trend, accordingly an adjustment to the Step 1 Base Figure will not be made at this time based on this factor, however, the Authority will continue to capture and utilize past participation data on future Overall Annual DBE Goal Analyses.

B. The Authority’s Bidders List

While the Authority maintains a Bidders List, the Authority lacks sufficient Bidders List data from recently released Projects to consider for an adjustment. Therefore, while this factor was

considered, the Authority will not make an adjustment to the Step 1 Base Figure based on the Authority's current Bidders List, however, the Authority will continue to encourage contractors to report all required information for purposes of accurately capturing all pertinent information for future goal-setting analyses.

C. Evidence from Disparity Studies

The Authority does not find it feasible to conduct its own independent availability/disparity study; however, it is actively participating and is a funding member/partner of the Southern California Regional Disparity Study Consortium designed to assess the existence of discrimination or its effects within the regions marketplace. The Southern California Regional Disparity Study Consortium Study is anticipated to be completed by late April 2009 and it is anticipated that its results will be incorporated into the Authority's FFY 2009/10 Overall Annual DBE Goal Analysis as amendments. Accordingly, this factor does not merit an adjustment to the Authority's Step 1 Base Figure.

D. Other Evidence

The Authority did not receive any anecdotal evidence nor is aware of any other factors or adverse considerations that would have had a material affect on DBEs availability within the Authority's marketplace, or on DBEs' ability to participate (meeting bonding, insurance and financial requirements) in the Authority's FTA-assisted contracting programs. Therefore, no goal adjustment was made in consideration of this factor. However, the Authority will continue to explore and consider all available evidence that materially would affect the opportunities for DBEs to form, grow, and compete in the Authority's FTA-assisted contracting programs.

OVERALL ANNUAL DBE GOAL AND PROJECTION OF RACE NEUTRAL AND RACE-CONSCIOUS PARTICIPATION:

The Overall Annual DBE Goal for FFY 2008/09 for the Authority's FTA-assisted contracts is 4%. The Overall Annual Goal is expressed as a percentage of all DOT-assisted funds that the Authority will expend in applicable DOT-assisted contracts in the given federal fiscal year.

The goal further serves to identify the relative availability of DBE's based on evidence of ready willing, and able DBE's to all comparable firms, which are known to be available to compete for and perform on the Authority's DOT-assisted contracts.

V. RACE-NEUTRAL MEASURES

In conformance with Title 49 CFR Part 26; "Participation by Disadvantaged Business Enterprises in Department of Transportation Programs" and in further response to FTA Notices issued to Public Transportation Providers regarding DOT's DBE Program and Race Neutral Policy Implementation Guidance, the Authority is required to submit and implement a **strictly Race Neutral Overall Annual DBE Goal for FFY 2008/09**, due to the absence of readily available evidence of discrimination and its effects in its marketplace.

The Authority will implement race-neutral measures to meet its overall Annual DBE Goal objectives in accordance with 49 CFR Part 26.51, including but not limited to:

- Arranging timely solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBEs and other small business firms' participation.
- Unbundling large contracts to make them more accessible to small businesses, requiring or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own work forces.
- Providing technical assistance and other services to small businesses, including DBE firms.
- Providing information and communications programs on contracting procedures and specific contract opportunities.
- Providing assistance to small businesses in overcoming limitations in obtaining bonding, lines of credit and building financing capital.

VI. PUBLIC PARTICIPATION AND FACILITATION

In accordance with Public Participation Regulatory Requirements of Title 49 CFR Part 26, minority, women, local business chambers, and community organizations within the Authority's market area will be consulted and provided an opportunity to review the goal analysis and provide input. The Authority will prepare Outreach Consultation Letters advising the aforementioned business community of the proposed DBE goal analysis and availability for review and comment.

The Authority will also issue a Public Notice in a general circulation media and in at least one other minority focused media publishing the Authority's proposed Overall Annual Goal for the FFY 2008/09 FTA-assisted contracts. Such Notice will inform the public that the proposed goal and rationale are available for inspection at the Authority's principal office during normal business hours for 30 days following the date of the Public Notice and that the Authority will accept comments on the goal analysis for 45 days from the date of the Public Notice. The Authority will give full consideration to all comments and input and assess its impact on the proposed Overall Annual DBE Goal. If no impact and/or comments are received during the public participation process the Goal will be considered final.

**ORANGE COUNTY TRANSPORTATION AUTHORITY (AUTHORITY)
DBE GOAL ANALYSIS FOR FFY 2008/09**

Attachment I

ESTABLISHMENT OF THE NUMERATOR

OF DBE FIRMS ESTABLISHED IN THE AUTHORITY'S MARKET AREA (BY COUNTY)

CONSTRUCTION:		BY COUNTY:				
NAICS CODE	NAICS DESCRIPTION	Orange	Los Angeles	Riverside	San Bernardino	TOTAL
238160	Roofing Contractors	26	25	24	24	99
238210	Electrical Contractors (Traffic Signal/Loops)	101	112	103	102	418
238220	"Heating, ventilation and air-conditioning (HVAC) contractors" and Plumbing contractors	21	20	20	15	76
238290	Vehicle lift installation	13	13	11	11	48
238320	Painting (except roof) contractors	18	19	17	15	69
238330	Flooring Contractors	17	19	19	17	72
484220	Dump trucking	49	48	37	25	159
TOTAL		245	256	231	209	941

Professional Services:		BY COUNTY:				
NAICS CODE	NAICS DESCRIPTION	Orange	Los Angeles	Riverside	San Bernardino	TOTAL
561720	Janitorial Services	13	18	17	11	59
562998	All Other Miscellaneous Waste Management Services	3	3	3	1	10
541511	Custom Computer Programming Services	22	29	23	19	93
TOTAL		38	50	43	31	162

Materials & Supplies:		BY COUNTY:				
NAICS CODE	NAICS DESCRIPTION	Orange	Los Angeles	Riverside	San Bernardino	TOTAL
443120	Computer & Software Retailers	3	1	2	1	7
424690	Sealants merchant wholesalers	10	12	10	10	42
TOTAL		13	13	12	11	49

DATA SOURCE: California UCP DBE Database of Certified Firms

**ORANGE COUNTY TRANSPORTATION AUTHORITY (AUTHORITY)
DBE GOAL ANALYSIS FOR FFY 2008/09**

Attachment II

ESTABLISHMENT OF THE DENOMINATOR:

OF ALL ESTABLISHED FIRMS (DBEs and Non-DBEs) BY PRIMARY WORK CATEGORIES WITHIN THE AUTHORITY'S MARKET AREA

CONSTRUCTION:		BY COUNTY:				
NAICS CODE	NAICS DESCRIPTION	Orange	Los Angeles	Riverside	San Bernardino	TOTAL
238160	Roofing Contractors	215	408	102	119	844
238210	Electrical Contractors (Traffic Signal/Loops)	823	1683	507	386	3399
238220	"Heating, ventilation and air-conditioning (HVAC) contractors" and Plumbing contractors	790	1861	535	404	3590
238290	Vehicle lift installation	58	142	32	24	256
238320	Painting (except roof) contractors	453	819	220	160	1652
238330	Flooring Contractors	160	337	91	88	676
484220	Dump trucking	131	461	169	169	930
TOTAL		2630	5711	1656	1350	11347

Professional Services:		BY COUNTY:				
NAICS CODE	NAICS DESCRIPTION	Orange	Los Angeles	Riverside	San Bernardino	TOTAL
561720	Janitorial Services	466	1006	243	210	1925
562998	All Other Miscellaneous Waste Management Services	5	14	4	1	24
541511	Custom Computer Programming Services	985	1,549	124	62	2720
TOTAL		1456	2569	371	273	4669

Materials & Supplies:		BY COUNTY:				
NAICS CODE	NAICS DESCRIPTION	Orange	Los Angeles	Riverside	San Bernardino	TOTAL
443120	Computer and Software Retailer	209	370	49	41	669
424690	Sealants merchant wholesalers	148	266	28	38	480
TOTAL		357	636	77	79	1149

DATA SOURCE: 2006 U.S. Census Bureau: County Business Patterns, NAICS Work Category Codes and the Authority's Bidders List" specific to ADA Bus Stop Modification Procurements.



BOARD COMMITTEE TRANSMITTAL

March 23, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Approval of Local Transportation Fund Fiscal Year 2009-10 Apportionment Estimates

Finance and Administration Committee meeting of March 11, 2009

Present: Directors Bates, Buffa, Campbell, Green, and Moorlach
Absent: Directors Amante and Brown

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Approve the Local Transportation Fund fiscal year 2009-10 apportionment estimates and authorize the Chief Executive Officer to advise all prospective claimants of the amounts of all area apportionments from the Orange County Local Transportation Fund for the following fiscal year.



March 11, 2009

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Approval of Local Transportation Fund Fiscal Year 2009-10 Apportionment Estimates

Overview

The Orange County Transportation Authority, as the transportation planning agency and county transportation commission for Orange County, is responsible for developing estimates used in apportioning revenues earned and deposited in the Orange County Local Transportation Fund. Transportation Development Act regulations require that the apportionments for fiscal year 2009-10 be determined and prospective claimants be advised of the amounts.

Recommendation

Approve the Local Transportation Fund fiscal year 2009-10 apportionment estimates and authorize the Chief Executive Officer to advise all prospective claimants of the amounts of all area apportionments from the Orange County Local Transportation Fund for the following fiscal year.

Background

The Transportation Development Act (TDA) of 1971 established a funding source dedicated to transit and transit-related projects. The funding source consists of two parts: the Local Transportation Fund (LTF) and the State Transit Assistance Fund (STAF). The LTF is derived from 1/4 cent of the 7.75 percent sales tax in Orange County and the STAF consists of sales taxes on gasoline and diesel fuel appropriated by the State Legislature from the State Transportation Planning and Development Account. The LTF revenues are collected by the State Board of Equalization (SBOE) and returned monthly to the local jurisdictions based on the volume of sales during each month.

Discussion

The estimate of LTF revenues for fiscal year (FY) 2009-10 has been calculated by the Orange County Transportation Authority at \$126,666,723. The forecast was based on FY 2008-09 estimated actuals and adjusted by a negative 4-percent growth rate. The negative 4-percent was calculated using the year-to-year change in taxable sales rate provided by the SBOE. The FY 2009-10 apportionment reflects a 15.3-percent decrease over the FY 2008-09 apportionment and has been reviewed by the Orange County Auditor-Controller.

The Orange County bankruptcy relief and TDA diversion legislation, which was passed in 1995, indicated that total LTF revenues available for apportionment will be reduced each year by \$38,000,004. This diversion will be transferred directly to the County of Orange General Fund and will be in effect from FY 1996-97 through FY 2010-11. As a result of this diversion, the amount of the FY 2009-10 LTF apportionment available for public transportation claimants has been reduced to \$88,666,719.

The FY 2009-10 apportionment is summarized in the following table:

LTF Revenues	
Estimated Fiscal Year 2009-10 Sales and Use Tax Receipts	\$ 126,666,723
Less - Transfer to Orange County General Fund	\$ (38,000,004)
Total funds available for apportionment	\$ 88,666,719
Article 3 payments:	
Orange County Auditor-Controller - Administration	\$3,737
Orange County Transportation Authority - County Transportation Commission Administration	\$116,911
Orange County Transportation Authority - County Transportation Commission Planning	\$3,800,002
Southern California Association of Governments - Regional Planning	\$174,400
Bicycle, Pedestrian Facilities and Bus Stop Accessibility Program	\$0
Sub-total - Article 3 funding	\$4,095,049

The Bicycle, Pedestrian Facilities and Bus Stop Accessibility program funding has been temporarily deferred to Orange County Transit District – Public Transit Funding – Article 4 due to budgetary shortfalls.

Articles 4 and 4.5 payments:	
Orange County Transit District - Consolidated Transportation Service Agency Funding - Article 4.5	\$4,228,583
Orange County Transit District - Public Transit Funding - Article 4	\$79,398,535
Laguna Beach Municipal Transit Lines - Public Transit Funding – Article 4	\$944,550
Sub-total - Articles 4 and 4.5 funding	\$84,571,669
Total funds apportioned	\$ 88,666,719

Part of the Article 4.5 allocation to Orange County Transit District is being transferred to cities and non-profit agencies in Orange County for operation of the Senior Mobility Program.

Summary

Staff recommends approval of the Local Transportation Fund fiscal year 2009-10 apportionment estimates. Staff also recommends authorizing the Chief Executive Officer to advise all prospective claimants of the amounts of all area apportionments from the Orange County Local Transportation Fund for fiscal year 2009-10.

Attachment

None.

Prepared by:



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Approved by:



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BOARD COMMITTEE TRANSMITTAL

March 23, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Project Management Requirements to Deliver the Renewed Measure M Early Action Plan

Transportation 2020 Committee Meeting of March 16, 2009

Present: Directors Amante, Brown, Buffa, Campbell, Cavecche, Dixon, and Amante
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Approve the proposed changes to the staffing plan for the Highway Project Delivery Department.
- B. Amend the Orange County Transportation Authority staffing plan by two positions to add a principal right-of-way administrator and a senior right-of-way administrator to support the early development phases of Renewed Measure M projects
- C. Amend the Orange County Transportation Authority Fiscal Year 2008-09 Salaries and Benefits Budget by \$41,504 to accommodate the addition of two new right-of-way positions.



March 16, 2009

To: Transportation 2020 Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Project Management Requirements to Deliver the Renewed Measure M Early Action Plan

Overview

A series of studies were recently completed that addressed the Orange County Transportation Authority's organizational readiness to deliver the Renewed Measure M Early Action Plan. These studies were commissioned by the Orange County Transportation Authority to assure that the agency is adequately prepared to manage and deliver the projects promised to the voters. Two of the key findings of the four studies were the need to strengthen and expand the project management capabilities of the organization and to focus efforts on the early development phases of the projects. This report provides an overview of the current efforts underway to address the findings of the reports and a recommendation to implement staffing changes needed to implement the proposed changes.

Recommendations

- A. Approve the proposed changes to the staffing plan for the Highway Project Delivery Department.
- B. Amend the Orange County Transportation Authority staff plan by two positions to add a principal right-of-way administrator and a senior right-of-way administrator to support the early development phases of Renewed Measure M projects
- C. Amend the Orange County Transportation Authority Fiscal Year 2008-09 Salaries and Benefits Budget by \$41,504 to accommodate the addition of two new positions right-of-way positions.

Background

In August 2007, the Board of Directors (Board) approved the Renewed Measure M (M2) Early Action Plan (EAP). This plan identified a series of projects and funding programs that were to be advanced prior to the start of sales tax collections in April 2011. These projects and programs are to be funded by allocations under the State Infrastructure Bond Program, additional federal funds, and Tax-Exempt Commercial Paper Funds to be paid back by future sales tax collections.

Also in 2007, the Board approved the addition of 11 new staff positions to support the implementation of the EAP. Of these 11 positions, seven were in the Development Division, three were in the Contracts Administration and Materials Management (Camm) Department, and one position was in the External Affairs Division. In addition, the Board authorized a group of four independent management studies to evaluate the Orange County Transportation Authority (Authority) and its project partners' ability to deliver the EAP program. The initial assessment of internal staff requirements that was recommended by staff in August 2007 were to be independently evaluated in these studies, with any further organizational or staffing adjustments that may be needed addressed in the reports.

On January 12, 2009, the results of these four studies were presented to the Board. On February 9, 2009, the Board approved several changes to the procurement process in response to recommendations from these studies. This report focuses on two other principal findings of the studies, strengthening project management capabilities in the organization and focusing on the early development phases of the projects.

All four reports identified the need to enhance the project management capabilities of the organization. The enhancements recommended ranged from the development of further project management and project control procedures to the expansion of staff training, and the addition of some new staff positions. The "Organizational and Readiness Capacity Assessment," conducted by PB Consult looked closely at the organizational structure of the Highway Project Delivery Department (Highway Department) and offered a new structure to "improve OCTA's capability for effectively managing the highway portion of the M2 Program." This report discusses the proposed activities and adjustments required to implement these recommendations.

Discussion

The PB Consult report on organizational readiness provided a number of recommendations regarding the improvement of the program and project management capabilities of the agency. The following discussion addresses each of the principal recommendations related to the management of the EAP. Some of the recommendations have already been either fully or partially implemented by staff over the past year. A few of the areas need further action to fully implement the recommended changes to project management staffing levels.

Program Delivery Recommendation #1: Create a Program Management Office (PMO)

All four reports identified the need to create a coordinating entity within the organization to oversee the overall implementation of the M2 program. This new unit would not directly supervise any internal groups or functions; rather, it would serve as a coordination and enforcement body, and would have a role in setting standards and process procedures. Some of the benefits of the PMO office would include:

- Improving, across-the-agency communication
- Clearinghouse for inter-division/department activities
- Strategic coordinating and partnering with outside entities
- Coordinating, communicating, and integrating agency-wide project management standards, processes, and procedures
- Ensuring that each element of the program is managed by a trained project manager with the right qualifications
- Identifying and resolving issues that are creating log jams; acting as an ombudsman
- Ensuring compliance with the M2 Ordinance, including leading the required periodic review of and required adjustments to the plan

The development of a program charter is underway and will be finalized by the end of the current fiscal year.

Program Delivery Recommendation #2: Adopt Universal Project Delivery procedures

The largest group of projects within the EAP is the freeway projects handled by the Highway Department. The Highway Department has developed and issued a comprehensive set of project management procedures that defines the

project delivery procedures for the freeway program. Staff will look at the possibility of editing these procedures to make them universal for all capital development projects in the agency.

Staff Development Recommendation #1: Design and Implement a Comprehensive, Agency-wide, and Sanctioned Program/Project Management Training Program

The Highway Department has instituted a multi-course Project Manager Academy for the training of all project managers in the Development Division. The students in this academy make up over 90 percent of the capital project managers at the Authority. The Highway Department requires that all of its project managers complete this course to be certified to manage projects for the agency. The Training Department is evaluating this program and other external project management training classes to select a program that will be offered to other project managers within the agency.

Recommendation, Various: Expand Project Management and Project Control Capabilities

The PB Consult report specifically addressed the staffing needs of the Highway Department since it is handling the largest group of projects under the EAP. They evaluated the projected work load for the department, assessed the number of projects that each project manager could handle, and identified the minimum skills needed by each project manager to handle their responsibilities. From this analysis they recommended the number and rank of project management staff needed by the Highway Department to deliver their projects. A revised organization chart for the department was included in the final report.

The report specifically recommended that two project manager positions be added to handle a pair of very large EAP projects being started this year. The individuals needed for these positions will have to have specialized skills and experience in managing large, complex capital projects and will need to be able to work productively with the many public agencies and community stakeholders involved in the projects. Three existing engineering positions in the Highway Department would be eliminated.

The PB Consult report also recommended that the overall staffing level of the project controls group should be assessed and additional talent added as needed. Given the number of projects planned to be underway in the next few years, a Section Manager II position would be added to the project controls group.

The proposed staffing changes include the elimination of three Senior Civil Engineer positions in the Highway Department, as specified in Attachment A. The individuals filling the eliminated positions would be offered an opportunity to apply for the newly created positions. Should one or more of the individuals not be selected, the individual(s) will be provided layoff benefits as articulated in the Fiscal Year 2008-09 Personnel and Salary Resolution.

All of the changes described above can be accommodated within the Authority's Fiscal Year 2008-09 Budget. Organization charts detailing the changes were provided by PB Consult as part of their assessment and are included as Attachments B and C.

Recommendation, Various: Focus Efforts on Early Development Process

The studies also suggested that OCTA step-up its efforts in the early development stages of its projects. Early development is defined as the right-of-way (ROW) acquisition phase and the environmental phase. To address these concerns staff is recommending the addition of two new positions.

Staff is recommending the addition of two ROW administrative positions to support ROW activities related to the M2 capital projects. Right-of-way activities range from utility relocation to acquisition of construction easements and/or parcels for various projects. The current ROW Department is staffed to manage agency-owned properties, support the Metrolink Service Expansion and some freeway project activity. Additional staff resources are needed given the magnitude of upcoming freeway projects envisioned under the EAP plus the rail grade separation projects as well as continued development of the rail corridor and future bus/rail capital projects. Additionally, California Department of Transportation (Caltrans) has asked for Authority assistance in delivering their projects due to staffing limitations. While the Authority relies on consultant resources for much of this work, presentation of offers and negotiations with property owners is required to be handled by agency staff directly. Accordingly, two positions would have to be added to the organization and the current fiscal year's budget.

In summary, in response to various recommendations from the four external management studies and staff analysis, staff is recommending multiple changes to the organizational structure of the Development Division and the development of a PMO.

Fiscal Impact

Amend the fiscal year 2008-09 budget by \$41,504 to accommodate the addition of a principal ROW administrator and a senior ROW administrator from May 1, 2009, through the remainder of the fiscal year. The annualized cost of these two positions is \$249,024.

Summary

An independent analysis of the Orange County Transportation Authority's organizational readiness to deliver the Renewed Measure M Early Action Plan has been recently completed. A principle recommendation in the reports was to expand and strengthen the project management capabilities of the organization. Staff has addressed a number of the project management recommendations and is prepared to implement the staffing adjustments suggested in the reports.

Attachments

- A. Proposed Staffing Changes for the Highways Department
- B. Current Highway Project Delivery Department Organizational Chart
- C. Proposed Highway Project Delivery Department Organizational Chart

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Approved by:


Paul Taylor
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Proposed Staffing Changes for the Highway Department

RECOMMENDATIONS

A. Eliminate the following positions:

1. Three senior civil engineers in the Highway Department, Salary Grade S

B. Add the following positions:

1. Two project managers in the Highway Department, Salary Grade T
2. One section manager II in the Project Controls Department, Salary Grade S
3. One principal right-of-way administrator in the Right-of-Way Department, Salary Grade S
4. One senior right-of-way administrator in the Right-of-Way Department, Salary Grade R

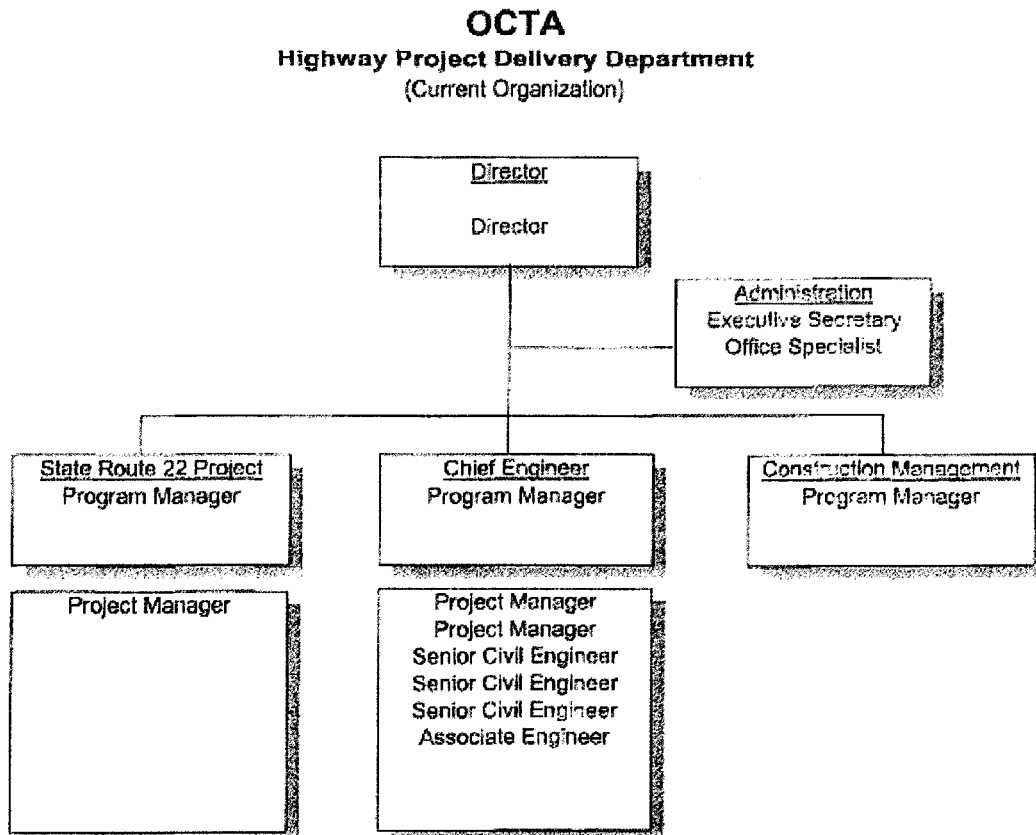


**Current Highway Project Delivery
Department Organizational Chart**

Organizational Readiness and Capacity Assessment

Appendix I: Highway Project Development Organizational Charts

Previous Organization

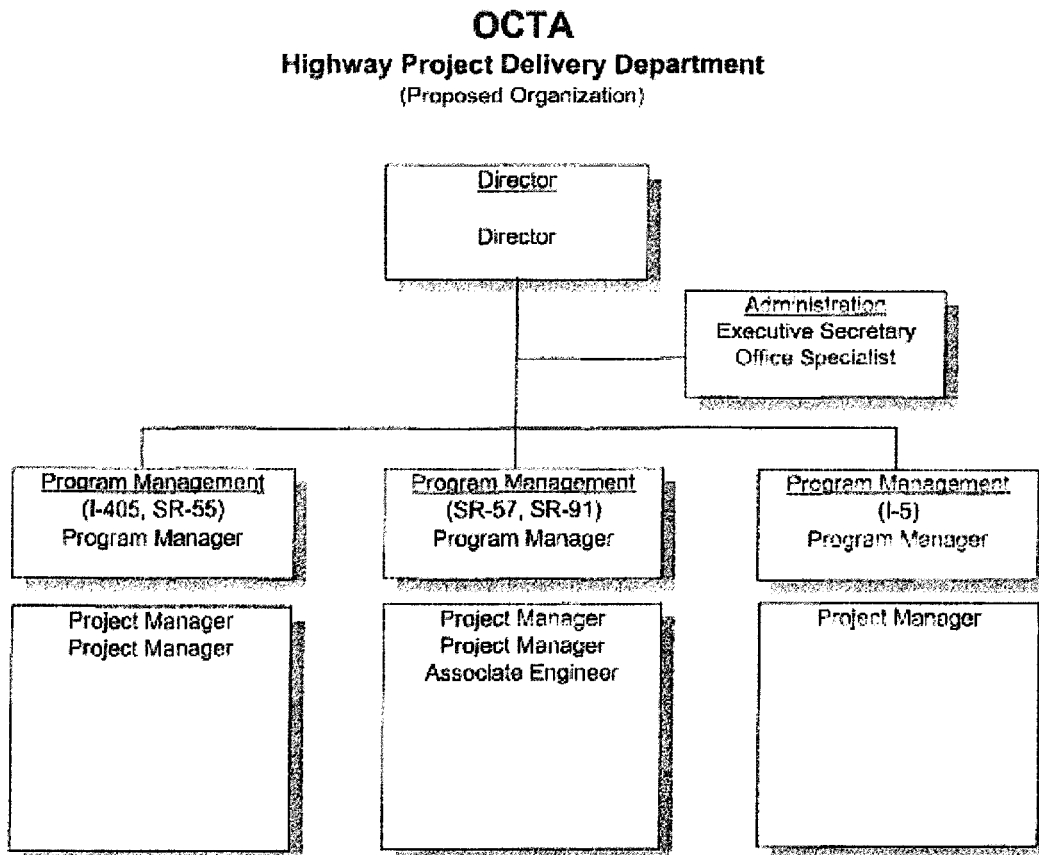




Proposed Highway Project Delivery Department Organizational Chart

Organizational Readiness and Capacity Assessment

Proposed Organization





March 23, 2009

To: Members of the Board of Directors
From: Arthur T. Leahy, ^MChief Executive Officer
Subject: Agreement for Strategic Management Services

Overview

Over the next few years, the Orange County Transportation Authority will be challenged to successfully close out Measure M, develop and implement new policies and procedures related to Renewed Measure M, and deliver on the promises of the Renewed Measure M Early Action Plan. To help ensure the successful delivery of these programs, a proposal for strategic management services was solicited and received from Monte Ward in accordance with the Orange County Transportation Authority's sole source procurement procedures.

Recommendation

Authorize the Chief Executive Officer to execute Sole Source Agreement No. C-9-0181 between the Orange County Transportation Authority and Monte Ward, in an amount not to exceed \$174,720 over a two-year period, for strategic management services.

Background

In August 2007, the Board of Directors (Board) approved the Renewed Measure M (M2) Early Action Plan (EAP). As part of the EAP, the Board directed staff to begin program development and allocate funds toward two new environmental programs. As the Director of Special Projects, Monte Ward has been leading this effort for Orange County Transportation Authority (OCTA). On March 27, 2009, Monte Ward will be retiring from OCTA as an employee.

Discussion

This procurement was handled in accordance with the OCTA's sole source procurement procedures for professional and technical services.

The requirement was handled as a non-competitive negotiated procurement due to the specialized nature of the services involved.

Over the next two years, OCTA will be closing out the Measure M (M1) Program and will develop and implement new policies and procedures for the M2 Program. The M2 Program includes two new environmental programs – Environmental Mitigation for the Freeway Program and a Water Quality Program. Both of these programs have oversight committees responsible for making recommendations to the Board on the allocation of funds and to monitor the implementation of a master agreement between OCTA and various resource agencies.

Monte Ward, as an OCTA employee, has provided advice and guidance to staff and the committees regarding these programs. To ensure the continuity of the environmental programs and to draw on his specialized knowledge related to all facets of the Measure M programs, staff recommends that OCTA retain the services of Monte Ward through a sole source agreement subsequent to his impending retirement.

Since this is a sole source request in excess of \$50,000, OCTA's Internal Audit Department has conducted a price review and has found the price quoted by Monte Ward to be fair and reasonable.

Fiscal Impact

An internal budget transfer will be required to fund this contract for the balance of the current fiscal year and funding for next fiscal year will be included in the proposed fiscal year 2009-10 budget.

Summary

Based on the information provided, staff recommends the award of a sole source Agreement No. C-9-0181 to Monte Ward, in an amount not to exceed \$174,720, for strategic management services.

Attachments

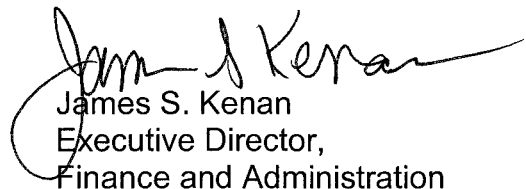
- A. Scope of Work, Strategic Management Services
- B. Agreement No. C-9-0181

Prepared by:



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

Approved by:



James S. Kenan
Executive Director,
Finance and Administration
(714) 560-5678

Scope of Work
Strategic Management Services

Background

On November 7, 2006, the voters of Orange County approved with a 69.7 percent of the vote a Renewed Measure M (M2) investment plan. The plan provides a revenue stream from April 2011 through April 2041 to fund a litany of transportation improvements that work in conjunction with and are in addition to the projects approved in the original Measure M (M1) investment plan that is set to expire in April 2011. In addition, while M2 revenues will not be received until 2011, the Board of Directors (Board) has approved an Early Action Plan so work on some projects is already underway. M2 is expected to raise \$11.8 billion to improve Orange County's transportation system, including two new environmental programs.

Scope of Work

Task - 1 - General M2 Administration

The consultant will work with the Orange County Transportation Authority (Authority) to have a successful closeout of M1 as well as the rollout of the M2 program. The consultant will assist in developing any new policies and procedures that are needed for compliance with the oversight of the M2 dollars.

Task – 2 Environmental Regualtions

A. Environmental Oversight Committees

As part of the M2 program, \$243.5 million has been designated to mitigate the environmental impacts of freeway improvements through the Mitigation and Resource Protection Program and \$237.2 million has been dedicated to provide a competitive grant process through the Environmental Cleanup Program to help local agencies clean up highway and street runoff and meet Clean Water Act standards. Two oversight committees were formed as part of the M2 legislation.

The purpose of the Environmental Oversight Committee is to make recommendations to the Board on the allocation of environmental freeway mitigation funds and monitor the implementation of a master agreement between the Authority and state and federal resource agencies.

The Environmental Cleanup Allocation Committee is designed to make recommendations to the Board on the allocation of funds for water quality improvements.

1. The consultant will provide advice and guidance to staff on the appropriate management of these committees, assisting the staff in planning each meeting and

setting the agenda. The consultant will attend and participate in all committee meetings.

B. Freeway Program: Environmental Mitigation

A minimum of \$243.5 million will be available, subject to a Master Agreement, to provide for comprehensive, rather than piecemeal, mitigation of the environmental impacts of freeway improvements. This freeway program is formally called the Mitigation and Resource Projection Program. The Master Agreement entered into by the Authority and state and federal resource agencies will provide higher-value environmental benefits such as habitat protection, wildlife corridors and resource preservation in exchange for streamlined project approvals for the freeway program as a whole.

1. The consultant will work with the Authority to negotiate and finalize the Master Agreement between the Authority and the state and federal resource agencies.
2. The consultant will work with Authority and Caltrans to develop an environmental strategy to be used during the environmental phase of the freeway program.
3. The consultant will provide advice and guidance to the Authority on these freeway projects as they are planned, designed and constructed with consideration for their aesthetic, historic and environmental impacts on nearby properties and communities using such elements as parkway style designs, locally native landscaping, sound reduction and aesthetic treatments that complement the surroundings.

C. Water Quality: Environmental Cleanup Program

1. The consultant will provide advice and guidance to the Authority prior to allocating funds for freeway, street and transit projects to ensure that two percent of gross revenues from the Renewed Measure M Transportation Investment Plan is set aside to protect Orange County beaches from transportation-generated pollution (sometimes called "urban runoff") and improving ocean water quality.
2. The consultant will also assist the Authority in ensuring that the environmental clean-up program will improve, and not replace, existing pollution reduction efforts by cities, the county and special districts.
3. The consultant will assist the Authority in selecting programs to fund that improve water quality, keep our beaches and streets clean, and reduce transportation-generated pollution along Orange County's scenic coastline.
4. The consultant will also assist the Authority and the various resource agencies, such as the California Fish and Game Department or the Army Corp of Engineers, in developing a program whereby the Authority provides funds to these resource agencies that will be used to hire staff needed to manage and monitor these various environmental clean-up programs.

AGREEMENT NO. C-9-0181

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

MONTE WARD

THIS AGREEMENT is effective this ____ day of _____, 2009, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584, a public corporation of the state of California (hereinafter referred to as "AUTHORITY"), and Monte Ward, Hollister Ranch, #91, Gaviota, CA 93117 (hereinafter referred to as "CONSULTANT").

WITNESSETH:

WHEREAS, AUTHORITY requires assistance from CONSULTANT to provide strategic management services; and

WHEREAS, said work cannot be performed by the regular employees of AUTHORITY; and

WHEREAS, CONSULTANT has represented that it has the requisite personnel and experience, and is capable of performing such services; and

WHEREAS, CONSULTANT wishes to perform these services;

WHEREAS, the AUTHORITY's Board of Directors approved this Agreement on March 23, 2009;

NOW, THEREFORE, it is mutually understood and agreed by AUTHORITY and CONSULTANT as follows:

ARTICLE 1. COMPLETE AGREEMENT

A. This Agreement, including all exhibits and documents incorporated herein and made applicable by reference, constitutes the complete and exclusive statement of the terms and conditions of this Agreement between AUTHORITY and CONSULTANT and it supersedes all prior representations, understandings and communications. The invalidity in whole or in part of any term or

1 condition of this Agreement shall not affect the validity of other terms or conditions.

2 B. AUTHORITY's failure to insist in any one or more instances upon CONSULTANT's
3 performance of any terms or conditions of this Agreement shall not be construed as a waiver or
4 relinquishment of AUTHORITY's right to such performance or to future performance of such terms or
5 conditions and CONSULTANT's obligation in respect thereto shall continue in full force and effect.
6 Changes to any portion of this Agreement shall not be binding upon AUTHORITY except when
7 specifically confirmed in writing by an authorized representative of AUTHORITY by way of a written
8 amendment to this Agreement and issued in accordance with the provisions of this Agreement.

9 **ARTICLE 2. AUTHORITY DESIGNEE**

10 The Chief Executive Officer of AUTHORITY, or designee, shall have the authority to act for and
11 exercise any of the rights of AUTHORITY as set forth in this Agreement.

12 **ARTICLE 3. SCOPE OF WORK**

13 A. CONSULTANT shall perform the work necessary to complete in a manner satisfactory to
14 AUTHORITY the services set forth in Exhibit A, entitled "Scope of Work," attached to and, by this
15 reference, incorporated in and made a part of this Agreement. All services shall be provided at the
16 times and places designated by AUTHORITY.

17 B. CONSULTANT shall provide Mr. Monte Ward to perform the above-specified services,
18 which person is hereby designated as key person under this Agreement. Mr. Ward shall not be
19 removed or replaced, nor shall his agreed-upon function or level of commitment hereunder be changed,
20 without the prior written consent of AUTHORITY. Should the services of the key person become no
21 longer available, the resume and qualifications of the proposed replacement shall be submitted to
22 AUTHORITY for approval as soon as possible, but in no event later than seven (7) calendar days prior
23 to the departure of the incumbent key person. AUTHORITY shall respond to CONSULTANT within
24 seven (7) calendar days following receipt of these qualifications concerning acceptance of the
25 candidate for replacement. AUTHORITY may also elect not to accept a replacement candidate and
26 terminate the Agreement in accordance to Article 13.

1 /

2 **ARTICLE 4. TERM OF AGREEMENT**

3 This Agreement shall commence upon execution by both parties, and shall continue in full force
4 and effect through February 28, 2011, unless earlier terminated or extended as provided in this
5 Agreement.

6 **ARTICLE 5. PAYMENT**

7 A. For CONSULTANT's full and complete performance of its obligations under this Agreement
8 and subject to the maximum cumulative payment obligation provisions set forth in Article 6,
9 AUTHORITY shall pay CONSULTANT on a firm fixed price basis in accordance with the following
10 provisions.

11 B. For each full hour of labor satisfactorily performed by CONSULTANT under this Agreement,
12 AUTHORITY shall pay CONSULTANT at the fixed hourly rate of \$130.00, for 56 hours per month for
13 the term of this Agreement. This rate shall remain fixed for the term of this Agreement and is
14 acknowledged to include CONSULTANT's direct costs, indirect costs, and profit.

15 C. CONSULTANT shall invoice AUTHORITY on a monthly basis for payments corresponding
16 to the work completed by CONSULTANT. Work completed shall be documented in a monthly report
17 prepared by CONSULTANT, which shall accompany each invoice submitted by CONSULTANT.
18 CONSULTANT shall also furnish such other information as may be requested by AUTHORITY to
19 substantiate the validity of an invoice. At its sole discretion, AUTHORITY may decline to make full
20 payment until such time as CONSULTANT has documented to AUTHORITY's satisfaction, that
21 CONSULTANT has fully completed all work required. AUTHORITY's payment in full shall constitute
22 AUTHORITY's final acceptance of CONSULTANT's work.

23 D. Invoices shall be submitted by CONSULTANT on a monthly basis and shall be submitted in
24 duplicate to AUTHORITY's Accounts Payable office. Each invoice shall be accompanied by the
25 monthly report specified in paragraph C of this Article. AUTHORITY shall remit payment within thirty
26 (30) calendar days of the receipt and approval of each invoice. Each invoice shall include the following

1 information:

- 2 1. Agreement No. C-9-01811;
- 3 2. Labor (Staff name, actual hours expended, hourly billing rate, current charges and
4 cumulative charges) performed during the billing period;
- 5 3. The time period covered by the invoice;
- 6 4. Total monthly invoice (including project-to-date cumulative invoice amount);
- 7 5. Monthly Report;
- 8 6. Certification signed by the CONSULTANT or his/her designated alternate that a)

9 The invoice is a true, complete and correct statement of reimbursable costs and progress; b) The
10 invoice is a true, complete and correct statement of reimbursable costs; c) The backup information
11 included with the invoice is true, complete and correct in all material respects d) All payments due and
12 owing to subcontractors and suppliers have been made; e) Timely payments will be made to
13 subcontractors and suppliers from the proceeds of the payments covered by the certification and; f) The
14 invoice does not include any amount which CONSULTANT intends to withhold or retain from a
15 subcontractor or supplier unless so identified on the invoice.

- 16 7. Any other information as agreed or requested by AUTHORITY to substantiate the
17 validity of an invoice.

18 **ARTICLE 6. MAXIMUM OBLIGATION**

19 Notwithstanding any provisions of this Agreement to the contrary, AUTHORITY and
20 CONSULTANT mutually agree that AUTHORITY's maximum cumulative payment obligation (including
21 obligation for CONSULTANT's profit) shall be One Hundred Seventy-Four Thousand, Seven Hundred
22 Twenty Dollars (\$174,720.00) which shall include all amounts payable to CONSULTANT for its
23 subcontracts, leases, materials and costs arising from, or due to termination of, this Agreement.

24 **ARTICLE 7. NOTICES**

25 All notices hereunder and communications regarding the interpretation of the terms of this
26 Agreement, or changes thereto, shall be effected by delivery of said notices in person or by depositing

1 said notices in the U.S. mail, registered or certified mail, returned receipt requested, postage prepaid
2 and addressed as follows:

3 To CONSULTANT:

4 Monte Ward
5 Hollister Ranch, #91

6 Gaviota, CA 93117

7 ATTENTION: Monte Ward

8 (714) 560 - 5582

To AUTHORITY:

Orange County Transportation Authority

550 South Main Street

P.O. Box 14184

Orange, CA 92863-1584

ATTENTION: Carolina Coppolo

(714) 560 - 5615

10 **ARTICLE 8. INDEPENDENT CONTRACTOR**

11 CONSULTANT's relationship to AUTHORITY in the performance of this Agreement is that of an
12 independent contractor. CONSULTANT's personnel performing services under this Agreement shall at
13 all times be under CONSULTANT's exclusive direction and control and shall be employees of
14 CONSULTANT and not employees of AUTHORITY. CONSULTANT shall pay all wages, salaries and
15 other amounts due its employees in connection with this Agreement and shall be responsible for all
16 reports and obligations respecting them, such as social security, income tax withholding, unemployment
17 compensation, workers' compensation and similar matters.

18 **ARTICLE 9. INSURANCE**

19 A. CONSULTANT shall procure and maintain insurance coverage during the entire term of this
20 Agreement. Coverage shall be full coverage and not subject to self-insurance provisions.
21 CONSULTANT shall provide the following insurance coverage:

22 1. Automobile Liability Insurance;

23 B. Proof of such coverage, in the form of an insurance company issued policy endorsement
24 and a broker-issued insurance certificate, must be received by AUTHORITY prior to commencement of
25 any work. Proof of insurance coverage must be received by AUTHORITY within ten (10) calendar days
26 from the effective date of this Agreement with the AUTHORITY, its officers, directors, employees and

1 agents designated as additional insured on the general and automobile liability. Such insurance shall
2 be primary and non-contributive to any insurance or self-insurance maintained by the AUTHORITY.

3 C. CONSULTANT shall include on the face of the Certificate of Insurance the Agreement
4 Number C-9-0181; and, the Contract Administrator's Name, Carolina Coppolo.

5 D. CONSULTANT shall also include in each subcontract the stipulation that subcontractors
6 shall maintain insurance coverage in the amounts required from CONSULTANT as provided in this
7 Agreement.

8 **ARTICLE 10. ORDER OF PRECEDENCE**

9 Conflicting provisions hereof, if any, shall prevail in the following descending order of
10 precedence: (1) the provisions of this Agreement, including all exhibits; (2) all other documents, if any,
11 cited herein or incorporated by reference.

12 **ARTICLE 11. CHANGES**

13 By written notice or order, AUTHORITY may, from time to time, order work suspension and/or
14 make changes in the general scope of this Agreement, including, but not limited to, the services
15 furnished to AUTHORITY by CONSULTANT as described in the Scope of Work. If any such work
16 suspension or change causes an increase or decrease in the price of this Agreement, or in the time
17 required for its performance, CONSULTANT shall promptly notify AUTHORITY thereof and assert its
18 claim for adjustment within ten (10) calendar days after the change or work suspension is ordered, and
19 an equitable adjustment shall be negotiated. However, nothing in this clause shall excuse
20 CONSULTANT from proceeding immediately with the agreement as changed.

21 **ARTICLE 12. DISPUTES**

22 A. Except as otherwise provided in this Agreement, any dispute concerning a question of fact
23 arising under this Agreement which is not disposed of by supplemental agreement shall be decided by
24 AUTHORITY's Director, Contracts Administration and Materials Management (CAMM), who shall
25 reduce the decision to writing and mail or otherwise furnish a copy thereof to CONSULTANT. The
26 decision of the Director, CAMM, shall be final and conclusive.

1 /
2 B. The provisions of this Article shall not be pleaded in any suit involving a question of fact
3 arising under this Agreement as limiting judicial review of any such decision to cases where fraud by
4 such official or his representative or board is alleged, provided, however, that any such decision shall
5 be final and conclusive unless the same is fraudulent or capricious or arbitrary or so grossly erroneous
6 as necessarily to imply bad faith or is not supported by substantial evidence. In connection with any
7 appeal proceeding under this Article, CONSULTANT shall be afforded an opportunity to be heard and
8 to offer evidence in support of its appeal.

9 C. Pending final decision of a dispute hereunder, CONSULTANT shall proceed diligently with
10 the performance of this Agreement and in accordance with the decision of AUTHORITY's Director,
11 CAMM. This Disputes clause does not preclude consideration of questions of law in connection with
12 decisions provided for above. Nothing in this Agreement, however, shall be construed as making final
13 the decision of any AUTHORITY official or representative on a question of law, which questions shall be
14 settled in accordance with the laws of the state of California.

15 **ARTICLE 13. TERMINATION**

16 A. AUTHORITY may terminate this Agreement for its convenience at any time, in whole or
17 part, by giving CONSULTANT written notice thereof. Upon said notice, AUTHORITY shall pay
18 CONSULTANT its allowable costs incurred to date of termination and those allowable costs determined
19 by AUTHORITY to be reasonably necessary to effect such termination. Thereafter, CONSULTANT
20 shall have no further claims against AUTHORITY under this Agreement.

21 B. AUTHORITY may terminate this Agreement for CONSULTANT's default if a federal or state
22 proceeding for the relief of debtors is undertaken by or against CONSULTANT, or if CONSULTANT
23 makes an assignment for the benefit of creditors, or if CONSULTANT breaches any term(s) or violates
24 any provision(s) of this Agreement and does not cure such breach or violation within ten (10) calendar
25 days after written notice thereof by AUTHORITY. CONSULTANT shall be liable for all reasonable costs
26 incurred by AUTHORITY as a result of such default including, but not limited to, reprourement costs of

1 the same or similar services defaulted by CONSULTANT under this Agreement.

2 **ARTICLE 14. INDEMNIFICATION**

3 CONSULTANT shall indemnify, defend and hold harmless AUTHORITY, its officers, directors,
4 employees and agents from and against any and all claims (including attorneys' fees and reasonable
5 expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, damage
6 to or loss of use of property caused by the negligent acts, omissions or willful misconduct by
7 CONSULTANT, its officers, directors, employees, agents, subcontractors or suppliers in connection
8 with or arising out of the performance of this Agreement.

9 **ARTICLE 15. ASSIGNMENTS**

10 Neither this Agreement nor any interest herein nor claim hereunder may be assigned by
11 CONSULTANT either voluntarily or by operation of law, nor may all or any part of this Agreement be
12 subcontracted by CONSULTANT, without the prior written consent of AUTHORITY. Consent by
13 AUTHORITY shall not be deemed to relieve CONSULTANT of its obligations to comply fully with all
14 terms and conditions of this Agreement.

15 **ARTICLE 16. AUDIT AND INSPECTION OF RECORDS**

16 CONSULTANT shall provide AUTHORITY, or other agents of AUTHORITY, such access to
17 CONSULTANT's accounting books, records, payroll documents and facilities, as AUTHORITY deems
18 necessary. CONSULTANT shall maintain such books, records, data and documents in accordance
19 with generally accepted accounting principles and shall clearly identify and make such items readily
20 accessible to such parties during CONSULTANT's performance hereunder and for a period of four (4)
21 years from the date of final payment by AUTHORITY. AUTHORITY's right to audit books and records
22 directly related to this Agreement shall also extend to all first-tier subcontractors identified in Article 15
23 of this Agreement. Consultant shall permit any of the foregoing parties to reproduce documents by any
24 means whatsoever or to copy excerpts and transcriptions as reasonably necessary.

25 **ARTICLE 17. FEDERAL, STATE AND LOCAL LAWS**

26 CONSULTANT warrants that in the performance of this Agreement, it shall comply with all

1 applicable federal, state and local laws, statutes and ordinances and all lawful orders, rules and
 2 regulations promulgated thereunder.

3 **ARTICLE 18. EQUAL EMPLOYMENT OPPORTUNITY**

4 In connection with its performance under this Agreement, CONSULTANT shall not discriminate
 5 against any employee or applicant for employment because of race, religion, color, sex, age or national
 6 origin. CONSULTANT shall take affirmative action to ensure that applicants are employed, and that
 7 employees are treated during their employment, without regard to their race, religion, color, sex, age or
 8 national origin. Such actions shall include, but not be limited to, the following: employment, upgrading,
 9 demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other
 10 forms of compensation; and selection for training, including apprenticeship.

11 **ARTICLE 19. PROHIBITED INTERESTS**

12 CONSULTANT covenants that, for the term of this Agreement, no director, member, officer or
 13 employee of AUTHORITY during his/her tenure in office or for one (1) year thereafter shall have any
 14 interest, direct or indirect, in this Agreement or the proceeds thereof.

15 **ARTICLE 20. OWNERSHIP OF REPORTS AND DOCUMENTS**

16 A. The originals of all letters, documents, reports and other products and data produced under
 17 this Agreement shall be delivered to, and become the property of AUTHORITY. Copies may be made
 18 for CONSULTANT's records but shall not be furnished to others without written authorization from
 19 AUTHORITY. Such deliverables shall be deemed works made for hire and all rights in copyright therein
 20 shall be retained by AUTHORITY.

21 B. All ideas, memoranda, specifications, plans, manufacturing, procedures, drawings,
 22 descriptions, and all other written information submitted to CONSULTANT in connection with the
 23 performance of this Agreement shall not, without prior written approval of AUTHORITY, be used for any
 24 purposes other than the performance under this Agreement, nor be disclosed to an entity not connected
 25 with the performance of the project. CONSULTANT shall comply with AUTHORITY's policies regarding
 26 such material. Nothing furnished to CONSULTANT, which is otherwise known to CONSULTANT or is

1 or becomes generally known to the related industry shall be deemed confidential. CONSULTANT shall
 2 not use AUTHORITY's name, photographs of the project, or any other publicity pertaining to the project
 3 in any professional publication, magazine, trade paper, newspaper, seminar or other medium without
 4 the express written consent of AUTHORITY.

5 C. No copies, sketches, computer graphics or graphs, including graphic artwork, are to be
 6 released by CONSULTANT to any other person or agency except after prior written approval by
 7 AUTHORITY, except as necessary for the performance of services under this Agreement. All press
 8 releases, including graphic display information to be published in newspapers, magazines, etc., are to
 9 be handled only by AUTHORITY unless otherwise agreed to by CONSULTANT and AUTHORITY.

10 **ARTICLE 21. PATENT AND COPYRIGHT INFRINGEMENT**

11 A. In lieu of any other warranty by AUTHORITY or CONSULTANT against patent or copyright
 12 infringement, statutory or otherwise, it is agreed that CONSULTANT shall defend at its expense any
 13 claim or suit against AUTHORITY on account of any allegation that any item furnished under this
 14 Agreement or the normal use or sale thereof arising out of the performance of this Agreement, infringes
 15 upon any presently existing U. S. letters patent or copyright and CONSULTANT shall pay all costs and
 16 damages finally awarded in any such suit or claim, provided that CONSULTANT is promptly notified in
 17 writing of the suit or claim and given authority, information and assistance at CONSULTANT's expense
 18 for the defense of same. However, CONSULTANT will not indemnify AUTHORITY if the suit or claim
 19 results from: (1) AUTHORITY's alteration of a deliverable, such that said deliverable in its altered form
 20 infringes upon any presently existing U.S. letters patent or copyright; or (2) the use of a deliverable in
 21 combination with other material not provided by CONSULTANT when such use in combination infringes
 22 upon an existing U.S. letters patent or copyright.

23 B. CONSULTANT shall have sole control of the defense of any such claim or suit and all
 24 negotiations for settlement thereof. CONSULTANT shall not be obligated to indemnify AUTHORITY
 25 under any settlement made without CONSULTANT's consent or in the event AUTHORITY fails to
 26 cooperate fully in the defense of any suit or claim, provided, however, that said defense shall be at

1 CONSULTANT's expense. If the use or sale of said item is enjoined as a result of such suit or claim,
 2 CONSULTANT, at no expense to AUTHORITY, shall obtain for AUTHORITY the right to use and sell
 3 said item, or shall substitute an equivalent item acceptable to AUTHORITY and extend this patent and
 4 copyright indemnity thereto.

5 **ARTICLE 22. FINISHED AND PRELIMINARY DATA**

6 A. All of CONSULTANT's finished technical data, including but not limited to illustrations,
 7 photographs, tapes, software, software design documents, including without limitation source code,
 8 binary code, all media, technical documentation and user documentation, photoprints and other graphic
 9 information required to be furnished under this Agreement, shall be AUTHORITY's property upon
 10 payment and shall be furnished with unlimited rights and, as such, shall be free from proprietary
 11 restriction except as elsewhere authorized in this Agreement. CONSULTANT further agrees that it
 12 shall have no interest or claim to such finished, AUTHORITY-owned, technical data; furthermore, said
 13 data is subject to the provisions of the Freedom of Information Act, 5 USC 552.

14 B. It is expressly understood that any title to preliminary technical data is not passed to
 15 AUTHORITY but is retained by CONSULTANT. Preliminary data includes roughs, visualizations,
 16 software design documents, layouts and comprehensives prepared by CONSULTANT solely for the
 17 purpose of demonstrating an idea or message for AUTHORITY's acceptance before approval is given
 18 for preparation of finished artwork. Preliminary data title and right thereto shall be made available to
 19 AUTHORITY if CONSULTANT causes AUTHORITY to exercise Article 11, and a price shall be
 20 negotiated for all preliminary data.

21 **ARTICLE 23. ALCOHOL AND DRUG POLICY**

22 AUTHORITY and CONSULTANT shall provide under this Agreement, a safe and healthy work
 23 environment free from the influence of alcohol and drugs. Failure to comply with this Article may result
 24 in nonpayment or termination of this Agreement.

25 **ARTICLE 24. FORCE MAJEURE**

26 Either party shall be excused from performing its obligations under this Agreement during the

1 time and to the extent that it is prevented from performing by an unforeseeable cause beyond its
2 control, including but not limited to: any incidence of fire, flood; acts of God; commandeering of material,
3 products, plants or facilities by the federal, state or local government; national fuel shortage; or a
4 material act or omission by the other party; when satisfactory evidence of such cause is presented to
5 the other party, and provided further that such nonperformance is unforeseeable, beyond the control
6 and is not due to the fault or negligence of the party not performing.

7 This Agreement shall be made effective upon execution by both parties.

8 **IN WITNESS WHEREOF**, the parties hereto have caused this Agreement No. C-9-0181 to be
9 executed on the date first above written.

10 **MONTE WARD**

ORANGE COUNTY TRANSPORTATION AUTHORITY

11 By _____

By _____

12 Monte Ward
13 Principal

Arthur T. Leahy
Chief Executive Officer

14 APPROVED AS TO FORM:

15 By _____

16 Kennard R. Smart, Jr.
17 General Counsel

18 APPROVED:

19 By _____



BOARD COMMITTEE TRANSMITTAL

March 23, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Approval of Agreements for Renewed Measure M Freeway Mitigation Program

Transportation 2020 Committee Meeting of March 16, 2009

Present: Directors Amante, Brown, Buffa, Campbell, Cavecche, Dixon, and Pringle
Absent: None

Committee Discussion

The Committee expressed concern about approving funding for conservation property acquisition, restoration or management until a method for establishing priorities has been developed, including the ability to evaluate cost/benefit. Members of the Committee also indicated an interest in including restoration and appropriate forms of public access as priorities; and for identifying long-term management and maintenance funding requirements as part of any property acquisition.

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations (reflects change from staff recommendations)

- A. Approve the draft Memorandum of Understanding Agreement C-9-0278 among the Orange County Transportation Authority, United States Fish and Wildlife Service, California Department of Fish and Game, and California Department of Transportation to serve as the master agreement and guide for the implementation of the Renewed Measure M Freeway Mitigation Program.



BOARD COMMITTEE TRANSMITTAL

- B. Approve the draft Planning Agreement C-9-0279 among the Orange County Transportation Authority, United States Fish and Wildlife Service, California Department of Fish and Game, and California Department of Transportation to establish the process, roles, responsibilities, and commitments for the preparation of the Orange County Transportation Authority Natural Community Conservation Plan/Habitat Conservation Plan.
- C. Approve the draft Agreement C-9-0169 between the Orange County Transportation Authority and the California Department of Fish and Game, in an amount not to exceed of \$300,000, for staffing services to enable the California Department of Fish and Game to meet its responsibilities for preparation and timely approval of the Orange County Transportation Authority Natural Community Conservation Plan/Habitat Conservation Plan. Direct staff to incorporate adherence to plan schedule and reporting milestones into the scope of work.
- D. Authorize up to \$2.5 million from the Early Action Plan commercial paper program to be available in fiscal years 2009-2010 and 2010-2011 for the purposes specified in Memorandum of Understanding Agreement C-9-0278, Planning Agreement C-9-0279, and Agreement C-9-0169.
- E. Direct that a method for criteria prioritization of advance mitigation expenditures be developed and presented to the Transportation 2020 Committee and the Board of Directors, before seeking further authorization of funding for property acquisition, restoration or management.



March 16, 2009

To: Transportation 2020 Committee
From: Arthur T. Leahy, Chief Executive Officer *ATL*
Subject: Approval of Agreements for Renewed Measure M Freeway Mitigation Program

Overview

Renewed Measure M allocates at least 5 percent of funds in the freeway mode, subject to a master agreement between the Orange County Transportation Authority and state and federal resource agencies, for comprehensive mitigation of the impacts of the 13 freeway projects in the Renewed Measure M Transportation Investment Plan. A draft master agreement and an associated draft Planning Agreement to create a Natural Community Conservation Plan/Habitat Conservation Plan have been developed. The Renewed Measure M Environmental Oversight Committee is recommending these agreements for approval, along with associated actions to enable implementation.

Recommendations

- A. Approve the draft Memorandum of Understanding Agreement C-9-0278 among the Orange County Transportation Authority, United States Fish and Wildlife Service, California Department of Fish and Game, and California Department of Transportation to serve as the master agreement and guide for the implementation of the Renewed Measure M Freeway Mitigation Program.
- B. Approve the draft Planning Agreement C-9-0279 among the Orange County Transportation Authority, United States Fish and Wildlife Service, California Department of Fish and Game, and California Department of Transportation to establish the process, roles, responsibilities, and commitments for the preparation of the Orange County Transportation Authority Natural Community Conservation Plan/Habitat Conservation Plan.

-
- C. Approve the draft Agreement C-9-0169 between the Orange County Transportation Authority and the California Department of Fish and Game, in an amount not to exceed of \$300,000, for staffing services to enable the California Department of Fish and Game to meet its responsibilities for preparation and timely approval of the Orange County Transportation Authority Natural Community Conservation Plan/Habitat Conservation Plan.
- D. Authorize up to \$30 million from the Early Action Plan commercial paper program to be available in fiscal years 2009-2010 and 2010-2011 to enable implementation of Memorandum of Understanding Agreement C-9-0278, Planning Agreement C-9-0279, and Agreement C-9-0169 for contract services and for acquisition, restoration and/or management of conservation properties, subject to the provisions of these agreements and subsequent action by the Board of Directors.

Background

Renewed Measure M calls for negotiation of a master agreement between the Orange County Transportation Authority (Authority) and state and federal resource agencies to address freeway environmental mitigation needs in a comprehensive fashion and “provide higher-value environmental benefits such as habitat protection, wildlife corridors and resource preservation in exchange for streamlined project approvals for the freeway program as a whole.”

The Renewed Measure M Ordinance No. 3 designates an Environmental Oversight Committee (EOC), appointed by the Authority, to make recommendations regarding the allocation of funds for freeway mitigation and to monitor implementation of the master agreement. The membership of the EOC is shown in Attachment A. The EOC has developed a recommendation that the Authority, in cooperation with the California Department of Fish and Game (CDFG) and the United States Fish and Wildlife Service (USFWS), prepare a Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) as the framework for determining freeway mitigation and permitting. The NCCP/HCP examines habitat resources within broad geographic areas and identifies conservation and mitigation measures to protect habitat and species. There are substantial similarities between the state required NCCP and the federally required HCP.

In addition, with the assistance of the EOC, staff from the Authority and the resource agencies have developed a draft master agreement (Attachment B) and NCCP/HCP planning agreement (Attachment C) to enable implementation of the freeway mitigation element of Renewed Measure M. The master

agreement outlines in simple terms the roles, responsibilities, and objectives of the Authority, CDFG, USFWS, and California Department of Transportation (Caltrans) in meeting the intent of Renewed Measure M freeway mitigation provisions through the NCCP/HCP process. The Planning Agreement describes how the NCCP/HCP process will be carried out, its scope and the roles of the participating agencies.

Finally, the master agreement includes an advance credit provision that allows the Authority to invest in mitigation prior to the completion of the NCCP/HCP. The EOC has also developed a recommended plan for financing freeway mitigation expenditures for the next two fiscal years.

All agreements are presented as draft for approval by the Board of Directors (Board) to circulate to the resource agencies for the final review and approval. It is expected that there may be some non-substantive refinements to the boilerplate language and/or formatting of the agreements in that process. The agreements will be brought back in final form for action by the Board once the resource agencies have approved them.

Discussion

In order to implement the Renewed Measure M Freeway Mitigation Program, it is necessary to conduct an analysis of impacts; assess and select mitigation opportunities, conduct the necessary environmental reviews, and provide for the transparency and oversight promised to the voters. The objective from the standpoint of the resource agencies and conservation groups is to ensure that all anticipated impacts from the freeway program are properly mitigated as soon as possible, before degradation or loss of habitat or conservation opportunities. From the Authority and Caltrans' standpoint it is important to obtain sufficient regulatory and permitting assurances for mitigation investments being made and save time and money in the freeway project development and implementation process.

The EOC examined a range of alternatives in determining to recommend the NCCP/HCP process as the framework for the Renewed Measure M Freeway Mitigation Program (Attachment D). These included: 1) a process agreement with subsequent mitigation analysis and investments over time on a corridor-by-corridor basis, similar to the approach taken by San Diego's TransNet program; 2) tiering off of the Authority's 2006 Long Range Transportation Plan Environmental Impact Report (EIR); 3) variations on Endangered Species Act, Section 7 consultation; and 4) variations on the NCCP/HCP process.

Ultimately, it was determined that the NCCP/HCP process is preferable because it offers the highest degree of assurances to the resource agencies regarding mitigation and to the Authority and Caltrans regarding regulatory permits for all of the freeway projects in the Renewed Measure M. It also provides for full environmental review and public participation. The NCCP and HCP processes were developed at the state and federal levels respectively as the legal means to encourage and enable programmatic mitigation as now envisioned within the Renewed Measure M.

However, these processes involve significant costs and time. It is estimated that the cost for NCCP/HCP preparation and completion of an EIR and environmental impact statement (EIS) would cost approximately \$1.5 million and take approximately 18 to 24 months, based upon the experience with similar efforts undertaken by other public and private entities.

In addition, the CDFG is unable to support this effort within its existing staffing and budget (Attachment E). This risk to timely implementation of Renewed Measure M was identified in the Orange County Business Council (OCBC) readiness report presented to the Board in January. A draft agreement between CDFG and the Authority has been developed to provide for the necessary timely participation and review by CDFG in the NCCP/HCP process (Attachment F). The first year fully loaded cost would be \$167,000. It is estimated that the agreement may need to extend up to two years. However, according to CDFG the second-year cost likely would be less because some loaded costs would not be included.

Staff is exploring grant-funding opportunities to offset costs related to the NCCP/HCP efforts. Potential funding opportunities exist through the HCP Assistance Grant Program (USFWS Section 6 Grant), State Wildlife Grant Program, and other sources that may offset costs related to document preparation, outreach, baseline surveys and inventories. These grants are highly competitive and with the uncertainty of the resource agencies' budgets, available funding may be limited.

Although the estimated total cost for the NCCP/HCP effort is significant, the advantages of assured permitting and reduced risk of delays to the Renewed Measure M freeway program from environmental mitigation challenges justify the investment. In recent years, annual increases in costs for freeway construction have ranged as high as 10 percent or more. Forecasts indicate future annual cost growth in the 3 percent range. Even given the current extraordinary economic downturn and a concomitant drop in construction bids, it is unlikely that freeway construction would experience longer-term reductions in cost for construction materials, equipment, services, and labor.

Staff recommends that funding for the NCCP/HCP planning effort and CDFG support be provided from Renewed Measure M freeway funds, at least 5 percent of which are earmarked in the Renewed Measure M Transportation Investment Plan for freeway mitigation. In 2007, when the Board approved the Renewed Measure M Early Action Plan (EAP), an accompanying Plan of Finance was adopted for its implementation. The Renewed Measure M Freeway Mitigation Program was included as part of the EAP and the Board also approved capacity to fund freeway mitigation through the Authority's commercial paper program. The NCCP/HCP planning and CDFG support are eligible to be funded from this source and it is recommended that the funds be appropriated for this purpose for fiscal years 2009-10 and 2010-11.

The 18 to 24 month timetable for completion of the NCCP/HCP process presents a potential challenge to the desire of the resource agencies and conservation community for timely mitigation efforts. The advanced credit provision included in the master agreement permits the Authority, with the concurrence of CDFG and USFWS, to invest in property acquisitions and/or restoration for mitigation purposes prior to completion of the NCCP/HCP process.

There are three principal reasons for pursuing advanced property acquisitions and restoration for mitigation purposes. First is to remain consistent with Renewed Measure M Ordinance No. 3 that states, "A Master agreement shall be developed as soon as practicable following the approval of the ballot proposition by the electors. It is the intent of the Authority and state and federal resource agencies to develop a Master agreement prior to the implementation of Freeway Projects." The second is to take timely advantage of opportunities to protect areas that may be subject to degradation and that can strategically enhance the connectivity and quality of existing conservation areas. The third is the potential cost savings and acquisition opportunities presented by the significant downturn in the economy and property values.

The Board approved Plan of Finance for the EAP anticipated up to \$80 million from the commercial paper program could be available for advance freeway mitigation expenditures based upon revenue estimates at the time (mid-year 2007). Subsequent downward adjustments in sales tax revenue projections have reduced this anticipated capacity to \$60 million with the funds available in two tranches on the following schedule.

First Series	Second Series
2009	2011
\$30 Million	\$30 Million

This schedule represents the advanced funding that would be available during the EAP period for freeway mitigation according to the provisions of the Renewed Measure M Transportation Investment Plan and Ordinance No. 3, accounting for the financing costs if expenditures are advanced rather than spread over the full 30 years of the tax measure. An additional tranche of funding could also be available in 2016 outside the EAP period.

Based upon current financial and revenue uncertainties it is recommended that the Board appropriate only the first \$30 million tranche available through the commercial paper program for expenditure within the next two fiscal years 2009-10 and 2010-2011. This would allow for advanced mitigation funding over the short term, with the opportunity for review based upon overall financial conditions, revenue trends, and results from the initial acquisitions/restorations before proceeding further.

In order for actual acquisition or restoration expenditures to take place four conditions would need to be met:

1. The Master and Planning agreements would need to have final approval from the signatory agencies (Authority, CDFG, USFWS, and Caltrans). This is anticipated to be completed by the end of June 2009. Attachment G shows the timeline for CDFG approval. The other agency approvals will occur concurrently and within the same timeframe.
2. The EOC would need to develop and present recommendations for property acquisition and/or restoration;
3. The recommendations of the EOC would need to be acceptable to CDFG and USFWS under the master agreement advance credit provisions; and
4. The Transportation 2020 Committee and the full Board of Directors would need to approve the specific acquisitions/restorations recommended by the EOC.

The EOC has been working toward enabling early mitigation efforts. In an August 2008 status report to the Board, initial efforts to identify mitigation opportunities were shared. This included using as a baseline inventory, the Green Vision Plan, a comprehensive listing of potential conservation opportunities in Orange County developed by a consortium of non-governmental environmental groups.

At the direction of the Transportation 2020 Committee (Committee) in September 2008, this baseline has subsequently been expanded through an extensive outreach program to build the inventory of potential conservation sites. The Committee also adopted preliminary criteria (Attachment H) for

evaluating the biological mitigation potential of properties that may be acquired or restored.

These criteria are intended to provide guidance to both the EOC and property owners and conservation organizations to help evaluate the potential resource and conservation value of properties that may be available for acquisition or restoration. At a future date, these criteria will include a mechanism for evaluating potential restoration projects that will ultimately lead to the selection of eligible properties.

To build the inventory of potential conservation sites and share the preliminary criteria with interested property owners and conservation organizations, a general public outreach plan was executed in December 2008. Authority staff distributed mailings to more than 800 landowners, property managers, local governments, conservation organizations, and community groups. The EOC collected property information on more than 40 Orange County properties, which are currently being assessed and included in the baseline inventory. The next outreach effort will involve holding at least one field hearing this spring to invite the public to showcase their property before the EOC.

Contingent upon Board approval of the recommendations in this report, the EOC and staff will be working over the next several months on setting the stage for initiation of the NCCP/HCP process and preparation of recommendations for advance property acquisition and/or restoration. These activities include:

- Procure consultant services to complete the NCCP/HCP and associated environmental documents. The Transportation 2020 Committee and the Board will approve the consultant selection.
- Conduct an assessment of the conservation values for properties inventoried from the Green Vision Plan and community outreach.
- Develop recommended strategies for negotiating and completing acquisitions and providing for interim and long-term management of acquired properties.
- Develop recommendations for early property acquisition and/or restoration for consideration by the Transportation 2020 Committee and the Board.

Fiscal Impact

With approval of Recommendation D, funding for Memorandum of Agreement No. C-9-0278; Planning Agreement No. C-9-0279; and Agreement No. C-9-0169 for Department of Fish and Game services will be included in the

Authority's proposed Fiscal Year Budget and will be funded through the Local Transportation Authority.

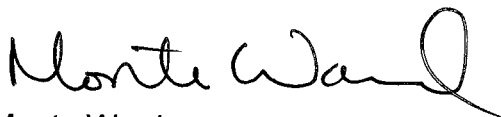
Summary

A series of recommendations are presented to begin development and implementation of an Orange County Transportation Authority Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) as a means to meet the commitments made in Renewed Measure M to a comprehensive freeway mitigation program. The Board is asked to approve the necessary agreements to develop the NCCP/HCP and authorize funding for freeway mitigation purposes.

Attachments

- A. Environmental Oversight Committee Roster
- B. Memorandum of Understanding, Agreement C-9-0278
- C. Draft Planning Agreement C-9-0279
- D. M2 Freeway Mitigation Program: Summary Analysis Options
- E. California Department of Fish and Game Letter, dated November 6, 2008
- F. Agreement C-9-0169 - California Department of Fish and Game Agreement for Contract Services
- G. Approval Schedule For Master and Planning Agreements
- H. Mitigation and Resource Protection Program Renewed Measure M Criteria

Prepared by:



Monte Ward
Director, Special Projects
714-560-5582



**Environmental Oversight Committee
Roster**

Chairman Patricia Bates

OCTA Board of Directors
Orange County Supervisor, 5th District
County of Orange

Vice Chairman Melanie Schlotterbeck

Environmental Consultant
Measure M Support Groups

Cathy Green

OCTA Board of Directors
Huntington Beach City Council Member
City of Huntington Beach

Mark Cohen

Senior Project Manager
US Army Corps of Engineers

Rose Coffin

Taxpayers Oversight Committee
OCTA

Judy McKeehan

Environmental Consultant

Erinn Wilson

Staff Environmental Scientist,
South Coast Region
CA Department of Fish & Game

Adam Probolsky

Chairman & CEO
Probolsky Research

Dan Silver

Executive Director
Endangered Habitats League

Jonathan Snyder

Wildlife Biologist
US Fish and Wildlife Service

Debbie Townsend

Assistant Executive Director,
Land Acquisition Program
California Wildlife Conservation Board

Sylvia Vega

Deputy District Director,
Environmental Division
Caltrans, District 12

**MEMORANDUM OF UNDERSTANDING
AGREEMENT C-9-0278**

Memorandum of Agreement (MOA) and Master Agreement Among the Orange County Transportation Authority (“OCTA”), the United States Fish and Wildlife Service (“USFWS”), the California Department of Fish and Game (“CDFG”), and the California Department of Transportation (“CALTRANS”) Regarding the Mitigation for Freeway Improvement Projects Under the Renewed Measure M Ordinance Environmental Mitigation Program

WHEREAS, in 2006 the Renewed Measure M Transportation Ordinance and Investment Plan was approved by the voters to provide for the continuation of a half-cent transportation transaction and use tax for an additional thirty years;

WHEREAS, Renewed Measure M includes a list of thirteen freeway improvement projects that are intended to improve the quality of life by increasing the mobility of people and goods throughout the region;

WHEREAS, Renewed Measure M establishes an Environmental Mitigation Program that will provide for the allocation of at least five percent of net freeway program revenues for environmental mitigation of freeway projects (estimated at \$243.5 million);

WHEREAS, the early acquisition/restoration and management of high quality habitat is more cost-effective and more beneficial biologically than project-by-project mitigation;

WHEREAS, Renewed Measure M is intended to provide for early large-scale acquisition/restoration and management of important habitat areas for sensitive species and to create a reliable approach for funding required mitigation for future transportation improvements, thereby enabling the purchase of habitat that may become more scarce in the future, reducing future costs, and accelerating project delivery;

WHEREAS, USFWS has jurisdiction over the conservation, protection, restoration, enhancement, and management of fish, wildlife, native plants, and habitat necessary for biologically sustainable populations of those species pursuant to the provisions of various federal laws including the Endangered Species Act (“ESA”) and the Fish and Wildlife Coordination Act (“FWCA”);

WHEREAS, CDFG is a department of the California Resources Agency with jurisdiction over the conservation, protection, restoration, enhancement and management of fish, wildlife, native plants and habitat necessary for biologically sustainable populations of those species under various state laws, including the California Endangered Species Act (“CESA”) and the Natural Community Conservation Planning Act (“NCCPA”);

WHEREAS, OCTA has been designated by the Orange County Board of Supervisors as the authority responsible for implementing Renewed Measure M;

WHEREAS, the Parties have determined that entering into this MOA does not constitute the adoption of, or a commitment to carry out, the mitigation plan as those terms are used in the California Environmental Quality Act ("CEQA"), that entering into this MOA does not constitute a major federal action significantly affecting the human environment as those terms are used in the National Environmental Policy Act ("NEPA") and that completion of CEQA and NEPA compliance, where applicable, is a condition precedent to any party being committed to carry out any obligations set forth in this MOA;

NOW, THEREFORE, BE IT RESOLVED that the Parties agree to implement the Environmental Mitigation Program as follows:

1. OCTA will develop a Habitat Conservation Plan/Natural Community Conservation Plan ("HCP/NCCP") that will include a conservation strategy to fully mitigate adverse effects to sensitive species and habitat as a result of construction of the freeway improvement projects.
2. The Parties agree to execute an HCP/NCCP Planning Agreement (Attachment A) that will outline the roles and responsibilities of each Party in the development and review of the OCTA HCP/NCCP.
3. The Parties agree to work closely together through the Environmental Oversight Committee to develop guidelines and criteria for directing habitat acquisition and/or restoration under Renewed Measure M as part of the conservation strategy for the OCTA HCP/NCCP.
4. OCTA has adopted a Plan of Finance that will allow up to \$60 million to be expended on habitat acquisition and/or restoration by 2013. Expenditures for sensitive species habitat may commence upon execution of the MOA and the HCP/NCCP Planning Agreement by the Parties.
5. OCTA will receive advance credit for acquisition and/or restoration of sensitive species habitat that occurs prior to the permitting of the thirteen freeway improvement projects, as provided in the HCP/NCCP Planning Agreement.
6. Regulatory assurances for Renewed Measure M projects will be provided through the issuance of ESA and NCCP Act permits for the OCTA HCP/NCCP, provided that USFWS and CDFG determine that their respective permit issuance criteria have been satisfied by the OCTA HCP/NCCP.
7. In developing the HCP/NCCP, OCTA will determine the implementing structure for long-term management and monitoring of habitat acquired through the Environmental Mitigation Program, including selecting the entity that will oversee

management and monitoring of the habitat areas. OCTA will work closely with Caltrans, USFWS, and CDFG in the development of the habitat management program.

8. USFWS and CDFG will actively partner with OCTA during the permitting process for Renewed Measure M projects impacting wetlands and waters of the United States regulated by the U.S. Army Corps of Engineers (“Corps”), the Environmental Protection Agency (“USEPA”), the Regional Water Quality Control Boards (“RWQCB” [i.e., Santa Ana RWQCB & San Diego RWQCB]), and CDFG in the interest of ensuring that OCTA habitat acquisitions and/or restoration in wetland habitat prior to the wetland permitting process would receive credit by those agencies when developing wetland banking agreements, master streambed alteration agreements, regional general permits, and other appropriate permits or mechanisms.

9. The signatories agree in good faith to provide the legal, financial, technical, and staff resources necessary to implement the provisions of this MOA. Nothing in this MOA shall be construed, however, as obligating the signatories to expend funds, or for the future payment of money, in excess of appropriations authorized by law, nor does this MOA guarantee the issuance of permits.

10. This MOA may be amended only with the written consent of all of the Parties.

11. Any Party may withdraw from this MOA upon 30 days written notice to the other Parties

Nothing in this MOA shall supersede those provisions adopted by the voters in 2006 under the Renewed Measure M Transportation Ordinance and Investment Plan.

ORANGE COUNTY TRANSPORTATION AUTHORITY

Date

UNITED STATES FISH AND WILDLIFE SERVICE

Date

CALIFORNIA DEPARTMENT OF FISH AND GAME

Date

CALIFORNIA DEPARTMENT OF TRANSPORTATION

Date

DRAFT

**DRAFT
Planning Agreement**

C-9-0279

by and among

**Orange County Transportation Authority, California Department of
Transportation**

California Department of Fish and Game, and

United States Fish and Wildlife Service

for the

**Orange County Transportation Authority
Natural Community Conservation Plan (NCCP)/ Habitat Conservation
Plan (HCP)**

Draft

February 2009

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**Orange County Transportation Authority Habitat Conservation Plan
(HCP)/Natural Community Conservation Plan (NCCP)
Planning Agreement**

This agreement regarding the planning and preparation of the Orange County Transportation Authority Natural Community Conservation Plan and Habitat Conservation Plan (Planning Agreement) is entered into as of the Effective Date by and among the Orange County Transportation Authority (OCTA), the California Department of Transportation (Caltrans), the California Department of Fish and Game (CDFG), and the United States Fish and Wildlife Service (USFWS). These entities are referred to collectively as “Parties” and each individually as a “Party.” CDFG and USFWS are referred to collectively as “Wildlife Agencies.”

1.0 Definitions

The following terms as used in this Planning Agreement will have the meanings set forth below.

- 1.1 “CEQA” means the California Environmental Quality Act, Public Resources Code, section 21000, *et seq.*
- 1.2 “CESA” means the California Endangered Species Act, California Fish and Game Code, section 2050 *et seq.*
- 1.3 “Covered Activities” means those certain activities that will be addressed in the NCCP/HCP and for which the OCTA and Caltrans may seek take authorizations pursuant to the California Fish and Game Code section 2835 and the Federal Endangered Species Act (“ESA”).
- 1.4 “Covered Species” means those species identified in the NCCP/HCP, both listed and non-listed, whose conservation and management are provided for in the NCCP/HCP, and which may be authorized for take under State and/or federal law once the NCCP/HCP is approved.
- 1.5 “Effective Date” means the date on which this Planning Agreement has been executed by the Parties.
- 1.6 “ESA” means the Federal Endangered Species Act, 16 United States Code section 1530, *et seq.*
- 1.7 “Habitat Conservation Plan” or “HCP” means a conservation plan prepared pursuant to section 10(a)(1)(B) of the ESA.

- 1.8 “Implementing Agreement” or “IA” means an agreement that defines the terms for implementing the NCCP/HCP.
- 1.9 “Listed Species” means those species designated as candidate, threatened or endangered pursuant to CESA and/or listed as threatened or endangered under the ESA.
- 1.10 “Natural Community Conservation Plan” or “NCCP” means a conservation plan created to meet the requirements of Fish and Game Code, section 2800, *et seq.*
- 1.11 “NCCP Act” means the Natural Community Conservation Planning Act, Fish and Game Code section 2800 *et seq.*
- 1.12 “NEPA” means the National Environmental Policy Act, 42 United States Code section 4321, *et seq.*
- 1.13 “Party” means an entity that is a signatory to this Planning Agreement. Such entities may be referred to individually as “Party” or collectively as “Parties.”
- 1.14 “Planning Area” means the geographic are proposed to be addressed in the NCCP/HCP as described in section 5.
- 1.15 “Renewed Measure M” means the Orange County Renewed Measure M Transportation Ordinance and Investment Plan.
- 1.16 “Section 7” means 16 United States Code section 1536.
- 1.17 “Section 10” means 16 United States Code section 1539.
- 1.18 “Steering Committee” means the committee established in accordance with section 7.4.1 of this Planning Agreement.

2.0 Background

2.1 Compliance with State and Federal Fish and Wildlife Protection Laws

The Planning Area contains valuable biological resources, including native species of fish and wildlife and their habitats. Among the species within the Planning Area are certain species that are protected, or may be protected in the future, under CESA or the ESA. The Parties intend for the NCCP/HCP to meet the requirements of state and federal fish and wildlife protection laws that apply to Covered Activities and to provide a basis for state and federal authorizations for the take of Covered Species that may be caused by the Covered Activities.

Under state law, take of species listed pursuant to CESA may be authorized under Fish and Game Code section 2080.1 or section 2081, or section 2835 of the NCCP Act. The NCCP Act provides that after the approval of an NCCP, CDFG may permit the taking of any identified species, listed or non-listed, whose conservation and management is provided for in the NCCP. Take of listed species may also be authorized under CESA.

The Parties intend for the NCCP/HCP to be sufficient to support the issuance of take authorizations for Covered Activities under the NCCP Act and the ESA. The Parties acknowledge that the NCCP/HCP may be used to address other state and federal statutes.

The ESA provides that after the approval of an HCP, USFWS may permit the taking of fish and wildlife species covered in the HCP if the HCP and permit application meet the requirements of section 10(a)(2)(A) and (B) of the ESA. Take authorization for federally listed species covered in the HCP are generally effective upon approval of the HCP and issuance of an incidental take permit. Take authorization for any non-listed species covered in the HCP becomes effective if and when the species is listed pursuant to the ESA.

2.2 Purposes of this Agreement

The purposes of this Planning Agreement are to:

- Define the Parties' goals and commitments with regard to development of the OCTA NCCP/HCP;
- Define the initial geographic scope of the Planning Area;
- Identify a preliminary list of natural communities and species known or reasonably expected to be found in those communities that are intended to be the initial focus of the NCCP/HCP;
- Identify preliminary conservation objectives for the Planning Area;
- Establish a process for the inclusion of independent scientific input into the planning process;
- Ensure coordination among CDFG, USFWS, Caltrans, and OCTA;
- Establish a process to review interim projects within the Planning Area that will help achieve the preliminary conservation objectives and maintain viable conservation objectives and alternatives for the NCCP/HCP;
- Establish a process to ensure funding of the mitigation measures identified in the NCCP/HCP are consistent with Renewed Measure M; and
- Ensure public participation and outreach throughout the planning process.

2.3 Future ESA Section 7 Consultations

To the extent allowed under law, the Parties intend that the measures adopted to meet regulatory standards included in the NCCP/HCP, once approved by USFWS, will serve as the range of measures to be incorporated into biological opinions associated with future section 7 consultations between USFWS and a federal action agency regarding Covered Activities that may adversely affect listed Covered Species or that may result in the destruction or adverse modification of critical habitat.

2.4 Other Fish and Wildlife Protection Laws

Based on the NCCP/HCP, OCTA may seek approval or authorization under other state or federal fish and wildlife protection laws, including, but not necessarily limited to the Migratory Bird Treaty Act, the Bald and Golden Eagle Protection Act, and various provisions of the Fish and Game Code. The Parties agree to collaborate to explore the feasibility of developing the NCCP/HCP to serve as the means by which Covered Activities may comply with these additional laws.

2.5 Concurrent Planning for Wetlands and Waters of the United States

Based on the NCCP/HCP, OCTA may seek future programmatic permits or other form of authorization under the Clean Water Act, section 1600 *et seq.* of the Fish and Game Code as necessary for Covered Activities. The Parties agree to work together to explore the feasibility of undertaking concurrent but separate planning regarding these permits. Such programmatic permits or other forms of authorization are not necessary, however, for approval of the NCCP/HCP or for issuance of take permits.

2.6 Assurances

2.6.1 Regulatory Assurances Under the ESA

Upon approval of the HCP and issuance of an incidental take permit for Covered Activities, USFWS will provide assurances to OCTA that the USFWS will not require the commitment of additional land, water, or financial compensation or additional restrictions on the use of land, water, or other natural resources beyond the level otherwise agreed upon for Covered Species, without the consent of OCTA, in accordance with 50 C.F.R. §§ 17.22(b)(5) and 17.32(b)(5).

2.6.2 Regulatory Assurances Under the NCCP Act

If the OCTA NCCP/HCP meets the criteria for issuance of an NCCP permit under section 2835 of the Fish and Game Code, CDFG will approve the NCCP and provide assurances

consistent with its statutory authority upon issuance of the NCCP permit. Under section 2820(f) of the Fish and Game Code, CDFG may provide assurance for the Covered Activities commensurate with the level of long-term conservation and associated implementation measures provided in the NCCP. Assurances include that if unforeseen circumstances arise during implementation of the NCCP, CDFG will not require additional land, water, or financial compensation or additional restrictions on the use of land, water, or other natural resources without the consent of OCTA as long as the NCCP is being implemented consistent with the terms of the Implementation Agreement and associated take permit.

3.0 Planning Goals

The planning goals for the OCTA NCCP/HCP include the following:

- Provide for the conservation and management of Covered Species within the Planning Area;
- Preserve, restore and enhance aquatic, riparian and terrestrial natural communities and ecosystems that support Covered Species within the Planning Area;
- Provide a means to implement Covered Activities in a manner that complies with applicable state and federal fish and wildlife protection laws, including CESA and the ESA;
- Provide a basis for permits necessary to lawfully take Covered Species;
- Provide a comprehensive means to coordinate and standardize mitigation and compensation requirements for Covered Activities within the Planning Area;
- Provide 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 and permitting;
- Provide a less costly, more efficient project review process that results in greater conservation values than project-by-project, species-by-species review; and
- Provide clear expectations and certain regulatory assurances regarding Covered Activities occurring within the Planning Area.

4.0 Planning Area and Plan Participants

4.1 Geographic Scope

The Planning Area includes all of Orange County. Regardless of the scope of the Planning Area, nothing in this Planning Agreement shall be construed to limit the consideration of adjacent areas outside of the County that are appropriate to take into account for preserve design purposes.

4.2 Local Agencies

The OCTA is the local sponsor of the NCCP/HCP. As part of this planning process, the OCTA has committed to undertake a collaborative, systematic approach to protecting the Planning Area's ecologically significant resources, including candidate, threatened and endangered species and their habitats, open space, and working landscapes, and to ensure that the Covered Activities comply with applicable federal and state laws.

4.3 California Department of Transportation

Caltrans is the owner and operator of the state highway system. It is the lead agency for construction and rehabilitation projects undertaken on the State highway system.

4.4 California Department of Fish and Game

CDFG is the agency of the State of California authorized to act as trustee for the state's wildlife. CDFG is authorized to approve NCCPs pursuant to the NCCP Act, administer and enforce CESA and other provisions of the Fish and Game Code, and enter into agreements with federal and local governments and other entities for the conservation of species and habitats pursuant to CESA and the NCCP Act.

4.5 United States Fish and Wildlife Service

The USFWS is an agency of the United States Department of the Interior authorized by Congress to administer and enforce the ESA with respect to terrestrial wildlife, non-anadromous fish species, insects and plants, and to enter into agreements with states, local governments, and other entities to conserve threatened, endangered, and other species of concern. The NCCP Act and this Planning Agreement require coordination with USFWS with respect to the ESA.

5.0 Preliminary Conservation Objectives

The preliminary conservation objectives the Parties intend to achieve through the NCCP/HCP are to:

- Provide meaningful comprehensive environmental mitigation;
- Provide for habitat connectivity to ensure reserves maintain their biological functions and values;
- Provide for the protection of Covered Species and associated natural communities and ecosystems that occur within the Planning Area;
- Preserve the diversity of fish, wildlife, plant and natural communities in the Planning Area through the preservation and/or restoration of habitat;

- Avoid, minimize, and/or mitigate the take of Covered Species and their habitat; and
- Implement an adaptive management and monitoring program to respond to changing ecological conditions.

5.1 Conservation Elements

5.1.1 Ecosystems, Natural Communities, and Covered Species List

The NCCP/HCP will employ a strategy that focuses on the conservation of ecosystems, natural communities, and ecological processes in the Planning Area. In addition, the NCCP/HCP will establish species-specific minimization, mitigation, conservation and management measures where appropriate.

Natural communities that are likely to be addressed by the NCCP/HCP include, but are not limited to California Walnut Woodland, Canyon Live Oak Ravine Forest, Riversidian Alluvial Fan Scrub, Southern Coast Live Oak Riparian Forest, Southern Cottonwood Willow Riparian Forest, Southern Mixed Riparian Forest, Southern Willow Scrub, and Valley Needlegrass Grassland.

Species that are intended to be covered by the NCCP/HCP include, but are not limited to Braunton's milkvetch, San Fernando valley spineflower, Santa Ana River woollystar, Santa Ana sucker, coastal California gnatcatcher, southwestern willow flycatcher, coastal cactus wren, grasshopper sparrow, northern harrier, least Bell's vireo, pond turtle, arroyo toad, and spadefoot toad. Issuance of state and federal take authorizations for any particular Covered Species will require an individual determination by the applicable Wildlife Agency that the NCCP/HCP meets applicable state or federal permit issuance requirements.

5.1.2 Conservation Areas and Viable Habitat Linkages

The NCCP/HCP will protect, enhance, or restore habitat and provide or enhance habitat linkages throughout the Planning Area. The NCCP/HCP conservation strategy will address a range of environmental gradients and ecological functions, and will address appropriate principles of ecosystem management, ecosystem restoration, and population biology.

5.1.3 Project Design

Where applicable, the NCCP/HCP will ensure that each Covered Activity is appropriately designed to avoid and minimize impacts to Covered Species and their habitats.

6.0 Preparing the NCCP/HCP

The Parties intend that this Planning Agreement will establish a mutually agreeable process for preparing the NCCP/HCP that meets the procedural requirements of the NCCP Act and the ESA. The process used to develop the NCCP/HCP will incorporate independent scientific input and analysis and include public participation with ample opportunity for comment from the general public and from key groups of stakeholders.

6.1 Best Available Scientific Information

The NCCP/HCP will be based on the best available scientific information, including, but not limited to:

- Principles of conservation biology, community ecology, individual species ecology, and other appropriate scientific data and information;
- Thorough information about all natural communities and proposed Covered Species within the Planning Area; and
- Advice from well-qualified, independent scientists.

6.2 Data Collection

The Parties agree that information regarding species and the effect of Covered Activities is important for preparation of the NCCP/HCP. The Parties therefore agree that data collection for preparation of the NCCP/HCP should be prioritized to develop more complete information on these subjects. Preference should be given to collecting data essential to address conservation requirements of natural communities and proposed Covered Species. The science advisory process and analysis of existing information may reveal data gaps currently not known that are necessary for the full and accurate development of the NCCP/HCP. Data needed for preparation of the NCCP/HCP may not be known at this time nor identified herein. Therefore, the Parties anticipate that data collection priorities may be adjusted from time to time during the planning process. All data collected for the preparation and implementation of the NCCP/HCP will be made available to the Wildlife Agencies in hard and digital formats, as requested and available.

6.3 Independent Scientific Input

A group of independent scientists will be convened to provide input on :

- Species and natural communities covered by the NCCP/HCP
- Adequacy of existing data and methods for filling any data gaps
- Conservation guidelines and preserve design principles
- Conservation analytical methods
- Management and monitoring guidelines

6.4 Public Participation

The Parties will ensure an open and transparent process with an emphasis on obtaining input from a balanced variety of public and private interests. The planning process will utilize the Environmental Oversight Committee and the public outreach plan established under Renewed Measure M as well as publication of notices and draft documents to provide opportunities for thorough public participation.

6.4.1 Steering Committee

The Mitigation and Resource Protection Program Oversight Committee (Environment Oversight Committee) will serve as the Steering Committee for the NCCP/HCP.

6.4.2 Outreach

OCTA will establish a public outreach plan to ensure that information concerning the development of the NCCP/HCP reaches landowners, local governments, conservation organizations, community groups, and the general public.

6.4.3 Availability of Public Review Drafts

The Parties will designate and make available for public review online in a reasonable and timely manner “public review drafts” of pertinent planning documents.

6.4.4 Public Hearings

Public hearings regarding development of the NCCP/HCP will be planned and conducted in a manner that satisfies the requirements of CEQA, NEPA, and any other applicable state or federal laws.

6.4.5 Public Review and Comment Period Prior to Adoption

OCTA will make the draft NCCP/HCP available for public review and comment a minimum of 60 days before adoption. The draft NCCP/HCP and Implementing Agreement will be distributed with the draft Environmental Impact Report (EIR) prepared for the NCCP pursuant to CEQA and the draft Environmental Impact Statement (EIS) prepared for the HCP pursuant to NEPA.

6.5 Covered Activities

The NCCP/HCP will identify the Covered Activities carried out by OCTA that may result in take of Covered Species within the Planning Area. Anticipated Covered Activities currently consist of thirteen freeway improvement projects as follows:

- 1) **Project A: I-5 Improvements between SR-55 and SR-57**
Reduce freeway congestion through improvements at the SR-55/I-5 interchange area between the Fourth Street Newport Boulevard ramps on I-5, and between Fourth Street and Edinger Avenue on SR-55. Also, add capacity on I-5 between SR-55 and SR-57 to relieve congestion at the “Orange Crush.”
- 2) **Project B: I-5 Improvements from SR-55 to El Toro “Y”**
Build new lanes and improve the interchanges in the area between SR-55 and the SR-133 (near the El Toro “Y”). The project will also make improvements at local interchanges, such as Jamboree Road.
- 3) **Project C: I-5 Improvements south of the El Toro “Y”**
Add new lanes to I-5 from the vicinity of the El Toro Interchange in Lake Forest to the vicinity of SR-73 in Mission Viejo. Also add new lanes on I-5 between Coast Highway and Avenida Pico interchanges to reduce freeway congestion in San Clemente.
- 4) **Project D: I-5 Local Interchange Upgrades**
Update and improve key I-5 interchanges such as Avenida Pico, Ortega Highway, Avery Parkway La Paz Road, El Toro Road, and others to relieve street congestion around older interchanges and on ramps.
- 5) **Project E: SR-22 Access Improvements**
Construct interchange improvements at Euclid Street, Brookhurst Street and Harbor Boulevard to reduce freeway and local street congestion.
- 6) **Project F: SR-55 Improvements (between SR-22 and I-405)**
Add new lanes to SR-55 between SR-22 and I-405, generally within existing right-of-way, including merging lanes between interchanges to smooth traffic flow. This project also provides for freeway operational improvements for the portion of SR-55 between SR-91 and SR-22.
- 7) **Project G: SR-57 Improvements**
Build a new northbound lane between Orangewood Avenue and Lambert Road. Other projects include improvements to the Lambert interchange and the addition of a northbound truck-climbing lane between Lambert and the county line.

- 8) **Project H: SR-91 Improvements from I-5 to SR-57**
Add capacity in the westbound direction and provide operational improvements at on and off ramps to the SR-91 between I-5 and SR-57.
- 9) **Project I: SR-91 Improvements from SR-57 to SR-55 Interchange Area**
Improve the SR-91/SR-55 to SR-91/SR-57 interchange complex, including nearby local interchanges such as Tustin Avenue and Lakeview, as well as adding freeway capacity between SR-55 and SR-57.
- 10) **Project J: SR-91 Improvements from SR-55 to Orange/Riverside County Line**
This project adds capacity on SR-91 beginning at SR-55 to the Orange/Riverside County Line. This will be done in coordination with the Riverside County Transportation Commission's (RCTC) plans to improve the SR-91 freeway into Riverside County. The first priority will be to improve the segment of SR-91 east of SR-241. The goal is to provide up to four new lanes of capacity between SR-241 and Riverside County Line by making best available use of freeway property, adding reversible lanes, building elevated sections and improving connections to SR-241. This project also includes improvements to the segment of SR-91 between SR-241 and SR-55. The concept is to generally add one new lane in each direction and improve the interchanges.
- 11) **Project K: I-405 Improvements between I-605 freeway in Los Alamitos area and SR-55**
Add new lanes to I-405 between I-605 and SR-55. The project will make best use of available freeway property, update interchanges and widen various local overcrossings according to city and regional plans. The improvements will be coordinated with other planned I-405 improvements in the I-405/SR-22/I-605 interchange area to the north and I-405/SR-73 improvements to the south.
- 12) **Project L: I-405 Improvements between SR-55 and I-5**
Add new lanes to the freeway from SR-55 to the I-5. The project will also improve chokepoints at interchanges and add merging lanes near on/off ramps such as Lake Forest Drive, Irvine Center Drive and SR-133 to improve the overall freeway operations in the I-405/I-5 El Toro "Y" area.
- 13) **Project M: I-605 Freeway Access Improvements**
Improve freeway access at I-605/Katella Avenue serving the communities of Los Alamitos and Cypress. The project will be coordinated with other planned improvements along SR-22 and I-405. Specific improvements will be subject to approved plans developed in cooperation with local jurisdictions and affected communities. This improvement will connect to

interchange improvements at I-405 and SR-22 as well as new freeway lanes between I-405 and I-605.

6.6 Interim Project Processing

The Parties recognize that before the Wildlife Agencies approve the NCCP/HCP, certain projects and activities may be proposed within the Planning Area. The Parties agree to the following interim project process to: (1) ensure that development, construction, and other projects or activities approved or initiated in the Planning Area before completion of the NCCP/HCP are consistent with the preliminary conservation objectives and do not compromise successful completion and implementation of the NCCP/HCP; (2) facilitate ESA/CESA compliance for interim projects that require it; and (3) ensure that processing of interim projects is not unduly delayed during preparation of the NCCP/HCP.

The OCTA will notify the Wildlife Agencies about proposed projects or activities requiring discretionary approvals from the OCTA that have the potential to adversely impact proposed Covered Species and natural communities.

If the OCTA proposes to undertake or approve a project, it will notify the Wildlife Agencies of the project prior to the time the project application is deemed complete. The OCTA will notify the Wildlife Agencies of interim projects, and will provide (1) a depiction of the project location on a USGS 7.5 minute quadrangle map with the quadrangle name and section, township, and range identified; (2) a description of the project along with the land cover types present on the project site using the most current land cover data available; and (3) any other biological information available to the OCTA about the project area.

The Wildlife Agencies will use reasonable efforts to review interim projects in a timely manner. The Wildlife Agencies will recommend mitigation measures or project alternatives that would help achieve the preliminary conservation objectives and will not preclude important conservation planning options or connectivity between areas of high habitat values. Any take of listed or candidate species arising out of a reportable interim project must be authorized pursuant to applicable State and federal law.

6.7 Protection of Habitat and other Resources During Planning Process

6.7.1 Conservation Actions

OCTA may elect to acquire and preserve, enhance, or restore habitat in the Planning Area that will support native species of fish, wildlife, or natural communities prior to approval of the NCCP/HCP. OCTA will confer with the Wildlife Agencies regarding potential resources to be protected. The Wildlife Agencies agree to credit such resources towards the habitat protection, enhancement and restoration requirements of the NCCP/HCP provided that these resources are appropriately conserved, restored, or enhanced and

managed. Resources that will be credited to OCTA will be determined and agreed upon by the Parties prior to the acquisition of particular habitat parcels.

6.8 Implementing Agreement

An Implementing Agreement that includes specific provisions and procedures for the implementation, monitoring, and funding of the NCCP/HCP will be developed by the Parties. A draft of the Implementing Agreement will be made available for public review and comment with the final public review draft of the NCCP/HCP. The Implementing Agreement will contain provisions for:

- Conditions of species coverage;
- The long-term protection of habitat reserves;
- Implementation of conservation measures;
- Adequate funding to implement the NCCP/HCP;
- Terms for suspension or revocation of the permits;
- Procedures for amendment of the NCCP/HCP, Implementing Agreement, and take authorizations;
- Implementation of monitoring and adaptive management;
- Oversight of the NCCP/HCP's effectiveness;
- Reporting frequency and general content.

7.0 Commitment of Resources

7.1 Funding

Funding for the planning effort will be provided through Renewed Measure M revenues. OCTA, with the assistance of the Wildlife Agencies, will also seek grant support under the federal Endangered Species Act (e.g., Section 6 non-traditional planning grant) and State grants such as the NCCP Local Assistance Grants program. Additionally, to assist in prioritizing this NCCP/HCP, OCTA will provide CDFG with funding to support one staff position to assist with the planning effort.

8.0 Miscellaneous Provisions

8.1 Public Officials Not to Benefit

No member of or delegate to Congress will be entitled to any share or part of this Planning Agreement, or to any benefit that may arise from it.

8.2 Statutory Authority

The Planning Agreement is not intended, nor will it be construed, to modify any authority granted by statute, rule or regulation.

8.3 Multiple Originals

This Planning Agreement may be executed by the Parties in multiple originals, each of which will be deemed to be an official original copy.

8.4 Effective Date

The Effective Date of this Planning Agreement will be the date on which it is fully executed by the parties.

8.5 Duration

This Planning Agreement will be in effect until the NCCP/HCP is approved and permitted by the Wildlife Agencies, but shall not be in effect for more than 36 months following the Effective Date, unless extended by amendment. The Parties intend to initiate and complete the NCCP/HCP process as well as the necessary NEPA/CEQA environmental compliance document within a 24-month period from the Effective Date. This Planning Agreement may be terminated pursuant to Section 9.7 below.

8.6 Amendments

This Planning Agreement can be amended only by written agreement of all Parties.

8.7 Termination and Withdrawal

This Planning Agreement can be terminated only by written agreement of all Parties. Any Party may withdraw from this Planning Agreement upon 30 day's written notice to the other Parties. Any mitigation credits acquired by OCTA prior to termination or withdrawal from this Planning Agreement would remain available to OCTA to offset the potential impacts of OCTA projects.

8.7.1 Funding

In the event that federal or State funds have been provided to assist with NCCP/HCP preparation or implementation, any Party withdrawing from this Planning Agreement shall return to the granting agency unspent funds awarded to that Party prior to

withdrawal. A withdrawing Party shall also provide the remaining Parties with a complete accounting of the use of any federal or State funds it received regardless of whether unspent funds remain at the time of withdrawal. In the event of termination of this Planning Agreement, all Parties who received funds shall return any unspent funds to the grantor prior to termination.

8.8 No Precedence

This Planning Agreement is not intended, and shall not be construed, to modify any existing or subsequently amended law, rule, regulation, or other legal authority, or requirements established thereunder.

The Parties' execution of this Planning Agreement and participation in the development of the NCCP/HCP is voluntary. The Parties recognize that participation in this Planning Agreement or in the NCCP/HCP planning process does not constitute, expressly or implicitly, an authorization by any of the Wildlife Agencies to take any species listed under CESA or the ESA or endorsement by the Wildlife Agencies of the Covered Activities. The parties further recognize that such participation does not reflect or represent an acknowledgment by any Party that the NCCP/HCP is necessary to comply with CESA or the ESA.

SIGNATURES:

Dated: _____, 2009

ORANGE COUNTY TRANSPORTATION
AUTHORITY

By: _____

Title: _____

Dated: _____, 2009

CALIFORNIA DEPARTMENT OF FISH
AND GAME

By: _____

Title: _____

Dated: _____, 2009

U.S. FISH AND WILDLIFE SERVICE

By: _____

Title: _____

Date: _____, 2009

CALIFORNIA DEPARTMENT OF
TRANSPORTATION

By: _____

Title: _____

M2 Freeway Mitigation Program Summary of Analysis Options

Option	Description	Time	Pros	Cons	Comments
San Diego Model	Agreement on process only. Requires subsequent analysis for individual projects.	3-6 months	Early agreement. Builds framework for actions by OCTA and Resource Agencies	Lacks assurances regarding permitting process and may not enable early acquisition.	Likely wouldn't meet goals of M2
San Diego Hybrid	Limited programmatic analysis of impacts under process agreed to by OCTA and Resource Agencies	12 - 18 months	Early agreement. May reduce risk of surprises in permitting process. Provides some analysis to support mitigation	Lacks precedent/tested legal framework. Likely would still fall short on assurances. Potential cost and resource demands.	Banking of mitigation assets might enable early acquisition
Program EIR	Similar to Hybrid with programmatic analysis of impacts under CEQA/NEPA framework	18 months	Similar to SD Hybrid but provides legal framework/precedent for analysis	May open up M2 freeway program to new challenges (e.g. GHG). Potential cost and resource demands	Banking of mitigation assets might enable early acquisition
Section 10 HCP and section 2081 permit	Develop Habitat Conservation Plan under the ESA for freeway program, combine with section 2081 under CESA.	24+ months	High level of assurances under the federal ESA.	Long timetable would delay acquisitions unless advance credit agreement structured. Potential cost and resource demands. CESA section 2081 permit would not apply to unlisted species and possibly would not provide assurances.	
Section 10 HCP combined with Section 2835 NCCP	Develop Habitat Conservation Plan under the ESA for freeway program, combine with an NCCP.	24 + months	High level of assurances under the ESA and CESA/NCCPA.	Long timetable would delay acquisitions unless advance credit agreement structured (which is provided under NCCPA and is common). Potential cost and resource demands.	Unlisted species could be covered under ESA and CESA. This is the most comprehensive approach available (requires M2 to meet heightened standard of NCCPA, which is possible).
HCP/NCCP Opt In	Opt into Orange County Central Coastal HCP/NCCP	3 - 6 months	Provides high level of assurances with a streamlined process	Would cover only some freeway projects and some potential impacts	Requires payment of in lieu mitigation fee – coverage available is insufficient to meet the goals of M2.
Endangered Species Act Section 7 Consultation	Do biological assessment and conduct Section 7 consultation	6-18 months	High level of assurances	Requires federal nexus and sufficient project information to conduct assessment. Potential cost and resource demands	Does not typically cover unlisted species
Endangered Species Act Section 7 Programmatic Consultation	Two step process: Initial biological opinion w/tiered project level evaluation	6-18 months	Relatively short timetable. Adaptive management/contingent mitigation can reduce assurances risk	Some assurances risk. Requires federal nexus. Potential cost and resource demands	Does not typically cover unlisted species. Requires additional agency review/consultation at project-specific level.



DEPARTMENT OF FISH AND GAME

http://www.dfg.ca.gov
South Coast Region
4949 Viewridge Avenue
San Diego, CA 92123
(858) 467-4201



November 6, 2008

Chair Patricia Bates
Measure M - Environmental Oversight Committee
Orange County Transportation Authority
550 S. Main St.
Orange, CA 92863-1584
(714) 560-5676

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CEO OFFICE
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Ellen B
Art L
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Dear Chair Bates:

The Department of Fish and Game (Department) appreciates the opportunity to participate in the Measure M - Environmental Oversight Committee (Committee) and is committed to participation in the Measure M process.

Recent discussions with the Orange County Transportation Authority (OCTA) regarding implementation of the environmental mitigation component of the Measure and the execution of the Master Agreement have led to discussions between OCTA, the Department, U.S. Fish and Wildlife Service (Service) and other Committee members regarding the preference to utilize the State's Natural Community Conservation Planning (NCCP) program to address mitigation requirements for projects identified in the Measure, rather than pursuing one or more individual Take Permits under Fish and Game Section 2050 et seq. While approval of an NCCP requires a higher level of conservation than would be necessary under a strict mitigation-based plan, an NCCP would provide additional assurances including allowing OCTA to address cumulative effects of the transportation projects, and enable coverage of species that are not presently listed by the State as threatened or endangered. An NCCP would also make OCTA eligible for state grant funding to assist in studies or other efforts related to the NCCP.

The Department understands that OCTA and the Committee have decided to pursue the NCCP as a comprehensive conservation strategy to address transportation projects within the County of Orange. The Department commends OCTA for its desire to address conservation on a multi-species level and supports OCTA in its efforts. However, the Department also understands that OCTA expects to have the NCCP completed within a 24-month time period. The Department cautions OCTA that based on existing staffing levels within the Department's NCCP program and the existing volume of NCCPs to complete and implement, the Department would not be able to complete OCTA's NCCP in the desired time frame. The Department recommends OCTA consider funding a Department position dedicated to the OCTA process and to the completion of the NCCP within the proposed ambitious timeline.

The Department welcomes further discussions related to funding personnel dedicated to completing this task. Please contact Environmental Program Manager Helen Birss at (805) 569-6863 if you would like to discuss funding a Department position or Senior Environmental Scientist for South Coast Region NCCP Unit, David Mayer at (858) 467-4234 if you have any questions or comments regarding NCCPs.

Sincerely,



Fol Edmund J. Pert
Regional Manager
South Coast Region

cc: Helen Birss, Los Alamitos
Stephen M. Juarez, San Diego
David Mayer, San Diego
Terri Dickerson, Laguna Niguel
Matt Chirdon, Oceanside
HabCon-Chron, Department of Fish and Game, San Diego

AGREEMENT NO. C-9-0169

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

CALIFORNIA DEPARTMENT OF FISH AND GAME

THIS AGREEMENT is effective this ____ day of _____, 2009, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584, a public corporation of the state of California (hereinafter referred to as "OCTA"), and California Department of Fish and Game, {Insert Address}(hereinafter referred to as "DEPARTMENT").

WITNESSETH:

WHEREAS, OCTA administers the Renewed Measure M (M2) Orange County's local voter-approved 1/2 cent transportation sales tax, that among other actions establishes and Environmental Mitigation Program to provide for the allocation of at least five (5) percent of net freeway program revenues (estimated at \$243.5 million) for environmental mitigation of 13 freeway projects. The Environmental Mitigation Program is intended to provide for early large-scale acquisition/restoration and management of important habitat areas for sensitive species and to create a reliable approach for funding required mitigation for future transportation improvements, thereby enabling the purchase of habitat that may become more scarce in the future, reducing future costs, and accelerating project delivery; and

WHEREAS, the California Department of Fish and Game is a department of the California Resources Agency with jurisdiction over the conversation, protection, restoration, enhancement and management of fish, wildlife, native plants and habitat necessary for biologically sustainable populations of those species under various state laws, including the California Endangered Species Act ("CESA") and the Natural Community Conservation Planning Act ("NCCPA"); and

1 **WHEREAS**, OCTA, under agreements with DEPARTMENT, the U.S. Fish and Wildlife Service
2 and the California Department of Transportation (Master Agreement and Planning Agreement) will
3 develop an Orange County Transportation Authority Habitat Conservation Plan/Natural Community
4 Conservation Plan ("HCP/NCCP") that will include a conservation strategy to fully mitigate adverse
5 effects to sensitive species and habitat as a result of construction of the thirteen (13) M2 freeway
6 improvement projects; and

7 **WHEREAS**, to accomplish the HCP/NCCP, OCTA and DEPARTMENT must cooperate in their
8 work. Timely participation by DEPARTMENT will be essential to the successful development of the
9 HCP/NCCP and the implementation of the M2 Environmental Mitigation Program. The DEPARTMENT
10 has extremely limited resources and will have difficulty reviewing and processing any plans the Master
11 Agreement and Planning Agreement. The purpose of this Agreement is to assist the DEPARTMENT
12 by providing additional staff resources that can focus on the HCP/NCCP and the M2 Environmental
13 Mitigation Program.

14 **WHEREAS**, OCTA in the fulfillment of the commitments made to the values in the Renewed
15 Measure M Transportation Investment Plan makes applications to or requests for permits, certifications,
16 waivers or other actions, needs, or services from the DEPARTMENT; and

17 **WHEREAS**, DEPARTMENT, under its authority from Fish and Game Code Section 2800 et
18 set., CESA, and as trustee agency for fish and wildlife resources, does advise, regulate, certify, and
19 permit various actions and projects of OCTA,

20 **WHEREAS**, DEPARTMENT, under its authority from Fish and Game Code Section 1600 et
21 set., CESA, and as trustee agency for fish and wildlife resources, does advise, regulate, certify, and
22 permit various actions and projects of OCTA, and

23 **WHEREAS**, OCTA and DEPARTMENT, agree that the timely processing of OCTA's
24 applications or requests for permits, certifications, waivers or other actions, needs, or services from the
25 DEPARTMENT, particularly in connection with the preparation and review of the OCTA HCP/NCCP
26 and streambed alteration is in the best interest of the public and the DEPARTMENT.

1 **WHEREAS**, without this Agreement, the DEPARTMENT cannot dedicate staff solely to the
2 applications or requests of OCTA and may not be able to provide timely processing, and

3 **WHEREAS**, the AUTHORITY's Board of Directors approved this Agreement on _____;

4 **NOW, THEREFORE**, it is mutually understood and agreed by AUTHORITY and
5 DEPARTMENT as follows:

6 **ARTICLE 1. COMPLETE AGREEMENT**

7 A. This Agreement, including all exhibits and documents incorporated herein and made
8 applicable by reference, constitutes the complete and exclusive statement of the terms and conditions
9 of this Agreement between AUTHORITY and DEPARTMENT and it supersedes all prior
10 representations, understandings and communications. The invalidity in whole or in part of any term or
11 condition of this Agreement shall not affect the validity of other terms or conditions.

12 B. The DEPARTMENT agrees that waiver by OCTA of any breach or violation of any term or
13 condition of this Agreement shall not be deemed to be a waiver of any other term or condition contained
14 herein or a waiver of any subsequent breach or violation of the same or any other terms or conditions.
15 AUTHORITY's failure to insist in any one or more instances upon DEPARTMENT's performance of any
16 terms or conditions of this Agreement shall not be construed as a waiver or relinquishment of
17 AUTHORITY's right to such performance or to future performance of such terms or conditions and
18 DEPARTMENT's obligation in respect thereto shall continue in full force and effect.

19 **ARTICLE 2. AUTHORITY DESIGNEE**

20 The Chief Executive Officer of AUTHORITY, or designee, shall have the authority to act for and
21 exercise any of the rights of AUTHORITY as set forth in this Agreement.

22 **ARTICLE 3. SCOPE OF WORK**

23 A. The DEPARTMENT shall perform the work necessary to complete in a manner satisfactory
24 to AUTHORITY the services set forth in Exhibit A, entitled "Scope of Work," attached to and, by this
25 reference, incorporated in and made a part of this Agreement.

26 /

1 B. The DEPARTMENT solely retains complete and absolute discretion to act as provided by
2 law and Department policy. The only limitation this Agreement imposes on the Department is the
3 category of projects to which the Department's staff resources will be dedicated, as set forth in
4 Agreement Section 3. Nothing in this Agreement is intended to, nor shall it be interpreted to, constitute
5 a violation of the Political Reform Act of 1974, as amended, commencing with California government
6 Code Section 81000.

7 **ARTICLE 4. TERM OF AGREEMENT**

8 This Agreement shall commence upon execution by both parties, and shall continue in full force
9 and effect through February 28, 2011, unless earlier terminated or extended as provided in this
10 Agreement. Continuance of this Agreement is subject to DEPARTMENT providing OCTA with a
11 proposed annual budget, written annual renewal by OCTA, and DEPARTMENT accepting the agreed
12 upon annual budget in accordance with the provisions of Section 5, and the ability of the Parties to
13 Terminate this Agreement pursuant to Article 13.

14 **ARTICLE 5. PAYMENT**

15 A. OCTA agrees to pay for the services provided in accordance with the budget as
16 itemized below, up to the equivalent cost for the full-time employment of a Department Staff
17 Environmental Scientist. The total amount of this Agreement for the first twelve (12) months will not
18 exceed One Hundred Sixty-Seven Thousand Dollars (\$167,000.00) and for months thirteen (13)
19 through twenty-four (24), the total amount will not exceed One Hundred and Thirty-Three Thousand
20 Dollars (\$133,000.00), for a total Not-To-Exceed Amount for the entire term of this Agreement of Three
21 Hundred Thousand Dollars (\$300,000.00). Funding for subsequent years will be contingent upon
22 OCTA's approval of the DEPARTMENT's proposed annual budget and OCTA's ability to provide the
23 required level of funding to the DEPARTMENT.

24 B. Annual costs for each subsequent year shall be determined within thirty (30) days of the
25 anniversary date of this Agreement. The DEPARTMENT shall not propose to increase the annual
26 costs stated above by more than ten (10) percent of the prior year's annual total. This Agreement shall

1 not terminate if the Parties have mutually expressed an interest in continuing the Agreement even
2 thought the DEPARTMENT may not have provided OCTA with a proposed annual budget prior to the
3 Agreement's anniversary date. In that event, OCTA shall approve the proposed annual budget with the
4 DEPARTMENT within 30 days of receipt of the proposed annual budget.

5 C. The DEPARTMENT shall invoice AUTHORITY on a monthly basis for payments
6 corresponding to the actual labor hours performed by the Environmental Scientist. The anticipated
7 hourly billing rate for this position is \$XXXX.00/per hour. The DEPARTMENT's accounting staff shall
8 furnish OCTA with an invoice containing an accounting of the expenditures for the work performed
9 under this Agreement during the preceding month, according to the above budget. Additionally, the
10 DEPARTMENT's technical staff shall provide a monthly report which identifies OCTA projects
11 supported for the month, the number of hours spent on each project, and the corresponding OCTA
12 contact name, and a list of the work performed. OCTA has the option to request additional information
13 concerning the work performed. OCTA shall dispute any unsatisfactory work or reports within 60 days
14 to DEPARTMENT.

15 D. The DEPARTMENT shall pay its employees salary, benefits, reasonable travel
16 expenses, and per diem allowances incurred during the performance of work under this Agreement at
17 rates not to exceed those amounts paid to DEPARTMENT's equivalently qualified represented
18 employees under collective bargaining agreements currently in effect.

19 E. The DEPARTMENT shall provide appropriate and necessary training to its employees to
20 perform the work required under this Agreement. OCTA shall reimburse the Department for up to 16
21 hours of training annually. Any staff training hours will be listed on the technical staff's monthly report to
22 OCTA.

23 F. The DEPARTMENT shall provide written notice to OCTA thirty (30) days in advance of
24 any proposed rate changes for direct or indirect costs associated with the work to be performed under
25 this Agreement. No proposed rate change shall exceed five (5) percent during any twelve (12) month
26 period.

ARTICLE 6. MAXIMUM OBLIGATION

Notwithstanding any provisions of this Agreement to the contrary, AUTHORITY and DEPARTMENT mutually agree that AUTHORITY's maximum cumulative payment obligation (including obligation for DEPARTMENT's profit) shall be Three Hundred Thousand Dollars (\$300,000.00) which shall include all amounts payable to DEPARTMENT for work performed under this Agreement.

ARTICLE 7. NOTICES AND EXECUTION OF AGREEMENT

A. All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of said notices in person or by depositing said notices in the U.S. mail, registered or certified mail, returned receipt requested, postage prepaid and addressed as follows:

To DEPARTMENT:

California Department of Fish and Game

ATTENTION:

To AUTHORITY:

Orange County Transportation Authority

550 South Main Street

P.O. Box 14184

Orange, CA 92863-1584

ATTENTION: Kathleen Perez, Department

Manager – Capital Projects

(714) 560 – 5743

kperetz@octa.net

B. Notice shall be deemed effective on the date personally delivered or, if mailed, three (3) days after deposit in the mail. Either party may notify the other party of a change in point of contact and/or address by providing a written notice thereof.

C. Execution of this Agreement and action thereof shall be upon the direction of the OCTA Chief Executive Officer, or designee and the DEPARTMENT' Director. Execution and Termination of this Agreement by OCTA shall be by the Chief Executive Officer, or designee. Termination of this

1 Agreement by the DEPARTMENT can be performed by the DEPARTMENT's Director or an authorized
2 designee.

3 **ARTICLE 8. INDEPENDENT CONTRACTOR**

4 DEPARTMENT's relationship to AUTHORITY in the performance of this Agreement is that of an
5 independent contractor. DEPARTMENT's personnel performing services under this Agreement shall at
6 all times be under DEPARTMENT's exclusive direction and control and shall be employees of
7 DEPARTMENT and not employees of AUTHORITY. DEPARTMENT shall pay all wages, salaries and
8 other amounts due its employees in connection with this Agreement and shall be responsible for all
9 reports and obligations respecting them, such as social security, income tax withholding, unemployment
10 compensation, workers' compensation and similar matters.

11 **ARTICLE 9. INSURANCE**

12 A. DEPARTMENT shall procure and maintain insurance coverage during the entire term of this
13 Agreement. Coverage shall be full coverage and not subject to self-insurance provisions.
14 DEPARTMENT shall provide the following insurance coverage:

15 1. Commercial General Liability, to include Products/Completed Operations,
16 Independent Contractors', Contractual Liability, and Personal Injury Liability with a minimum limit of
17 \$1,000,000.00 per occurrence and \$2,000,000.00 general aggregate.

18 2. Automobile Liability Insurance to include owned, hired and non-owned autos
19 with a combined single limit of \$1,000,000.00 each accident;

20 3. Workers' Compensation with limits as required by the State of California including a
21 waiver of subrogation in favor of AUTHORITY, its officers, directors, employees or agents;

22 4. Employers' Liability with minimum limits of \$1,000,000.00; and

23 5. Professional Liability with minimum limits of \$1,000,000.00 per claim.

24 B. Proof of such coverage, in the form of an insurance company issued policy endorsement
25 and a broker-issued insurance certificate, must be received by AUTHORITY prior to commencement of
26 any work. Proof of insurance coverage must be received by AUTHORITY within ten (10) calendar days

1 from the effective date of this Agreement with the AUTHORITY, its officers, directors, employees and
2 agents designated as additional insured on the general and automobile liability. Such insurance shall
3 be primary and non-contributive to any insurance or self-insurance maintained by the AUTHORITY.

4 C. DEPARTMENT shall include on the face of the Certificate of Insurance the Agreement
5 Number C-9-0169; and, the Contract Administrator's Name, Kathleen Perez, Department Manager –
6 Capital Projects.

7 **ARTICLE 10. ORDER OF PRECEDENCE**

8 Conflicting provisions hereof, if any, shall prevail in the following descending order of
9 precedence: (1) the provisions of this Agreement, including all exhibits; (2) all other documents, if any,
10 cited herein or incorporated by reference.

11 **ARTICLE 11. CHANGES**

12 AUTHORITY may, from time to time, make changes in the general scope of this Agreement,
13 including, but not limited to, the services furnished to AUTHORITY by DEPARTMENT as described in
14 the Scope of Work. All such changed shall be mutually agreed to in writing by both Parties.

15 **ARTICLE 12. DISPUTES**

16 Except as otherwise provided in this Agreement, any dispute concerning a question of fact
17 arising under this Agreement, which is not disposed of, by supplemental agreement shall be decided by
18 AUTHORITY's Chief Executive Officer and for DEPARTMENT', Director.

19 **ARTICLE 13. TERMINATION**

20 A. OCTA and DEPAARTMENT each shall have the right to terminate this Agreement,
21 without cause, by giving not less than thirty (30) days written notice of termination.

22 B. If DEPARTMENT fails to perform any of its material obligations under this Agreement, in
23 additional to all other remedies provided by law, OCTA may terminate this Agreement immediately
24 upon written notice.

25 C. The Chief Executive Officer, or designee may terminate this Agreement on behalf of
26 OCTA. The DEPARTMENT's Director, or designee, is empowered to terminate this Agreement on

1 behalf of the DEPARTMENT.

2 D. In the event of termination, DEPARTMENT shall deliver to OCTA copies of all reports,
3 documents, and other work performed by DEPARTMENT under this Agreement; and upon receipt
4 thereof, OCTA shall cover DEPARTMENT's costs for services performed and reimbursable expenses
5 incurred to the date of termination.

6 **ARTICLE 14. INDEMNIFICATION**

7 Neither Party is indemnifying the other Party pursuant to this Agreement.

8 **ARTICLE 15. ASSIGNMENTS AND SUBCONTRACTS**

9 The Parties agree that the expertise and experience of the DEPARTMENT are material
10 consideration for this Agreement. The DEPARTMENT shall not assign or transfer any interest in this
11 Agreement, nor the performance of any of DEPARTMENT's obligations hereunder without the prior
12 written consent of OCTA. Any attempt by DEPARTMENT to so assign this Agreement or any rights,
13 duties, or obligations other than noted arising hereunder, shall be void and of no effect.

14 **ARTICLE 16. AUDIT AND INSPECTION OF RECORDS**

15 A. DEPARTMENT shall maintain all documents and records which demonstrate
16 performance under this Agreement for a minimum period of three (3) years, or for any longer period
17 required by law, from the date of termination or completion of this Agreement.

18 B. Any records or documents required to be maintained pursuant to this Agreement shall
19 be made available for inspection or audit, at any time during regular business hours, upon written
20 request by a designated representative of OCTA. Copies of such documents shall be provided to
21 OCTA for inspection at OCTA's offices when it is practical to do so. Otherwise, unless an alternative is
22 mutually agreed upon, the records shall be available at DEPARTMENT's address indicated for receipt
23 of notices in this Agreement.

24 C. Where OCTA has reason to believe that such records or documents may be lost or
25 discarded due to dissolution, disbandment, or termination of DEPARTMENT's business, OCTA may, by
26 written request, require that custody of the records be given to OCTA and that the records and

1 documents be maintained at OCTA's offices. Consistent with the Public Records Act, access to such
2 records and documents shall be granted to any party authorized by DEPARTMENT, DEPARTMENT's
3 representatives, or DEPARTMENT's successor-in-interest.

4 **ARTICLE 17. FEDERAL, STATE AND LOCAL LAWS**

5 OCTA and DEPARTMENT agree that the law governing this Agreement shall be that of the
6 State of California. Both Parties shall comply with all applicable federal, state and local laws, statutes
7 and ordinances and all lawful orders, rules and regulations promulgated thereunder.

8 **ARTICLE 18. EQUAL EMPLOYMENT OPPORTUNITY**

9 In connection with its performance under this Agreement, DEPARTMENT shall not discriminate
10 against any employee or applicant for employment because of race, religion, color, sex, age or national
11 origin. DEPARTMENT shall take affirmative action to ensure that applicants are employed, and that
12 employees are treated during their employment, without regard to their race, religion, color, sex, age or
13 national origin. Such actions shall include, but not be limited to, the following: employment, upgrading,
14 demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other
15 forms of compensation; and selection for training, including apprenticeship.

16 **ARTICLE 19. PROHIBITED INTERESTS**

17 A. OCTA and DEPARTMENT shall avoid all conflict of interest or appearance of conflict of
18 interest in the performance of this Agreement.

19 B. DEPARTMENT covenants that, for the term of this Agreement, no director, member, officer
20 or employee of AUTHORITY during his/her tenure in office or for one (1) year thereafter shall have any
21 interest, direct or indirect, in this Agreement or the proceeds thereof.

22 **ARTICLE 20. OWNERSHIP OF REPORTS AND DOCUMENTS**

23 All reports, documents, or other material developed by DEPARTMENT or any other person
24 engaged directly or indirectly by DEPARTMENT to perform the services required hereunder shall be
25 and remain the property of DEPARTMENT without restriction or limitation upon their use.

26 /

ARTICLE 21. ALCOHOL AND DRUG POLICY

AUTHORITY and DEPARTMENT shall provide under this Agreement, a safe and healthy work environment free from the influence of alcohol and drugs. Failure to comply with this Article may result in nonpayment or termination of this Agreement.

ARTICLE 22. CONFIDENTIAL INFORMATION

All non-public data, documents, discussions, or other information developed or received by or for DEPARTMENT in performance of this Agreement are confidential and not to be disclosed to any person except in accordance with standard policy of DEPARTMENT, or as required by law. Documents provided to DEPARTMENT by OCTA shall be labeled, as "confidential" to the extent that OCTA believes DEPARTMENT should treat the documents as confidential.

This Agreement shall be made effective upon execution by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement No. C-9-0169 to be executed on the date first above written.

**CALIFORNIA DEPARTMENT OF FISH
AND GAME**

ORANGE COUNTY TRANSPORTATION AUTHORITY

By _____

By _____

Arthur T. Leahy
Chief Executive Officer

APPROVED AS TO FORM:

By _____

Kennard R. Smart, Jr.
General Counsel

APPROVED:

By _____

APPROVAL SCHEDULE FOR MASTER & PLANNING AGREEMENTS

EOC Approves Drafts March 4	2020 Approves Drafts March 16	OCTA Approves Drafts March 23	CDFG Notice Availability March 23	CDFG Mail & Posting April 6	21 Day Public Review April 27	Response to Comments	Agreements Approved by OCTA May 25	CDFG Counsel Approval June 15	Agreements Approved by CDFG June 30
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**Mitigation and Resource Protection Program
Renewed Measure M Criteria**

The Orange County Transportation Authority's (OCTA) Mitigation and Resource Protection Program is designed to provide for comprehensive, rather than piecemeal, mitigation of the environmental impacts of freeway improvements. The freeway mitigation program was approved under Orange County Renewed Measure M (M2), the half-cent sales tax for transportation improvements approved by Orange County voters in 2006.

Using a proactive, innovative approach, a Master Agreement will be negotiated between OCTA and state and federal resource agencies to provide 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 following sets of criteria were created to provide guidance to property owners and conservation organizations to help evaluate the potential resource and conservation value of properties that may be available for acquisition or restoration. At a future date, these criteria will include a mechanism for evaluating potential restoration projects that will ultimately lead to the selection of eligible properties.

Renewed Measure M Restoration Criteria

BIOLOGICAL ASSESSMENT CRITERIA

The following criteria are intended to guide the permitting/resource agencies in the recommendation of restoration for the mitigation of habitat impacts by Renewed Measure M freeway projects. Each criterion includes a brief definition to clarify any potential misunderstandings. At a future date, and after more research and input, it is expected these criteria will include a mechanism for evaluating potential restoration projects.

- Benefits Targeted Species**

The potential restoration site includes a net benefit (both immediate and long term) in the ecological value for target species through increased breeding/foraging habitat and increases connectivity between areas of suitable habitat.
- Considers the Threat of Habitat Degradation and Urgency**

The threat of increasing the amount and coverage of non-native species determines restoration urgency, and there may be unique opportunities for restoration, such as burn areas.
- Enhances Natural Lands Contiguity**

Restoration of this site will limit edge effect, supplement existing open space and improve the quantity and quality of core habitat.
- Enhances of Already Conserved Lands for Habitat and Wildlife Connectivity**

Allows funding of restoration and management endowments on previously conserved lands to benefit species and wildlife connectivity in situations deemed appropriate by the permitting/resource agencies.
- Evaluates Adequacy of Protection and Management**

The existing level of protection, anticipated public use inside and adjacent to the restoration site should be considered.
- Restores Impacted Habitats**

An inventory of the property shows it includes the same vegetative communities as those habitats lost to freeway projects, including habitats such as: coastal sage scrub, riparian woodlands, grasslands, etc. and possibly includes ties to historical land coverage.
- Restores Sensitive Habitats**

The property's habitat restoration includes the restoration of species, sub-species, and natural communities ranked as sensitive under CNDDDB (California Natural Diversity Database).

OTHER CRITERIA

This list includes the secondary tier of evaluation criteria after the biological criteria are considered. It is expected that these criteria would require a simpler evaluation (such as yes, no, maybe) and the answers may merely play an informational role.

Aligns with Resource Agency Priorities

Proposed restoration meets resource agencies' particular requirements (e.g., the restoration satisfies the agencies' (ACOE, RWCB, and DFG) definition of habitat creation for the purposes of no-net loss policies for wetlands) and/or is determined to otherwise benefit fish and wildlife resources and the habitats upon which they depend.

Includes Support from Local and State Governments

This acquisition is supported by local cities, appropriate JPA's, the county or other governmental entities.

Includes Support from the Community

This acquisition is supported by the public, environmental and community organizations.

Utilizes Partnership & Leveraging Opportunities

Working on this restoration project would be enhanced by existing conservation efforts, partnerships and/or includes existing funding.

CO-BENEFITS

Where applicable, the following criteria would assist in the event the above criteria are roughly equal. These may take on a simpler evaluation (such as yes, no, or maybe) and the answers may merely play an informational role.

Includes:

- Watershed Protection
- Proximity to Underserved Area
- Scenic/Viewshed/Enhanced recreation experience
- Economic Benefits (supports local businesses)
- Public Access
- Archeological Sites
- Cultural and Historical Sites
- Paleontological Sites
- Trail Connectors

RESTORATION CONSTRAINTS

The following criteria are potential constraints to restoration, but detailed information regarding some of these constraints may not be available until later in the evaluation process.

Considers Cost

In addition to streamlining OCTA's regulatory process, the intent of the comprehensive environmental mitigation program is to provide the greatest possible biological benefit for the region with the available funding. Consequently, the cost of potential restoration will be an important factor in selecting mitigation sites.

Determines Hazardous Conditions

Through a Phase I – Environmental Site Assessment, determine the property's historical use and any potential or known hazardous materials on-site.

Includes Access to Site

The restoration site is accessible for restoration work, maintenance and management.

Includes Availability and Delivery of Water

The water used for the restoration is available, does not increase environmental impacts when delivered to the site and works with local water agencies to ensure groundwater sources are not impacted by water withdrawal.

Renewed Measure M Property Acquisition Criteria

BIOLOGICAL ASSESSMENT CRITERIA

The following criteria are intended to guide the permitting/resource agencies in the recommendation of sites for the mitigation of habitat impacts by Renewed Measure M freeway projects. Each criterion includes a brief definition to clarify any potential misunderstandings. At a future date, and after more research and input, it is expected these criteria will include a mechanism for evaluating potential acquisitions.

- Aligns with Impacted Habitats**
An inventory of the property shows it includes the same vegetative communities as those habitats lost to freeway projects, including habitats such as: coastal sage scrub, riparian woodlands, grasslands, etc.
- Conserves Sensitive Habitats**
The property's habitat includes the conservation and possible restoration of species, subspecies, and natural communities ranked as sensitive under California Natural Diversity Database (CNDDDB).
- Considers Property Acreage**
Generally larger properties are better.
- Contains Target Species**
The potential property includes the presence of endangered, threatened, species of special concern, and other sensitive species impacted by freeway projects.
- Considers the Threat of Development and Urgency**
The evaluation considers where the landowner is in CEQA and other permitting processes, quantifies the degree of the development threat, and determines if this acquisition creates an opportunity for leveraging expiring conservation funding.
- Enhances Natural Lands Connectivity, including significant Wildlife Corridors**
Acquisition of this property would connect to existing protected areas, examine the effects on multiple taxa (such as birds, large mammals) and could be identified as an essential habitat linkage in regional or local plans.
- Enhances Natural Lands Contiguity**
The property borders existing open spaces and acquisition increases the amount of core habitat or reduces edge effects.
- Includes Species/Habitat Diversity**
The property includes a wide variety of habitat types and species (including subspecies, if known). Special emphasis would be provided for properties with examples of various stages of vegetative structural diversity and functional ecosystem diversity present (e.g., habitat with a natural flood regime).

Provides for Quality Habitat or Potential for Quality Habitat

The property includes mature habitats or property constraints are minimal and property has a high potential to support high-quality habitat after acquisition.

OTHER CRITERIA

This list includes the secondary tier of evaluation criteria after the biological criteria are considered. It is expected that these criteria would require a simpler evaluation (such as yes, no, maybe) and the answers may merely play an informational role.

Aligns with Resource Agency Priorities

The property is included on the DFG & USFWS's list of acquisition priorities.

Includes a Cooperative Landowner

The landowner effectively coordinates with the entity responsible for acquisition to complete tasks required for acquisition.

Includes Support from Local and State Governments

This acquisition is supported by local cities, appropriate JPA's, the county or other governmental entities.

Includes Support from the Community

This acquisition is supported by the public, environmental and community organizations.

Utilizes Partnership & Leveraging Opportunities

Working on this acquisition would be enhanced by existing conservation efforts, partnerships and/or includes existing funding.

CO-BENEFITS

The following criteria would assist in the event the above criteria are roughly equal. These may take on a simpler evaluation (such as yes, no, or maybe) and the answers may merely play an informational role.

Includes:

- Archeological Sites
- Cultural and Historical Sites
- Paleontological Sites
- Watershed Protection
- Proximity to Underserved Area
- Scenic/Viewshed
- Trail Connectors
- Economic Benefits (supports local businesses)

PROPERTY CONSTRAINTS

The following criteria are potential constraints to property acquisition, but detailed information regarding some of these constraints may not be available until later in the evaluation process.

Considers Cost

In addition to streamlining OCTA's regulatory process, the intent of the comprehensive environmental mitigation program is to provide the greatest possible biological benefit for the region with the available funding. Consequently, the cost of potential acquisitions will be an important factor in selecting mitigation sites.

Consider Conflicting Easements or Inholdings

The property may have restrictive deeds, easements, other agreements, and/or inholdings that would limit management/public use options.

Considers Neighboring Land Uses

Neighboring land uses may decrease the habitat mitigation value of the mitigation property.

Considers Other Complications

The property may have unidentified complications associated with acquisition and management including, vector control, vandalism, inadequate access, significant obstacles to restoring water quality (toxics, pesticides, salts), etc.

Considers the extent of Isolation or Habitat Fragmentation

The property may be fragmented or isolated from other valuable habitats that may impede its long-term biological value. Fragmented or isolated habitats would make it challenging to have a variety of flora and fauna.

Determines Hazardous Conditions

Through a Phase I – Environmental Site Assessment, determine the property's historical use and any potential or known hazardous materials on-site.

Understands Management Encroachments

The property may have unauthorized users; there are adopted plans for future infrastructure that may be inconsistent with habitat mitigation; or the type and quantity of public use inside or adjacent to the property. (e.g. vegetative fuel modification zones are adjacent)

Renewed Measure M Property and Habitat Management Criteria

Endowments will be provided through Measure M funding for long term management of the acquired and restored properties. The amount of funding provided will be determined in each case through the preparation of Property Analysis Record (PAR) or an equivalent method. A PAR analysis involves application of a computer database methodology developed by the Center for Natural Lands Management for estimating the required amount for endowments. Every effort will be made to work with partners to leverage the available Measure M funding to accomplish the necessary long-term management of acquired and restored habitat.



March 23, 2009

To: Members of the Board of Directors

From: Arthur T. Leahy, Chief Executive Officer

Subject: Approval to Release Request for Proposals for Lane Addition on the Westbound Riverside Freeway (State Route 91) Between the Santa Ana Freeway (Interstate 5) and the Orange Freeway (State Route 57)

Overview

Staff has developed a request for proposals to initiate a competitive procurement process to retain a design consultant to provide plans, specifications, and estimates for adding a westbound lane on the Riverside Freeway (State Route 91) between the Santa Ana Freeway (Interstate 5) and Orange Freeway (State Route 57).

Recommendations

- A. Approve the proposed evaluation criteria and weightings for selection of consultant services for Request for Proposals No. 9-0244.
- B. Approve the release of Request for Proposals No. 9-0244 for the design of the westbound Riverside Freeway (State Route 91) between the Santa Ana Freeway (Interstate 5) and Orange Freeway (State Route 57).

Background

Proposed improvements to the westbound Riverside Freeway (State Route 91) between the Santa Ana Freeway (Interstate 5) and the Orange Freeway (State Route 57) were included in the Renewed Measure M freeway program. Proposed improvements will convert the existing auxiliary lanes into through mixed-flow lanes between Brookhurst Road and Euclid Street, Euclid Street and Harbor Boulevard, and Raymond Avenue and State College Boulevard through each interchange per the draft project report. This project will also consider widening of the existing lanes and shoulders to standard widths, adding two-lane exit ramps at Brookhurst Road, Euclid Street, Lemon Street, and Raymond Avenue, and additional auxiliary lanes. The

**Approval to Release Request for Proposals for Lane Addition
on the Westbound Riverside Freeway (State Route 91)
Between the Santa Ana Freeway (Interstate 5) and the
Orange Freeway (State Route 57)**

Page 3

Fiscal Impact

Funding for this contract is included in the Authority's proposed Fiscal Year 2009-10 Budget, Development Division, Account 0017-7519-FH101-RWT, and is funded through Measure M funds.

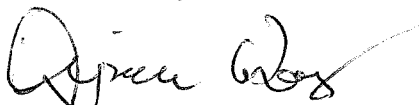
Summary

Board approval is requested to release an RFP for professional services to design the westbound lane addition to State Route 91 between Interstate 5 and State Route 57.

Attachment

- A. Draft Request for Proposals (RFP) 9-0244, Plans, Specifications, and Estimates for Westbound SR-91 Between I-5 and SR-57

Prepared by:



Dipak Roy, P.E.
Project Manager, Development
(714) 560-5863

Approved by:



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

DRAFT REQUEST FOR PROPOSALS (RFP) 9-0244 FOR

PLANS, SPECIFICATIONS, AND ESTIMATES FOR
WESTBOUND SR-91 BETWEEN 1-5 AND SR-57

IS AVAILABLE ON THE OCTA WEBSITE (www.OCTA.net)

AND AVAILABLE UPON REQUEST

FROM THE CLERK OF THE BOARD'S OFFICE



March 23, 2009

To: Members of the Board of Directors
From: Arthur T. Leahy, Chief Executive Officer
Subject: Approval to Release Request for Proposals for Janitorial Services

Overview

Orange County Transportation Authority staff has developed a request for proposals to initiate the competitive procurement process for selecting a firm to provide janitorial services at five bus bases and seven transportation centers. A request for proposals has been developed and staff is seeking Board of Directors' approval to issue it.

Recommendations

- A. Approve the proposed evaluation criteria and weights for Request for Proposal 9-0259 for janitorial services.
- B. Approve the release of Request for Proposals 9-0259 for janitorial services.

Background

Janitorial services are currently provided at all five Orange County Transportation Authority (Authority) -owned bus maintenance and operations bases and seven transit centers and park-and-ride facilities throughout Orange County. These facilities require janitorial services on a daily, weekly, and monthly basis. The Authority requires the vendor to furnish a qualified labor force sufficient in number to complete all specified requirements in the prescribed time and to furnish all materials and equipment to perform these services. The current contract for janitorial services will expire on July 31, 2009, and therefore, a new procurement is required.

Attachment

- A. Request for Proposals (RFP) 9-0259 Janitorial Services

Prepared by:



Ryan Erickson
Section Manager,
Facilities Maintenance
(714) 560-5897

Approved by:



Beth McCormick
General Manager, Transit
(714) 560-5964

ATTACHMENT A

**THE REQUEST FOR PROPOSALS (RFP) 9-0259 FOR JANITORIAL SERVICES
IS AVAILABLE ON THE OCTA WEBSITE (www.OCTA.net) AND AVAILABLE
UPON REQUEST FROM THE CLERK OF THE BOARD'S OFFICE**



BOARD COMMITTEE TRANSMITTAL

March 23, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Amendment to Cooperative Agreement with South County Senior Services for the Provision of Adult Day Healthcare Transportation

Transit Committee meeting of March 12, 2009

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

Committee Vote

This item was passed by all Committee Members present.

Director Pulido was not present to vote on this item.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement No. C-7-0689 between the Orange County Transportation Authority and South County Senior Services, to add \$25,000 to the initial term and exercise the first option year, in an amount not to exceed \$286,104, for a total amendment of \$311,104, bringing the total contract value to \$766,104.



March 12, 2009

To: Transit Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Amendment to Cooperative Agreement with South County Senior Services for the Provision of Adult Day Healthcare Transportation

Overview

Since May 2000, South County Senior Services has been responsible for providing transportation to a group of ACCESS riders attending an adult day healthcare program under a cost sharing agreement with the Orange County Transportation Authority. The current agreement was executed in July 2007. An amendment is requested to increase the maximum obligation for the initial term and exercise the first option year.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement No. C-7-0689 between the Orange County Transportation Authority and South County Senior Services, to add \$25,000 to the initial term and exercise the first option year, in an amount not to exceed \$286,104, for a total amendment of \$311,104, bringing the total contract value to \$766,104.

Background

The South County Adult Day Healthcare Center is owned and operated by South County Senior Services (SCSS). SCSS provides a variety of services to seniors in South Orange County including non-emergency medical transportation, congregate meal programs, meals on wheels, case management, and under agreements with certain cities, operation of Senior Mobility Program transportation.

The Orange County Transportation Authority (Authority) and SCSS established a cost-sharing agreement in 2000 in which SCSS provides transportation services for ACCESS-eligible clients traveling to the SCSS adult day healthcare program. This partnership between the Authority and SCSS has

been advantageous to both parties and supports the paratransit growth management strategy to coordinate with other agencies to provide alternative transportation resources. The initial term of the current agreement expires June 30, 2009. An amendment is requested to increase the maximum obligation and exercise the first option term.

Discussion

Under the terms of this agreement, the Authority provides an operating subsidy to SCSS for trips they perform for ACCESS-eligible individuals traveling to/from the SCSS adult day healthcare center. The number of trips provided since this agreement was awarded in 2007 has exceeded the original estimate, requiring an increase in the maximum obligation of \$25,000 for the initial term ending June 30, 2009. It is also time to exercise the first option term to extend the agreement through June 30, 2010, and increase the maximum obligation by \$286,104, for a total obligation of \$766,104 (Attachment A).

The Authority will continue to provide an 80-percent operating subsidy of \$18.34 to SCSS for trips provided to ACCESS eligible individuals. SCSS estimates it will provide 15,600 trips during fiscal year (FY) 2009-10. Using the \$28.76 per trip cost for ACCESS, this agreement provides a savings to the Authority of more than \$162,000 during FY 2009-10 (Attachment B).

Fiscal Impact

The additional work described in Amendment No. 1 to Cooperative Agreement No. C-7-0689 is included in the Authority's FY 2008-09 Budget and the proposed FY 2009-10 Budget, Transit Division/Community Transportation Services, Account 2131-7311-D1208-8T6, and is funded through the Local Transportation Fund.

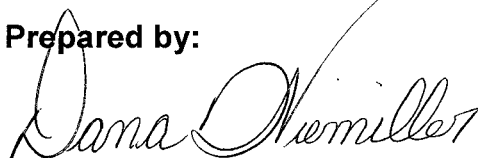
Summary

Staff recommends approval of Amendment No 1, to Cooperative Agreement No. C-7-0689, in the amount of \$311,104, with South County Senior Services.

Attachments

- A. South County Senior Services Cooperative Agreement No. C-7-0689
Fact Sheet
- B. Operating Subsidy for ADHC Transportation Agreement No. C-7-0689
with South County Senior Services

Prepared by:



Dana Wiemiller
Community Transportation Coordinator
(714) 560-5718

Approved by:



Beth McCormick
General Manager, Transit
(714) 560-5964

**SOUTH COUNTY SENIOR SERVICES
Cooperative Agreement No. C-7-0689 Fact Sheet**

1. May 14, 2007, Agreement No. C-7-0689, \$455,000, approved by Board of Directors.
 - Subsidy agreement for the provision of alternative transportation services provided by SCSS for ACCESS-eligible clients traveling to/from the SSCSS adult day healthcare center.
 - Initial term of agreement July 1, 2007 through June 30, 2009, with three one-year option terms.

2. March 23, 2009, Amendment No. 1 to Cooperative Agreement No. C-7-0689, \$311,104, pending approval by Board of Directors.
 - Amendment to increase the maximum obligation through June 30, 2009, by \$25,000
 - Amendment will also exercise the first option term to extend the agreement through June 30, 2010, and increase the maximum obligation by \$286,104.

Total committed to South County Senior Services, Cooperative Agreement No. C-7-0689: \$766,104.

**Operating Subsidy for ADHC Transportation
Agreement No. C-7-0689 with South County Senior Services**

		Fiscal Year (FY) 09/10	FY 10/11	FY 11/12	Totals
Trips (one-way)		15,600	<i>15,600</i>	<i>15,600</i>	46,800
Total cost	\$22.93	\$357,708	<i>\$357,708</i>	<i>\$375,593</i>	\$ 1,091,009
Consumer Price Index @ 5% per year*			<i>\$17,885</i>	<i>\$18,780</i>	\$ 36,665
		<u>\$357,708</u>	<u><i>\$375,593</i></u>	<u><i>\$394,373</i></u>	<u>\$ 1,127,674</u>
 Orange County Transportation Authority (OCTA) subsidy @ 80%	\$18.34	\$286,104	<i>\$300,475</i>	<i>\$315,498</i>	\$902,077
South County Senior Services subsidy @ 20%	\$4.59	\$71,604	<i>\$75,119</i>	<i>\$78,875</i>	\$225,597
Program Total		\$357,708	<i>\$375,593</i>	<i>\$394,373</i>	\$1,127,674
 Estimated ACCESS cost @ \$28.76/trip		\$448,656	<i>\$448,656</i>	<i>\$448,656</i>	\$1,008,540
Estimated Savings to ACCESS		\$162,552	<i>\$148,181</i>	<i>\$133,158</i>	\$443,891

*By adding in a 5% per year growth factor, additional funds are programmed for increases in ridership or trip costs

**NOTE: Italicized amounts are projections for option years; amounts have not been approved by OCTA Board



BOARD COMMITTEE TRANSMITTAL

March 23, 2009

To: Members of the Board of Directors
WK
From: Wendy Knowles, Clerk of the Board
Subject: Amendment to Cooperative Agreement with Orange County ARC for the Provision of Adult Day Healthcare Transportation

Transit Committee meeting of March 12, 2009

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

Committee Vote

This item was passed by all Committee Members present.

Director Pulido was not present to vote on this item.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement No. C-7-0693 between the Orange County Transportation Authority and Orange County ARC, in an amount not to exceed \$396,165, for the provision of transportation services through June 30, 2010, bringing the total contract value to \$1,288,165.



March 12, 2009

To: Transit Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Amendment to Cooperative Agreement with Orange County ARC for the Provision of Adult Day Healthcare Transportation

Overview

On April 26, 2007, the Board of Directors approved a cooperative agreement with Orange County ARC, in the amount of \$892,000, to provide transportation for Regional Center of Orange County consumers traveling to and from the Orange County ARC day program. An amendment is requested to exercise the first option term and extend the agreement through June 30, 2010.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement No. C-7-0693 between the Orange County Transportation Authority and Orange County ARC, in an amount not to exceed \$396,165, for the provision of transportation services through June 30, 2010, bringing the total contract value to \$1,288,165.

Background

The Orange County ARC (OCARC) is a day program serving Regional Center of Orange County consumers. Since March 2005, OCARC and the Orange County Transportation Authority (Authority) have participated in a cost-sharing arrangement under which the Authority provides an operating subsidy for ACCESS-eligible consumers traveling to and from the OCARC facility. This service is provided by a private transportation company.

The Authority has executed similar cost-sharing agreements with five adult day healthcare facilities in an effort to manage the growing demand and cost for ACCESS. In total, nearly 80,000 trips were provided through these subsidy agreements during fiscal year 2008-09 resulting in a cost savings to the Authority of more than \$922,000. The initial term of the current OCARC agreement will expire June 30, 2009. An amendment is requested to exercise

the first option term and extend the agreement through June 30, 2010 (Attachment A).

Discussion

Under the terms of the agreement, the Authority provides a per-trip operating subsidy to OCARC of \$11.32 for trips provided to ACCESS-eligible individuals being transported by Western Transit Systems, Inc. Based on the current average cost per trip on ACCESS of \$28.76, it is anticipated that this agreement will provide a cost savings to the Authority of more than \$610,000 during fiscal year 2009-10 and up to \$2.8 million through fiscal year 2011-12.

This program also supports the Authority's paratransit growth management strategy, as well as state and federal initiatives, to coordinate with other agencies to develop alternative transportation resources to manage paratransit demand.

Fiscal Impact

The additional work described in Amendment No. 1 to Cooperative Agreement No. C-7-0693 is included in the proposed Authority's Fiscal Year 2009-10 Budget, Transit Division, Community Transportation Services, Account 2131-7312-D1208-33M, and is funded through the Local Transportation Fund.

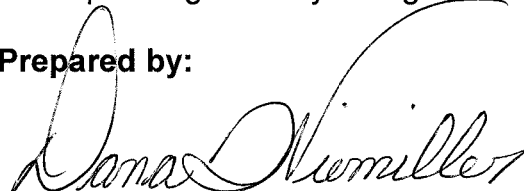
Summary

Staff recommends approval of Amendment No. 1, in the amount of \$396,165, to Cooperative Agreement No. C-7-0693 with Orange County ARC.

Attachments

- A. Orange County ARC Cooperative Agreement No. C-7-0693 Fact Sheet
- B. Operating Subsidy for Agreement No. C-7-0693 with Orange County ARC

Prepared by:


Dana Wiemiller
Community Transportation Coordinator
(714) 560-5718

Approved by:


Beth McCormick
General Manager, Transit
(714) 560-5964

ATTACHMENT A

**ORANGE COUNTY ARC
Cooperative Agreement No. C-7-0693 Fact Sheet**

1. April 26, 2007, Cooperative Agreement No. C-7-0693, \$892,000, approved by Board of Directors.
 - Subsidy agreement for the provision of alternative transportation services for ACCESS-eligible, Regional Center of Orange County consumers traveling to and from the OCARC day program.
 - Initial term of the agreement is July 1, 2007 through June 30, 2009.
2. March 23, 2009, Amendment No. 1 to Cooperative Agreement No. C-7-0693, \$396,165, pending approval by Board of Directors.
 - Amendment to exercise the first option term to increase the maximum obligation and extend the agreement through June 30, 2010.

Total committed to Orange County ARC, Cooperative Agreement No. C-7-0693: \$1,288,165.

**Operating Subsidy for
Agreement No. C-7-0693 with Orange County ARC**

		Fiscal Year (FY)07-08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	Totals
Trips (one-way)		40,800	40,800	35,000	38,000	40,800	195,400
Total cost @ \$15.62	\$15.62	\$637,296	\$637,296				\$ 1,274,592
FY09/10 cost @ \$16.17*	\$16.17			\$565,950			\$ 659,736
FY10/11 cost @ \$16.73*	\$16.73				\$635,740		\$ 682,584
FY11/12 cost @ 17.31*	\$17.31					\$706,248	\$ 706,248
Total program cost		\$637,296	\$637,296	\$565,950	\$635,740	\$706,248	\$ 3,182,530
Orange County Transportation Authority (OCTA) subsidy @ 70%							
		\$445,944	\$445,944	\$396,165	\$445,018	\$494,374	\$2,227,445
Orange County ARC subsidy @ 30%		\$191,352	\$191,352	\$169,785	\$190,722	\$211,874	\$955,085
Program Total		\$637,296	\$637,296	\$565,950	\$635,740	\$706,248	\$3,182,530
Estimated ACCESS cost @ \$28.76/trip							
		\$879,240	\$879,240	\$1,006,600	\$1,092,880	\$1,173,408	\$4,210,870
Savings to ACCESS @ higher subsidy		\$433,296	\$433,296	\$610,435	\$647,862	\$679,034	\$2,803,923

*Estimated Consumer Price Index Adjustment of 3.5% each option year to accommodate increases in trip costs

**NOTE: Italicized amounts are projections for option years; amounts have not been approved by OCTA Board



BOARD COMMITTEE TRANSMITTAL

March 23, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Amendment to Agreement for Bus Revenue-Generating Advertising Contract

Finance and Administration Committee meeting of March 11, 2009

Present: Directors Bates, Buffa, Campbell, Green, and Moorlach
Absent: Directors Amante and Brown

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement No. C-5-0127 between the Orange County Transportation Authority and Titan Outdoor, to modify the payment provisions and to exercise the second option term.



March 11, 2009

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Amendment to Agreement for Bus Revenue-Generating Advertising Contract

Overview

On May 23, 2005, the Orange County Transportation Authority Board of Directors approved an agreement with Titan Outdoor to sell, place, and maintain advertisements on the interior and exterior of the buses. Due to the current economic downturn and a significant decrease in advertising sales revenue, Titan Outdoor is requesting the elimination of the minimum annual guarantee payment and adoption of a revenue-sharing payment arrangement.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement No. C-5-0127 between the Orange County Transportation Authority and Titan Outdoor, to modify the payment provisions and to exercise the second option term.

Background

The Orange County Transportation Authority (OCTA) has contracted with Titan Outdoor to sell, place, and maintain advertisements on the interior and exterior of the buses since September 2005. The initial term of the agreement was from September 1, 2005 to August 31, 2008, with two one-year options. Titan Outdoor offered an annual minimum guarantee, or 60 percent of the advertising sales revenue, whichever was higher. The annual minimum guarantee for each contract year, which ranged between \$3.8 million in year one to \$5.7 million in the last year, is outlined in the Titan Outdoor Agreement No. C-5-0127 Fact Sheet (Attachment A).

Discussion

Since the inception of the agreement in September 2005, Titan Outdoor has performed in accordance with the provisions in the agreement and provided timely payments of the minimum guarantee every month. However, the current economic downturn has significantly impacted advertising sales. Titan Outdoor's advertising sales revenue between September 2008 and February 2009 decreased approximately \$1.5 million or 47 percent from 2007 and Titan Outdoor indicates it is operating at a loss.

The following chart outlines Titan Outdoor's performance from contract commencement to February 2009. Historically, the minimum guarantee has represented between 68 and 72 percent of gross sales. Between September 2008 and February 2009, it was 139 percent, reflecting a substantial loss for Titan Outdoor.

Contract Year	Minimum Guarantee	Gross Revenue	60% of Revenue	Percentage Gross Paid
September '05 to August '06	\$3,800,000	\$5,575,850	\$3,345,510	68%
September '06 to August '07	\$4,200,000	\$6,118,292	\$3,670,975	69%
September '07 to August '08	\$4,700,000	\$6,491,974	\$3,895,184	72%
September '08 to February '09	\$2,600,000	\$1,865,331	\$1,119,199	139%

Titan Outdoor is seeking relief from OCTA and requests the elimination of the annual minimum guarantee. Titan Outdoor's proposed payment term will be based on a revenue-sharing arrangement whereby OCTA receives 67 percent of the gross advertising revenue. Titan Outdoor also agrees to reinstate the monthly minimum guarantee once the total sales reach \$3 million for a period of six consecutive months.

Based on Titan Outdoor's proposed payment provision of a 67 percent revenue-sharing arrangement, a modified revenue forecast for the remaining contract period has been prepared. For the entire period, March 2009 to August 2010, revenues are expected to be about \$4.7 million less than anticipated.

	Minimum Guarantee	Projected Gross Revenue*	67% of Revenue	Guarantee vs. 67% Gross Revenue
March '09 to August '09	\$2,600,000	\$1,710,000	\$1,145,700	(\$1,454,300)
September '09 to August '10	\$5,700,000	\$3,600,000	\$2,412,000	(\$3,288,000)
Total for 18 months	\$8,300,000	\$5,310,000	\$3,557,700	(\$4,742,300)

*Projections assume an approximate 45% decline in sales over prior year

If OCTA chooses to decline Titan Outdoor's request to eliminate the annual minimum guarantee and pursue other options, Titan Outdoor has indicated it would likely default. An estimated time period of three to six months would be required for procurement of a new contract.

Staff discussed the issues related to Titan Outdoor's bus advertising revenue contract with the Finance and Administrative Committee at its February 25, 2009 meeting. The committee consensus was to continue working with Titan Outdoor to sell bus advertising based on a revenue-sharing provision higher than 65 percent proposed by Titan Outdoor.

Fiscal Impact

Pending approval by the Board, OCTA will receive approximately \$1.1 million bus advertising revenue for the balance of the current contract period beginning with March 2009 sales through August 2009. Approximately \$2.4 million bus advertising revenue is projected for the second option term beginning September 1, 2009 through August 2010. This is approximately \$4.7 million less than anticipated for the same 18-month period.

Summary

It is recommended the Board of Directors approve Amendment No. 3 to Agreement No. C-5-0127 with Titan Outdoor to institute new payment provisions based on a 67 percent revenue sharing arrangement and to eliminate the annual minimum guarantee beginning April 1, 2009 and exercise the second option term from September 1, 2009 to August 31, 2010.

Attachment

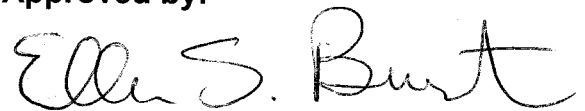
- A. Titan Outdoor Agreement No. C-5-0127 Fact Sheet

Prepared by:



Stella Lin
Marketing Manager
(714) 560-5342

Approved by:



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

ATTACHMENT A

**Titan Outdoor
Agreement No. C-5-0127 Fact Sheet**

1. May 23, 2005 – Agreement No. C-5-0127 was approved by the Board of Directors (Board).
 - The revenue-generating agreement was for three years with two one-year options. The minimum guarantees for those years are as follows:

Contract Term	Time Period	Minimum Guarantee
Initial Term	September 1, 2005 to August 31, 2006	\$3,800,000
Initial Term	September 1, 2006 to August 31, 2007	\$4,200,000
Initial Term	September 1, 2007 to August 31, 2008	\$4,700,000
First Option	September 1, 2008 to August 31, 2009	\$5,200,000
Second Option	September 1, 2009 to August 31, 2010	\$5,700,000
	Total:	\$23,600,000

The approved fleet inventory and advertising space are as follows:

Bus Type	Available Space	Quantity
30' and under mini/mid-size	1 tail	332
30' mid-size	None	12
40' diesel powered	2 king, 1 tail	282
40' liquefied natural gas powered	1 king, 1 tail	232
60' articulated	3 king, 1 tail	50

2. October 17, 2006 – Amendment No. 1 to Agreement No. C-5-0127 was approved by the contracts administrator.
 - To amend the agreement to define the term “Working Day” to mean Monday through Friday, except for the following holidays: New Year’s Day, Martin Luther King Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.

3. February 11, 2008 – Amendment to Agreement No. C-5-0127 was approved by the Board.
 - To amend the agreement to update the fleet inventory and allow advertising space on curbside ads on LNG powered buses and front bike rack displays on all buses equipped with bike racks as well as exercise the first option. The minimum guaranteed payment to OCTA would be \$5,200,000 for the first option year, September 1, 2008 to August 31, 2009.
4. March 23, 2009 – Amendment No. 3 to Agreement No. C-5-0127, pending approval by the Board.
 - To amend the current payment terms to eliminate the annual minimum guarantee and institute a 67 percent revenue-sharing payment term. The minimum annual guarantee will be reinstated once the monthly sales rebound to pre-existing sales levels of \$3 million dollars for a period of six consecutive months. The amendment also includes exercising of the second option term.



BOARD COMMITTEE TRANSMITTAL

March 23, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Central County Corridor Major Investment Study Update

Highways Committee Meeting of March 16, 2009

Present: Directors Amante, Cavecche, Dixon, Glaab, Green, Norby, and Pringle
Absent: Director Mansoor

Committee Vote

This item was passed by the Committee Members present.

Directors Green and Norby voted in opposition.

Committee Recommendations (Reflects change from staff recommendations)

- A. Approve the study of the Refined Set of Conceptual Alternative Strategies A, B, C, D3, D4, D7, and E.
- B. Approve the evaluation criteria.
- C. Authorize staff to present the refined set of strategies for public input.



March 16, 2009

To: Highways Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Central County Corridor Major Investment Study Update

Overview

The Central County Corridor Major Investment Study is underway and the study is being conducted in cooperation with the Southern California Association of Governments. The initial set of strategies created in Phase I of the study have been refined and the evaluation criteria has been developed. Both of these are presented for Board of Directors consideration.

Recommendations

- A. Approve the study of the Refined Set of Conceptual Alternative Strategies as presented by staff.
- B. Consider the request by the policy advisory committee to reverse prior direction and include two additional options under Alternative Strategy D.
- C. Approve the evaluation criteria.
- D. Authorize staff to present the refined set of strategies for public input.

Background

In April 2005, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved five major conceptual alternatives for improving travel in central Orange County through the Central County Corridor Study – Phase I (Phase I) effort. These five alternative strategies range from improvements to key streets and the transit system, to major widening of the Costa Mesa Freeway (State Route 55) or extension of the Orange Freeway (State Route 57) in the Santa Ana River Channel from its current terminus to the San Diego Freeway (Interstate 405). The Phase I process included input from elected officials, stakeholders, and local and

regional agencies' technical staff. This process also included a series of public open houses.

As part of approving the five conceptual alternatives, the OCTA Board directed staff to initiate the second phase of the study process, the Central County Corridor Major Investment Study (CCCMIS). Before moving forward with the CCCMIS, the Board requested staff to assess the technical feasibility of extending the State Route 57 (SR-57) on structure in the Santa Ana River. The SR-57 Extension Concept Planning Study was completed and approved by the Board on October 22, 2007. The Board directed staff to continue to study the SR-57 extension within the CCCMIS with the stipulation that it be limited to only options that have a profile lower than the current bridges crossing the Santa Ana River.

In July 2008, the second phase of the CCCMIS kicked off. The conceptual alternatives will be studied in the coming months and will include two screening phases. The study team will perform concept-level engineering and environmental work, and ultimately recommend a locally preferred strategy. Staff anticipates this work to be completed by the end of 2009.

The CCCMIS is guided by three committees, a technical working group (TWG) composed of city and agency technical staff from each of the jurisdictions in the study area; a stakeholder working group (SWG) consisting of community leaders, business leaders, and other interested stakeholders in the study area; and a policy advisory committee (PAC) composed of OCTA Board Members who represent the study area and elected officials from each of the study area cities. The CCCMIS also includes a public involvement program that continues throughout the life of this study. OCTA is committed to encouraging public involvement and seeking input throughout the transportation planning process. In order to solicit feedback, OCTA has developed a program that communicates proactively and engages a broad range of stakeholders throughout the study process.

Discussion

Since the conclusion of Phase 1 in 2005, some of the assumptions that were included in the original five conceptual alternatives have changed. The technical team has refined the original set of conceptual alternatives to address these changes. These changes include the addition of Renewed Measure M, removal of the CenterLine light rail system, the addition of Go Local projects, the elimination of the SR-57 extension on structure down the Santa Ana River, and the inclusion of the SR-57 extension concepts that meet the Board's directive of "below the existing bridge profile." The technical team has also extended the study horizon year to 2035 consistent with current demographic forecasts.

Refined Set of Conceptual Alternative Strategies

The Refined Set of Conceptual Alternative Strategies identifies a broad range of potential solutions to the mobility problems presented in the Mobility Problem and Statement of Purpose and Need (Purpose and Need Statement) that the Board adopted in Phase 1. These alternative strategies are multimodal and some strategies build upon each other in cumulative layers. At this point in the study process, the conceptual alternatives should include all reasonable conceptual strategies. A summary of the strategies is provided below:

- **2035 Baseline/No-Build Alternative (2035 Baseline):** The 2035 Baseline consists of the existing transportation system, as well as projects with committed funding that are included in the 2008 Regional Transportation Improvement Program and/or have received environmental clearance. As a result, the 2035 Baseline includes not only facilities and services in place today, but also those transportation improvements funded and committed for implementation prior to 2035.
- **Strategy A or Transportation Systems Management (TSM)/ Transportation Demand Management (TDM) Strategy:** Strategy A consists primarily of operational investments, policies, and actions aimed at improving traffic movement, promoting travel safety, and increasing transit usage and rideshare participation in central Orange County. These TSM/TDM measures are generally classified as 'soft' improvements that do not require extensive construction, right-of-way (ROW) acquisition, large capital commitments, and/or extensive environmental mitigation. Strategy A is proposed to include bus rapid transit (BRT) implementation along Katella Avenue, Edinger Avenue, and Beach Boulevard. In addition, this strategy also includes signal coordination improvements along the Master Plan of Arterial Highways (MPAH).
- **Strategy B:** Strategy B includes moderate expansion of existing systems. It includes improvements from Strategy A and adds a multimodal package of transportation improvements that provide moderate investments to the freeway system, the transit system including enhanced BRT service, and the completion of the MPAH system.
- **Strategy C:** Strategy C builds upon Strategies A and B and emphasizes significant investment in the freeway system, including significant expansion of State Route 55 within central Orange County. It also entails the implementation of high-capacity transit systems, additional community based transit, and new intermodal stations throughout the study area.

- Strategy D: Strategy D also builds upon Strategies A and B; however, it focuses on the extension of the SR-57 south via the Santa Ana River ROW. It proposes a highway or expressway facility below existing bridges. Associated capacity improvements would be required on Interstate 405 (I-405), Santa Ana Freeway (Interstate 5), and the SR-57 for system connectivity. The study team identified five options for the SR-57 extension element that include a variety of modes. After further evaluation of the five concepts proposed, two of the five were not recommended by staff for consideration. These will be further discussed below.
- Strategy E: Also called the “Plan to meet post 2035 demand,” Strategy E examines how travel would improve in central Orange County if a maximum capital investment were made in the freeway system, the arterial roadway system, and the regional transit system. Strategy E includes all of the improvements proposed in the preceding strategies in a single, integrated package, with the exception of those improvements that conflict and cannot be implemented together. This strategy also includes higher levels of arterial improvements above the current MPAH designations, as well as the implementation of a high-occupancy toll system. This strategy provides travel capacity beyond the horizon year 2035.

The Refined Set of Conceptual Alternative Strategies has been reviewed by the TWG, the SWG, and the PAC. The study team also held a special meeting with the agencies of jurisdiction, Army Corps of Engineers, Orange County Flood Control District, Santa Ana Regional Water Quality Board, Orange County Water District, and the California Department of Transportation to review and receive input regarding Strategy D and the five concepts (D1 through D5) identified below for the SR-57 extension.

At the Board’s direction to study the SR-57 extension concepts that are defined as “below the existing bridges”, five options emerged that are either on, or under, the Santa Ana River bed. Due to the complexities of Strategy D and staff’s recommendation to eliminate two of the five options, Strategy D is further summarized below:

- D1 - Highway/Expressway Facility in the River: This concept would provide for a highway or expressway along the bottom of the Santa Ana River and would function intermittently in the dry season only and on non-dam release days. It must also continue to serve as a flood control facility. Operations and maintenance (O&M) costs are anticipated to be significant because of continued functionality as a flood control facility.

Based on feedback received from the TWG and agencies with jurisdiction, staff believes this option fundamentally compromises and is incompatible with the required operation of the flood control facility in the Santa Ana River. Staff recommended the elimination of this option from further consideration.

- D2 - At Grade Freeway with Flood Control Tunnel: This concept would redirect river flow into a tunnel beneath the existing channel. A highway or expressway along the bottom of the existing Santa Ana River would function as a stand-alone facility. Several bridges would need modifications to accommodate vehicles. In addition, extensive mitigation would be required to alleviate significant impacts to the surrounding environment. The proposed flood control tunnel would need to meet demand for a 190-year storm flow. This concept also has O&M challenges related to transition areas for vehicular traffic and storm water runoff. Based on feedback received from the TWG and agencies with jurisdiction, staff believes this option fundamentally compromises operation of the flood control facilities up and downstream of the study area. This is due to the hydraulic impacts of a tunnel on the operation of the open channel both up and downstream from the proposed facility; therefore, it is incompatible with the required operation of the flood control facility in the Santa Ana River. Staff recommended the elimination of this option from further consideration.
- D3 - Freeway in Cut and Cover Tunnel: This option modifies the bottom of the Santa Ana River in order to construct a freeway facility under the existing Santa Ana River Channel. This would be accomplished by excavating a trench and covering it over in a tunnel. This option would impact bridge pilings and would require retrofitting or reconstructing the 14 existing bridges along the Santa Ana River. The concept will have O&M issues related to efforts to maintain the facility and will require a longer construction period.
- D4 - Dual Bore Freeway Tunnel: This concept would construct a dual bore tunnel connecting the SR-57 to the I-405. While feasible from an engineering perspective, there remain several significant challenges with this option. This concept could meet a substantial amount of the travel demand outlined in the Purpose and Need Statement. However, there would be significant challenges related to connecting a tunnel facility back up to the existing freeway system. This would result in land use impacts as the tunnel re-enters and connects on both ends of the alignment. The complete conceptual plan and profile of this option reveals these challenges.

- **D5 - Transit Way in a Tunnel:** This concept would construct a tunnel below the river channel that would serve as a transit way for a train or other transit technology. It would connect the Anaheim Regional Transportation Intermodal Center to John Wayne Airport. This concept would eliminate the complication of daylighting since it could remain primarily underground. As a transit-only facility, it may not accommodate or attract the same amount of transportation travel demand as a freeway extension.

Additional detail regarding the five options included in Strategy D is provided in a separate report (and available upon request) titled "Draft State Route 57 Extension Conceptual Alignment Study, Task 3.1" (Task 3.1). Task 3.1 also provides supporting details regarding the staff recommendation to eliminate D1 and D2 from further consideration. The SR-57 Extension Conceptual Alignment Study – Summary of Findings highlights the key issues which led to the recommendation (Attachment A). The technical document which formally refines all of the alternative strategies as summarized above is called the Refined Alternative Strategies Draft Technical Memorandum No. 3 (Attachment B).

The TWG concurred with staff's recommendation which includes the approval of Strategies A through E with the change to Strategy D to eliminate options D1 and D2 from further consideration. However, the PAC recommended other strategies that are further discussed below.

Policy Advisory Committee Meeting

On February 25, 2009, the PAC met to review the technical team's recommended refined alternative strategies. At this meeting, extensive discussion took place by the PAC members on the merits of continuing to study Strategy D concepts given the challenges that exist. The PAC supported eliminating options D1 and D2 based on the critical flaws shared and documented. The PAC member discussion ranged from eliminating all remaining options (D3 through D5) to continuing to study all remaining options and adding two additional options. The PAC members who felt that the remaining options should continue to be studied expressed the desire to properly document the decision to eliminate.

At this point, a suggestion to consider additional options for Strategy D was made by some PAC members. This led to a discussion on whether it makes sense to revisit the decision to eliminate further study of a SR-57 extension concept on structure. The discussion on this proposal was extensive. In the end, the PAC voted to request the OCTA Board reconsider its position of no further study of an "on structure" extension of SR-57 and add a D6 option that would further study the "on structure" concept to the staff recommendation. There were three no votes from the cities of Fountain Valley, Huntington Beach, and Santa Ana.

The PAC also asked for an additional option (D7) to be added which would look at a deep tunnel option for vehicles (similar to option D4) that would not be constrained to the location to the Santa Ana River Channel alignment but instead look at the best way to connect the SR-57 with the I-405.

The final recommendation coming out of the PAC meeting was to modify the technical team's recommendation to further study refined alternative strategies A through C, D3 through D5, and E with the addition of a D6 and D7 (Attachment C).

Evaluation Criteria

As a major investment study progresses, the range of alternative strategies is reduced leaving only the most feasible strategies to be carried forward. In order to screen down the number of alternative strategies, the study team recommends evaluation criteria that will be used to guide this process. Working in tandem with the TWG, the study team has developed Evaluation Criteria Draft Technical Memorandum No. 2 (Attachment D). This document outlines the initial screening criteria used to narrow down the conceptual alternatives developed during Phase I of the CCCMIS. Moreover, it presents the detailed evaluation criteria that are recommended to perform focused analysis on the reduced set of alternative strategies that will undergo evaluation during Phase II.

The initial screening and detailed analysis criteria were established to evaluate the extent to which each strategy achieves the study objectives set forth in the Purpose and Need Statement.

The proposed criteria are multi-modal in nature and will allow for the evaluation of surface travel within central Orange County and will serve as the primary analytical tool to measure the technical merits for each alternative strategy. These criteria may be updated and refined as the project evolves.

The following issues will be addressed during the initial screening and/or detailed analysis process:

- Freeway Mobility
- Arterial Roadway Mobility
- Transit (Bus/Rail)
- Non-Motorized Choices
- Land Use
- Environmental Impacts
- Operations
- Implementation Tradeoffs

The TWG and PAC approved the recommended evaluation criteria as presented.

Summary

OCTA is working to develop strategies to improve travel in the central Orange County area. The modified Refined Set of Conceptual Alternative Strategies is presented for Board consideration along with the evaluation criteria that will be used to screen and further reduce the strategies. Technical analysis and public outreach efforts will guide the evaluation of these alternatives, producing a reduced set of alternative strategies that will be brought to the Board for review in early summer. Ultimately, the study team expects to develop a locally preferred strategy that will be brought to the Board for consideration by the end of the year.

Attachments

- A. SR-57 Extension Conceptual Alignment Study – Summary of Findings
- B. Central County Corridor Major Investment Study – Refined Alternative Strategies Draft Technical Memorandum No. 3
- C. Technical Team Recommendation and Policy Advisory Committee Recommendation
- D. Central County Corridor Major Investment Study – Evaluation Criteria – Draft Technical Memorandum No. 2

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SUMMARY OF FINDINGS

E.1 PURPOSE OF THIS DOCUMENT

The purpose of this document is to summarize the findings of the State Route 57 (SR-57) Extension Conceptual Alignment Study Task 3.1. The study formally refined and developed Conceptual Alternative Strategy D to be analyzed as part of the Central County Corridor Major Investment Study (CCC MIS). Strategy D includes and builds upon Strategies A (TSM/TDM to Improve System Efficiency) and B (Moderate Expansion of the Existing System). Moreover, it focuses on an extension of the SR-57 freeway south via the Santa Ana River Right of Way (ROW).

On October 22, 2007, the OCTA Board of Directors directed staff to move forward with the Central County Corridor MIS restricting the study of a SR-57 extension to be defined as “below the existing bridges”. From this directive, five conceptual alternative options emerged on the proposed extensions that are either on, or under, the Santa Ana River bed. These options were evaluated as part of this technical report and include:

- D1 – Highway/Expressway Facility in the River
- D2 – At Grade Freeway with Flood Control Tunnel
- D3 – Freeway Cut and Cover Tunnel
- D4 – Freeway in Dual Bore Tunnel
- D5 – Transit Way in Tunnel (Technology Neutral)

E.2 KEY FINDINGS:

This concept study has analyzed five options for construction that meet the planning criteria of a transportation alignment along the Santa Ana River. While the tunnel options have significant engineering challenges and construction costs to address, the above ground options (D1 and D2) have the most significant and potentially prohibitive engineering, operational and environmental challenges. All five options were reviewed for engineering feasibility and discussed in detail with both the Technical Working Group and the jurisdictional agencies (Army Corps of Engineers (ACOE), County of Orange Flood Control District, Orange County Water District (OCWD), Santa Ana Regional Water Quality Control Board, and Caltrans) to determine the probability of the agencies with jurisdiction accepting such a facility. Extensive research was performed to determine if this type of transportation facility has been developed. **The two above ground options (D1 and D2) are recommended to be dropped from further consideration due to potential fatal flaws that are summarized in the paragraphs below:**

Strategy D1: Highway/Expressway Facility in the Santa Ana River – **This option fundamentally compromises and is incompatible with the required operation of the flood control facility in the Santa Ana River.** The order of magnitude cost for this option is \$1.9 Billion. There are numerous potential prohibitive challenges related to the maintenance and operation of a flood control channel sharing use with a transportation facility. These prohibitive challenges make it difficult to justify further consideration of this alternative including:

- The hydraulics and hydrology of the facility supersedes all other uses.
- Ingress and egress structures would degrade the required hydraulic and hydrologic function of the channel.
- Modification of existing channel features and removal of existing drop structures would be required causing hydraulic deficiencies in the facility. Construction of detention basins, flood control structures and diversion weirs (gated or water tight secant walls) to control water flow and debris will be needed.
- Orange County Water District does not guarantee the control and regulation of Prado Dam and its existing inflatable dams located upstream of the study area resulting in a safety hazard to the public utilizing the highway/freeway facility.
- The operation and maintenance costs associated with making dual use of the river channel as a transportation facility is likely prohibitive and on-going. These costs would include removal of sediment and debris from the roadway/riverbed after each event. These costs have not been included in the capital cost estimate.
- The roadway will be unavailable and require evacuation during the rainy season and with ongoing dam releases throughout the year. This creates the need for a transportation management plan that will be implemented approximately 90 days each year.
- Local agencies would be burdened with the unpredictability of travel patterns due to closures (i.e. two sets of signal timings).
- There will be aesthetic, noise and air pollution impacts to communities adjacent to river. Extraordinary environmental impacts include the need for treatment of runoff and potential for downstream biological impacts.

- This option will require Congressional approval in order to be built.

Strategy D2: At Grade Freeway with a Flood Control Tunnel – **This option fundamentally compromises operation of the flood control facilities up and downstream of the study area in the Santa Ana River due to the hydraulic impacts of a tunnel on the operation of the open channel.** In addition, the absence of existing tunneling technology to construct a 130 foot diameter tunnel does not allow for the construction of this option. Existing tunnel technology would require the use of multiple tunnels. The order of magnitude cost for this option is \$8.2 Billion. There are numerous potential prohibitive challenges related to this option that makes it difficult to justify further consideration of this alternative including:

- The need for maintenance of flood control capacity; and the operation and maintenance demands related to a flood control tunnel system of this size including clearing of sediments and debris in the riverbed and tunnel.
- The size and capacity required for the flood control channels will impact construction techniques used for the roadway.
- There will be hydraulic and environmental issues with discharge of flood water from the tunnel into the ocean including the need for massive pump stations.
- Similar aesthetic, noise and air pollution impacts to communities adjacent to river will exist compared to the previously studied viaduct option.
- There will be hydraulic impacts to existing ground water recharge facilities upstream of the study area.
- This option will require Congressional approval to build.

As a result of this concept study it has been determined that an alignment that extends the SR-57 from its current terminus at the I-5/SR-22/SR-57 interchange southerly to the I-405, within a tunnel beneath the Santa Ana River Channel (concept D3, D4, and D5), is potentially feasible. This could be accomplished as either a dual bore freeway tunnel, a cut and cover freeway tunnel, or as a transit facility.

The development of the six lane freeway/expressway tunnel concepts (D3 and D4) analyzed in this study will meet a significant amount of the future forecast travel demand that the OCTAM model projects for the Central County Corridor area. Although these two options are tunnel proposals and therefore eliminate many community concerns, there will be potentially prohibitive impacts associated with the termini.

The order of magnitude cost for a cut and cover tunnel (D3) is \$3.9 Billion and the dual bore freeway tunnel (D4) is estimated at \$4.5 Billion. The transit tunnel option (D5) is estimated to cost \$6.8 Billion. These estimates were based on current dollar values (2008) for the tunnel concepts and all associated improvements and mitigation.

There are several elements of the study related to the SR-57 extension concept below the river that will require more focused analysis in Tasks 4 and 5 of the CCC MIS as part of the Preliminary Environmental Assessment Report (PEAR). Areas requiring further study include impacts to groundwater recharge, noise, air and visual impacts due to construction and tunnel components, treatment of storm water through Best Management Practice's (BMP's), impacts to open space, and right-of-way acquisitions were not considered as part of this concept study.

The concept cost estimate summaries as well as more detailed analysis for all five options are available by request in a separate report titled Task 3.1 Technical Report – SR-57 Extension Concept Alignment Study.

I. ANALYSIS OF OPTIONS

After evaluating the various engineering challenges, issues, cost, and constraints associated with these options, Options D1 and D2 have more disadvantages and impacts than contributing benefits. The primary disadvantage of Option D1 is that it fundamentally compromises and is incompatible with the required operation of the flood control facility in the Santa Ana River. Other major concerns include the impacts to groundwater recharge facilities and how it would directly impact the water quality and supply in the Santa Ana River drainage basin. Option D2 has the additional disadvantage of constraining the potential flood control capacity of the system within multiple fixed capacity pipelines raising the potential for upstream flooding.

The three remaining options, D3, D4, and D5, also have various advantages and disadvantages, but the advantages provide an indication that they should be considered further in the screening analysis. The overall advantages and disadvantages associated with option D4: freeway tunnel indicates that it may be the most feasible option. The freeway tunnel alternatives have significant engineering challenges and construction cost but will provide significant roadway capacity, regional connectivity and reduce the potential environmental impacts compared to an at-grade alternative. The freeway tunnel alternatives will consist of two tunnels and will require the facility to daylight at two portal locations for freeway to freeway connection to the I-405 in the south and at Ball Road in the north. Although D3 and D4 will be underground for the duration of the facility, the daylight areas at both termini will be in conflict with the OCTA Board directive to keep the transportation facility below the existing bridges. In comparison, the underground transit system (D5) will not require the facility to daylight. Because of these connections with adjacent roads and freeways, there will be significant right-of-way as well as constructability issues associated with the termini for D3 and D4.

**CENTRAL COUNTY CORRIDOR
MAJOR INVESTMENT STUDY**

**REFINED ALTERNATIVE STRATEGIES
DRAFT TECHNICAL MEMORANDUM NO. 3**

Prepared for



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1.0 INTRODUCTION

1.1 PURPOSE OF CENTRAL COUNTY CORRIDOR MAJOR INVESTMENT STUDY

Central Orange County's transportation mobility challenges need to be addressed in order to maintain this region's vitality and continued economic growth. Currently, the Central County Corridor study area lacks vital linkages providing north-south mobility between northern Orange County, the South Coast Metro area, and the coast; for both existing and future travel demand. The majority of the travel demand in the Central County Corridor is currently served by SR-55, I-405 via SR-22 and major arterials, such as Beach Boulevard, Brookhurst Street, and Harbor Boulevard. However, the lack of transportation system capacity negatively impacts local streets and communities by forcing regional trips onto local arterials. The CCC Phase I Purpose and Need identified the deficiency in north-south capacity through the study area. Policy makers have become increasingly aware that improving mobility in this corridor will be vital to the long-term quality of life in Central Orange County and the County as a whole. There are no easy solutions and not all stakeholders agree on what solutions should be further developed.

In 2005, the population in the Central Orange County study area reached over 1,000,000 persons, which represents approximately 33 percent of Orange County's total population. By 2035, the study area's population will surpass 1,160,000 persons, representing a population increase of approximately 15 percent. Population density for the Central County study area in 2005 was approximately 9,000 persons per square mile. By 2035, this number is projected to climb to approximately 10,500 persons per square mile. Population densities of this magnitude are typically more characteristic of cities in the Eastern United States like Baltimore, Maryland or Washington D.C.

The Central Orange County region also comprises over 25% of Orange County's total employment base, with 1.5 million jobs. By 2035, the region's employment base is expected to increase by 26.5 percent to over 2 million jobs.

The Central County Corridor Major Investment Study (CCC MIS) is an 18-month planning effort intended to produce a recommended "locally preferred strategy" (LPS). If approved by the OCTA Board of Directors, the recommended LPS will ultimately help guide transit, street, and freeway enhancements in Central Orange County, as well as address future travel demand. This effort builds on the Central County Corridor Phase I Study, which was completed in 2004. The current effort will update this previous study and further analyze and reevaluate both issues and opportunities in the Central Orange County study area. Through this process, the CCC MIS will quantify the impacts, costs, and benefits of each conceptual alternative strategy, and perform further evaluative analyses in order to produce a recommended LPS. The LPS will be a guide to implementing these solutions and provide consensus moving forward.

1.2 PROJECT LIMITS

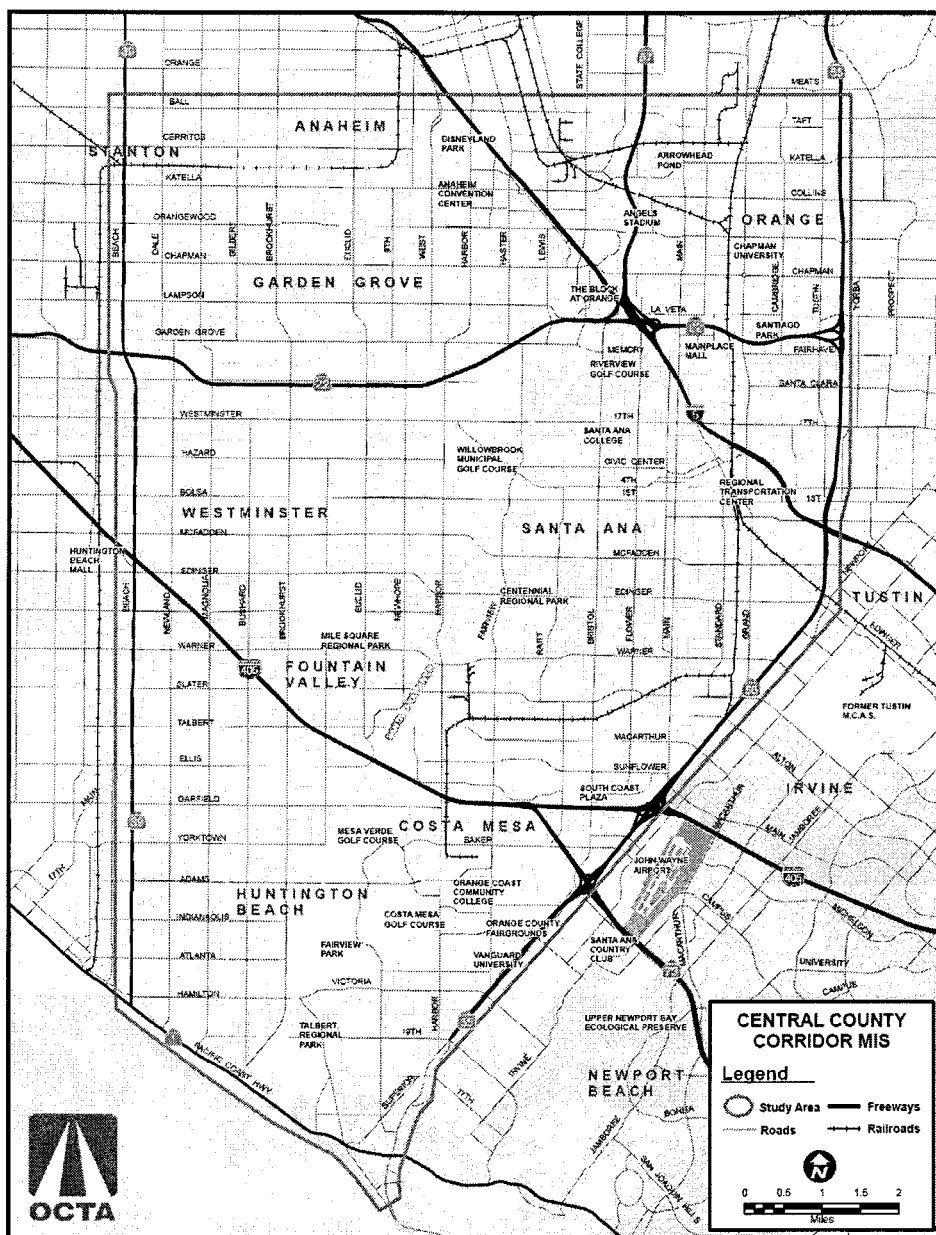
The project boundaries are not static fixed points but rather represent the general boundaries of the study area. Transportation elements in close proximity to these boundaries, albeit outside them, may still be considered and analyzed during the project. Figure 1-1 illustrates the project study area. The project area boundaries include SR-55 to the east, Beach Boulevard to the west, Pacific Coast Highway to the south and Ball Road to the north.



The study area directly overlays or abuts over a dozen jurisdictions. These jurisdictions include:

- Anaheim
- Costa Mesa
- Fountain Valley
- Garden Grove
- Huntington Beach
- Irvine
- Newport Beach
- Orange
- Santa Ana
- Stanton
- Tustin
- Westminster
- County of Orange

Figure 1-1 Central Orange County MIS Study Area





1.3 PURPOSE OF THIS TECHNICAL MEMORANDUM

Five alternatives emerged from the CCC Phase I Study that ranged from Transportation Systems Management / Transportation Demand Management TSM/TDM improvements, to moderate and extensive freeway expansion on SR-55, to the extension of SR-57 down the Santa Ana River on structure to connect to the I-405. Essentially these alternatives are grouped into improvement strategies that range from low cost/low benefit to high cost/high benefit scenarios.

The purpose of this technical memorandum is to formally update and refine the Conceptual Alternative Strategies from Phase I that will be analyzed as part of the Central County Corridor Major Investment Study. The strategies horizon year will be extended to 2035, and the Conceptual Alternative Strategies will reflect changes in transportation policy that have taken place since the original study was completed in 2004. These changes include:

- Dropping of the Centerline light rail system from further consideration;
- Addition of “Go Local” projects;
- Measure M Renewal;
- Elimination of the SR-57 extension down the Santa Ana River on structure from further consideration;
- Information and Analysis from the SR-55 Project Study Report (PSR) & SR-55 Access Study;
- Enhanced Metrolink Service and Station Improvements;
- BRT Enhancements; and
- Arterial Enhancements

Ultimately, the recommended Locally Preferred Strategy may be one of these five alternative strategies or a hybrid made up of specific transportation improvement elements from several alternative strategies. The main components of each alternative strategy are briefly described in the following sections.

At the beginning of a major investment study, numerous potential solutions to the study area’s transportation problems are identified. As the study progresses, the range of strategies is gradually narrowed down so that only the most practical, feasible, cost-effective, and environmentally responsible strategies are carried forward. The process of narrowing down the strategies begins with Initial Screening. Once the strategies in this document are approved by the OCTA Board of Directors, the Initial Screening process will be applied to each strategy. This process is described in detail a separate report, *Draft Evaluation Criteria Technical Memorandum 2*.

1.4 RECOMMENDATIONS

The strategies presented in this report represent a wide range of possible improvements using a multimodal approach and consider improvements to the complete transportation system at all levels. OCTA staff, in coordination with the consultant team and CCC MIS Technical Working Group (TWG), is recommending that the following Refined Alternative Strategies be carried forward with the significant change to Strategy D noted. More detailed descriptions of these strategies are provided in Section 3.0.



- **2035 Baseline:** The 2035 Baseline/No-Build Alternative Strategy consists of the existing transportation system, as well as projects with committed funding that are included in the 2008 Regional Transportation Improvement Program (RTIP) and/or have received environmental clearance.
- **Strategy A: Transportation Systems Management (TSM) / Transportation Demand Management (TDM) Strategy:** The TSM/TDM Strategy consists primarily of operational investments, policies, and actions aimed at improving traffic movement, promoting travel safety, and increasing transit usage and rideshare participation in Central Orange County.
- **Strategy B:** Strategy B includes moderate expansion of existing systems. It includes improvements from Strategy A and adds a multimodal package of transportation improvements that provide moderate investments to all modes.
- **Strategy C:** Strategy C builds upon Strategies A and B and emphasizes significant investment in expansion of the freeway system—including the significant expansion of SR-55 within Central Orange County.
- **Strategy D:** Strategy D also builds upon Strategies A and B; however, it focuses on the extension of the SR-57 generally south via the Santa Ana River alignment. It proposes a highway or expressway facility below existing bridges. Five options for the SR-57 extension element were identified that include a variety of modes. Upon further technical analysis, two of the five are not recommended for further consideration for reasons identified in Section 3.6. **Recommendation: Eliminate Options D1 and D2 from further consideration. Additional detail supporting this decision is provided in a separate report, *Draft State Route 57 Extension Conceptual Alignment Study Task 3.1*. An executive summary of this document is provided in Appendix D.**
- **Strategy E:** Also called the “Plan to meet post 2035 demand,” Strategy E examines how travel would improve in Central Orange County, if a maximum capital investment were made in the freeway system, the arterial roadway system, and the regional transit system.

2.0 INITIAL SET OF ALTERNATIVE STRATEGIES

The framework used to develop the alternative strategies for the CCC MIS takes into account the multimodal character of Central Orange County's transportation system, including arterial roadways, freeways, rail, and transit (including bus, bus rapid transit, and/or fixed guideway projects).

The alternative strategy development process for this study utilized a bottoms-up approach that started with identification of transportation elements representing projects, programs, and improvements to the transportation system. These system components were then packaged into ascending levels of investment in the different transportation modes and facilities. These multimodal levels of investment became the building blocks for the CCC alternatives in Phase I. The proposed Conceptual Alternative strategies approved in CCC Phase I are listed and briefly described below.

- Alternative A – Improve transportation system efficiency (TSM/TDM)
- Alternative B – Moderately expand area's transportation system (improvements to arterials, intersections, transit, and freeways generally within existing rights-of-way)
- Alternative C – Significant system expansion including SR-55
- Alternative D – Extend SR-57 south via the Santa Ana River on structure
 - Board directive restricted the SR-57 extension to the San Diego Freeway (I-405)
 - Board directive to study feasibility of the concept further.
- Alternative E – Plan for post-2035 growth
 - "Bookend" alternative & includes major elements of Alternatives A, B, C & D
 - Addresses potential demand beyond 2035 planning horizon with major SR-55 expansion & SR-57 extension

Shortly after the conclusion of the CCC Phase I, OCTA commenced the SR-57 Extension Concept Planning Study to analyze the feasibility of extending the SR-57 as a four lane freeway on structure utilizing the Santa Ana River right-of-way. The principle conclusions of the SR-57 Extension Concept Planning Study include:

- Mitigation to the existing levee will be required to accommodate the rise of the proposed Hydraulic Grade line (HGL) in the form of raising bridges and levee heights or construction of vertical channel walls.
- There are nine existing arterial bridges that would require reconstruction to maintain the standard freeboard between the high water mark and the bridge itself.
- The order of magnitude cost estimate: **\$1,972,300,000**. This estimate was based on current dollar values for the freeway concept and all associated improvements and mitigation.



- Areas requiring further study include freeway connectors to Interstate 5 and 405 freeway, interchanges along the concept alignment, Santa Ana River channel and environmental resources, and right-of-way acquisitions where not considered as part of this study.

After reviewing the results of the SR-57 Extension Concept Planning study, the Board issued a directive restricting the SR-57 extension to concepts with profiles “below the existing bridges and/or crossings.”

2.1 REFINED ALTERNATIVE STRATEGIES DESCRIPTIONS

The detailed descriptions of the Refined Alternative Strategies provided in the following sections reflect the changes that have occurred since 2004 that were delineated in Section 1.3. While fundamentally based on the CCC study alternatives from Phase I, these strategies reflect a substantial level of refinement to display not only changes but also potential new transportation improvement elements. Summary descriptions of the Refined Alternative Strategies are provided as follows:

- **2035 Baseline:** The 2035 Baseline/No-Build Alternative Strategy consists of the existing transportation system, as well as projects with committed funding that are included in the 2008 Regional Transportation Improvement Program (RTIP) and/or have received environmental clearance. As a result, the 2035 Baseline includes not only facilities and services in place today, but also those transportation improvements funded and committed for implementation prior to 2035. Only those projects that affect travel conditions to a measurable degree are included in the 2035 Baseline Alternative Strategy. Examples include all environmentally cleared and currently programmed projects.
- **Strategy A: Transportation Systems Management (TSM) / Transportation Demand Management (TDM) Strategy:** The TSM/TDM Strategy consists primarily of operational investments, policies, and actions aimed at improving traffic movement, promoting travel safety, and increasing transit usage and rideshare participation in Central Orange County. These TSM/TDM measures are generally classified as ‘soft’ improvements that do not require extensive construction, right of way acquisition, large capital commitments, and/or extensive environmental mitigation. As defined in this document, the TSM/TDM Strategy is proposed to include BRT (Bravo!) implementation along Katella, Edinger, and Beach Boulevard. In addition, this strategy also includes signal coordination improvements along MPAH arterials as identified in the OCTA Signal Coordination Master Plan.
- **Strategy B:** Strategy B includes moderate expansion of existing systems. It includes improvements from Strategy A and adds a multimodal package of transportation improvements that provide moderate investments to the freeway system; the transit system including enhanced BRT service; and the completion of the Master Plan of Arterial Highways (MPAH) system.



- **Strategy C:** Strategy C builds upon Strategies A and B and emphasizes significant investment in expansion of the freeway system—including the significant expansion of SR-55 within Central Orange County. It also entails the implementation of high capacity fixed-guideway transit systems as part of the Go Local program, additional community based transit, and new intermodal stations throughout the study area.
- **Strategy D:** Strategy D also builds upon Strategies A and B; however, it focuses on the extension of the SR-57 generally south via the Santa Ana River alignment. It proposes a highway or expressway facility below existing bridges. Associated capacity improvements are required on I-405, I-5, and the SR-57 for system connectivity. Five options for the SR-57 extension element were identified that include a variety of modes. Upon further technical analysis, two of the five are not recommended for further consideration for reasons identified in Section 3.6. **Recommendation: Eliminate Options D1 and D2 from further consideration.**
- **Strategy E:** Also called the “Plan to meet post 2035 demand,” Strategy E examines how travel would improve in Central Orange County, if a maximum capital investment were made in the freeway system, the arterial roadway system, and the regional transit system. Strategy E includes all of the improvements proposed in the preceding strategies in a single, integrated package with the exception of those improvements that conflict and cannot be implemented together. This strategy provides travel capacity beyond the horizon year 2035.



3.0 TRANSPORTATION IMPROVEMENT ELEMENTS

3.1 INITIAL CONCEPTUAL ALTERNATIVE STRATEGIES

In the CCC Phase I Study, five alternatives were developed that address the Purpose and Need statement objectives (provided in Table 3-1 for reference). These alternatives are currently being revisited to be utilized as a starting point in development of a recommended CCC MIS Locally Preferred Strategy (LPS). The recommended LPS may ultimately be a version of one these strategies or a hybrid combination of them. Each strategy will be evaluated by elected officials, key stakeholders within the CCC study area, and the public through Stakeholder Working Group (SWG) meetings and a Technical Working Group (TWG). In the following sections, the five strategies modified from CCC Phase I are described in greater detail. Each build strategy may have several variations, such as Strategy D with five design options for the SR-57 extension. In addition, specific improvement elements may be included in multiple strategies as they are not necessarily exclusive to a given strategy. As per federal requirements, Strategy A (TSM/TDM) is included in Strategies B, C, D, and E. Figure 3-1 illustrates the framework used to develop the Conceptual Alternative Strategies that were approved for the CCC MIS.

Table 3-1 Purpose and Need Objectives

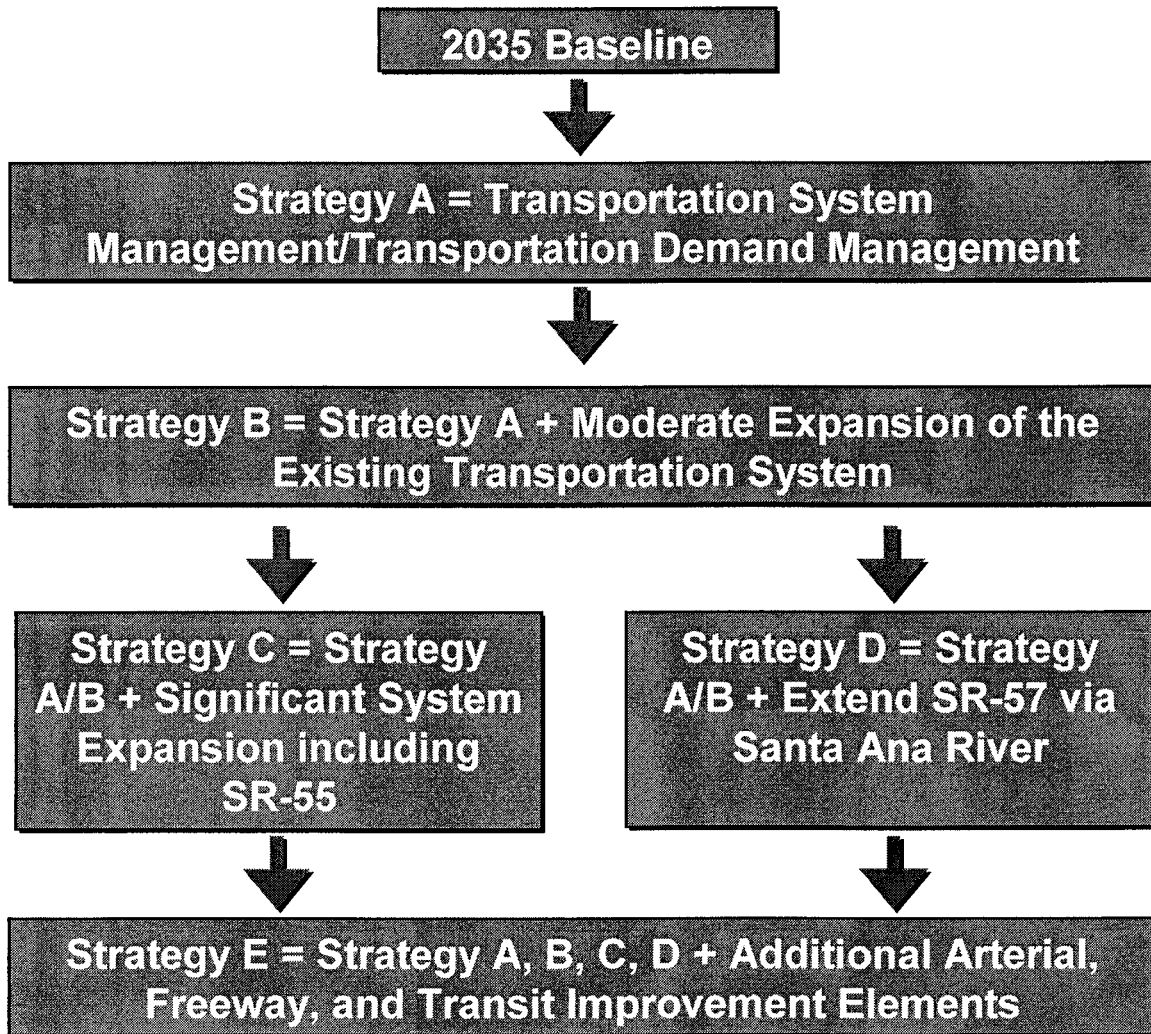
Issue	Study Objectives
<p>Highway and Arterial Mobility</p>	<ul style="list-style-type: none"> ▪ Relieve current and future freeway peak hour congestion in the corridor. ▪ Relieve current and future arterial congestion in the corridor, particularly in the north-south direction. ▪ Increase capacity of freeway corridors within and adjacent to the study area. ▪ Build in design flexibility within the freeway corridor for capacity improvements beyond 2035. ▪ Provide continuity of facilities and capacity (lane balance) along all freeways within the study area. ▪ Provide continuity of facilities and capacity (lane balance) along major arterial streets experiencing chokepoints within the study area. ▪ Implement MPAH requirements on arterial streets experiencing chokepoints within the study area. ▪ Provide better travel times on the freeways and additional transportation choices as an alternative to using arterials.
<p>Operations</p>	<ul style="list-style-type: none"> ▪ Reduce the number of conflict points that could contribute to incidents and accidents in the study area. ▪ Provide physical improvements and employ enhanced operational techniques (TSM) to better manage the impacts of incidents.
<p>Travel Choices</p>	<ul style="list-style-type: none"> ▪ Implement higher capacity and faster transit services on new and existing routes. ▪ Implement increased transit connectivity between study area and residential and employment centers. ▪ Provide expanded transit service to better accommodate the needs of transit dependent residents in the study area.



Table 3-1 Purpose and Need Objectives (cont.)

Issue	Study Objectives
Land Use	<ul style="list-style-type: none"> ▪ Maintain and improve travel times for commuters within the study area. ▪ Coordinate strategies with individual city land use plans. ▪ Provide/maintain access to existing and future employment and entertain developments. ▪ Provide improved mobility on a regional scale for home based work trips.
Implementation Tradeoffs	<ul style="list-style-type: none"> ▪ Develop an implementation program that maximizes cost-effectiveness and the useful life of short-term and mid-term transportation improvements. ▪ Seek public consensus and include environmental considerations, influence on neighborhoods and public facilities, when developing and evaluating strategies.

Figure 3-1 Initial Set of Alternative Strategies





3.2 2035 BASELINE

The 2035 Baseline/No-Build Alternative consists of the existing transportation system, as well as projects with committed funding that are included in the 2008 Regional Transportation Improvement Program (RTIP) and/or have received environmental clearance. As a result, the 2035 Baseline includes not only facilities and services in place today, but also those transportation improvements funded and committed for implementation prior to 2035. Only those projects that affect travel conditions to a measurable degree are included in the 2035 Baseline Alternative. Examples include all environmentally cleared and currently programmed projects.

This is the baseline against which candidate transportation strategies proposed for the Central County Corridor MIS will be assessed. The starting point for the Central County Corridor MIS 2035 Baseline Alternative includes the 2008 RTIP and 2006 Long Range Transportation Plan (Directions 2030) prepared by OCTA. The 2035 Baseline Alternative was further updated with information from recent and ongoing projects in the study area including the SR-55 PSR and I-405 MIS.

Table 3-2 provides a partial list of some of the major transportation improvements that are included in the CCC study area Baseline Alternative. A more detailed listing is provided in Appendix A. Figure 0 depicting the major improvement elements of Baseline is provided in Appendix B.

Table 3-2 Baseline Major Transportation Improvements

Mode	Improvement
Freeway	<ul style="list-style-type: none"> ▪ Improvements along I-405, including an additional lane, ramp reconstruction and auxiliary lanes, planned by Caltrans and OCTA ▪ HOV connector improvements at the SR-22/ I-405/ I-605 interchange. Plus a second HOV Lane on I-405 from SR-22 to I-605. ▪ SB auxiliary lanes on SR-55 from Edinger to Dyer, and Dyer to MacArthur.
Arterial	<ul style="list-style-type: none"> ▪ Improvements to Bear Street overcrossing at the I-405 including widening from 4 to 6 lanes. <p>Smart Street (Arterial Optimization) strategies to improve roadway traffic capacity and smooth traffic flow along regionally oriented travel corridors may include:</p> <ul style="list-style-type: none"> ▪ Improvements to enhance intersections; ▪ Removal of on-street parking and driveway consolidations; ▪ Bus turnouts (except along BRT routes) and the relocation of existing bus stops to far side locations with use of right turn lanes for through bus movements, where appropriate; ▪ Improved cross-jurisdictional traffic signal synchronization, advanced communications and advanced traffic management systems (ATMS). <p>Implementation of the Smart Street measures are planned along the following arterials:</p> <ul style="list-style-type: none"> ▪ Katella Avenue – San Gabriel River (I-605) to Costa Mesa Freeway (SR-55) ▪ Harbor Boulevard – Imperial Highway (SR-90) to Costa Mesa Freeway (SR-55) <p>Implement regional signal coordination programs that cross jurisdictional boundaries. Enhanced arterial traffic signal synchronization measures include:</p> <ul style="list-style-type: none"> ▪ Implementation of advanced traffic management systems (ATMS) and advanced communications; ▪ Cross-jurisdictional traffic signal synchronization; ▪ Corridor-wide installation of compatible traffic signal control hardware and software.



Table 3-2 Baseline Major Transportation Improvements (cont.)

Mode	Improvement
Arterial (cont.)	Within the CCC study area, OCTA has identified the following Future Synchronization Corridors for priority implementation: <ul style="list-style-type: none"> ▪ Beach Boulevard – Whittier Avenue to PCH ▪ Brookhurst Street – Orangethorpe Avenue to PCH ▪ Katella Avenue – San Gabriel River (I-605) to Santiago Road ▪ Chapman Avenue – Bolsa Chica Avenue to Cannon Street
Transit	Transit improvements included in the current Regional Transportation Improvement Plan (RTIP) include: <ul style="list-style-type: none"> ▪ High Frequency Metrolink Service ▪ ARTIC Phase 1: relocate existing Metrolink/Amtrak Station to east of SR-57 Add three new Express Bus routes in study area: <ul style="list-style-type: none"> ▪ Long Beach (Wardlow Blue Line Station) to South Coast Metro ▪ San Clemente to South Coast Metro ▪ Long Beach (CBD) to Orange Station (bi-directional) Bus Rapid Transit Bravo Lines: <ul style="list-style-type: none"> ▪ Harbor: Balboa/23rd (Newport Beach, Balboa Pier) to Nutwood/Commonwealth (Fullerton, CSUF) ▪ Westminster: Santa Ana Regional Transportation Center to Long Beach Transit Center ▪ Bristol/State College: Brea Mall to Irvine Station

3.3 STRATEGY A – IMPROVE SYSTEM EFFICIENCY

Strategy A is the TSM/ TDM Strategy that focuses on the improvement of existing system efficiency. Strategy A includes those elements that will provide lower cost mobility enhancements that allow for better use of the existing transportation system, but may yield lower overall mobility benefits. These improvements can be implemented as a stand alone strategy or in addition to more extensive strategies, to provide a system wide approach to the CCC study area needs. Table 3-3 provides a partial list of major improvement elements included in Strategy A. Figure 1 depicting the major improvement elements of Strategy A is provided in Appendix B.

Table 3-3 Strategy A Major Improvement Elements

Mode	Improvement
Freeway	<ul style="list-style-type: none"> ▪ Improvements at the SR-55/I-5 interchange area between the First/Fourth Street Interchange and Newport Boulevard ramps on I-5. ▪ Improvements between I-5 and Edinger Avenue on SR-55 that may include ramp widening which adds a second lane to provide additional storage for heavy traffic volumes from eastbound (EB) MacArthur Blvd to NB and SB SR-55. ▪ Add one HOV lane on I-5 between SR-55 and SR-57 to relieve congestion at the “Orange Crush” (generally within existing right-of-way). ▪ Minor chokepoint and operational improvements along the SR-55 as defined by Measure M and the SR-55 PSR. Auxiliary lanes would be constructed on the NB SR-55 at the interchanges between Dyer Road and Edinger Avenue and on the SB SR-55 at the interchanges between McFadden Avenue on-ramp and Edinger Avenue off-ramp. In addition, the existing two-lane freeway-to-freeway connector is extended.



Table 3-3 Strategy A Major Improvement Elements (cont.)

Mode	Improvement		
Arterial	<p>Arterial Optimization strategies to improve roadway traffic capacity and smooth traffic flow along regionally oriented travel corridors may include:</p> <ul style="list-style-type: none"> ▪ Improvements to enhance intersections; ▪ Removal of on-street parking; ▪ Bus turnouts (except along BRT routes) and the relocation of existing bus stops to far side locations with use of right turn lanes for through bus movements, where appropriate; ▪ Driveway consolidations; ▪ Improved cross-jurisdictional traffic signal synchronization, advanced communications and advanced traffic management systems (ATMS) <p>Implemented along the following major arterials:</p> <ul style="list-style-type: none"> ▪ Beach Boulevard – Katella Avenue to SR-1 (PCH) ▪ Grand Avenue – Garden Grove Freeway (SR-22) to SR-55 		
	<p>Synchronize fifteen (15) signal corridors as identified in the Orange County Long Range Transportation Plan (LRTP) where not already completed:</p> <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> ▪ Magnolia Avenue – SR-22 to PCH ▪ Fairview Street – Garden Grove Boulevard to SR-55 ▪ Bristol Street – Jamboree Road to Memory Lane ▪ Main Street – Jamboree Road to Taft Avenue ▪ Tustin Avenue – 1st Street to SR-91 ▪ Ball Road/Taft Avenue – I-605 to SR-55 ▪ Bolsa Avenue/First St – Beach Boulevard to Main Street ▪ Edinger Avenue - Beach Boulevard to SR-55 ▪ Adams Avenue - Fairview Road to Harbor Boulevard </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> ▪ Segerstrom Avenue/Dyer Road –Harbor Boulevard to Red Hill Avenue ▪ Adams Street – Beach Boulevard to Harbor Blvd ▪ Victoria Street – Brookhurst Street to SR-55 ▪ Pacific Coast Highway – Warner to SR-55 (and south) ▪ Garden Grove Boulevard – City Drive to Goldenwest Boulevard ▪ Baker Street - SR-55 to Harbor Boulevard ▪ Euclid Street – I-405 to Imperial Highway ▪ Talbert/MacArthur – Beach Boulevard to SR-55. </td> </tr> </table>	<ul style="list-style-type: none"> ▪ Magnolia Avenue – SR-22 to PCH ▪ Fairview Street – Garden Grove Boulevard to SR-55 ▪ Bristol Street – Jamboree Road to Memory Lane ▪ Main Street – Jamboree Road to Taft Avenue ▪ Tustin Avenue – 1st Street to SR-91 ▪ Ball Road/Taft Avenue – I-605 to SR-55 ▪ Bolsa Avenue/First St – Beach Boulevard to Main Street ▪ Edinger Avenue - Beach Boulevard to SR-55 ▪ Adams Avenue - Fairview Road to Harbor Boulevard 	<ul style="list-style-type: none"> ▪ Segerstrom Avenue/Dyer Road –Harbor Boulevard to Red Hill Avenue ▪ Adams Street – Beach Boulevard to Harbor Blvd ▪ Victoria Street – Brookhurst Street to SR-55 ▪ Pacific Coast Highway – Warner to SR-55 (and south) ▪ Garden Grove Boulevard – City Drive to Goldenwest Boulevard ▪ Baker Street - SR-55 to Harbor Boulevard ▪ Euclid Street – I-405 to Imperial Highway ▪ Talbert/MacArthur – Beach Boulevard to SR-55.
	<ul style="list-style-type: none"> ▪ Magnolia Avenue – SR-22 to PCH ▪ Fairview Street – Garden Grove Boulevard to SR-55 ▪ Bristol Street – Jamboree Road to Memory Lane ▪ Main Street – Jamboree Road to Taft Avenue ▪ Tustin Avenue – 1st Street to SR-91 ▪ Ball Road/Taft Avenue – I-605 to SR-55 ▪ Bolsa Avenue/First St – Beach Boulevard to Main Street ▪ Edinger Avenue - Beach Boulevard to SR-55 ▪ Adams Avenue - Fairview Road to Harbor Boulevard 	<ul style="list-style-type: none"> ▪ Segerstrom Avenue/Dyer Road –Harbor Boulevard to Red Hill Avenue ▪ Adams Street – Beach Boulevard to Harbor Blvd ▪ Victoria Street – Brookhurst Street to SR-55 ▪ Pacific Coast Highway – Warner to SR-55 (and south) ▪ Garden Grove Boulevard – City Drive to Goldenwest Boulevard ▪ Baker Street - SR-55 to Harbor Boulevard ▪ Euclid Street – I-405 to Imperial Highway ▪ Talbert/MacArthur – Beach Boulevard to SR-55. 	
<p>Implementation of enhanced intersection operations including upgrading hardware, software, signal interconnect, communications, surveillance, lighting, and other similar improvements at the following locations (47):</p> <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> ▪ Katella Avenue at Beach Boulevard ▪ Katella Avenue at Brookhurst Street ▪ Katella Avenue at Harbor Boulevard ▪ Katella Avenue at State College Boulevard ▪ Westminster Boulevard at Beach Boulevard ▪ Westminster Boulevard at Magnolia Avenue ▪ Westminster Boulevard at Euclid Street ▪ Westminster Boulevard at Harbor Boulevard ▪ 17th Street at Fairview Street ▪ 17th Street at Bristol Street ▪ 17th Street at Grand Avenue ▪ Segerstrom Avenue at Harbor Boulevard ▪ Segerstrom Avenue at Fairview Street </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> ▪ Segerstrom Avenue at Bristol Street ▪ Sunflower Avenue at Harbor Boulevard ▪ Sunflower Avenue at Fairview Street ▪ Sunflower Avenue at Bristol Street ▪ Baker Street at Bristol Street ▪ Newport Boulevard at Harbor Boulevard ▪ Bolsa Avenue at Beach Boulevard ▪ Bolsa Avenue at Magnolia Avenue ▪ Bolsa Avenue at Brookhurst Street ▪ 1st Street at Harbor Boulevard ▪ 1st Street at Fairview Street ▪ 1st Street at Bristol Street ▪ 1st Street at Grand Avenue </td> </tr> </table>	<ul style="list-style-type: none"> ▪ Katella Avenue at Beach Boulevard ▪ Katella Avenue at Brookhurst Street ▪ Katella Avenue at Harbor Boulevard ▪ Katella Avenue at State College Boulevard ▪ Westminster Boulevard at Beach Boulevard ▪ Westminster Boulevard at Magnolia Avenue ▪ Westminster Boulevard at Euclid Street ▪ Westminster Boulevard at Harbor Boulevard ▪ 17th Street at Fairview Street ▪ 17th Street at Bristol Street ▪ 17th Street at Grand Avenue ▪ Segerstrom Avenue at Harbor Boulevard ▪ Segerstrom Avenue at Fairview Street 	<ul style="list-style-type: none"> ▪ Segerstrom Avenue at Bristol Street ▪ Sunflower Avenue at Harbor Boulevard ▪ Sunflower Avenue at Fairview Street ▪ Sunflower Avenue at Bristol Street ▪ Baker Street at Bristol Street ▪ Newport Boulevard at Harbor Boulevard ▪ Bolsa Avenue at Beach Boulevard ▪ Bolsa Avenue at Magnolia Avenue ▪ Bolsa Avenue at Brookhurst Street ▪ 1st Street at Harbor Boulevard ▪ 1st Street at Fairview Street ▪ 1st Street at Bristol Street ▪ 1st Street at Grand Avenue 	
<ul style="list-style-type: none"> ▪ Katella Avenue at Beach Boulevard ▪ Katella Avenue at Brookhurst Street ▪ Katella Avenue at Harbor Boulevard ▪ Katella Avenue at State College Boulevard ▪ Westminster Boulevard at Beach Boulevard ▪ Westminster Boulevard at Magnolia Avenue ▪ Westminster Boulevard at Euclid Street ▪ Westminster Boulevard at Harbor Boulevard ▪ 17th Street at Fairview Street ▪ 17th Street at Bristol Street ▪ 17th Street at Grand Avenue ▪ Segerstrom Avenue at Harbor Boulevard ▪ Segerstrom Avenue at Fairview Street 	<ul style="list-style-type: none"> ▪ Segerstrom Avenue at Bristol Street ▪ Sunflower Avenue at Harbor Boulevard ▪ Sunflower Avenue at Fairview Street ▪ Sunflower Avenue at Bristol Street ▪ Baker Street at Bristol Street ▪ Newport Boulevard at Harbor Boulevard ▪ Bolsa Avenue at Beach Boulevard ▪ Bolsa Avenue at Magnolia Avenue ▪ Bolsa Avenue at Brookhurst Street ▪ 1st Street at Harbor Boulevard ▪ 1st Street at Fairview Street ▪ 1st Street at Bristol Street ▪ 1st Street at Grand Avenue 		



Table 3-3 Strategy A Major Improvement Elements (cont.)

<p>Arterial (cont.)</p>	<ul style="list-style-type: none"> ▪ Edinger Avenue at Beach Boulevard ▪ Edinger Avenue at Magnolia Avenue ▪ Edinger Avenue at Fairview Street. ▪ Edinger Avenue at Grand Avenue ▪ Warner Avenue at Brookhurst Street ▪ Warner Ave at Harbor Boulevard ▪ Warner Avenue at Fairview Street. ▪ Warner Avenue at Bristol Street ▪ Warner Avenue at Grand Avenue ▪ MacArthur Boulevard at Harbor Boulevard ▪ MacArthur Boulevard at Fairview Street ▪ MacArthur Boulevard at Bristol Street ▪ Adams Avenue at Beach Boulevard ▪ Adams Avenue at Brookhurst Street ▪ Adams Avenue at Harbor Boulevard ▪ Adams Avenue at Fairview Street ▪ Harbor Boulevard/Baker Street ▪ Harbor Boulevard/Victoria Street ▪ Fairview Road/Baker Street Newport Boulevard/17th Street; and ▪ Superior Avenue/17th Street
<p>Transit</p>	<p>Expanded Express Bus service in the study area including:</p> <ul style="list-style-type: none"> ▪ Enhanced express bus service along I-5 and SR-55 corridors. ▪ Addition of two new Express Bus routes in study area: <ul style="list-style-type: none"> ○ City of Industry Metrolink Station to Anaheim Resort ○ Laguna Hills to ART IC/Anaheim Platinum Triangle
	<p>Local bus service improvements on north-south routes including:</p> <ul style="list-style-type: none"> ▪ Beach Boulevard ▪ Magnolia Avenue ▪ Brookhurst Street ▪ Euclid Street ▪ Harbor Boulevard ▪ Fairview Street ▪ Bristol Street ▪ Main Street ▪ Grand Avenue
	<p>Expand BRT (BRAVO!) service along the following corridors and the use of upgraded stations, new buses and traffic signal priority technologies to improve service efficiency and route travel times, including:</p> <ul style="list-style-type: none"> ▪ Katella – Orange Station via ARTIC to Green Line Norwalk Station ▪ Beach – Huntington Beach (CBD) to Brea Mall ▪ Edinger – Goldenwest Transportation Center to Tustin Metrolink Station
<p>Multimodal</p>	<p>At six existing locations implement the following Park and Ride improvements:</p> <ul style="list-style-type: none"> ▪ Pedestrian and bike facilities ▪ Improved signage and way finding signs ▪ Information kiosks
<p>Non-Motorized</p>	<ul style="list-style-type: none"> ▪ Pedestrian and bike facilities improvements associated with the Arterial Optimization Strategies and BRT service. Facility improvements along optimized arterials should be a first priority, but the use of these strategies throughout the CCC study area should be considered.

As a stand alone strategy, these improvements are estimated to accommodate only a small percentage of the excess demand projected to occur within the CCC study area by 2035. The advantages of Strategy A are that it is a low cost, low impact strategy with operational benefits including reduced delay, improved speeds, elimination of bottlenecks, and improved safety, intermodal access, and route choices.



3.4 STRATEGY B – MODERATE EXPANSION OF EXISTING SYSTEM

Strategy B includes a moderate expansion of existing systems. Strategy B meets the need for improved corridor mobility with the implementation of low cost mobility improvements included in Strategy A, coupled with higher cost, higher benefit projects that will moderately improve existing facilities and expand travel choices beyond what Strategy A could do as a stand alone set of improvements. Strategy B improvements include all of the Strategy A improvements plus those listed in Table 3-4. Figure 2 depicting the major improvement elements of Strategy B is provided in Appendix B.

Table 3-4 Strategy B Major Improvement Elements

Mode	Improvement
<p>Freeway</p>	<ul style="list-style-type: none"> ▪ Extension of SR-55 HOV lanes from I-405 to the vicinity of 19th Street in Costa Mesa. This element may have different begin and end points directionally, with the northbound section beginning at 19th Street and the southbound HOV lanes ending near Victoria/ 22nd Street to allow for adequate transition lengths. ▪ As defined in the recent SR-55 PSR a fifth GP travel lane would be constructed on both NB and SB SR-55 from just south of the MacArthur Boulevard interchange to just north of Edinger Avenue. Auxiliary lanes would be constructed on NB SR-55 at the interchanges between the I-405 connector and MacArthur Boulevard and on Edinger Avenue on-ramp. Auxiliary lanes would be constructed on SB SR-55 at the interchanges between McFadden Avenue and Edinger Ave and between MacArthur Boulevard and the I-405 connector.
<p>Arterial</p>	<ul style="list-style-type: none"> ▪ SR-55 frontage road improvements between I-405 and Victoria Street ▪ Implementation of the Arterial Optimization Strategies (see Strategy A for a description of improvements) along the following seven (7) major arterials: <ul style="list-style-type: none"> ○ Westminster Boulevard/17th Street – Beach Boulevard to SR-55; ○ Warner Avenue – Beach Boulevard to SR-55 ○ Brookhurst Street – Orangethorpe Avenue to PCH ○ Bristol Street – Jamboree Road to Memory Lane ○ Adams Avenue – Fairview Road to Harbor Boulevard ○ Edinger Avenue – Beach Boulevard to SR-55 ○ Fairview Street – Civic Center Drive to SR-55 <p>Arterial Optimization Strategies and signal corridor synchronization implementation would also include intersection enhancements at the following fourteen (14) locations (above and beyond intersections listed in Strategy A). Enhancements include improvements such as restriping to better accommodate traffic demand, widening to provide additional turn lanes and relocation of bus stops:</p> <ul style="list-style-type: none"> ▪ Beach Boulevard at Warner Avenue ▪ Harbor Boulevard at Garden Grove ▪ Harbor Boulevard at Edinger Avenue ▪ Katella Avenue at Euclid Street ▪ Katella Avenue at Grand Avenue ▪ Chapman Avenue at Tustin Avenue ▪ Edinger Avenue at Fairview Street. ▪ Katella Avenue at Tustin Avenue ▪ Westminster Boulevard at Brookhurst Street ▪ 17th Street at Tustin Avenue ▪ Warner Avenue at Euclid Street ▪ MacArthur Boulevard at Main Street ▪ Sunflower Avenue at Main Street ▪ Dyer Road at Main Street



Table 3-4 Strategy B Major Improvement Elements (cont.)

<p>Arterial (cont.)</p>	<ul style="list-style-type: none"> ▪ All arterials in the study would be built to their full MPAH/General Plan designation (the precise extents and level of widening will be provided in Appendix C). ▪ Improvements to Alton Parkway including an overcrossing at the SR-55 and connection to Main Street
<p>Transit</p>	<p>Go Local Projects in Step 2 that involve rubber tire transit services including:</p> <ul style="list-style-type: none"> ▪ ARTIC to Downtown Anaheim to Fullerton Transportation Center Connector (Anaheim, Fullerton) ▪ ARTIC to Anaheim Canyon Station Connector (Anaheim) ▪ ARTIC – Platinum Triangle – Anaheim Resort Shuttle (Anaheim) ▪ West Anaheim Commuter Shuttles (Anaheim) ▪ Bolsa Chica Intercounty Express (Huntington Beach and Westminster – SARTIC or Orange) ▪ Fountain Valley Express (Fountain Valley – SARTIC or Orange) ▪ Little Saigon/Fountain Valley/Huntington Beach Express (Westminster, Fountain Valley, Huntington Beach – SARTIC or Orange) ▪ North/South Commuter Express (Huntington Beach, Stanton, and Westminster to the Buena Park Station and east to the Orange or Santa Ana Metrolink Station) <p>Enhanced BRT service including:</p> <ul style="list-style-type: none"> ▪ Adding off-board fare collection to all six Bravo routes to speed boardings and implementing dedicated bypass (queue jumper) lanes at the following intersections in study area: <ul style="list-style-type: none"> ○ Harbor Line: Ball, Katella, Chapman, Garden Grove, Westminster, First, Edinger, Warner, Macarthur, Baker, Adams, 19th, Newport/17th ○ Bristol/State College: Ball, Katella, Orangewood, Chapman, The City Way, Garden Grove, 17th, First, Edinger, Warner, Macarthur ○ Beach: Ball, Katella, Chapman, Garden Grove, Westminster, Bolsa, Edinger, Warner, Talbert, Ellis, Garfield, Adams, PCH ○ Edinger: Beach, Magnolia, Brookhurst, Euclid, Harbor, Fairview, Bristol, Main, Grand ○ Westminster: Beach, Magnolia, Brookhurst, Euclid, Harbor, Fairview, Bristol, Main ○ Katella: Beach, Magnolia, Brookhurst, Euclid, Harbor, State College, Main
<p>Multimodal</p>	<p>At six existing locations implement Park and Ride improvements (beyond Strategy A) including:</p> <ul style="list-style-type: none"> ▪ Access and circulation improvements, transit improvements, technology to improve efficiency, and restriping to increase capacity

Strategy B has the advantage of providing multi modal operational and capacity improvements that accommodate a higher level of forecasted excess travel demand in 2035 over Strategy A with minimal ROW acquisition. It includes substantial improvements to both the arterial and transit systems above and beyond Strategy A that will further reduce delay and improve speeds while significantly improving transit choices and service. While positive, these improvements will not provide enough capacity increases to meet the forecast travel demand in the study area.

3.5 STRATEGY C- SIGNIFICANT SYSTEM EXPANSION INCLUDING SR-55

Strategy C includes significant expansion of the existing freeway system including the SR-55 corridor along with associated improvements. It also entails the implementation of high capacity fixed-guideway transit systems, additional community based transit, and new intermodal stations throughout the study area. The primary focus however is to significantly expand the existing SR-55 facility to meet the need for improved corridor mobility by increasing freeway capacity. Strategy C improvements include all Strategy A and B improvements plus those listed in Table



3-5. Figure 3 depicting the major improvement elements of Strategy C is provided in Appendix B.

Table 3-5 Strategy C Major Improvement Elements

Mode	Improvement
Freeway	<ul style="list-style-type: none"> ▪ Widening of SR-55 to provide one HOV lane and one GP lane in each direction, with auxiliary lanes where needed, from I-5 to 19th Street in Costa Mesa, and 1 GP lane from SR-91 to I-5. Since the character of and constraints posed by existing development adjacent to SR-55 varies, it is anticipated that the widening would be accomplished using different roadway cross sections and vertical alignments (elevated structure or at grade widening) along different segments of the facility. For example, based on preliminary review, improvements to the facility should address the specific characteristics of each of three sections including from SR-91 to SR-22, SR-22 to Alton Parkway and Alton Parkway to 19th Street in Costa Mesa. ▪ Reconstruct the I-5/SR-55 interchange to accommodate the aforementioned widening. ▪ Construct 2-lane on-off ramps at Meats Avenue and the SR-55 ▪ SR-55/SR-22 HOV direct connectors ▪ Construction of an entirely new structure beneath Newport Boulevard providing a four-lane controlled access freeway under Newport Boulevard from 19th Street to Industrial Way and an interchange at 19th Street based on information from the SR-55 Access Study. ▪ HOV drop ramps on the I-405 to Bear Street overcrossing
Arterial	Includes all of the arterial elements identified in Strategies A and B.
Transit	<p>Includes all of the transit elements identified in Strategies A and B and those listed below.</p> <ul style="list-style-type: none"> ▪ High-Capacity Fixed-Guideway Systems: <ul style="list-style-type: none"> ○ Anaheim: ARTIC – Platinum Triangle – Anaheim Resort ○ Santa Ana/Garden Grove: SARTIC – downtown Santa Ana, Garden Grove (west of Harbor Blvd) via PE ROW ▪ Implement 17th/Westminster BRT spur along PE ROW from Harbor/17th to SARTIC ▪ Community Based Transit Circulators (M2 Project V) – to be defined.
Multimodal	▪ New intermodal stations related to arterial, transit, and SR-55 improvements – to be defined.

Strategy C would significantly improve the SR-55 corridor and adjacent facilities and address a substantial portion of excess travel demand in the CCC study area. The disadvantage of Strategy C is that it requires additional ROW, resulting in the need for property acquisition and the potential for significant environmental impacts. Strategy C will meet a greater portion of the travel demand in the study area over Strategies A and B but will also have substantially higher costs and impacts.

3.6 STRATEGY D – EXTEND SR-57 SOUTH VIA THE SANTA ANA RIVER

Strategy D includes extension of the SR-57 south via the Santa Ana River ROW. Strategy D meets the need for improved corridor mobility with the implementation of a new transportation facility along the Santa Ana River. There are five variations of Strategy D described after Table 3-5. All are required to be below existing bridges and not extend beyond the I-405 per OCTA Board direction. In the following table, the strategies common elements along with the five SR-57 Extension concepts are discussed. Strategy D improvements include all Strategy A and B improvements plus those listed in Table 3-6. Figure 4 depicting the major improvement elements of Strategy D is provided in Appendix B.



Table 3-6 Strategy D Major Improvement Elements

Mode	Improvement
Freeway	<ul style="list-style-type: none"> ▪ Extension of SR-55 HOV lanes from I-405 to the vicinity of 19th Street in Costa Mesa. This element may have different begin and end points directionally, with the northbound section beginning at 19th Street and the southbound HOV lanes ending near Victoria/ 22nd Street to allow for adequate transition lengths. ▪ As defined in the recent SR-55 PSR a fifth GP travel lane would be constructed on both NB and SB SR-55 from just south of the MacArthur Boulevard interchange to just north of Edinger Avenue. Auxiliary lanes would be constructed on NB SR-55 at the interchanges between the I-405 connector and MacArthur Boulevard and on Edinger Avenue on-ramp. Auxiliary lanes would be constructed on SB SR-55 at the interchanges between McFadden Avenue and Edinger Ave and between MacArthur Boulevard and the I-405 connector. ▪ Extension of the SR-57 south via the Santa Ana River ROW. There are five variations of the SR-57 extension described after this table. ▪ HOV drop ramps on the I-405 to Bear Street overcrossing
Arterial	Includes all of the arterial elements identified in Strategies A and B.
Transit	<p>Includes all of the transit elements identified in Strategies A, B, and C and those listed below:</p> <ul style="list-style-type: none"> ▪ High capacity transit (see SR-57 extension Option 3 described after this table). ▪ ARTIC Phase 2: build-out multimodal hub including: <ul style="list-style-type: none"> ○ New platforms to accommodate High-Speed Rail ○ Provisions for an Anaheim-Ontario Maglev Station; ARTIC-Resort Connector Station ○ New bus facility to accommodate OCTA local/StationLink services, ART, private shuttles, ○ New parking structure ○ Reroute Bristol/State College Bravo to serve ARTIC
Multimodal	<ul style="list-style-type: none"> ▪ The addition of new intermodal stations (Park and Ride) related to the SR-57 extension – to be defined.

In addition to the improvements described in Table 3-5, Strategy D also includes the extension of SR-57 in various configurations along the Santa Ana River. This improvement is being proposed through several design options including:

- **Option 1: Highway/Expressway Facility in the River:** A highway or expressway along the bottom of the Santa Ana River would function intermittently (dry season only). It would also continue to serve as a flood control facility. Operations and maintenance costs are anticipated to be significant because of continued functionality as a flood control facility. **Based on the information provided to the Technical Working Group (TWG) consensus was reached recommending the elimination of this option from further consideration due to several reasons including limited usage due to weather, maintenance, and impacts to residences. Additional detail supporting this decision is provided in a separate report, *Draft State Route 57 Extension Conceptual Alignment Study Task 3.1*. An executive summary of this document is provided in Appendix D.**
- **Option 2: At Grade Freeway with Flood Control Tunnel:** This Concept would redirect river flow into a tunnel beneath the existing channel. Several bridges would need modifications to accommodate vehicles. In addition several other mitigations would need



to be performed to alleviate significant impacts to the surrounding environment. The flood control tunnel would need to meet demand for a 190 year storm flow. This concept also has O&M issues related to transition areas for vehicular traffic and storm water runoff. **Based on the information provided to the Technical Working Group (TWG) consensus was reached recommending the elimination of this option from further consideration due to several reasons including maintenance, impacts to residences, construction impacts, and coastal impacts due to discharge. Additional detail supporting this decision is provided in a separate report, *Draft State Route 57 Extension Conceptual Alignment Study Task 3.1*. An executive summary of this document is provided in Appendix D.**

- **Option 3: Freeway in Cut and Cover Tunnel:** This option modifies the bottom of the Santa Ana River by excavating a trench and roofing it over in a shallow tunnel. This option would impact bridge pilings and would require retrofitting or reconstructing the 14 existing bridges along the Santa River. The concept will have O&M issues related to efforts to maintain the facility and will require a longer construction period.
- **Option 4: Dual Bore Freeway Tunnel:** This Concept will have a dual bore tunnel connecting SR-57 to I-405. It may be feasible from an engineering perspective but has challenges that need to be addressed. This concept serves travel demand outlined in the Purpose and Need. However, it has significant challenges related to geometrics and the daylight impact areas on both ends of the alignment. The full plans and profiles of this option reveal these challenges. The alignment will have major impacts on right of way at either endpoint due to the required space needed to daylight a tunnel outside the riverbed to tie into existing highway facilities.
- **Option 5: Transit Way In a Tunnel:** This Concept will have a tunnel below the river channel and serve as a transit way for a train or another transit technology. It would connect the Anaheim Regional Transportation Intermodal Center (ARTIC) to John Wayne Airport. This concept would relieve the complication of daylighting a tunnel for automobiles and trucks, but would not meet the same amount of transportation travel demand. Transit stations along the alignment would make this option more feasible in terms of travel demand fulfilled.

3.7 STRATEGY E – POST 2035 GROWTH

Strategy E includes improvements that accommodate demand beyond 2035 and provides potential capacity for post 2035 growth. It meets the need for improved corridor mobility with the implementation of an extensive program of capital transportation improvement projects that would meet future travel demand well beyond the 2035 planning horizon.

Strategy E is a compilation of all of the improvements included in Strategies A, B, C, and D that are not mutually exclusive or redundant. In addition, Strategy E includes the following



improvements listed in Table 3-7. Figure 5 depicting the major improvement elements of Strategy E is provided in Appendix B.

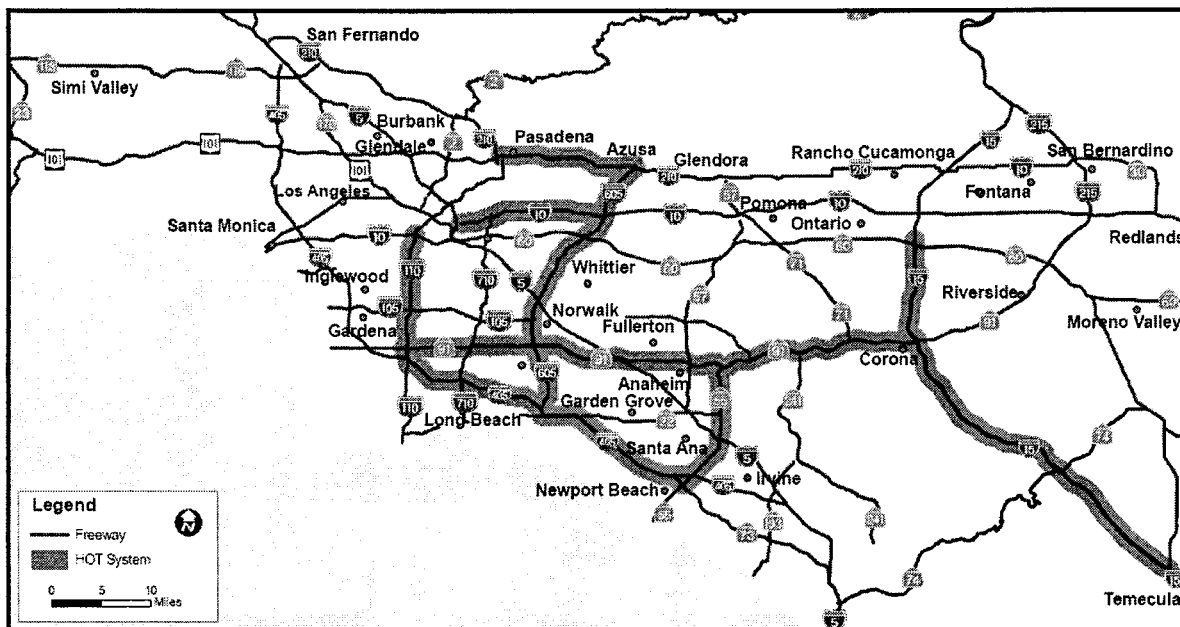
Table 3-7 Strategy E Major Improvement Elements

Mode	Improvement		
Freeway	Includes all the freeway elements identified in Strategies A, B, C, and D that are not mutually exclusive or redundant. For example, chokepoint and auxiliary lane improvements may be superseded by significant widening and therefore not included.		
Arterial	Arterial grade separations at the following seven (7) locations: <ul style="list-style-type: none"> ▪ Beach Boulevard at Garden Grove Boulevard ▪ Beach Boulevard at Warner Avenue ▪ Harbor Boulevard at First Street ▪ Harbor Boulevard at Warner Avenue ▪ Pacific Coast Highway at Beach Boulevard, ▪ Pacific Coast Highway at Brookhurst Street ▪ Pacific Coast Highway at Superior Avenue 		
Arterial (cont.)	Widening of the following thirteen (13) major arterials by one lane in each direction beyond MPAH: <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 50%;"> <u>North-South Arterials:</u> <ul style="list-style-type: none"> ▪ Beach Boulevard (at any locations not already eight lanes) ▪ Magnolia Avenue- SR-22 to Adams Avenue ▪ Brookhurst Street- SR-22 to PCH ▪ Euclid Street – SR-22 to MacArthur Boulevard ▪ Fairview Street – SR-22 to SR-55 ▪ State College Boulevard/Bristol Street- Ball Road to SR-55 ▪ Grand Avenue – SR-22 to SR-55 ▪ Harbor - from Lampson to Adams </td> <td style="vertical-align: top; width: 50%;"> <u>East-West Arterials:</u> <ul style="list-style-type: none"> ▪ Garden Grove Boulevard- from Beach Boulevard to Harbor Boulevard ▪ Westminster Boulevard/17th Street - Beach Boulevard to SR-55 ▪ Warner Avenue - Beach Boulevard to SR-55 ▪ MacArthur Boulevard - Brookhurst Street to SR-55 ▪ Adams Avenue - Beach Boulevard to Fairview Street </td> </tr> </table>	<u>North-South Arterials:</u> <ul style="list-style-type: none"> ▪ Beach Boulevard (at any locations not already eight lanes) ▪ Magnolia Avenue- SR-22 to Adams Avenue ▪ Brookhurst Street- SR-22 to PCH ▪ Euclid Street – SR-22 to MacArthur Boulevard ▪ Fairview Street – SR-22 to SR-55 ▪ State College Boulevard/Bristol Street- Ball Road to SR-55 ▪ Grand Avenue – SR-22 to SR-55 ▪ Harbor - from Lampson to Adams 	<u>East-West Arterials:</u> <ul style="list-style-type: none"> ▪ Garden Grove Boulevard- from Beach Boulevard to Harbor Boulevard ▪ Westminster Boulevard/17th Street - Beach Boulevard to SR-55 ▪ Warner Avenue - Beach Boulevard to SR-55 ▪ MacArthur Boulevard - Brookhurst Street to SR-55 ▪ Adams Avenue - Beach Boulevard to Fairview Street
<u>North-South Arterials:</u> <ul style="list-style-type: none"> ▪ Beach Boulevard (at any locations not already eight lanes) ▪ Magnolia Avenue- SR-22 to Adams Avenue ▪ Brookhurst Street- SR-22 to PCH ▪ Euclid Street – SR-22 to MacArthur Boulevard ▪ Fairview Street – SR-22 to SR-55 ▪ State College Boulevard/Bristol Street- Ball Road to SR-55 ▪ Grand Avenue – SR-22 to SR-55 ▪ Harbor - from Lampson to Adams 	<u>East-West Arterials:</u> <ul style="list-style-type: none"> ▪ Garden Grove Boulevard- from Beach Boulevard to Harbor Boulevard ▪ Westminster Boulevard/17th Street - Beach Boulevard to SR-55 ▪ Warner Avenue - Beach Boulevard to SR-55 ▪ MacArthur Boulevard - Brookhurst Street to SR-55 ▪ Adams Avenue - Beach Boulevard to Fairview Street 		
Transit	<ul style="list-style-type: none"> ▪ High Speed Rail from ARTIC to Los Angeles Union Station ▪ Technology neutral grade separated transit facility from ARTIC to John Wayne airport with alignment and stations to be determined. ▪ BRT in dedicated lane – JWA to ARTIC/Anaheim Resort via Harbor or Bristol; stops at Katella*, Chapman, Garden Grove, Westminster/17th*, Santa Ana Boulevard*, First, Edinger, Warner, Macarthur *Connections to Anaheim/Santa Ana/Garden Grove Go Local Fixed-Guideways		
Multimodal	Go Local improvement in Santa Ana including SR-22 Ramp connectors to PE ROW by: <ul style="list-style-type: none"> ▪ Constructing ramps between the SR-22 and the arterial extension within the PE ROW, with grade-separated crossings of Harbor Boulevard and Westminster Avenue/17th Street. The ramps will provide connections from the westbound PE ROW to westbound SR-22, and from eastbound SR-22 to eastbound PE ROW, providing an alternative route to the Orange Crush for travel to/from the Santa Ana civic center. 		

In addition to the improvements described in Table 3-7, Strategy E also includes as an option, the implementation of a regional HOT lane system. This system would include two HOT lanes on the following segments of the southern California freeway system. Figure 3-2 depicts this system.

- SR-55 from I-405 to SR-91
- I-405 from SR-73/SR-55 to I-110 in (Los Angeles County)
- SR-91 from I-15 in Riverside County to I-110 in Los Angeles County
- I-605 from I-405 to I-210 (Los Angeles County)
- I-210 from I-605 to I-710 (Los Angeles County)
- I-110 from I-405 to I-10 (Los Angeles County)
- I-10 from I-605 to I-5 (Los Angeles County)
- I-15 from San Bernardino County line to SR-74 (Riverside County)

Figure 3-2 Strategy E Regional HOT Lane System Option



Strategy E improvements would require associated capacity improvements to I-405, I-5 and SR-57 for system connectivity. The advantage of this strategy is that it provides the greatest amount of additional capacity, accommodating travel demand growth beyond 2035. However, associated costs and environmental impacts are extremely high, and there is low probability that all of these improvements could potentially be funded and/or constructed by 2035.



4.0 SUMMARY

The strategies presented in this report represent a wide range of possible improvements using a multimodal approach and consider improvements to the complete transportation system at all levels. These improvements are applied to all modes of travel including single-occupancy vehicle, multiple-occupancy vehicle, varying forms of bus transit, rail, as well as bicycle and pedestrian modes and were developed to address issues and challenges outlined in the Mobility Problem Purpose and Need. All of these improvements were combined both to complement each other in order to gain maximum benefit, as well as to test the effectiveness and impacts of specific improvements. The screening process described in the Evaluation Criteria Technical Memorandum No. 2 will provide valuable information regarding the relative performance of all of these strategies. This will lead to the selection of a reduced set of strategies providing the best approach to address the Mobility Problem Purpose and Need issues identified for Central Orange County, and will ultimately lead to the selection of a recommended Locally Preferred Strategy to guide future transportation investment decisions within the Corridor.

Improvement elements that comprise the strategies will be evaluated by elected officials, key stakeholders, and the public through Stakeholder Working Group (SWG) meetings and public outreach activities. These strategies will be further refined with input from the TWG and PAC before being presented to the OCTA Board for input and approval.

4.1 RECOMMENDATIONS

OCTA staff, in coordination with the consultant team and CCC MIS Technical Working Group (TWG), is recommending that the following Refined Alternative Strategies be carried forward with the significant change to Strategy D noted.

- Baseline – Existing system Plus Funded and/or Environmentally Cleared Improvements
- Strategy A – Improve System Efficiency
- Strategy B – Moderate Expansion of Existing System
- Strategy C – Significant System Expansion Including SR-55
- Strategy D – Extend SR-57 South Via the Santa Ana River
 - **Recommendation: Eliminate Options D1 and D2 from further consideration**
- Strategy E – Post 2035 growth

APPENDIX A
BASELINE DETAILED PROJECT LIST



Table A-1 Central County Corridor 2035 Baseline Alternative Project List

Lead Agency	RTIP/RTIP ID	RTE	Beg PM	End PM	Project / Route Name	From	To	Project Description	Fund Source ⁶	Additional Project Details, If Available
Anaheim	ORA000100	5	34.0	43.5	I-5	Gene Autry Way West @I-5 HOV Transitway		Gene Autry Way West @ I-5 (I-5 HOV Transitway To Haster) Add Overcrossing On I-5 (S)/Manchester And Extend Gene Autry Way West From I-5 To Haster (3 Lanes In Ea Dir.)	RTIP	Add Overcrossing On I-5 South Manchester Extend Gene Autry Way West From I-5 To Haster.
Anaheim	ORA120501	0	0.0	0.0	Brookhurst St	South of Ball Road	North of Katella Ave	Anaheim - Brookhurst Street Widening (From 4 To 6 Lanes; S/O Ball To N/O Katella)	RTIP	Widen From 4 To 6 Lanes
Anaheim	ORA000110	0	0.0	0.0	Katella Ave	Humor	Jean	Katella Ave Smart St (Humor To Jean) Widen Frm 4 To 6 Lanes	RTIP	Widen From 4 To 6 Lanes
Anaheim	ORA120318	0	0.0	0.0	Regional Trans Intermodal Center			Anaheim Regional Trans Intermodal Center (Aortic) - Planning And Env Phase - Include Expand Of Exist Amtrak/Metrolink Station At Anaheim Stadium To Provide Access W/ Trans Svc	RTIP	
Caltrans	ORA030603	55	7.8	9.2	SR-55	Edinger	Dyer	Construct 1 Aux Lane On SBSR-55 Between E Edinger Ave Off Ramp And Dyer Rd On Ramp	RTIP	
Caltrans	ORA55073	73	5.4	7.8	SR-73/405	Bristol	Euclid	Costa Mesa (Bristol Street To Euclid) I-405 Widening And Ramp Improvements Including The I-405/SR-73 Interchange In Conjunction With Ora55073 (Hyland)	RTIP	
Caltrans	86	405	9.9	10.0	I-405	Bear Street Overcrossing		At Bear St Overcrossing In Costa Mesa, Remove And Reconstruct Overcrossing From 4 To 6 Lanes. Widen Bridge Structure Over Freeway Only.	RTIP	Widen From 4 To 6 Lanes
Caltrans	6951	405	7.7	8.7	I-405	I-405/SR-55 Interchange		405/55 interchange south transitway MOS1 existing 4 mixed 1 HOV on SR55 and I-405 existing is 5 MF and 1 HOV. Add HOV direct transitway from SR55 to I-405	RTIP	MOS 1 - Add direct transitway from route 55 to route 405
Costa Mesa	ORA000161	55	1.5	2.0	Newport Bl	From 17th Street	SR-55	Newport Blvd (SR-55 To 17th St) - Widening From 6 To 7/8 Through Lanes. Widen 1 Lane N/B From 17th To 19th And 1 Lane S/B From 19th And 1 Lane S/B From 19th To Broadway	RTIP	1. Widen 1 Lane Northbound From 17th To 19th. 2. Widen 1 Lane Southbound From 19th To Broadway.
Costa Mesa	ORA016	55	5.8	5.8	SR-55	At Paularino Avenue		Paularino Ave (SR-55 @ Paularino Ave) In Costa Mesa Intersection Improvement. Adding A N/B Ramp And W/B Right-Turn Lane	RTIP	Add A Northbound On Ramp
Costa Mesa	3090	405	8.7	10.1	I-405	SR-55		In City Of Costa Mesa (Mos 2&3) N/B I-405/Bristol Off-Ramp And S/B Rte-55 To N/B I-405 (North Trnstwy) Widen NB Off Ramp Braid With Connector From 6 To 8 Lanes	RTIP	
Costa Mesa	720	405	9.7	12.5	I-405/SR-55	Bristol	Euclid	Costa Mesa (Bristol Street To Euclid) I-405 Widening And Ramp Improvements Including The I-405/SR-73 Interchange In Conjunction With Ora55073 (Hyland)	RTIP	
Costa Mesa	ORA000111	405	10.8	11.5	I-405	Susan Street		New Off-Ramp On I-405 At Susan Street @ S. Coast Drive (Replaced W/Ora000186, Ora000110, Ora000182, Ora000191. (From 0 To 1 Lane)	RTIP	Add New Slip Ramp Off Harbor Blvd Off Ramp Onto Susan Street
Costa Mesa	ORA020103	405	11.8	11.8	I-405	Fairview Road		Costa Mesa (Fairview Rd @ I-405 Interchange) Add 3rd S/B Left-Turn Lane And 3rd S/B I-405 Onramp Lane.	RTIP	Add 3rd Southbound I-405 On Ramp Lane
Costa Mesa	ORA990410	0	0.0	0.0	Harbor Blvd	At Gisler Avenue Intersection		Harbor Blvd @ Gisler Ave. Intersection Channelization. Add 5th NB Lane On Harbor Blvd. And Rt Lane On Gisler To NB Harbor, 2nd SBI-405 Slip Onramp Lane	RTIP	Add 2nd Southbound Route 405 Slip On Ramp Lane
Costa Mesa	ORA120502	0	0.0	0.0	Newport Blvd	19th	Harbor	Costa Mesa Newport Blvd Widening - 1 Ln Ea Dir (From 19th To Harbor; Frm 6 To 8 Lns)	RTIP	Widen From 6 To 8 Lanes
Garden Grove	ORA100510	22	0.0	0.0	Magnolia	SR-22 Northbound Ramps	SR-22 Southbound Ramps	Replace SR-22 Interchanges, Construct HOV Lanes And Lengthen Bridges In Garden Grove	RTIP	On Magnolia, Add 1 Arterial Lane Each Direction Between The SR-22 Northbound And Southbound Ramps



Table A-1 Central County Corridor 2035 Baseline Alternative Project List (cont.)

Lead Agency	RTIP/RTP ID	RTE	Beg PM	End PM	Project / Route Name	From	To	Project Description	Fund Source ^a	Additional Project Details, If Available
Garden Grove	ORA981104	22	7.8	0.0	SR-22	At Harbor Blvd Interchange		Reconstruct Harbor Blvd. Interchange 4 Lanes Each Direction (1/4 Mile Before And After SR-22 Ramps) 2 HOV Lanes (1 E/B & 1 W/B) And Proposed SR-22 HOV Lanes.	RTIP	1. 4 Lanes In Each Direction. 1/4 Mile Before And After Route 22 Ramps 2.2 HOV Lanes (1 East Bound & 1 Westbound At The Interchange
Orange County Public Works	ORA000191	0	0.0	0.0	Katella Ave	100' East of Jean	Magnolia	Katella Ave Smart Street (100' E/O Jean To Magnolia) Widen From 4 To 6 Lanes. Strip And Modify Curb Lines At Intersection. Signal Coordination.	RTIP	Widen From 4 To 6 Lanes
Orange County Trans Authority (OCTA)	ORA030610	55	7.0	7.9	SR-55	Dyer	MacArthur	SR-55 Add Southbound Auxiliary Lane From Dyer To Macarthur	RTIP	
Orange County Trans Authority (OCTA)	ORA120333	57	12.2	15.7	SR-57 NB	0.3 Mi S/O Katella	0.3 Mi N/O Lincoln	Exist 4 Mf N/B; Widen To 5 Mf Lanes N/B From 0.3 Mi S/O Katella To 0.3 Mi N/O Lincoln (2.92 Miles) -0f0400	RTIP	Existing Config: 4 To 5 Lanes
Orange County Trans Authority (OCTA)	ORA030605	405	10.3	24.0	I-405	SR-73	LA County	From SR-73 To Los Angeles County Line Add 1 Mf Lane Each Dir And Provide Additional Capital Improvements	RTIP	
Orange County Trans Authority (OCTA)	ORA020110	405	15.2	16.5	I-405	Magnolia	Beach Blvd.	I-405 Northbound Auxiliary Lane (Magnolia To Beach Blvd) Add One Aux. Lane N/B & S/B - From 5 To 6 Lanes In Each Direction.	RTIP	Add One Auxiliary Lane Northbound And Southbound From 5 To 6 Lanes In Each Direction
Orange County Trans Authority (OCTA)	ORA120531	0	0.0	0.0	BRT: Harbor Bl	Fullerton	Costa Mesa	Bus Rapid Transit (Harbor Boulevard Brt) - 19 Mile Fixed Rt BRT Between Fullerton And Costa Mesa; Includes Structures And Rolling Stock Rte#543 10 Min Pk Headway, 20 Min Off Peak	RTIP	Per OCTA The Route Number For This Project Is 560 And Will Operate 10 Min During Morning And Evening Commute And Every 20 Minutes At Other Times
Orange County Trans Authority (OCTA)	ORA120532	0	0.0	0.0	BRT: Westminster/17th	Santa Ana	Long Beach	Bus Rapid Transit (Westminster/17th Brt) - 22mile Fixed Rt BRT Between Santa Ana And Long Beach; Includes Structures And Rolling Stock. Rte#560 10 Min Pk Headway, 20 Min Off Peak	RTIP	Per OCTA The Route Number For This Project Is 560 And Will Operate 10 Min During Morning And Evening Commute And Every 20 Minutes At Other Times
Orange County Trans Authority (OCTA)	ORA110501	0	0.0	0.0	28mi BRT State College/Bristol	Brea	Irvine	Bus Rapid Transit (State College/Bristol) - 28mi Fixed BRT Frm Brea Mal To Irvine Trans Cntr. Includes Structures, Rolling Stock, And Feeder Svc & lbc Shuttle- Cng Shuttles From Jwa To lbc	RTIP	
Orange County Trans Authority (OCTA)	2L207				Express Bus	Countywide (intercounty and intracounty)		SAN CLEMENTE TO SOUTH COAST METRO (12), LONG BEACH (WARDLOW BLUE LINE STATION) TO SOUTH COAST METRO (12), LONG BEACH(CBD) TO ORANGE STATION(BI-DIRECTIONAL) (12)	RTIP	
Orange County Transit District (OCTD)	ORA041501	0	0.0	0.0	Per Octa Buses Are Rotated In As Needed In Various Routes			Purchase (71) Standard 30ft Expansion Buses - Alternatives Fuel - (31) In Fy08-09, (9) In Fy09-10, (7) In Fy 11-12, (6) In Fy 12-13 And (18) In Fy 13-14	RTIP	ORA 041501 And ORA55241 Projects, They Are Expansion Buses But We Haven't Planned Out Where They Are Going To Go. Some Are Going To Go For Express Routes, Some For Decreasing Headways Others For Increasing Coverage. We Did Find Out That The Majority Of Them Are Going To Be In The Central Area But How Many Is Unknown.

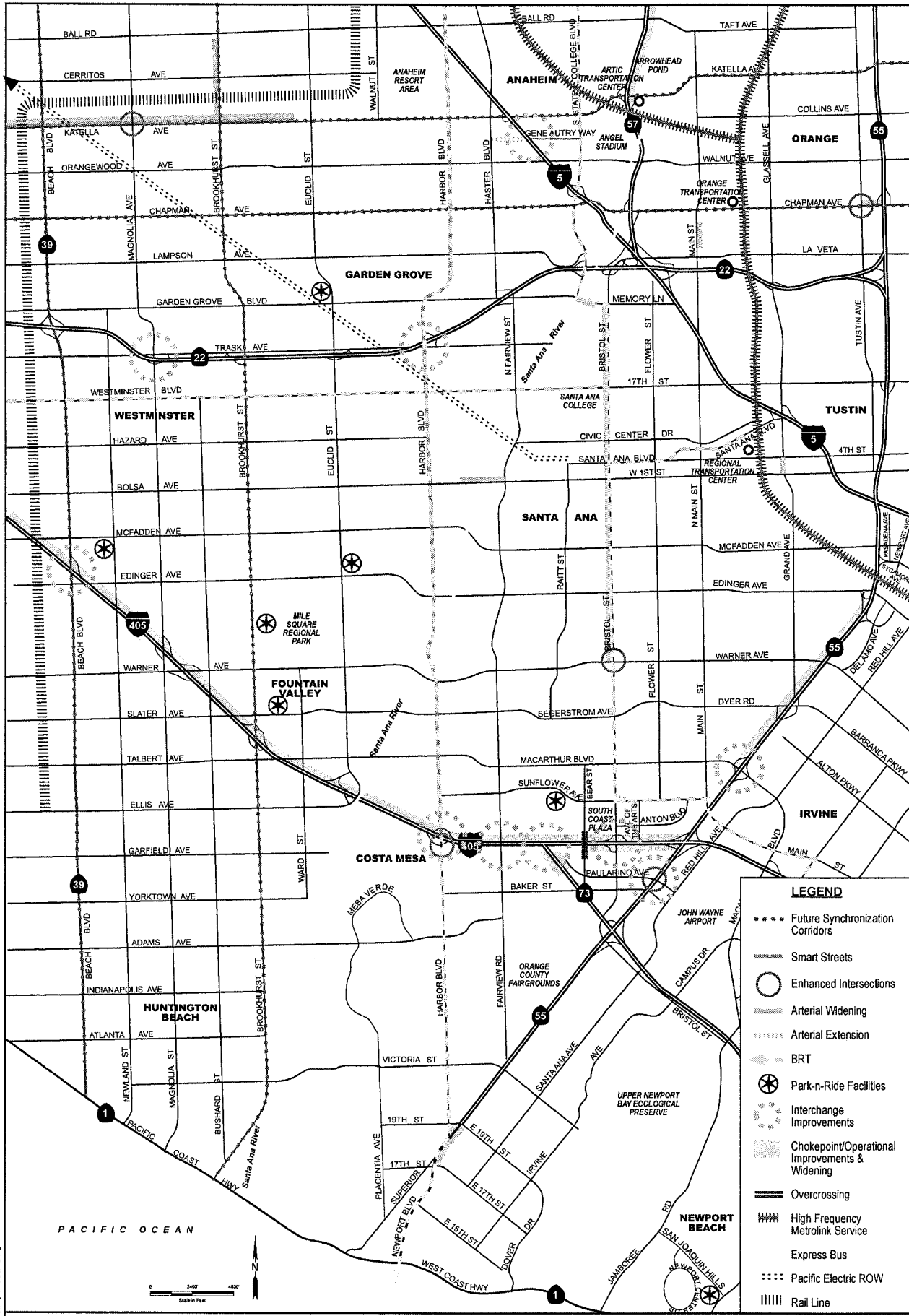


Table A-1 Central County Corridor 2035 Baseline Alternative Project List (cont.)

Lead Agency	RTIP/RTIP ID	RTE	Beg PM	End PM	Project / Route Name	From	To	Project Description	Fund Source*	Additional Project Details, If Available
Orange, City Of	ORA000162	0	0.0	0.0	Chapman Ave	Tustin	SR-55	Chapman Ave (Tustin To SR-55) Widen From 4 To 6 Lanes. Add 2 Dedic. Rt Turn Lanes (1@ WB Chapman & 1@NBTustin) Plus, 2 Bus Turnouts (1@NBTustin And 1@WBChapman Intersection.)	RTIP	Widen From 4 To 6 Lanes
Orange, City Of	ORA120527	0	0.0	0.0	Main St	Culver Drive	260' N/O Palmyra	Orange - Main St (Widen Frm Culver To 260' N/O Palmyra; Frm 4 To 6 Lns)	RTIP	Widen From 4 To 6 Lanes
Santa Ana	ORA125	0	0.0	0.0	Bristol St	Warner	Memory Lanes	Bristol St (Warner To Memory Lane) Widen From 4 To 6 Lanes (Impv At Bristol/Warner (Add Nb/Eb/SBThru Lns; WB Rt Trn Ln) And Bristol/First (Add Nb/SBThru Lns; SBLf/Rt/Trn Lns	RTIP	Widen From 4 To 6 Lanes
Santa Ana	ORA120521	0	0.0	0.0	First St	Susan Street	Fairview	Santa Ana - First Street Widening (Frm Susan To Fairview; Frm 4 To 6 Lns)	RTIP	Widen From 4 To 6 Lanes
Santa Ana	ORA120520	0	0.0	0.0	Grand Ave	1st	4th	Santa Ana - Grand Avenue Widening (Frm 1st To 4th; Frm 2 To 3 Lns Each Dir)	RTIP	Widen From 2 To 3 Lanes In Each Direction
Santa Ana	ORA120518	0	0.0	0.0	Macarthur Blvd	Northbound On Ramp From EB Macarthur	SR-55	Santa Ana - MacArthur Blvd Widening (Widen NB Onramp (From EB Macarthur) To SR-55 By Adding 1 Ln)	RTIP	Add 1 Lane
Santa Ana	ORA120519	0	0.0	0.0	Macarthur Blvd	Southbound On Ramp From EB Macarthur	SR-55	Santa Ana - Macarthur Blvd Widening (Widen SB On ramp (Frm EB Macarthur) To SR-55 By Adding 1Ln)	RTIP	Add 1 Lane
Santa Ana	ORA000171	0	0.0	0.0	Memory Lane Bridge	Pacific Avenue	City Drive	Memory Lane Bridge (Pacific Ave To City Drive) Widening From 4 To 6 Lanes.	RTIP	Widen From 4 To 6 Lanes
Stanton	ORA000186	0	0.0	0.0	Katella Ave	Magnolia	Beach	Katella Ave Smart Street (Magnolia To Beach And Beach To Knott) Widen From 4 To 6 Lanes, Bus Turnouts, Intersection Widening, Curb line/Median Modifications, And Raised Medians.	RTIP	Widen From 4 To 6 Lanes
Westminster	ORA100507	405	16.5	0.0	I-405	At Beach		Construct Fourth NB Through Lane On Beach Blvd At The I-405 Interchange And Remove Off-Ramp On I-405 At Beach (North-East Corner Of Beach/Edinger)	RTIP	Remove Off-Ramp
	ORA100508	0	0.0	0.0	ITS Master Plan	Anaheim		Develop And Implement ITS Master Plan In Anaheim	RTIP	
	ORA100509	0	0.0	0.0	Harbor Blvd ITS	Garden Grove		Design And Implement Harbor Boulevard ITS In Garden Grove	RTIP	

*Note:
 RTIP = 2008 full RTIP Implementation (Programmed Funds)
 Sources: SCAG 2008 RTIP and 2008 RTP

APPENDIX B
REFINED ALTERNATIVE STRATEGY MAPS



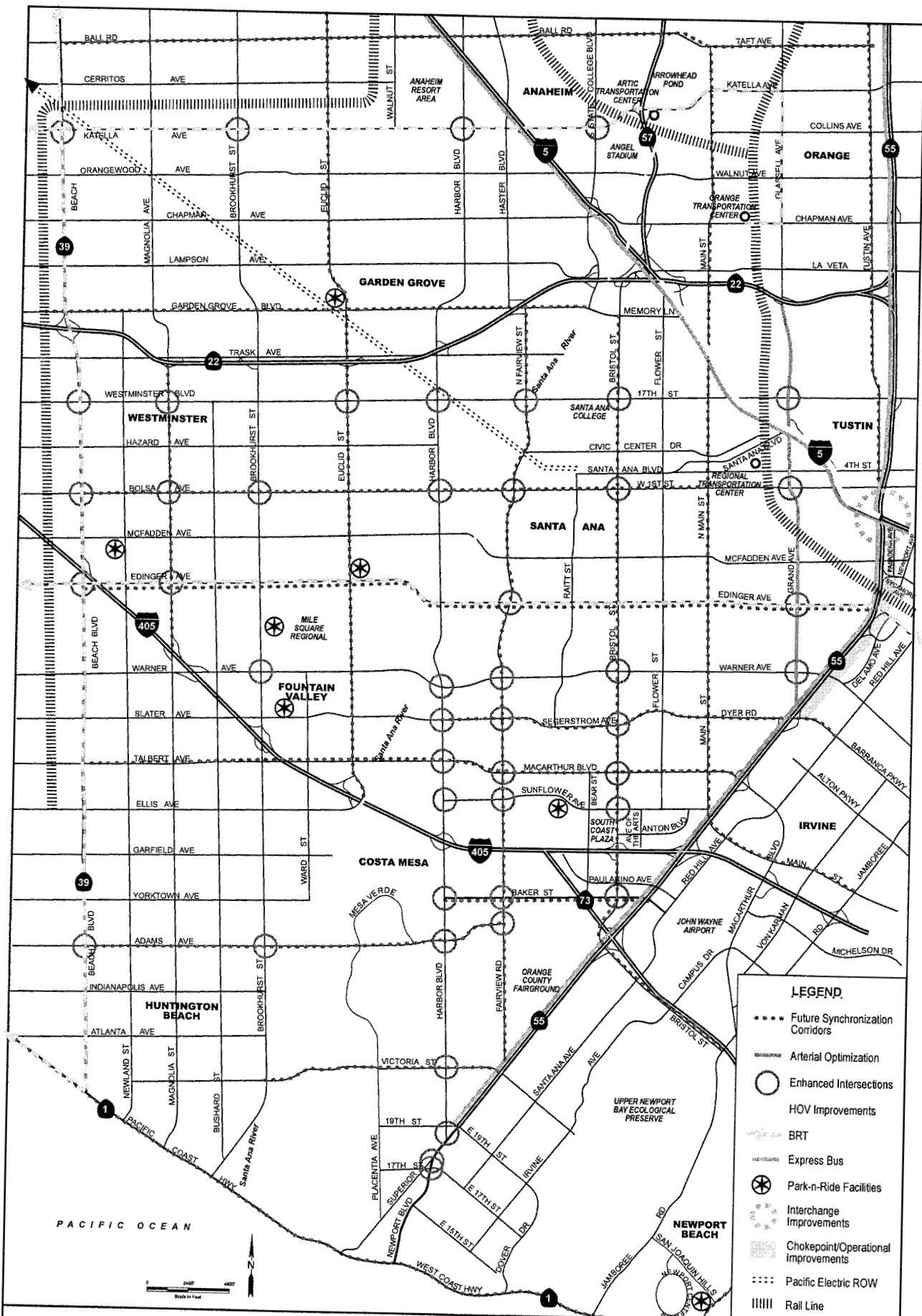
LEGEND

- Future Synchronization Corridors
- Smart Streets
- Enhanced Intersections
- Arterial Widening
- Arterial Extension
- BRT
- Park-n-Ride Facilities
- Interchange Improvements
- Chokepoint/Operational Improvements & Widening
- Overcrossing
- High Frequency Metrolink Service
- Express Bus
- Pacific Electric ROW
- Rail Line


BASELINE

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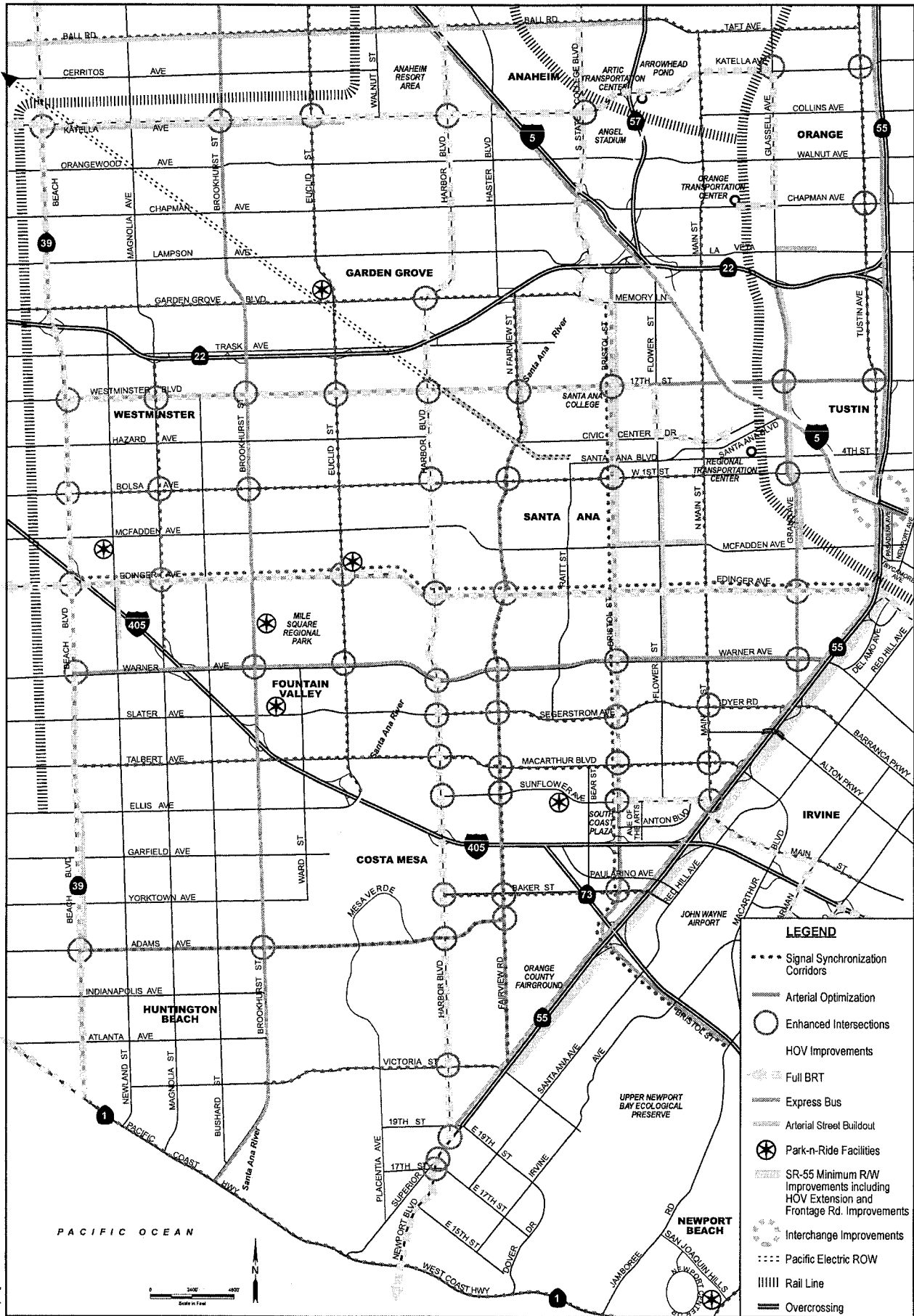




STRATEGY A - IMPROVE SYSTEM EFFICIENCY

Project No.: 29866389	Date: February 2009	Project: 	Central Orange County Major Investment Study Preliminary Draft - Not for Distribution	Figure 1
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STRATEGY B - MODERATE EXPANSION OF EXISTING SYSTEM

Project No.: 29866389

Date: February 2009

Project:

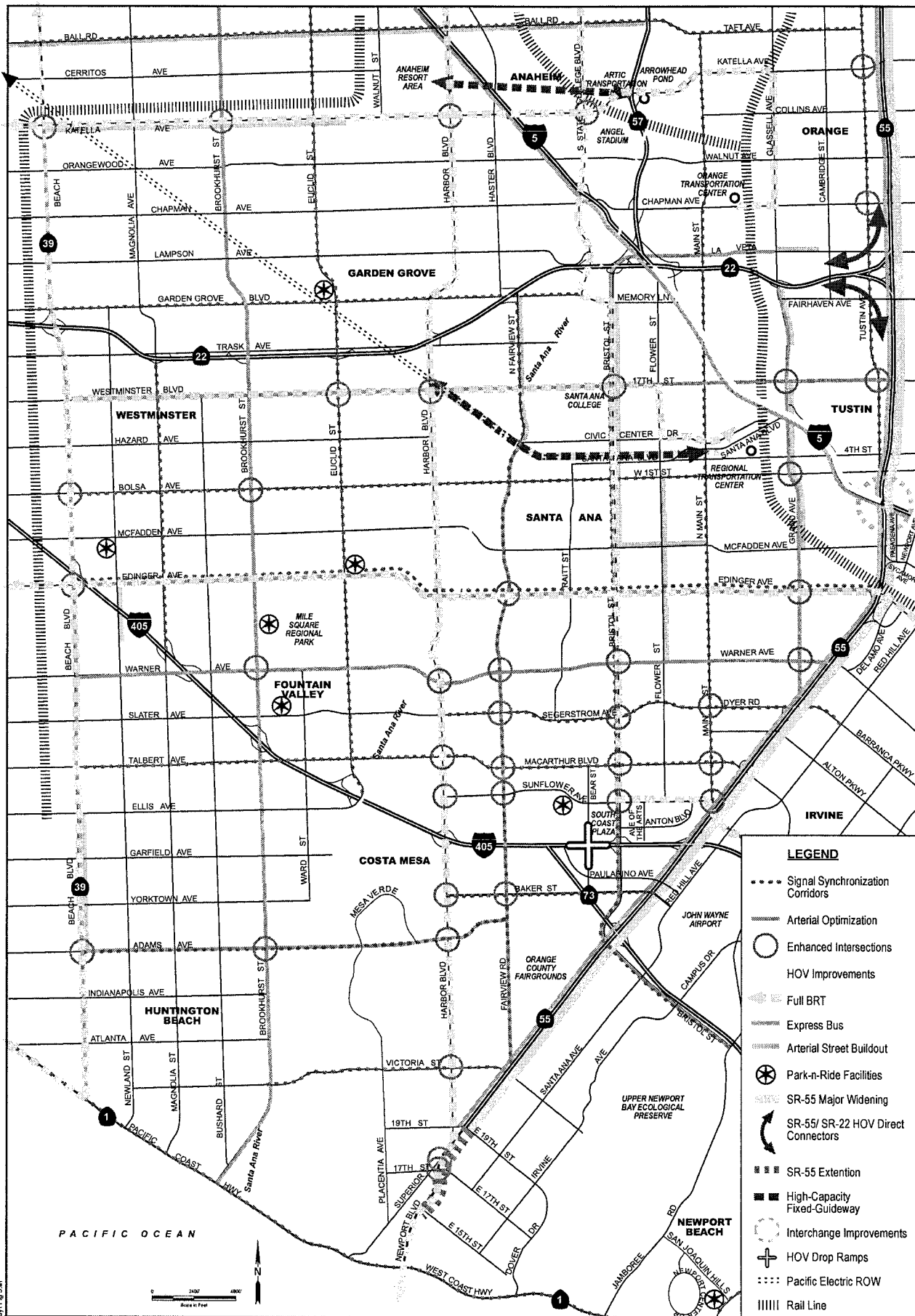


Central Orange County Major Investment Study
Preliminary Draft - Not for Distribution

Figure 2

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- LEGEND**
- Signal Synchronization Corridors
 - Arterial Optimization
 - Enhanced Intersections
 - HOV Improvements
 - Full BRT
 - Express Bus
 - Arterial Street Buildout
 - ⊗ Park-n-Ride Facilities
 - SR-55 Major Widening
 - SR-55/ SR-22 HOV Direct Connectors
 - SR-55 Extension
 - High-Capacity Fixed-Guideway
 - Interchange Improvements
 - ⊕ HOV Drop Ramps
 - Pacific Electric ROW
 - ||||| Rail Line

STRATEGY C - SIGNIFICANT SYSTEM SYSTEM EXPANSION INCLUDING SR-55

Project No.: 29866389

Date: February 2009

Project:

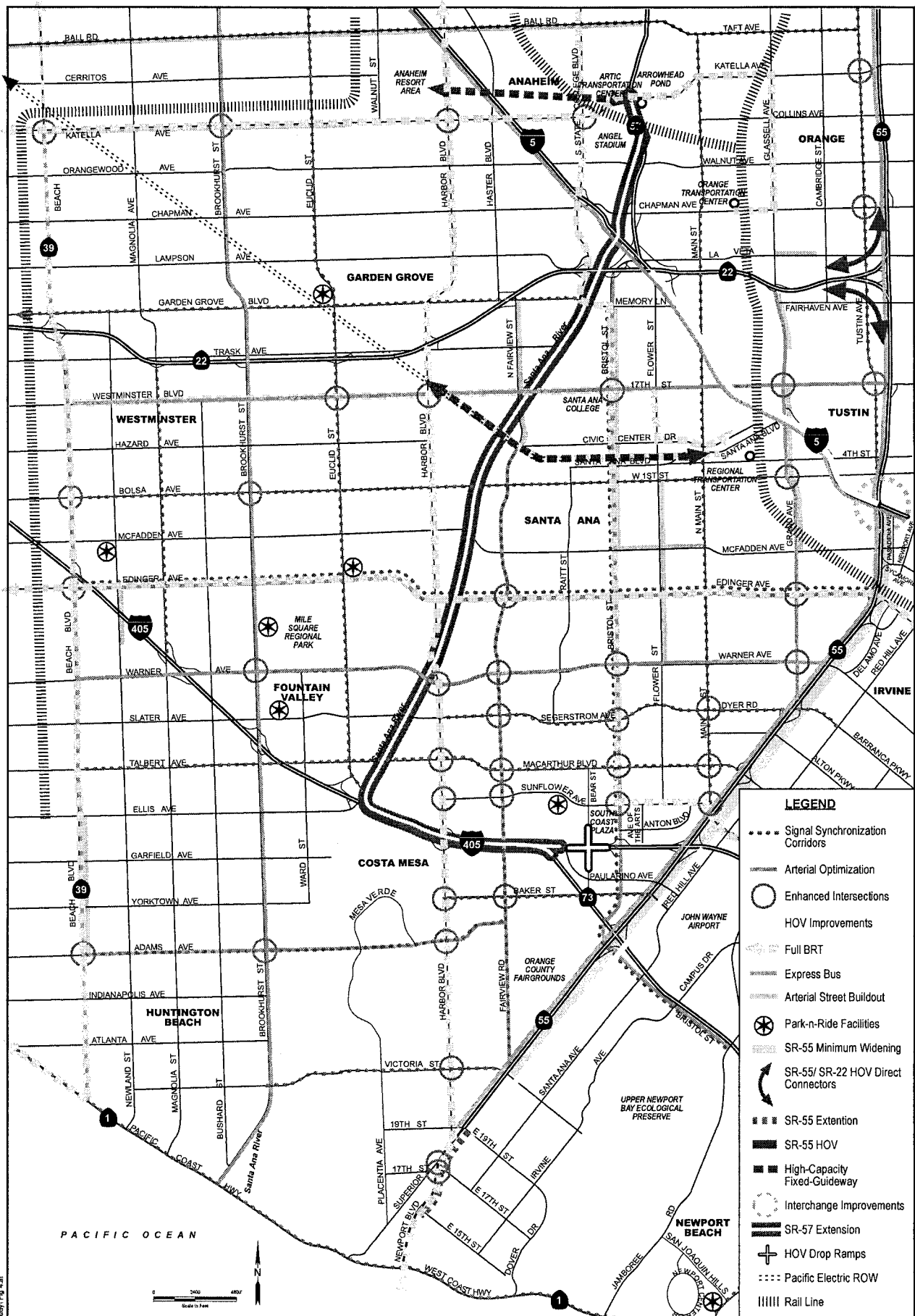


Central Orange County Major Investment Study
Preliminary Draft - Not for Distribution

Figure 3

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STRATEGY D - EXTEND SR-57 SOUTH VIA THE SANTA ANA RIVER

Project No.: 29866389

Date: February 2009

Project:

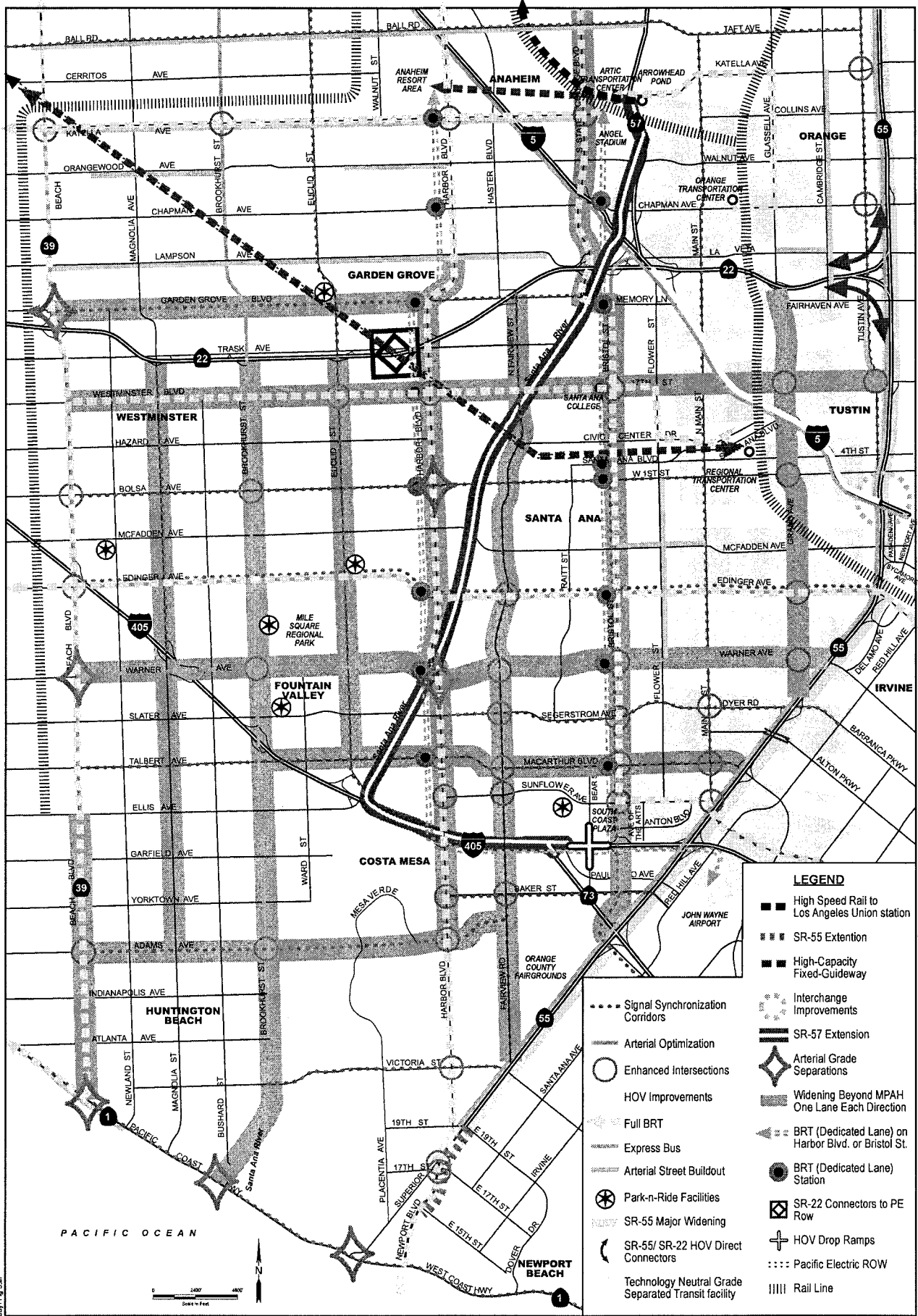


Central Orange County Major Investment Study
Preliminary Draft - Not for Distribution

Figure 4

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STRATEGY E - POST 2035 GROWTH

Project No.: 29866389

Date: February 2009

Project:



Central Orange County Major Investment Study
Preliminary Draft - Not for Distribution

Figure 5

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APPENDIX C
ALTERNATIVE STRATEGY MPAH WIDENING DETAILED
DESCRIPTIONS

Existing Conditions for Principle, Major, and Primary Arterials in CCC MIS Study Area and Difference With MPAH

Arterial	Segment	City	Number of Lanes	Median	Roadway Width	Right-of-Way Width	MPAH Classification	City General Plan Number of Lanes	Difference Between Existing and MPAH - Negative Numbers Indicate Existing Conditions Below MPAH
Adams Avenue	Beach Blvd. to Fairview Rd.	Costa Mesa Huntington Beach	6	12'	84'	100'	Major	Major	0
Anton Boulevard	Bristol St. to Sakioka Dr.	Costa Mesa	6	4'	81'	120'	Major	Major	0
	Sakioka Dr. to Sunflower Ave.		4	12'	76'	112'	Major	Major	-2
Sunflower Avenue	Cadillac Ave to Bear St.	Costa Mesa	4		60'	80'	Primary	Primary	0
	Bear St. to Main St.		6		79'	109'	Major	Major	0
Talbert Avenue/Mac Arthur Boulevard	Beach Boulevard to Brookhurst St.	Fountain Valley	4	14'	78'	97'	Primary (Beach Blvd. to Myland)	Primary (Beach Blvd. to S.A. River)	0
	Brookhurst St. to SR-55	Santa Ana	5	14'	79'	100'	Major (Myland to SR-55)	Major (S.A. River to SR-55)	-1
Seegerstrom Avenue/Dyer Road	Harbor Blvd to Susan St.	Santa Ana	6	14'	84'	100'	Major	Major	0
	Susan St. to Main St.		4	12'	51'	75'	Major	Major	-2
Warner Avenue	Beach Blvd. to Raitt St.	Fountain Valley	6	14'	78'	100'	Major	Major	0
	Raitt St. to Bristol St.	Santa Ana	5	14'	81'	97'	Major		-1
	Bristol St. to Grand Ave.		4	12'	74'	90'	Major		-2
Edinger Avenue	Beach Blvd. to Pacific Ave.	Westminster	4	14'	80'	100'	Primary (Beach Blvd. to SA)	Primary (Beach Blvd. to S.A. River)	0 (Beach to SA River) -2 (SA River to Pacific)
	Pacific Ave. to Bristol St.	Santa Ana	5	10'	78'	103'	Blvd. to SA	Blvd. to S.A. River)	-1 (Pacific to Bristol)
	Bristol St. to Main St.		4	10'	60'	74' *	River) Major	River)	-2 (Bristol to Main)
	Main St. to Standard Ave.		5	14'	80'	100'	(SA River to SR-55)	Major (S.A. River to Harvard)	-1(Main to Standard)
	Standard Ave. to SR-55	Tustin	6	14'	80'	100'	55)		0 (Standard to SR-55)
Bolsa Avenue/First Street	Beach Blvd. to Magnolia St.	Westminster	4	12'	76'	92'	Major	Major	-2
	Magnolia St. to Jackson St.	Santa Ana	6	12'	82'	102'			0
	Jackson St. to Fairview St.		4	12'	76'	92'			-2
	Fairview St. to SR-55	Tustin	6	12'	82'	102'			0
Westminster Avenue/17th Street	Magnolia St. to Brookhurst St.	Westminster	5	10'	82'	96'	Primary	Primary (Magnolia St. to Euclid)	+1
	Brookhurst St. to SR-55	Santa Ana	6	12'	82'	100'	Primary	Major (Euclid to SR-55)	+2

Existing Conditions for Principle, Major, and Primary Arterials in CCC MIS Study Area and Difference With MPAH

Arterial	Segment	City	Number of Lanes	Median	Roadway Width	Right-of-Way Width	MPAH Classification	City General Plan Number of Lanes	Difference Between Existing and MPAH - Negative Numbers Indicate Existing Conditions Below MPAH
Katella Avenue	Beach Blvd. to SR-55	Stanton	6	11'	94'	110'	Smart St. 6 lane	Major (Knott to Magnolia) Major 4L (Magnolia to Walnut) Smart St 6L (Walnut to Disneyland Dr.)	0 (Beach to Disney)
		Anaheim					Smart St. 8 lane (Disney to Howell Ave.)	Smart St 8L (Disneyland Dr. to Sportstown)	-2 (Disney to Howell)
		Orange					Smart St. 6 lane (Howell Ave. to Sr-55)	Smart St 6L (Sportstown to S.A. River) Major (S.A. River to SR-55)	0 (Howell to SR-55)
Chapman Avenue	Haster St. to Lewis St.	Garden Grove	5	12'	83'	96'	Primary	Primary (Lewis to Main St.)	+1
	Lewis St. to Main St.		6	10'	80'	96'		Secondary (Main St. to Tustin St.)	+2
	Main St. to Atchison St.		4	10'	62'	78'		0	
	Atchison St. to Lemon St.		4	10'	48'	64'		Major (Tustin St. to Yorba St.)	0
	Lemon St. to Grand Ave.		2	n/a	56'	74'		-2	
	Grand Ave. to Tustin St.		4	10'	63'	84'		Primary (Yorba St. to 241)	0
	Tustin St. to SR-55	Orange	6	n/a	77'	107'		+2	
Garden Grove Boulevard	Beach Blvd. to SR-22	Garden Grove Orange	6	13'	80'	100'	Primary	Primary 6 lane	+2
SR-1/Pacific Coast Highway	Beach Blvd. to Superior Ave.	Huntington Beach	6	varies	84'	104'	Major	Major (Beach Blvd. to Brookhurst)	0
	Superior Ave. to SR-55	Costa Mesa	7	14'	101'	123'	Major		+1
Beach Boulevard	Katella Ave. to Main Ave.	Stanton	8	16'	113'	130'	Smart St. 8 lane	Smart St. 8 lane	0
	Main Ave. to PCH	Westminster Huntington Beach	6	10'	110'	120'			-2
Brookhurst Street	Katella Ave. to PCH	Anaheim Garden Grove Westminster Fountain Valley Huntington Beach	6	varies	82'-92'	110'-120'	Major	Major	0

Existing Conditions for Principle, Major, and Primary Arterials in CCC MIS Study Area and Difference With MPAH

Arterial	Segment	City	Number of Lanes	Median	Roadway Width	Right-of-Way Width	MPAH Classification	City General Plan Number of Lanes	Difference Between Existing and MPAH - Negative Numbers Indicate Existing Conditions Below MPAH
Euclid Avenue	Chapman Ave. to Mac Fadden Ave.	Fountain Valley Santa Ana Garden Grove	6	12'	84'	100'	Primary	Primary (Newhope St. to Edinger Ave.) Major (Edinger Ave. to Westminster Ave.) Primary (Westminster Ave. to 91)	+2
	Mac Fadden Ave. to I-405	Anaheim	4	11'	76'	92'	Major	Major	-2
Harbor Boulevard	Katella Ave to SR-55	Anaheim Garden Grove Santa Ana Fountain Valley Costa Mesa	6	14'	102'	120'	Major	Major	0
Fairview Road/Street	North of Wilson	Santa Ana	6		86'	100'	Major	Major	0
	Wilson to SR-55	Costa Mesa	4		77'	94'			-2
Bear Street	Segerstrom Ave to Sunflower Ave.	Santa Ana	4	12'	86'	100'	Major (Sunflower/Baker)	Major	-2
	Sunflower Ave. to Baker St.	Costa Mesa	6	12'	72'	92'			0
Bristol Street	SR-22 to Santa Clara Ave.	Santa Ana	6	11'	80'	98'	Major	Major	0
	Santa Clara Ave. to 21st St.		4	10'	52'	74'			-2
	21st St. to Washington Ave.		5	Varies	53'-97'	75'-118'			1
	Washington Ave to McFadden Ave.		4	12'	52'	75'			-2
	McFadden Ave. to Andrew Pl.		6	14'	95'	144'			0
	Andrew Pl. to Certrade Pl.		4	9'	56'	75'			-2
Main Street	Certrade Pl. to SR-55	Costa Mesa	6	10'	80'	97'			0
	Edinger to Warner	Santa Ana	4	12'	84'	100'	Primary (Edinger/Warner)	Major	0
			6	Varies	94'	110'	Major (Warner/SR-55)		0
Grand Avenue/Glassel Street	Fairhaven Ave. to SR-22	Santa Ana	6	12'	84'	100'	Major	Major	0
	Fairhaven Ave. to Santa Clara Ave		5	10'	78'	80'	Major		-1
	Santa Clara Ave. to Fourth St.		4	10'	66'	91'	Major		-2
Tustin Street	SR-91 to 4th Street	Santa Ana	6	10'	82'	100'	Primary (SR-91 to Lincoln)	Major (4th St. to SR-22)	+2
		Orange					Major (Lincoln to 4th St.)	Primary (SR-22 to S.A. River)	0

Existing Conditions for Principle, Major, and Primary Arterials in CCC MIS Study Area and Difference With MPAH

Arterial	Segment	City	Number of Lanes	Median	Roadway Width	Right-of-Way Width	MPAH Classification	City General Plan Number of Lanes	Difference Between Existing and MPAH - Negative Numbers Indicate Existing Conditions Below MPAH
4th Street	Breeden to Grand Ave.	Santa Ana	4	10'	54'	78'	Primary	Primary	0
	Grand Ave. to I-5		4	9'	50'	78'	Primary	Primary	0
Garfield Avenue	Beach Blvd. to Ward St.	Huntington Beach	4	14'	80'	100'	Primary	Primary	0
South Coast Dr.	Hyland Ave. to Wimbledon Way	Costa Mesa	4	13'	64'	84'	Primary	Primary	0
	Wimbledon Way to San Leonardo Ln		3		64'	78'			-1
	San Leonardo Ln to Bear St		4	10'	80'-83'	100'-105'			0
La Veta	Flower St. to Main St.	Orange	4	varies	52'-102'	72'-118'	Primary	Augmented	0
	Main St. to Batavia St.		6	varies	84'-88'	106'-109'		Primary	+2
	Batavia St. to Glassell St.		4	n/a	46'-80'	81'-98'		Augmented	0
	Glassell St. to Cambridge St.		2	n/a	28'-60'	58'-79'		Secondary	-2
Atlanta	Beach Blvd. to Brookhurst St.	Costa Mesa	4	10'-13'	80'	94'	Primary	Primary	0
Hamilton	Newland St. to Magnolia St.	Costa Mesa	2	varies	48'-78'	68'-80'	Primary	Primary	-2
	Magnolia St. to Victoria Pl/Valley Rd.		4	10'-14'	68'-84'	58'-100'	Primary	Primary	0
Merrimac Way	Harbor Blvd. to Fairview Rd.	Costa Mesa	4	13'	64'	80'	Primary	Primary	0
Fair Dr.	Harbor Blvd. to SR-55	Costa Mesa	4	11'	60'	88'	Primary	Primary	0
19th St.	Balboa Blvd. to Placentia Ave.	Costa Mesa	2	9'	48'	59'	Primary	Primary	-2
	Placentia Ave. to SR-55		4	10'	59'	80'			0
Baker Dr.	Harbor Blvd to College Ave.	Costa Mesa	4	varies	80'	100'	Primary	Primary	0
	College Ave. to Bear St.		4	10'	60'	80'	Primary	Primary	0
Santa Ana Blvd.	Rait St to Bristol St	Santa Ana	4	n/a	54'-70	75'-91'	Major	Major (Rait St. to	-2
	Bristol St to Flower St		4	varies	52'-84	76'-104'		Ross St.)	-2
	Flower St to Ross St		6	varies	84'-95'	107'-117'	Secondary (5th	Ross St.)	0
	Ross St to French St		3	n/a	32'-39	59'-64'	St. to 6th St.)	Primary (Ross	+1
	French St to Ponsetia St		2	n/a	50'-53'	76'-81'		St. to I-5)	0
Ponsetia St to Grand Ave	6	varies	50'-99'	76'-121'	Primary		+2		
Magnolia St.	Katella Ave. to Orangewood Ave.	Garden Grove	4	11'	82'	100'	Primary	Major (Katella Ave. to	0
	Orangewood Ave. to Chapman Ave.	Garden Grove	4	n/a	61'-82'	77'-100'	Primary	Westminster Blvd.) 5 lane	0
	Chapman Ave. to Garden Grove Blvd	Garden Grove	4	12'	78'-89'	94'-108'	Primary	(Westminster Blvd. to Hazard	0
	Garden Grove Bl to Westminster Ave	Garden Grove	4-5	11'-15'	81'	100'	Primary	Ave.) 4 lane	0
Westminster Ave to Warner Ave	Westminster	5-6	varies	81'	100'	Primary	(Hazard Ave. to I-405)	+1+2	
State College Blvd	Chapman Ave. to SR-22	Orange	9 to 11	from	100'-120'	122'-140'	Principal	Major	+1+2
Superior Ave.	17th Street to PCH 1	Costa Mesa	4	11'-13'	78'	98'	Primary	Primary	0
Placentia	Adams Ave. to Superior Ave.	Costa Mesa	4	11'	58'	78'	Primary	Primary	0
Hyland Dr.	Mac Arthur Blvd to South Coast Dr.	Costa Mesa	4	10'	64'	84'	Primary	Primary	0

* There are 25' streets running parallel to Edinger from Bristol St. to Main St.

APPENDIX D
DRAFT STATE ROUTE 57 EXTENSION CONCEPTUAL ALIGNMENT
STUDY – EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

E.1 PURPOSE OF THIS DOCUMENT

The purpose of this document is to summarize the findings of the State Route 57 (SR-57) Extension Conceptual Alignment Study Task 3.1. The study formally refined and developed Conceptual Alternative Strategy D to be analyzed as part of the Central County Corridor Major Investment Study (CCC MIS). Strategy D includes and builds upon Strategies A (TSM/TDM to Improve System Efficiency) and B (Moderate Expansion of the Existing System). Moreover, it focuses on an extension of the SR-57 freeway south via the Santa Ana River Right of Way (ROW).

The CCC MIS is an 18-month planning effort intended to produce a recommended “locally preferred strategy” (LPS). If approved by the OCTA Board of Directors, the recommended LPS will ultimately help guide transit, street, and freeway enhancements in Central Orange County, as well as address future travel demand. This effort builds on the Central County Corridor Phase I Study, which was completed in 2004. The current effort will update this previous study and further analyze and reevaluate both issues and opportunities in the Central Orange County study area. Through this process, the CCC MIS will quantify the impacts, costs, and benefits of each conceptual alternative strategy, and perform further evaluative analyses in order to produce a recommended LPS.

On October 22, 2007, the OCTA Board of Directors directed staff to move forward with the Central County Corridor MIS restricting the study of a SR-57 extension to be defined as “below the existing bridges”. From this directive, five conceptual alternative options emerged for the proposed extensions that are either on, or under, the Santa Ana River bed. These options were evaluated as part of this technical report and include:

- D1 – Highway/Expressway Facility in the River
- D2 – At Grade Freeway with Flood Control Tunnel
- D3 – Freeway Cut and Cover Tunnel
- D4 – Freeway in Dual Bore Tunnel
- D5 – Transit Way in Tunnel (Technology Neutral)

This technical report provides the concept alignment study for a freeway extension either in the river or fully contained beneath the Santa Ana River channel. The following sections provide project descriptions and evaluate alternatives, present design characteristics and criteria, engineering and environmental constraint details for the concept alignment, and also include identification of critical issues that will need to be addressed in future work efforts that will take place in Task 4 (Screening) and Task 5 (Technical/Environmental Evaluation) of this study.

The SR-57 extension concept study area, Figure E-1, shows the project limits.

E.2 KEY FINDINGS:

This concept study has analyzed five options for construction that meet the planning criteria of a transportation alignment along the Santa Ana River. While the tunnel options have significant engineering challenges and construction costs to address, the above ground options (D1 and D2) have the most significant and potentially prohibitive engineering, operational, and environmental challenges. All five options were reviewed for engineering feasibility and discussed in detail with both the Technical Working Group and the jurisdictional agencies (Army Corps of Engineers (ACOE), County of Orange Flood Control District, Orange County Water District (OCWD), Santa Ana Regional Water Quality Control Board, and Caltrans) to determine the probability of the agencies with jurisdiction accepting such a facility. Extensive research was performed to determine if this type of transportation facility has been developed elsewhere. **The two above ground options (D1 and D2) are recommended to be dropped from further consideration due to potential fatal flaws that are summarized in the paragraphs below:**

Strategy D1: Highway/Expressway Facility in the Santa Ana River – **This option fundamentally compromises and is incompatible with the required operation of the flood control facility in the Santa Ana River.** The order of magnitude cost for this option is \$1.9 Billion. There are numerous potential prohibitive challenges related to the maintenance and operation of a flood control channel sharing use with a transportation facility. These prohibitive challenges make it difficult to justify further consideration of this alternative including:

- The hydraulics and hydrology of the facility supersedes all other uses.
- Ingress and egress structures would degrade the required hydraulic and hydrologic function of the channel.
- Modification of existing channel features and removal of existing drop structures would be required causing hydraulic deficiencies in the facility. Construction of detention basins, flood control structures and diversion weirs (gated or water tight secant walls) to control water flow and debris will be needed.
- Orange County Water District does not guarantee the control and regulation of Prado Dam and its existing inflatable dams located upstream of the study area resulting in a safety hazard to the public utilizing the highway/freeway facility.
- The operation and maintenance costs associated with making dual use of the river channel as a transportation facility is likely prohibitive and on-going. These costs would include removal of sediment and debris from the roadway/riverbed after each event. These costs have not been included in the capital cost estimate.
- The roadway will be unavailable and require evacuation during the rainy season and with ongoing dam releases throughout the year. This creates the need for a



transportation management plan that will be implemented approximately 90 days each year.

- Local agencies would be burdened with the unpredictability of travel patterns due to closures (i.e. two sets of signal timings).
- There will be aesthetic, noise and air pollution impacts to communities adjacent to river. Extraordinary environmental impacts include the need for treatment of runoff and potential for downstream biological impacts.
- This option will require Congressional approval in order to be built.

Strategy D2: At Grade Freeway with a Flood Control Tunnel – **This option fundamentally compromises operation of the flood control facilities up and downstream of the study area in the Santa Ana River due to the hydraulic impacts of a tunnel on the operation of the open channel.** In addition, the absence of existing tunneling technology to construct a 130 foot diameter tunnel does not allow for the construction of this option. Existing tunnel technology would require the use of multiple tunnels. The order of magnitude cost for this option is \$8.2 Billion. There are numerous potential prohibitive challenges related to this option that makes it difficult to justify further consideration of this alternative including:

- The need for maintenance of flood control capacity; and the operation and maintenance demands related to a flood control tunnel system of this size including clearing of sediments and debris in the riverbed and tunnel.
- The size and capacity required for the flood control channels will impact construction techniques used for the roadway.
- There will be hydraulic and environmental issues with discharge of flood water from the tunnel into the ocean including the need for massive pump stations.
- Similar aesthetic, noise and air pollution impacts to communities adjacent to river will exist to the previously studied option - D1.
- There will be hydraulic impacts to existing ground water recharge facilities upstream of the study area.
- This option will require Congressional approval to build.

As a result of this concept study it has been determined that an alignment that extends the SR-57 from its current terminus at the I-5/SR-22/SR-57 interchange southerly to the I-405, within a tunnel beneath the Santa Ana River Channel (concept D3, D4, and D5), is potentially feasible. This could



be accomplished as either a dual bore freeway tunnel, a cut and cover freeway tunnel, or as a transit facility.

The development of the six lane freeway/expressway tunnel concepts (D3 and D4) analyzed in this study will meet a significant amount of the future forecast travel demand that the OCTAM model projects for the Central County Corridor area. Although these two options are tunnel proposals and therefore eliminate many community concerns, there will be potentially prohibitive impacts associated with the termini.

The order of magnitude cost for a cut and cover tunnel (D3) is \$3.9 Billion and the dual bore freeway tunnel (D4) is estimated at \$4.5 Billion. The transit tunnel option (D5) is estimated to cost \$6.8 Billion. These estimates were based on current dollar values (2008) for the tunnel concepts and all associated improvements and mitigation.

There are several elements of the study related to the SR-57 extension concept below the river that will require more focused analysis in Tasks 4 and 5 of the CCC MIS as part of the Preliminary Environmental Assessment Report (PEAR). Areas requiring further study include impacts to groundwater recharge, noise, air and visual impacts due to construction and tunnel components, treatment of storm water through Best Management Practice's (BMP's), impacts to open space, and right-of-way acquisitions were not considered as part of this concept study.



I.1 E.4 CONCEPTUAL ALIGNMENT STUDY

II. TRAFFIC FORECAST

The six lane freeway or expressway concept analyzed in this study is projected to meet a significant amount of the projected demand the OCTAM model indicates for this corridor for the horizon year. The remaining demand would need to be met by other transportation improvements under consideration in other alternative strategies proposed by the CCC MIS.

III. ALTERNATIVE EVALUATION

The SR-57 extension concept options as defined within the river or in a tunnel underneath the Santa Ana River include the following strategies: D1: Highway/Expressway Facility in River, D2: At Grade Freeway with Flood Control Tunnel, D3: Freeway Cut and Cover Tunnel, D4: Freeway in Dual Bore Tunnel, and D5: Transit Way in Tunnel (Technology Neutral).

After evaluating the various engineering challenges, issues, constructability cost, and constraints associated with these options, the freeway and transit way tunnel options (Strategy D3, D4, and D5) appear to be the most feasible in terms of engineering and constructability with high construction cost estimates. *It is recommended that D1 and D2 be dropped from further consideration due to the detailed evaluation presented in subsequent sections.*

IV. PROPOSED DESIGN CHARACTERISTICS AND CRITERIA

The SR-57 Extension tunnel conceptual design is based on preliminary assumptions including construction, alignment, mitigation, and structure in order to determine feasibility. Design and engineering assumptions may change as a result of further analysis during the CCC MIS screening and evaluation tasks.

The alignment study provides concept level detail on the plan and profile of the tunnel facility as well as some preliminary details on the underground structure. The concept plans show the existing Santa Ana River channel, local arterials, bridges, transmission lines and other facilities adjacent to the project area. It also shows a conceptual horizontal alignment overlay on an existing aerial photograph. The design report contains details of concept plans, profiles, and typical sections.

Tunnel Technology - Recent improvements in tunnel technology make it possible and feasible to construct the transportation tunnel concepts beneath the Santa Ana River. As discussed in the report, there are a number of recent or active highway tunnel projects that lend credibility to physical feasibility of this concept.

Tunnel Construction Methods - This study focused on tunnel construction by two primary methods, the Tunnel Boring Machine (TBM) and Sequential Excavation Method (SEM) approaches. While there may be potential significant disruption to the riverbed and increased right-of-way requirements, the Cut-and-Cover method of tunnel construction was considered an option. The



method of tunnel construction will not be relevant to the initial screening process. In this initial screening, we will analyze the alignment in concept and planning terms to determine how it meets the prepared Purpose and Need and will evaluate cost and impacts of various construction methods further during the Technical/Environmental Evaluation task.

A final decision on a viable construction method should rely on comprehensive study and analysis of the ground derived from site-specific explorations. Other major factors include the cost and risk associated with alternative methods of construction.

V. DESIGN AND ENVIRONMENTAL CONSTRAINTS/ISSUES

Engineering Issues and Constraints

The concept study investigated engineering feasibility of the five options. In general, the operations and maintenance issues and ability to carry the required flood water capacity for the above ground options within the river appear to be major constraints. The below ground options must address the issues of freeway termini geometrics, potential interchange spacing, impacts to tunnel daylight areas and the major electric power lines, and groundwater and liquefaction conditions.

Environmental Issues and Constraints

The following environmental constraints were identified. Only those environmental issues raised by the participating agencies are listed. Further environmental studies will be required if any of the proposed concepts are included in a recommended Major Investment Study LPS. These include:

- Local Land Use and Environmental concerns such as aesthetics, noise and air quality;
- Storm water and drainage run off issues including the potential impacts on downstream biologic resources;
- Location of tunnel portals and community impacts associated with them;
- Location of ventilation buildings and shafts and their associated impacts;
- The Army Corps of Engineers (ACOE), County of Orange Flood Control District, Orange County Water District (OCWD), Santa Ana Regional Water Quality Control Board and Caltrans have concerns and issues regarding the operation and maintenance of a transportation facility in the river channel or a flood control facility in a tunnel.

VI. ALIGNMENT STUDY AND COST ESTIMATE

After evaluating the various engineering challenges, issues, cost, and constraints associated with these options, Options D1 and D2 have more disadvantages and impacts than contributing benefits. The primary disadvantage of Option D1 is that it fundamentally compromises and is incompatible



with the required operation of the flood control facility in the Santa Ana River. Other major concerns include the impacts to groundwater recharge facilities and how it would directly impact the water quality and supply in the Santa Ana River drainage basin. Option D2 has the additional disadvantage of constraining the potential flood control capacity of the system within multiple fixed capacity pipelines raising the potential for upstream flooding.

The three remaining options, D3, D4, and D5, also have various advantages and disadvantages, but the advantages provide an indication that they should be considered further in the screening analysis. The overall advantages and disadvantages associated with option D4: freeway tunnel indicates that it may be the most feasible option. The freeway tunnel alternatives have substantial engineering and construction cost challenges but will provide significant roadway capacity, regional connectivity and reduce the potential environmental impacts compared to an at-grade alternative. The freeway tunnel alternatives will consist of two tunnels and will require the facility to daylight at two portal locations for freeway to freeway connection to the I-405 in the south and at Ball Road in the north. Although D3 and D4 will be underground for the duration of the facility, the daylight areas at both termini will be in conflict with the OCTA Board directive to keep the transportation facility below the existing bridges. In comparison, the underground transit system (D5) will not require the facility to daylight. Because of these connections with adjacent roads and freeways, there will be significant right-of-way as well as constructability issues associated with the termini for D3 and D4.

Table E-1 shows a summary of the five Strategy D Options which includes benefits, impacts, and order of magnitude construction cost.



Table E-1: Summary of Strategy D Options

Option	Description	Benefits	Impacts	Cost
D1	Highway/Expressway Facility in the River	<ul style="list-style-type: none"> • Makes use of available ROW; • Provides additional needed roadway capacity. 	<ul style="list-style-type: none"> • Fundamentally compromises and is incompatible with the required operation of the flood control facility; • Impacts on hydraulics and hydrology of the facility supersedes all other uses; • Ingress and Egress structures would degrade the required hydraulic and hydrologic function of the channel; • Modification of existing channel features and removal of existing drop structures would be required; • Sediments and Debris on the roadway/riverbed; • Construction of detention basin and flood control structures needed; • OCWD does not guarantee the control and regulation of Prado Dam and its existing inflatable dams; • Releases from Prado Dam and two existing inflatable dams are not limited to storm conditions • The operations and maintenance cost associated with making dual use of the river channel as a transportation facility are prohibitive; • Roadway not available during rainy season; • Local agencies would be burdened with the unpredictability of travel patterns (i.e. two sets of signal timings); • Aesthetic, noise and air pollution impacts to communities adjacent to river; • Environmental Issues include treatment of runoff with extensive BMP's and downstream biological impacts; • Requires Congressional approval. 	\$1.9 Billion



Option	Description	Benefits	Impacts	Cost
D2	At Grade Freeway with Flood Control Tunnel	<ul style="list-style-type: none"> • Freeway facility can be fully utilized without seasonal interruptions; • Eliminate safety concern due to releases from Prado Dam and inflatable dams. 	<ul style="list-style-type: none"> • Fundamentally compromises operation of the flood control facilities up and downstream of the study area; • Tunnel diameter of approximately 130 ft or multiple pipelines requiring large pump station; • Currently there is no existing tunnel technology to build a 130 foot tunnel; • Maintenance of flood control capacity and the operation and maintenance demands related to a flood control tunnel of this size; • Size/Capacity of flood control channel impacts construction techniques; • Hydraulic/Environmental impacts with discharge from tunnel near ocean; • Aesthetic, noise and air pollution impacts to communities adjacent to river; • Operational and Maintenance related to a flood control tunnel of the size required including sediments and debris in riverbed and tunnel; • Hydraulic impact to existing recharge facilities upstream of the study area; • Requires Congressional approval to build. 	\$8.2 Billion
D3	Freeway Cut and Cover Tunnel	<ul style="list-style-type: none"> • Maintains flood control facilities operations; • Preserve the Riverview Golf Course, open space, and other recreational characteristics; • Minimize environmental impacts to existing wildlife 	<ul style="list-style-type: none"> • Need to resolve where tunnels would connect to roadway system; • Connecting tunnels to surface roadways requires significant additional ROW; • Reconstruction of existing bridge structures and may require relocation of existing utilities; • Hydraulic impact to existing recharge facilities upstream of the study area. 	\$3.9 Billion



Option	Description	Benefits	Impacts	Cost
		habitat and ecosystem; <ul style="list-style-type: none"> • Minimizes impacts to residences adjacent to river. 		
D4	Freeway in Dual Bore Tunnel	<ul style="list-style-type: none"> • Tunnel construction method and technology would minimize impact to flood control facility; • Eliminate impact to local bridges and other at grade infrastructure; • Minimizes hydraulic impact to existing recharge facilities upstream of the study area. 	<ul style="list-style-type: none"> • Need to resolve where tunnels would connect to roadway system; • Connecting tunnels to surface roadways requires significant additional ROW. 	\$4.5 Billion
D5	Transit Way in Tunnel (Technology Neutral)	<ul style="list-style-type: none"> • Multiple stations provide local access for commuters; • Future connection for BRT and other regional transit; • Provides additional transit capacity; • Facility not required to daylight. 	<ul style="list-style-type: none"> • Does not provide additional roadway capacity needed for the north-south mobility. 	\$6.8 Billion



Overall, the freeway tunnel options appear to be the most viable; therefore, this technical memorandum will provide the concept alignment study for the freeway twin tunnel alternative beneath the Santa Ana River channel. The following sections will present design characteristics and criteria, engineering and environmental constraints, details of the freeway tunnel concept alignment and identification of critical issues that will need to be addressed in future work efforts associated with the freeway twin tunnel alternative.

E.5 AREAS REQUIRING FURTHER STUDY

There are several elements related to the concept in the river that will require more focused analysis if this alternative is included, such as a Preliminary Environmental Assessment (PEA). These study areas are listed below.

- Freeway and local operational analysis for all three options;
- Impacts on groundwater recharge facilities;
- Noise, air, and visual impacts due to the installation of tunnel components;
- Location of ventilation buildings at both ends of the tunnel;
- BMP and storm water pollution control;
- Disposal of excavated soil and treatment of hazardous materials during construction;
- Santa Ana River channel and environmental mitigation;
- Maintaining and mitigating local drainage facilities;
- Relocation of existing utilities;
- Construction activity and time;
- Public and private funding of the project;
- Right of Way requirements;
- Environmental considerations;
- Community impacts.

Technical Team Recommendation and Policy Advisory Committee Recommendation

Staff's recommendation, which was approved, by both the Technical Advisory Committee and the Policy Advisory Committee recommends further study of the following conceptual alternative strategies.

- **Strategy A** - Transportation Systems Management/Transportation Demand Management
- **Strategy B** - Moderate expansion of the existing transportation system including build out of the Master Plan of Arterial Highways (MPAH)
- **Strategy C** - Significant expansion of the existing transportation system including the Costa Mesa Freeway (State Route 55) (builds on strategies A and B)
- **Strategy D** - Extension of the Orange Freeway (State Route 57) south via the Santa Ana River Channel (builds on strategies A and B) including options -
 - D3: - Freeway cut and cover tunnel
 - D4: - Freeway in dual bore tunnel
 - D5: - Transit way in tunnel (technology neutral)
- **Strategy E** - Provides travel capacity beyond the horizon year 2035.

The Policy Advisory Committee also requested that the Board of Directors (Board) consider two additional options for study under Strategy D.

- D6: Freeway on structure (requires reversal of prior Board direction)
- D7: Freeway in dual bore tunnel not constrained to the Santa Ana River Channel alignment.

**CENTRAL COUNTY CORRIDOR
MAJOR INVESTMENT STUDY**

**EVALUATION CRITERIA
DRAFT TECHNICAL MEMORANDUM NO. 2**

Prepared for



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and



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1.0 INTRODUCTION

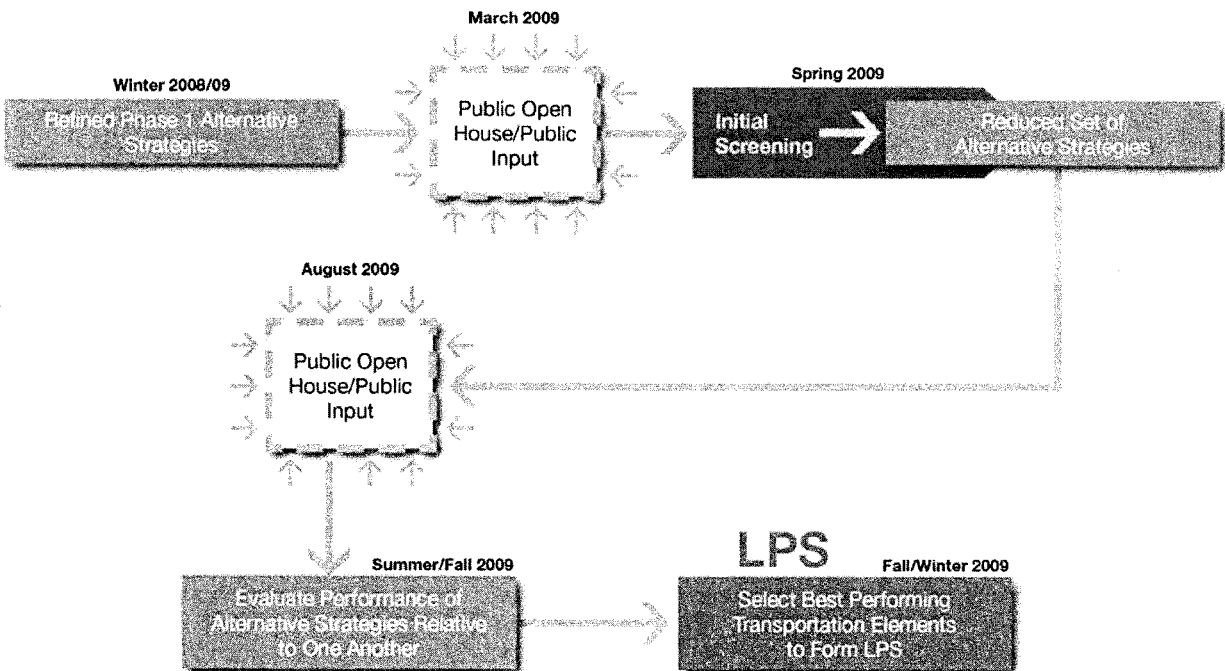
1.1 PURPOSE OF CENTRAL COUNTY CORRIDOR MAJOR INVESTMENT STUDY

In its earliest phases, each major investment study (MIS) identifies a broad range of potential alternatives to resolve mobility problems in a particular study area. As an MIS progresses, the range of alternatives is narrowed down to ensure only those strategies that are truly feasible are carried forward.

This technical memorandum outlines (1) the initial screening criteria that will be used to narrow down the conceptual alternatives developed during Phase I the Central County Corridor Major Investment Study (CCCMIS) and (2) the detailed evaluation criteria that will be used to perform focused analysis on the reduced set of strategies that will undergo evaluation during Phase II. The CCCMIS objectives were derived from the mobility problems and needs in the study area. The initial screening and detailed analysis criteria were established to evaluate the extent to which each strategy achieves the study objectives set forth in the *Mobility Problem and Purpose and Need Statement (Purpose and Need)*.

The proposed measures are multi-modal in nature and will allow for the evaluation of surface travel within central Orange County. They will serve as the primary analytical tool to measure the technical merits for the strategy analysis process and may be updated and refined as the project evolves. Figure 1.1 illustrates the relationship of issues, study objectives, and the screening and evaluation criteria.

Figure 1.1 - CCCMIS Study Process



The following issues will be addressed during the initial screening and/or detailed analysis process:

- Freeway Mobility
- Arterial Roadway Mobility
- Transit (Bus/Rail)
- Non-Motorized Choices
- Land Use
- Environmental Impacts
- Safety and Operations
- Implementation Tradeoffs

1.2 STUDY RECAP AND DESCRIPTION OF TWO-STEP ALTERNATIVES ANALYSIS PROCESS

In April 2005, the OCTA Board of Directors (Board) approved five conceptual transportation alternatives that were identified during Phase I of the CCCMIS. They included:

- Alternative A – Improve System Efficiency
- Alternative B – Moderate Expansion of Existing System
- Alternative C – Significantly Expand SR-55
- Alternative D - Extend SR-57 South via the Santa Ana River
- Alternative E – Post 2035 Growth with Alternative A

During Phase II, all five of the original alternatives will be repackaged into strategies and evaluated against a Baseline Alternative that includes all transportation facilities and services in place today, as well as those that are funded and committed for implementation prior to 2035, the study's horizon year.

Some refinement of the Phase I alternatives is expected to occur throughout the current CCCMIS process. Already several new concepts have been developed for Alternative D in response to the OCTA Board's directive to restrict the height of any proposed SR-57 extension concepts to ensure their vertical profiles are lower than existing SR-57 bridges and/or crossings. These refined strategies, known as Strategies D1, D2, D3, D4 and D5, will be analyzed during the CCCMIS.

As the CCCMIS study progresses, it is likely that refinements will be proposed to some of the other Phase I alternatives (i.e., Alternatives A, B, C and E). Hence, before a single recommended Locally Preferred Strategy (LPS) is reviewed and approved by the OCTA Board, the relative costs and benefits of several sets of strategies will be considered.

A two-step process will be followed to screen and evaluate the strategies on the way to developing the recommended LPS. Step 1, Initial Screening, is described immediately below in Section 2.0 of this technical memorandum. Step 2, Detailed Evaluation, is discussed in Section 3.0. Table 1.1 summarizes the Initial Screening process.



Table 1.1 - Initial Screening Process

Step 1 - Initial Screening
Approach
Employ a decision tree analysis to identify which of the major concepts from the Phase II strategies are reasonable and perform the best based on their relative mobility benefits, costs, and impacts. (All Phase II Strategies → Reduced Set of Strategies)
Outcomes
<ul style="list-style-type: none">▪ Address "have-to" requirements▪ Identify fatal flaws▪ Produce a reduced set of strategies to carry forward for further study

2.0 INITIAL SCREENING

At the beginning of a major investment study, numerous potential solutions to the study area's transportation problems are identified. As the study progresses, the range of strategies is gradually narrowed down so that only the most practical, feasible, cost-effective, and environmentally responsible strategies are carried forward. The process of narrowing down the strategies begins with Initial Screening.

During Initial Screening, a decision tree process will be employed to assess and compare the major components of the strategies. This will be accomplished using a series of key questions that were found to be critical to the Purpose and Need for transportation improvements in central Orange County. These include:

- Must the strategy be carried forward in order to meet federal planning requirements¹?
- Must the strategy be included in the reduced set of strategies to be consistent with Renewed Measure M?
- Does the strategy include rail and bus transit improvements to address these aspects of Purpose and Need?
- Is the strategy economically feasible by the year 2035?
- Does the strategy respond to the need for additional north-south mobility?
- Is the strategy cost-effective relative to other choices?
- Is the strategy consistent with local agencies' general plans?

At each branch in the decision tree, a key question will be asked and answered for each strategy. The first three questions will require a "yes" or "no" response. However, answering the remaining questions will require technical analysis to support selection of the most appropriate response. The initial screening criteria presented in the third column of Table 2.1 will be used to support selection of appropriate responses to each of these questions.

If the answer to any of the seven screening questions listed above is "yes," then the strategy will be carried forward to the next branch on the decision tree, which is Detailed Evaluation. If the answer is "no," then the strategy will be flagged as a candidate for elimination.

2.1 STEP 1 – INITIAL SCREENING

The criteria presented in the third column of Table 2.1 below will be used during this part of the analysis process. It should be noted that no screening criteria are proposed for the following categories: Non-Motorized Transportation, Environmental Impacts, and Safety and Operations. Analysis of these issues will be conducted during Step 2, Detailed Evaluation.

¹ Pursuant to federal requirements, every MIS must include a TDM/TSM alternative.



Table 2.1 - Technical Criteria for Initial Screening Step

Issue	Study Objective	Step 1. Initial Screening Criteria
Freeway Mobility	<ul style="list-style-type: none"> ▪ Relieve freeway congestion and improve freeway travel times in the study area ▪ Provide continuity of facilities and capacity (lane balance) at freeway choke points within the study area ▪ Increase capacity of freeway corridors within and adjacent to the study area ▪ Build design flexibility within the freeway corridor for capacity improvements beyond 2035 ▪ Improve freeway access at interchanges (ingress/egress) 	<ul style="list-style-type: none"> ▪ Hours of study area freeway travel delay ▪ Freeway segment levels of service ▪ Number of improved freeway interchanges
Arterial Mobility	<ul style="list-style-type: none"> ▪ Relieve arterial congestion, particularly in north-south corridors ▪ Implement MPAH requirements on arterial streets experiencing choke points ▪ Provide continuity of facilities and capacity (lane balance) along arterial streets experiencing choke points within CCC study area ▪ Provide better travel times on freeways and provide additional transportation choices as alternatives to using/expanding arterials ▪ Increase major existing "cross arterials" system capacity to address future demands 	<ul style="list-style-type: none"> ▪ Hours of study area arterial travel delay ▪ Peak hour V/C across key screenlines ▪ Number of new lane miles ▪ Allocation of VMT between arterials and freeways
Transit (Bus/Rail)	<ul style="list-style-type: none"> ▪ Implement higher capacity and faster transit services on new and existing routes ▪ Implement increased connectivity between the CCC study area and employment, retail, and activity centers ▪ Provide transit services that enable transit to be a mode choice for residents in the CCC study area ▪ Implement transit connections to regional rail services (Metrolink, Amtrak) ▪ Create transit guideways or lanes on major arterials within the study area ▪ Increase parking supply at passenger rail stations ▪ Increase community transit level of service 	<ul style="list-style-type: none"> ▪ Daily miles of transit service ▪ Total transit ridership



Table 2.2 - Technical Criteria for Initial Screening Step (continued)

Issue	Study Objective	Step 1. Initial Screening Criteria
Land Use	<ul style="list-style-type: none"> ▪ Maintain and improve travel times for commuters within CCC study area ▪ Coordinate alternatives with individual city and Orange County land use plans ▪ Provide and maintain access to existing and future employment and entertainment developments ▪ Provide improved mobility on a regional scale for home-based work trips ▪ Encourage land use policies and initiatives that support transit ridership 	<ul style="list-style-type: none"> ▪ Consistency with General Plan Circulation Elements
Implementation Tradeoffs	<ul style="list-style-type: none"> ▪ Develop an implementation program that maximizes cost-effectiveness and the useful life of short-term and mid-term improvements ▪ Seek public consensus and include environmental considerations, influence on neighborhoods and public facilities, when developing and evaluating alternatives 	<ul style="list-style-type: none"> ▪ Cost per hour of delay reduction ▪ Estimated ROW impacts

The following screening criteria will be used to assess the expected performance of the initial set of strategies and their elements. The screening analysis will be based on planning-level data and information generated early in the study. During initial screening, potential fatal flaws will be identified and the strategies will be compared to each other to determine which perform the best. At the conclusion of the initial screening phase, a reduced set of strategies will be identified for further study in Step 2, Detailed Evaluation.

2.2 FREEWAY MOBILITY

Freeway mobility addresses the degree to which freeway traffic conditions improve with each strategy. Each strategy will be compared with the Baseline Strategy and the improvement in congestion will be determined using the following criteria:

2.2.1 Hours of Study Area Freeway System Travel Delay

Using the Orange County Transportation Analysis Model (OCTAM) output, the total hours of freeway travel delay will be measured by the total person hours of travel to, from, and within the study area. Determining the reduction in the hours of delay will show the freeway congestion relief for each strategy.

2.2.2 Freeway Segment Levels of Service

Volume-to-capacity (V/C) ratios will be used to determine how well the capacity improvements provided in the strategies accommodate 2035 traffic demand. These ratios, output from OCTAM, are calculated by comparing forecast average daily traffic (ADT) volume by freeway segment to the modeled capacity for that segment. A qualitative level of service (LOS) designation from “A” representing free flow condition to “F” representing severe congestion will be assigned to ranges of V/C ratios. The result will be a graphical representation with a different color assigned to each LOS of the estimated operating conditions of the freeways in the study area.

2.2.3 Number of Improved Freeway Interchanges

Based on information from OCTAM, the V/C ratios of freeway interchange ramps for each strategy will be obtained to identify number of improved freeway interchanges by comparing to baseline scenario. This will provide an indication of the effectiveness of each strategy in minimizing travel delays due to freeway interchange chokepoint congestion.

2.3 ARTERIAL ROADWAY MOBILITY

The following criteria will be used to assess each strategy's potential to reduce arterial congestion:

- **Hours of Study Area Arterial System Travel Delay.** Model output will be used to determine the aggregate amount of delay on the arterial system. The most effective strategies will have the lowest amount of travel delay.
- **Peak Hour V/C Across Key Screenlines.** In order to evaluate the north-south roadway capacity and the degree of capacity utilization provided under each of the strategies, peak hour V/C ratios will be calculated at similar points along parallel arterial. For example, the V/C ratios will be calculated for study area north-south arterials immediately south of SR-22, representing peak hour V/C ratios across a single screenline south of SR-22. Unlike V/C ratios for individual roadways, the screenline analysis provides a better indication of the available capacity in a travel corridor (comprised of a number of parallel facilities) and how that capacity is utilized on balance. One roadway may carry traffic in excess of its capacity while there is theoretical capacity available on parallel roadways.
- **Number of New Lane Miles.** The increase in the number of regional arterial lane miles will be determined to measure the effectiveness in providing a more complete set of routing options for arterial travel within the study area.
- **Allocation of VMT between Arterials and Freeways.** To better understand the traffic distribution pattern between arterials and freeways, the allocation of Vehicle Mile Travel (VMT) will be analyzed from OCTAM model output to evaluate the performance of each strategy in serving the study area's travel demand in balance.

2.4 TRANSIT (BUS/RAIL)

This category addresses the degree to which a strategy provides for other modes of travel other than the single occupant vehicle (SOV).

2.4.1 Daily Miles of Transit Service

The number of daily miles of service in the study area will be used to determine the extent to which overall transit capacity is improved in each strategy.

2.4.2 Total Transit Ridership

The total transit ridership of each strategy will be assessed using OCTAM output. Higher ridership will reflect the strategy's effectiveness in meeting the travel demand in the study area and providing modal options.

2.5 NON-MOTORIZED TRANSPORTATION CHOICES

No screening criteria are proposed in Step 1.

2.6 LAND USE

These screening measures will be used to judge the ability of the strategies to enhance the area's economic growth and maintain the study area's high quality of life.

2.6.1 Consistency with General Plan Circulation Elements

Each strategy will be qualitatively assessed for consistency with the circulation elements of local jurisdictions' general plans.

2.7 ENVIRONMENTAL IMPACTS

No screening criteria are proposed in Step 1.

2.8 SAFETY AND OPERATIONS

No screening criteria are proposed in Step 1.

2.9 IMPLEMENTATION TRADEOFFS

2.9.1 Cost per Hour of Delay Reduction

This measure will illustrate how much public investment would be required to achieve an hour of travel delay reduction under each of the proposed strategies. Order of magnitude cost estimates will be prepared for each strategy. The average annual cost will incorporate capital and operating costs. Delay reduction will be based on OCTAM output for trips within the study area.

2.9.2 Estimated ROW Impacts

The potential right of way needs for the proposed freeway and arterial improvements of each strategy will be qualitatively assessed using high-resolution aerial photos. The impacts for each proposed improvement will be characterized as minor or major, and summed to provide an order of magnitude comparison for each strategy.



3.0 DETAILED ANALYSIS

Each of the strategies that is carried forward will undergo further, detailed technical evaluation to determine which of its features respond best to the study’s Purpose and Need. The criteria presented in the third column of Table 3.2 will be used during this part of the analysis process. In addition to the screening and evaluation process, a stakeholder and public outreach program will be integrated throughout the MIS process. Along with the technical findings and recommendations of the MIS, stakeholder and public feedback will be presented to the Policy Advisory Committee (PAC) as it considers and crafts a recommended LPS. It is anticipated that the LPS that emerges at the conclusion of the study will be partially based on the information and feedback gained during the detailed technical evaluation and outreach processes. Table 3.1 summarizes the Detailed Analysis process.

Table 3.1 - Detailed Analysis Process

Step 2 - Detailed Analysis	
Approach	
Perform detailed, quantitative analysis to determine which aspects of the reduced set of strategies best address the Central County Corridor’s mobility goals. (Reduced Strategies → Hybrid LPS)	
Outcomes	
<ul style="list-style-type: none"> ▪ Respond to “Purpose and Need” ▪ Determine relative effectiveness of each strategy in meeting Purpose and Need ▪ Propose inclusion of best performing transportation elements in the recommended Hybrid Locally Preferred Strategy 	

3.1 STEP 2 – DETAILED EVALUATION

The criteria presented in the third column of Table 3.2 will be used during this part of the analysis process.

Table 3.2 - Technical Criteria for Detailed Evaluation Step

Issue	Study Objective	Step 2. Detailed Analysis
Freeway Mobility	<ul style="list-style-type: none"> ▪ Relieve freeway congestion and improve freeway travel times in the study area ▪ Provide continuity of facilities and capacity (lane balance) at freeway choke points within the study area ▪ Increase capacity of freeway corridors within and adjacent to the study area ▪ Build design flexibility within the freeway corridor for capacity improvements beyond 2035 ▪ Improve freeway access at interchanges (ingress/egress) 	<ul style="list-style-type: none"> ▪ Hours of study area freeway travel delay ▪ Peak period travel speed on freeways ▪ Off-peak travel speed on study area freeways ▪ V/C ratios at up to 20 key locations



Table 3.3 - Technical Criteria for Detailed Evaluation Step (continued)

Issue	Study Objective	Step 2. Detailed Analysis
Arterial Mobility	<ul style="list-style-type: none"> ▪ Relieve arterial congestion, particularly in north-south corridors ▪ Implement MPAH requirements on arterial streets experiencing choke points ▪ Provide continuity of facilities and capacity (lane balance) along arterial streets experiencing choke points within CCC study area ▪ Provide better travel times on freeways and provide additional transportation choices as alternatives to using/expanding arterials ▪ Increase major existing "cross arterials" system capacity to address future demands 	<ul style="list-style-type: none"> ▪ Hours of study area arterial travel delay ▪ LOS changes (ICU method) at up to 50 key intersections ▪ Daily traffic V/C ratios for roadway segments
Transit (Bus/Rail)	<ul style="list-style-type: none"> ▪ Implement higher capacity and faster transit services on new and existing routes ▪ Implement increased connectivity between the CCC study area and employment, retail, and activity centers ▪ Provide transit services that enable transit to be a mode choice for residents in the CCC study area ▪ Implement transit connections to regional rail services (Metrolink, Amtrak) ▪ Create transit guideways or lanes on major arterials within the study area ▪ Increase parking supply at passenger rail stations ▪ Increase community transit level of service 	<ul style="list-style-type: none"> ▪ Daily miles of transit service ▪ Average transit speeds ▪ Total transit ridership ▪ Number and nature of improved intermodal connection ▪ Parking supply at passenger rail stations is sufficient to meet demand
Non-Motorized Transportation Choices	<ul style="list-style-type: none"> ▪ Expand bicycle facilities in study area to enable bicycle commuting ▪ Improve pedestrian access in study area ▪ Promote transportation demand management strategies such as carpooling and vanpooling in study area ▪ Encourage telecommuting and alternative work weeks ▪ Improve intermodal connections to non-motorized facilities 	<ul style="list-style-type: none"> ▪ Miles of bicycle lanes in study area ▪ Continuous pedestrian access (sidewalks, trails, pedestrian bridges) throughout study area ▪ Improved Average Vehicle Ridership (AVR) in study area ▪ Reduced freeway and arterial congestion in study area



Table 3.4 - Technical Criteria for Detailed Evaluation Step (continued)

Issue	Study Objective	Step 2. Detailed Analysis
Land Use	<ul style="list-style-type: none"> ▪ Maintain and improve travel times for commuters within CCC study area ▪ Coordinate alternatives with individual city and Orange County land use plans ▪ Provide and maintain access to existing and future employment and entertainment developments ▪ Provide improved mobility on a regional scale for home-based work trips ▪ Encourage land use policies and initiatives that support transit ridership 	<ul style="list-style-type: none"> ▪ Right-of-way requirements (acres) ▪ Total study area VMT ▪ Capital cost ▪ Cost per hour of delay reduction ▪ Number of additional freeway lane miles within existing right-of-way ▪ Improved travel times between specific origins and destinations (based on O&D study)
Environmental Impacts	<ul style="list-style-type: none"> ▪ Minimize environmental impacts related to transportation system improvements to the extent feasible and practical 	<ul style="list-style-type: none"> ▪ CEQA/NEPA environmental impact analysis
Safety and Operations	<ul style="list-style-type: none"> ▪ Reduce the number of conflict points and choke points that contribute to incidents within CCC study area ▪ Ensure system reliability ▪ Expand operational strategies to improve flow traffic and safety on arterials 	<ul style="list-style-type: none"> ▪ Number and nature of operational improvements to freeway system ▪ Number and nature of operational improvements to arterial street system ▪ Number and nature of conflict points and choke points reductions to the system ▪ Service proven technologies
Implementation Tradeoffs	<ul style="list-style-type: none"> ▪ Develop an implementation program that maximizes cost-effectiveness and the useful life of short-term and mid-term improvements ▪ Seek public consensus and include environmental considerations, influence on neighborhoods and public facilities, when developing and evaluating alternatives 	<ul style="list-style-type: none"> ▪ Cost ▪ Cost per hour of delay reduction ▪ Implementation strategy ▪ CEQA/NEPA environmental impact analysis

The following criteria are proposed for use in evaluating the final set of strategies, using the more detailed information that will be developed for each of them.

3.2 FREEWAY MOBILITY

Freeway mobility addresses the degree to which freeway traffic conditions improve with each strategy. Each strategy will be compared with the Baseline Strategy and the improvement in freeway congestion will be determined using the following criteria:

3.2.1 Hours of Study Area Freeway System Travel Delay

Using the Orange County Transportation Analysis Model (OCTAM) model output, the hours of study area freeway travel delay will be measured by the total person hours of travel to, from, and within the study area. Determining the reduction in the hours of delay will show the freeway congestion relief for each strategy.

3.2.2 Peak Period Travel Speeds

Based on information obtained from the OCTAM output, the peak period travel speeds for each strategy will be evaluated. This will provide an indication of the effectiveness of each strategy in minimizing corridor travel times in peak periods.

3.2.3 Off Peak Travel Speeds

Based on information obtained from the OCTAM output, the off peak period travel speeds for each strategy will be evaluated. This will provide an indication of the effectiveness of each strategy in minimizing corridor travel times during off peak periods.

3.2.4 Volume to Capacity (V/C) Ratios

Volume to capacity ratios will be used to determine how well the capacity improvements provided in the strategies accommodate 2035 traffic demand. These ratios will be calculated for general purpose, high occupancy vehicle (HOV or managed), toll, and transit lanes at up to 20 key locations along the freeways.

3.3 ARTERIAL ROADWAY MOBILITY

The following criteria will be used to assess mobility on arterials in the central Orange County.

3.3.1 Hours of Study Area Arterial System Travel Delay

Model output will be used to determine the aggregate amount of delay on the arterial system. The most effective strategies will have the lowest amount of arterial travel delay.

3.3.2 LOS Changes at Key Intersections

The analysis of the arterial street system will be based on capacity analysis of key intersections, the defining capacity limitation on an arterial system. Level of Service (LOS) for up to 50 key arterial intersections will be based on operating conditions during the peak hours for 2035 using Intersection Capacity Utilization (ICU) methodology, a standard methodology for analyzing traffic impacts in Orange County.

3.3.3 Daily Traffic V/C Ratios for Roadway Segments

Using OCTAM model output, the daily traffic volume to capacity ratios for roadway segments on the arterial street system will be compared to determine the performance of each strategy in serving the study area's travel demand on arterial roadway segments. Evaluating daily conditions will provide an indication whether the size and/or classification of the roadway is adequate to meet demand even though congestion may occur during the peak hours.

3.4 TRANSIT (BUS/RAIL)

This category deals with the performance of modes other than the single occupant vehicle (SOV). This will measure the effectiveness of the final alternatives with High Occupancy Vehicle (HOV) lanes and transit services.

3.4.1 Daily Miles of Transit Service

Transit ridership grows when the amount of service provided is increased. The number of daily miles of service in the study area will be used to determine the extent to which overall transit capacity is improved in each strategy.

3.4.2 Average Transit Speeds

HOV and managed lanes on the study area's freeway system, and priority treatments on the area's arterial system are intended to provide a bus transit travel time advantage compared to the single-occupant automobile, particularly during congestion peak travel periods. Comparing average transit speeds between strategies will provide an indication of the effectiveness of such measures in improving transit speeds.

3.4.3 Total Transit Ridership

The total transit ridership of each strategy will be assessed using OCTAM output. Higher ridership will reflect the levels of service provided and the strategy's effectiveness in meeting the travel demand in the study area.

3.4.4 Number of Improved Intermodal Connections

The number of intermodal connections will be used to assess the level of multimodal integration of each strategy.

3.4.5 Parking Supply at Passenger Rail Stations Sufficient to Meet Demand

Because parking shortages at stations can deter people from using passenger rail services, analysis to determine whether adequate parking is provided at each rail station will be performed using the OCTAM model's ability to forecast parking demand at stations. The potential of each strategy to attract and retain passenger rail patrons by providing sufficient parking supply will be evaluated with this measure.

3.5 NON-MOTORIZED TRANSPORTATION CHOICES

This category deals with the performance of modes other than using passenger vehicles and transit.

3.5.1 Miles of Bicycle Lanes in Study Area

The total number of miles of bicycle lanes included in each strategy will be compared to indicate which strategies best support bicycle travel in the study area.

3.5.2 Continuous Pedestrian Access throughout Study Area

Continuous pedestrian access facilities, such as sidewalks, trails, and pedestrian bridges, will be measured for each strategy to evaluate the how well each strategy accommodates or improves pedestrian travel.

3.5.3 Improved AVR in Study Area

Average Vehicle Ridership (AVR) is the measurement of vehicle occupancy. It indicates the average number of people traveling in a vehicle. It is expected that an increase in vehicle occupancy will result in a decrease in the number of vehicles on the road and reflect a more efficient use of the study area roadway system.

3.5.4 Reduced Freeway and Arterial Congestion in Study Area

The ability in part for non-motorized transportation choices to reduce freeway and arterial congestion of each strategy will be assessed using level of service information output from OCTAM output.

3.6 LAND USE

Several measures will be used to evaluate each strategy's ability to enhance the area's economic growth and maintain a high quality of life by minimizing the impacts associated with transportation improvements.

3.6.1 Right of Way Requirements

Improvements requiring freeway or arterial widening may result in the acquisition of adjacent land uses. Each strategy's potential right-of-way limits will be overlaid on aerial photographs to estimate the number of acres of land that will be impacted.

3.6.2 Total Study Area Vehicle Miles Traveled

This measure will use the total number of miles traveled in each strategy and provide a comparative analysis of their effectiveness in minimizing the overall amount of travel required in the study area.

3.6.3 Capital Costs

Capital costs will be estimated at a planning level of detail consistent with the strategies proposed for this project. Costs will be estimated using per-foot or per-mile averages from recently implemented in southern California projects and normalized to year 2008 constant dollars.

3.6.4 Cost per Hour of Travel Time Saved

This cost effectiveness measure compares the cost of the strategies to the number of person hours of travel saved. The average annual cost will incorporate capital and operating costs, and the estimate of time savings will be based on OCTAM output for trips within the study area.

The incremental cost of the strategies will be calculated at planning level detail, using typical per-mile and per-item costs for the capital costs. The resulting capital costs will be annualized based upon the expected useful life cycle (there are typical values used in FHWA and FTA studies for items such as paving and structures) of each component category within each strategy. Annual Operations and Maintenance (O&M) costs will be estimated based on similar types and sizes of freeway facilities and transit services. The total annual savings in travel time will be estimated using OCTAM travel time outputs.

3.6.5 Number of Additional Freeway Lane Miles within Existing ROW

Maximizing the use of existing freeway rights of way provides the greatest opportunity for lower cost projects and reducing the impacts of improvements. This measure will aggregate the number of lane miles for each strategy that are estimated to be accommodated within existing right of way to identify the ones that make the most use of existing infrastructure.

3.6.6 Improved Travel Times between Specific Origins and Destinations

Certain origin and destination (O/D) pairs will be identified for travel time comparisons. Travel times between these O/Ds will be assessed using OCTAM output, and the extent to which each strategy results in improvements over the baseline scenario will be calculated. This measure will show the performance improvement of each strategy for specific O/D pairs representing specific major travel patterns in the study area.

3.7 ENVIRONMENTAL IMPACTS

3.7.1 CEQA/NEPA Environmental Impact Analysis

Analysis equivalent to a Preliminary Environmental Assessment Report (PEAR) will be prepared subject to the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) guidelines. The purpose is to assess the potential environmental impacts of the proposed strategies, identify likely areas of impact, and define the need for additional technical studies.

3.8 SAFETY AND OPERATIONS

The following criteria will be used to assess the performance of the alternatives in maximizing the use and efficiency of the study area's existing transportation infrastructure, and in reducing incidents and accidents in central Orange County.

3.8.1 Number and Nature of Operational Improvements to the Freeway System

Enhancing the regional freeway control system and maximizing the application of ITS management systems will help ensure the freeway provide maximum capacity and reduce chances for possible incidents or accidents. The number and nature of improvements to the freeway system in each strategy will be qualitatively assessed to identify the strategies with the most potential to provide optimal operation of the study area's freeway system.

3.8.2 Number and Nature of Operational Improvements to the Arterial Street System

Enhancing the regional arterial traffic signal control system and maximizing the application of ITS management systems will help ensure the arterials provide maximum capacity and reduce chances for possible incidents or accidents. The number and nature of improvements to the arterial system in each strategy will be qualitatively assessed to identify the strategies with the most potential to provide optimal operation of the study area's arterial street system.

3.8.3 Number of Conflict Points and Choke Points Reduction to the System

Reducing the number of conflict points and choke points that contribute to incidents and accidents in the central Orange County study area will help improve the transportation system safety and to operate in maximum capacity. The number and nature of reduction of conflict and choke points in the system in each strategy will be qualitatively assessed to identify the strategies with the most potential to provide optimal operation of the study area's transportation system.

3.8.4 Service Proven Technologies

To the extent that strategies include new or innovative technologies or applications of technologies, research will be conducted to identify where the technology has been successfully implemented elsewhere in a similar setting and application.

3.9 IMPLEMENTATION TRADEOFFS

3.9.1 Cost

The costs associated with each of the strategies will be compared to determine the possibility of implementation and potential funding sources. The incremental cost of the strategies will be calculated at planning level detail, using typical per-mile and per-item costs for the capital costs. The resulting capital costs will be annualized based upon the expected useful life cycle (there are typical values used in FHWA and FTA studies for items such as paving and structures) of each component category within each strategy. Annual operations and maintenance (O&M) costs will be estimated based on similar types and sizes of freeway facilities and transit services.

3.9.2 Cost per Hour of Delay Reduction

Cost per hour of delay reduction for each strategy will be compared to the baseline scenario to determine the cost effectiveness of the improvements. The average annual cost will incorporate capital and operating costs, and the delay reduction will be based on OCTAM output for trips within the study area.

3.9.3 Implementation Strategy

While this measure is particularly critical when considering strategies involving construction activity in the Santa Ana River, issues of project implementation and phasing are important considerations. This is especially true in a dense urban setting with a mature and complex transportation network like central Orange County. Review of potential implementation strategies for each of the strategies will ensure that other facilities are not unduly impacted or impacted for prolonged periods of time, and that improvement projects represent an efficient use of resources, minimizing incidents where near term improvements are later replaced with a larger long-term improvement ("throw away" projects). A qualitative analysis of each strategy will be completed.



3.9.4 CEQA/NEPA Environmental Impact Analysis

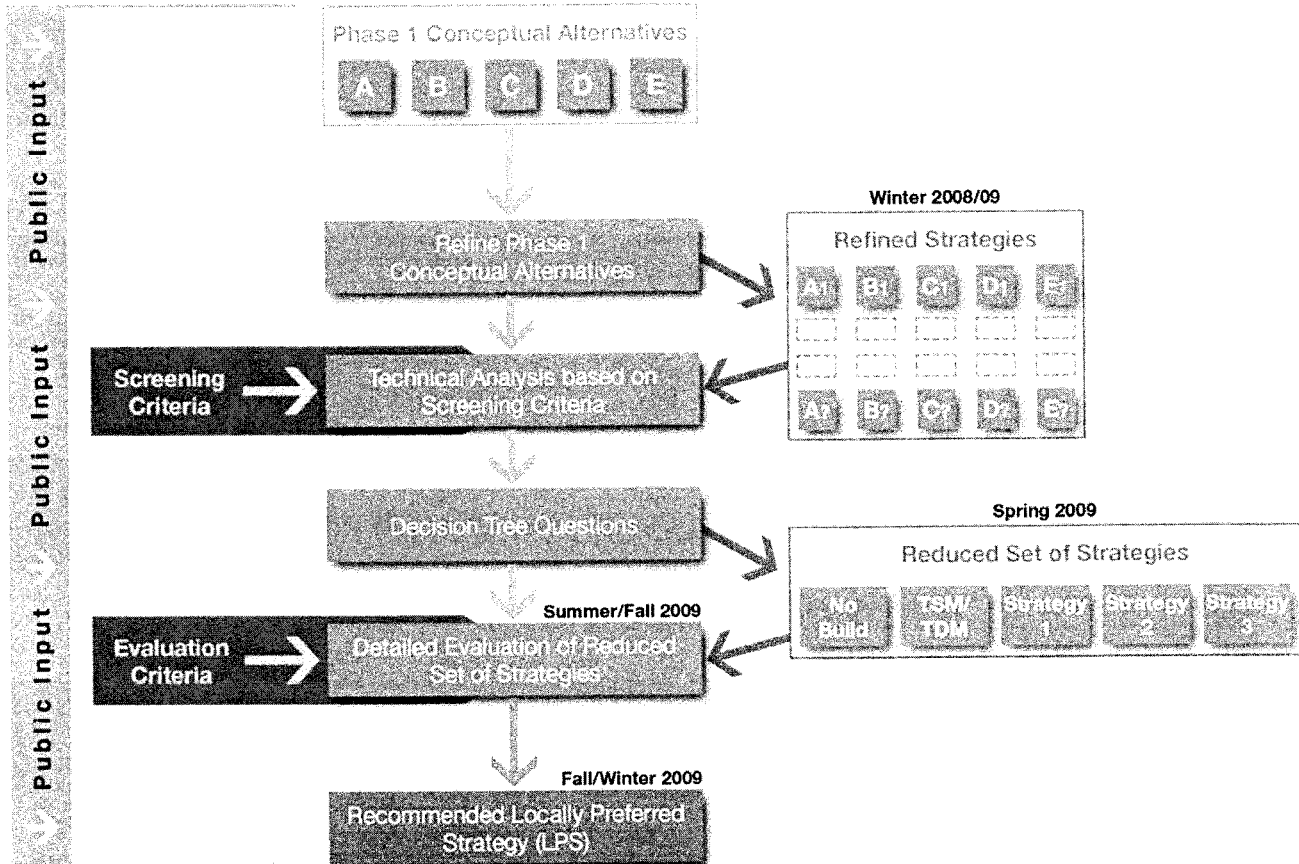
A comparative analysis of the environmental impacts associated with each of the strategies will be completed.

4.0 COMPLETE ALTERNATIVES ANALYSIS

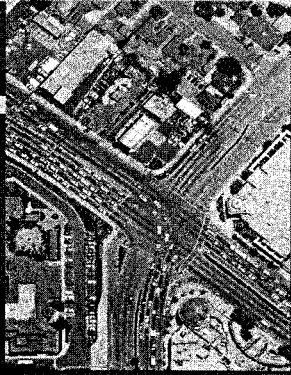
4.1 PUTTING IT ALL TOGETHER

The complete analysis process for the CCCMIS strategies is illustrated in Figure 4.1 below.

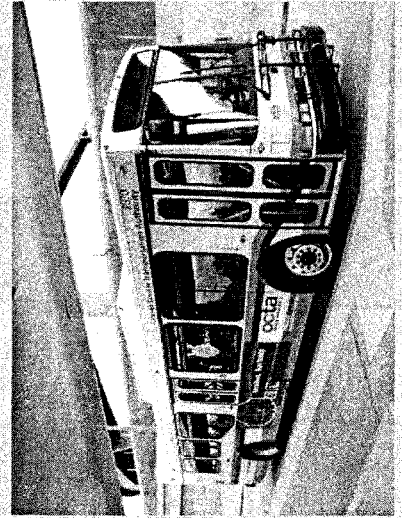
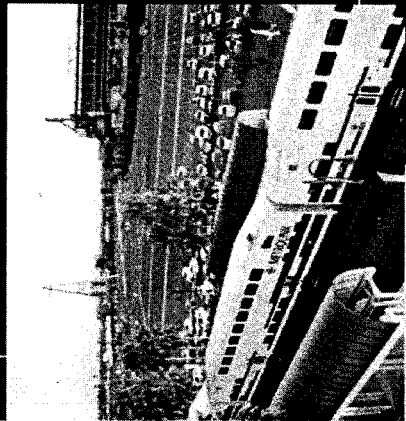
Figure 4.1 - Complete Analysis Process



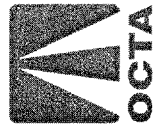
**POWERPOINT
PRESENTATION**



Central County Corridor Major Investment Study Update



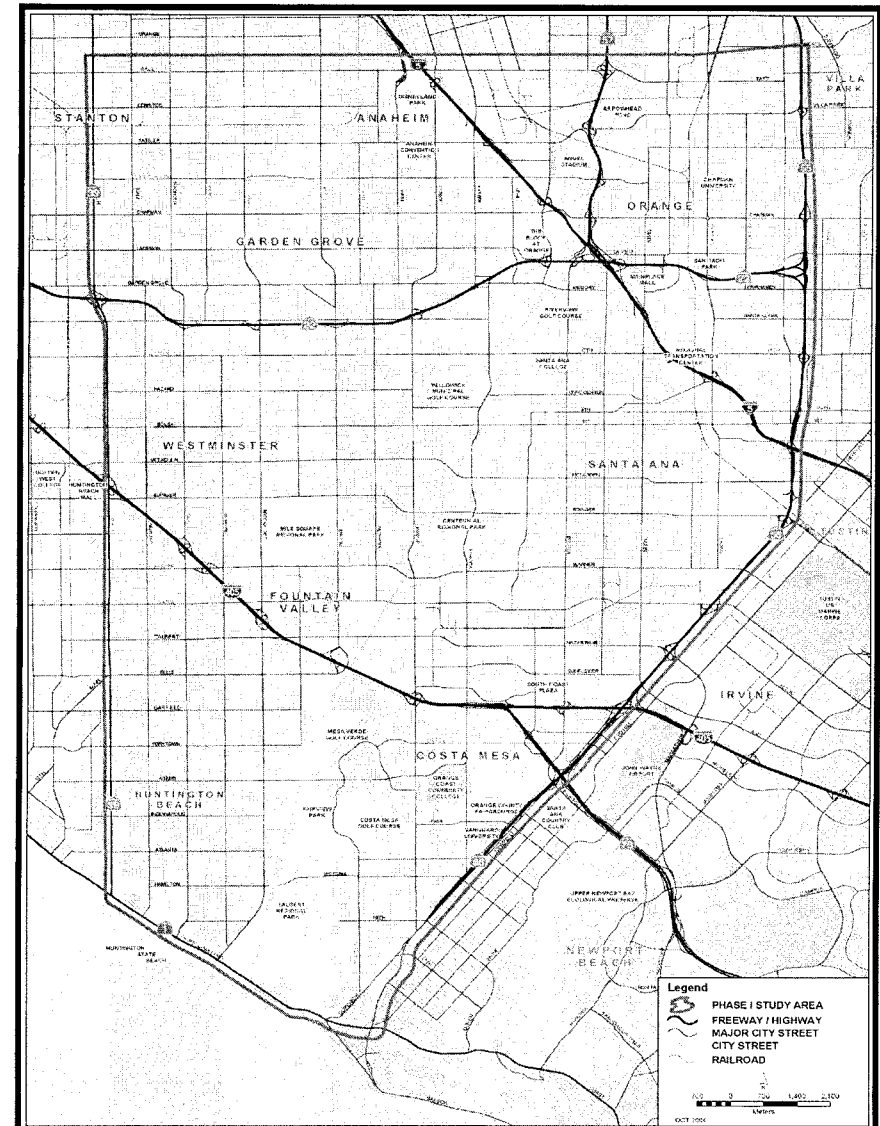
Board of Directors' Meeting
March 23, 2009



Central County Corridor Major Investment Study Scope of Work



- Refine alternative strategies
- Develop evaluation criteria
- Evaluate strategies and seek public input
- Identify a locally preferred strategy



Committees and Public Outreach



Policy Advisory Committee (PAC)

- Guides development and assessment of strategies

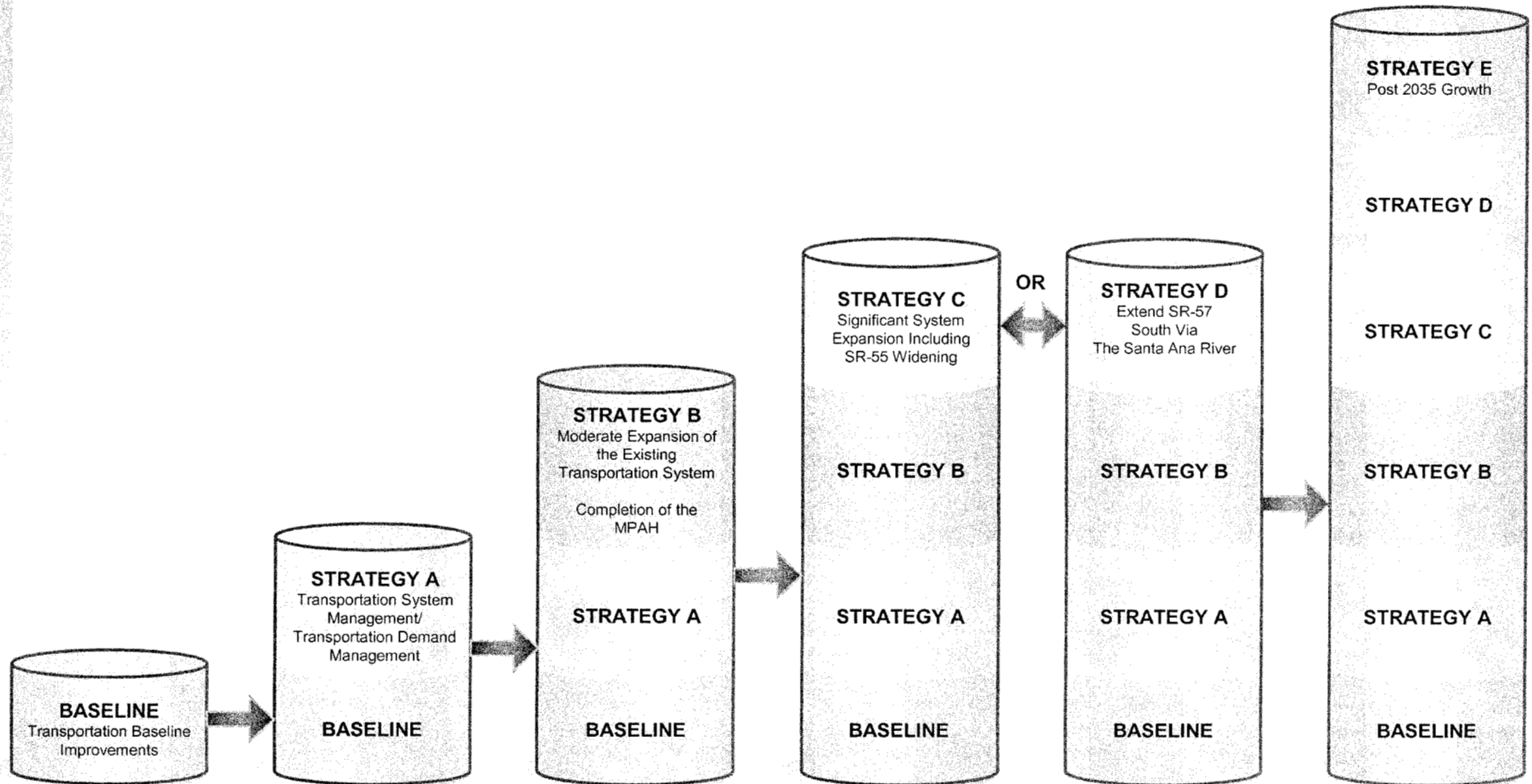
Technical Working Group

- Provides technical input

Stakeholder Working Group

- Forum to involve interested parties

Refined Alternative Strategies



Strategy D: (includes Strategy A and B) SR-57 Extension via Santa Ana River

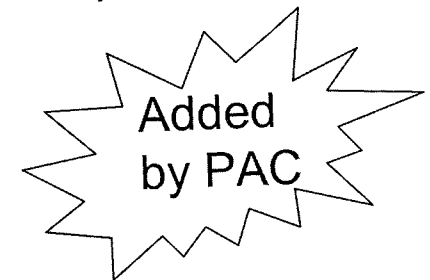


SR-57 extension study options include:

- D1: Highway/Expressway facility in the river
- D2: At-grade freeway with flood control tunnel
- D3: Freeway cut and cover tunnel
- D4: Freeway in dual bore tunnel
- D5: Transitway in tunnel (technology neutral)



-
- D6: Freeway elevated over bridges
 - D7: Freeway in dual bore tunnel (unconstrained alignment)



Eliminate further study of:

D1: Highway/Expressway facility in the river

D2: At-grade freeway with flood control tunnel

D5: Transitway in tunnel (technology neutral)

D6: Freeway elevated over bridges

Recommended strategies for further study:

- A: Minimal expansion
- B: Moderate expansion
- C: Significant expansion
- D: SR-57 extension options
 - D3: Freeway cut and cover tunnel
 - D4: Freeway in dual bore tunnel
 - D7: Freeway in dual bore tunnel (unconstrained alignment)
- E: Post 2035 growth (all remaining strategies)

Next Steps



- Conduct more detailed analysis
- Refine public outreach strategy
- Return to the Board of Directors in late summer



BOARD COMMITTEE TRANSMITTAL

March 23, 2009

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board ^{WK}
Subject: Renewed Measure M Project T Funding Recommendations

Transportation 2020 Committee Meeting of March 16, 2009

Present: Directors Amante, Brown, Buffa, Campbell, Cavecche, Dixon, and Pringle
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations (reflects a change from staff recommendations)

- A. Approve the city-requested dollar amounts included in this report for the cities of Anaheim, Fullerton, Irvine, and Santa Ana.
- B. Direct staff to return to the Transportation 2020 Committee in April 2009 with funding options for the Anaheim Regional Transportation Intermodal Center using Renewed Measure M Project T and other fund sources.
- C. Direct staff to return to the Transportation 2020 Committee in April 2009 with funding options using non-Project T fund sources for Fullerton, Irvine, and Santa Ana requests.



March 16, 2009

To: Transportation 2020 Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Renewed Measure M Project T Funding Recommendations

Overview

In January 2009, the Board of Directors approved funding guidelines and a call for projects for Renewed Measure M's Project T (Convert Metrolink Stations to Regional Gateways), with applications due February 20, 2009. This competitive transit program will provide funding to convert key Metrolink stations to regional gateways that connect to planned high-speed rail systems. Four applications were received from local agencies, and recommendations are presented for review and approval.

Recommendations

- A. Approve the funding allocations included in this report for the cities of Anaheim, Fullerton, Irvine, and Santa Ana for Project T (Convert Metrolink Stations to Regional Gateways) funding, subject to local agencies becoming eligible recipients for Renewed Measure M funds.
- B. Direct staff to return with funding agreements with each local agency for the associated projects and funding amounts presented in this report.
- C. Authorize staff to prepare and submit any necessary programming documents including amendments to the Regional Transportation Improvement Program.

Background

Twenty-five percent of Renewed Measure M (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 new 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). Calls for projects will be issued on a periodic basis, and the Board of Directors (Board) established Project T as an early priority for the first call for transit projects. Future calls will be issued for the other three programs, following development of guidelines and Board authorization.

Discussion

In November 2008, the Board reviewed a draft funding program framework for Project T. In January 2009, the Board approved the Project T funding guidelines including a call for projects for eligible local agencies (Attachment A). The guidelines recommend that the Orange County Transportation Authority (OCTA) program 20 years of Project T revenue in the call for projects. This represents a significant investment in the regional gateway program and allows local agencies to use the revenue commitment to issue debt, design, and construct regional gateway facilities. The remaining Project T revenues, covering the last ten years of M2, are held in reserve for a future call for projects and due to economic uncertainty.

OCTA Revenues Projections and Financing Costs

The Project T guidelines included a 20-year revenue estimate of \$186 million (nominal dollars) of M2 Project T revenues. Since that time, OCTA has updated the revenue forecasts and the 20-year amount is now estimated at \$151 million (nominal dollars). About three years of additional programming would be necessary to make up for the recent change in the revenue forecast. Given the programming recommendations further discussed below as well as the recent economic downturn, OCTA staff developed a cash flow model to evaluate the impacts of issuing bonds in fiscal year (FY) 2011 and FY 2012 to meet the desired implementation timetable (Attachment B).

Based on the cash flow analysis, the maximum net programming amount for the projects is \$79 million after deducting for bond costs and the total recommended programming amount is \$63.8 million. As a result, the programming recommendations presented below are within OCTA's financial capacity based on current projections.

Call for Projects

Four applications for Project T funding were received by local agencies by the February 20, 2009, deadline. The applicants include the cities of Anaheim,

Fullerton, Irvine, and Santa Ana. The applications were scored against the criteria included in the guidelines that address the areas of financial commitments, transit usage, project and high-speed rail readiness, intermodal connections, and regional markets/land use. Each of the proposed gateway projects including the requested funding amount and staff recommendations for Project T allocation amounts are described below.

Anaheim

The Anaheim Regional Transportation Intermodal Center (ARTIC) is proposed as a phased, 20-year project, with each progressive phase being developed with the addition of new or the expansion of existing transportation services, and ARTIC involves relocating and expanding the existing Anaheim Metrolink station. ARTIC is envisioned as a joint mixed-use development encompassing a 15.7-acre area. Phase 1 involves the construction of the new transit center to serve existing Metrolink operations to Anaheim as well as accommodate future transit services such as the planned Metrolink Service Expansion Program, OCTA's Bravo! service, and other OCTA fixed route bus services. The Phase I project scope was approved by the Board in November 2008.

The City of Anaheim's (City) Project T application submitted includes all elements of the first phase of the project, as well as additional elements that are planned as part of future phases. For example, the construction of the Grande Hall is included in the application project elements and cost estimates; however, this element was not included in the above-mentioned Phase I project scope. The current estimate for all of the project elements included in the City's application is \$178.9 million, and the application requests \$121 million in Project T funds. The difference of \$57.9 million between the total project costs (\$178.9 million) and Project T request (\$121 million) is comprised of Proposition 116 funds (\$57.3 million), approved by the Board in January 2009 and the California Transportation Commission in February 2009, and a federal funding earmark of approximately \$600,000.

Given the amount of net Project T funding for 20 years, prior Board direction on the ARTIC Phase I scope, and the approved Proposition 116 application, staff is recommending \$57.3 million in Project T funds for ARTIC, combined with \$57.3 million of approved Proposition 116 funds for a total Phase I project of \$114.6 million (specific unrounded amounts are presented in the summary table below). Approximately \$62.5 million of debt service interest costs associated with financing are also attributed to the ARTIC project and will be included in OCTA's cash flows.

The funding levels (excluding bond costs) mentioned above were included in the Proposition 116 application and staff believes this funding level is sufficient to deliver the approved Phase I project. This funding level also includes sufficient contingency in the event new costs are identified through the environmental approval process that is currently under way.

OCTA also recognizes that the other phases of the project offer tremendous benefits to the region, OCTA, and the City. Consequently, staff recommends OCTA continue to work with the City to identify other sources of funds for the future phases, such as potential funds made available through the federal American Recovery and Reinvestment Act's high-speed rail program.

Fullerton

The Fullerton Transportation Center (FTC) was originally developed in the 1970s and has grown into a multi-modal transportation resource that currently provides access to Amtrak and Metrolink rail service and OCTA bus services, as well as secure bicycle storage facilities. The FTC will soon offer access to OCTA's Bravo! service. Also planned is the addition of trolley service from the FTC to California State University, Fullerton. The FTC has been identified as an optional station by the California High-Speed Rail Authority. The project envisions mixed-use, transit-oriented development covering a 33-acre site centered on the FTC. This expansion will facilitate the incorporation of high-speed rail.

The current estimate of the overall project is \$72.7 million; however, the application only requests Project T funds for the initial planning and conceptual engineering efforts. The total estimate for this phase is \$973,000, with \$875,000 being requested in Project T funds. The proposed expansion of the FTC has the potential to greatly expand the role it plays as a regional gateway. These efforts will determine the future possibility of FTC as a regional gateway to the California high-speed rail system. Staff recommends a Project T allocation, in the amount of \$875,000, as requested by the City of Fullerton. Approximately \$1 million of debt service interest costs associated with financing are also attributed to the Fullerton project and will be included in OCTA's cash flows.

Santa Ana

The Santa Ana Regional Transportation Center (SARTC) opened in 1985 and currently offers access to both Amtrak and Metrolink rail service, OCTA fixed route bus services, Greyhound national bus services, and international tour bus services. The SARTC expansion envisions new station areas

and additional parking as well as the grade separation of Santa Ana Boulevard.

The expansion project will allow for easier connections to the currently available transit modes, as well as the planned future modes such as the magnetic levitation (maglev) high-speed line included in the Southern California Association of Governments (SCAG) 2008 Regional Transportation Plan (RTP), OCTA's Bravo! service, and the proposed Santa Ana streetcar.

The City of Santa Ana requests Project T funds for the initial planning and conceptual engineering for the station expansion project. The total estimate for this phase is \$3.4 million, with \$3 million requested in Project T funds. The proposed expansion of the SARTC and grade separation of Santa Ana Boulevard will increase the role SARTC plays as a regional gateway. Staff recommends a Project T allocation in the amount of \$3 million as requested by the City of Santa Ana. Approximately \$3.3 million of debt service interest costs associated with financing are also attributed to the Santa Ana project and will be included in OCTA's cash flows.

Irvine

The Irvine Transportation Center (ITC) currently provides south Orange County with Amtrak and Metrolink services as well as OCTA fixed route bus service. The proposed ITC improvements would encompass 25 acres. The ITC station expansion will facilitate the addition of expanded Metrolink service, Bravo!, and FlyAway airport shuttle services. In addition, the station is the potential terminus for a maglev high-speed line included in SCAG's 2008 RTP.

The current estimate for the overall station expansion project is \$199.3 million; however, the application requests Project T funds for the initial planning and environmental efforts only. The total estimate for the planning and environmental phases is \$3.16 million, with \$2.66 million being requested in Project T funds. Staff recommends a Project T allocation in the amount of \$2.66 million as requested by the City of Irvine. Approximately \$2.8 million of debt service interest costs associated with financing are also attributed to the Irvine project and will be included in OCTA's cash flows.

The ITC expansion project does not appear to account for previous commitments made to OCTA for Metrolink operations identified during the El Toro Base closure process. As part of this process, OCTA and Metrolink identified the need for a minimum of 20 acres for a Metrolink maintenance facility adjacent to the existing tracks and north of the ITC. The ITC expansion could impact the location of the rail maintenance facility, and staff recommends

that this issue be resolved before awarding (i.e., executing a cooperative agreement) the \$2.9 million Project T grant to the City of Irvine.

Allocation and Scoring Summary

Below is a summary of the requested allocations, the specific project allocations amounts (thousand of dollars) recommended by staff, and the project application scoring.

<u>Agency</u>	<u>M2 Project T Request</u>	<u>Recommended Allocation</u>	<u>Application Score</u>
Anaheim*	\$121,001	\$57,268	84
Fullerton	\$875	\$875	57
Santa Ana	\$3,000	\$3,000	52
Irvine	\$2,660	\$2,660	51
	<u>\$127,536</u>	<u>\$63,803</u>	

Note:

Values shown are in thousands

Recommended project allocations do not include bond costs of approximately \$69.6 million.

Actual bond costs will be attributed proportionally to each project in OCTA's cash flows.

**Anaheim Project T allocation to match an equal amount of Proposition 116 funds*

As the table above indicates, there was a significant range in application scores with the City of Anaheim scoring the highest at 84 points. The Board-approved scoring criteria placed significant value on the financial portion of the application, specifically the percentage of M2 dollars assumed for the project. This portion of the scoring criteria allowed for a maximum of 30 points. The Proposition 116 funds committed to ARTIC provided a match of 50 percent, placing Anaheim's application in the top tier, thus accounting for the majority of the point difference.

Renewed Measure M eligibility

Local jurisdictions must meet the annual eligibility criteria to participate in Measure M-funded programs. Project T will fall under the new eligibility requirements that are being developed for M2. These guidelines will be complete and in place for the FY 2010-11 eligibility cycle. Project T allocations made as part of the current call for projects are contingent upon the cities

meeting these eligibility requirements. The FY 2010-11 eligibility review is anticipated to start by fall 2009.

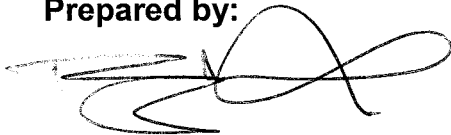
Summary

In January 2009, the Board approved the Project T funding guidelines including a call for projects for eligible local agencies. Four applications have been received from the cities of Anaheim, Fullerton, Santa Ana, and Irvine. The applications have been reviewed and scored, and allocation recommendations are presented for Board review and approval.

Attachments


- A. Project T Funding Program Guidelines
- B. Project T Cash Flow Summary

Prepared by:



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

Approved by:



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

Project T Funding Program Guidelines

Overview

This Renewed Measure M project establishes a competitive program for local jurisdictions to convert Metrolink stations into regional gateways for enhanced operations related to high-speed rail service. Projects must meet specific criteria in order to compete for funding through this program. In addition, local agencies will be required to demonstrate the ability to fully fund operations on an ongoing basis using non-Orange County Transportation Authority (OCTA) resources. Public/private partnershipsⁱ are encouraged but not required.

Objectives

- Modify existing Metrolink stations to accommodate high-speed rail service
- Expand multi-modal transit options for regional travel
- Deliver infrastructure in the initial phase of high-speed rail implementation where feasible

Project Participation Categories

Multi-modal transit facilities provide expanded transportation options for regional and long distance travel. These “hubs” provide a vital link in the mobility chain. Availability of viable stations is a critical consideration for high-speed rail service implementation. Each host community has unique needs and expectations related to high-speed rail systems. Conditions will differ from one location to the next and projects pursued under this program have significant latitude in how they address the challenge of delivering supporting facilities for high-speed rail services. The program categories listed below identify key project elements that can be pursued through the Project T funding source. Public/private partnerships and local funding sources may be used to leverage these elements.

- Station and passenger facilities necessary to support planned high-speed rail systemⁱⁱ
- Parking structures related to high-speed rail service
- Track improvements (e.g., track, switching, signal equipment)
- Traffic control enhancements for ingress/egress from public roadways
- Aesthetics limited to 10 percent of the Measure M funds (i.e., landscaping, non-standard lighting, on-site signage)
- On-site public art expenses limited to 1 percent of Measure M funds in order to improve the appearance and safety of the facility
- Off-site improvements cannot exceed 5 percent of Measure M funding requestⁱⁱⁱ
- Bond financing costs
- Construction management (not to exceed 15 percent of construction cost)

Commercial facilities that are not transit related are not eligible for Measure M funds.

Eligibility Requirements

Minimum eligibility and participation requirements must be considered before a project funding application is submitted. Adherence to strict funding guidelines is required by the ordinance. Additional standards have been established to provide assurance that Renewed Measure M (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.

- Station must be identified in constrained or unconstrained chapters of the 2008 Regional Transportation Plan for the initial M2 funding cycle
- Agency must demonstrate sufficient funding for first five years of operation with financial plan outlining funding strategy for ongoing operations and maintenance (cannot include OCTA funding sources)
- Project applications must be for complete projects (environmental clearance through construction)
- Project application must meet minimum competitive score to be deemed eligible and "of merit" (as determined by OCTA Board of Directors {Board})
- Capital improvements must adhere to public bidding requirements
- Complete applications must be approved by the applicant city council prior to submittal to OCTA to demonstrate adequate community and elected official support for initial consideration
- Applicant must be eligible to receive Measure M funding (established on an annual basis) to participate in this program

Funding Estimates

Funding will be provided on a pay-as-you go basis. The program will make an estimated \$174.9 \$186 million (nominal dollars) available during the initial 20-year period of the program (fiscal year 2011 through 2030). Funding for the remaining 10-year period of M2 will not be programmed until a future call for projects is warranted. This approach provides a hedge against economic uncertainty and preserves funding for future system expansion.

Selection Criteria

Specific selection criteria will be used to evaluate competitive program project applications. Emphasis is placed on projects with firm funding commitments and overall project readiness as shown on Attachment B. In addition, projects will be evaluated based upon existing and future transit usage, intermodal connectivity, and community land use attributes. Although match funding is not required,

projects that leverage M2 funds with at least 10 percent from other sources are encouraged and will be more competitive.

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 outlined below.

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

A call for projects for the initial funding cycle is expected to be issued in January 2009 with applications due on February 20, 2009, or as determined by the OCTA Board. Complete project applications must be submitted by the established due date.

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

- Financials (funding needs, match funding availability, operations funding assurances, public/private partnership arrangements, bond financing projections)
- Project development and implementation schedule
- High-speed rail ridership projections
- Any additional information deemed relevant by the applicant

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

Reimbursements

This program is administered on a reimbursement basis for capital improvements, planning, design, right-of-way (ROW) acquisition, and related bond financing costs. Reimbursements will be disbursed upon review and approval of a complete expense report, performance report, and consistent with master funding agreement.

Status Reports

Projects selected for funding will be subject to submittal of an annual financial plan update in order to receive project reimbursement payments during the following fiscal year. The updated financial plan will be due as a supplement to the annual Measure M eligibility process (typically due on June 30th).

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). ROW acquired for projects which are cancelled prior to construction will require repayment to the contributing funding program(s) within a reasonable time as determined by the OCTA Board.

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

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.

Proceeds from the sale of excess ROW acquired with program funding must be paid back to the project fund as described in the master funding agreement.

APPLICATION GUIDELINES

Funding allocations provided through M2 are determined through a competitive application process. 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.

Financial Details

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

- Estimated project cost for each phase of development (planning, environmental, permitting, design, 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 (through first six years of operation)
- Discussion of contingency planning for revenue shortfalls
- Revenue projections and methodology where on-site commercial activity or advertising revenue is expected to support implementation and/or operations costs
- ROW status and strategy for acquisition
- Revenue sharing proposals (where applicable)

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 site-specific data will be included and fully discussed in the application:

- Current employment estimates within five mile radius of project site (cite reference)
- Freeway lane miles within five mile radius of site (provided by OCTA upon request)
- Planned job density within 1500 feet radius of project boundary, based upon current general plan
- Planned housing density within 1500 feet radius of project boundary, based upon current general plan
- Daily transit boardings within five mile radius of project boundary (include rail and fixed-route bus/shuttle)
- Daily transit boardings growth within five mile radius of project boundary, with projection methodology fully presented for opening day operations
- Description of all transit modes serviced by the site at time of application
- Discussion of new transit modes (including high-speed rail) served by the site as a result of proposed project (opening day)
- Service coordination plan (how will proposed project facilitate transfer between transit services?)

Other Application Materials

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

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.

Lease/Cost Sharing Agreements: Copies of leases, cost sharing (match funding), and/or land dedication documents. Confidential agreements may be included by reference when accompanied by affidavit from City Treasurer or Finance Director.

Project Documentation: If 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.

ⁱ Public/private partnerships are defined as direct financial contributions or ROW dedications for eligible program activities.

ⁱⁱ Program should not build retail or other leasable space. Mixed use and transit oriented development elements will be the responsibility of others.

ⁱⁱⁱ "Off-site" improvements adjacent to the project site such as monumentation, traffic control, etc.

Project T Cash Flow Summary

(Millions of Nominal Dollars)

Revenues *(M2 only)*

A	M2 Project T ("T") Revenues (20 years)	\$	151
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Expenses *(M2 only)*

C	Debt Service Interest Costs	\$	(72)
D	M2 "T" Available for Project(s) <i>(constrained to 2031 ending balance)</i>		(79)
		\$	<u>(151)</u>

A Based on the February 24, 2009, revenue forecast

B Bond debt service interest costs

C Maximum based on 2031 ending balance; internal borrowing
from transit mode necessary to meet interim year cash flow requirements



BOARD COMMITTEE TRANSMITTAL

March 23, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: June 2009 Bus Service Reduction Program

Transit Committee Meeting of March 12, 2009

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

Committee Discussion

The Transit Committee discussed as part of the Transit Budget Assumptions the detailed information provided as a handout (Transmittal Attachments A.1 through A.4) regarding the proposed June service reductions. The Transit Committee supports staff's proposed June service reductions.

Board of Directors' Meeting of March 9, 2009

Present: Chairman Buffa, Vice Chairman Amante, Directors Bates, Campbell, Cavecche, Dalton, Green, Mansoor, Moorlach, Nguyen, Norby, Pringle, Pulido, Winterbottom
Absent: Directors Brown, Dixon, and Glaab

Staff Recommendation

Receive and file as an information item.

Board of Directors' Discussion

The Board requested this item to be returned to the Transit Committee due to concerns about the proposed service reductions. Staff was directed to provide detailed information regarding the bus service reductions.

Note:

Attached is the original staff report of March 9, 2009 (Transmittal Attachment).

FY 2008-09 BUDGET

ANNUAL REVENUE VEHICLE HOURS (RVH): 1,944,000

(A revenue vehicle hour is the time a bus is serving passengers.)

<u>SERVICE REDUCTION PROGRAMS</u>	<u>ANNUAL RVH</u>	<u>%</u>	<u>ESTIMATED SAVINGS*</u>
DECEMBER 2008:	-28,000	-1.4%	\$ 2,300,000
MARCH 2009:	-50,000	-2.6%	\$ 4,200,000
JUNE 2009 (est):	<u>-55,000</u>	<u>-2.8%</u>	<u>\$ 4,600,000</u>
EST. TOTAL ANNUAL SAVINGS:	-133,000	-6.8%	\$ 11,100,000

*Approximately \$83/rvh

NET ANNUAL RVH: 1,811,000 EFFECTIVE JULY 1, 2009

TERMINOLOGY

SPAN REDUCTION: DELETING EITHER THE FIRST AND/OR LAST TRIPS OF A SCHEDULE.

TRIP ELIMINATIONS: SPECIFIC TRIPS THAT DO NOT AFFECT THE SPAN

HEADWAY WIDENING: INCREASE THE TIME INTERVAL BETWEEN TRIPS

SHORTLINE TERMINALS: INTERMEDIATE LOCATIONS WHERE BUSES CAN BE TURNED AROUND WITHOUT TRAVELING THE FULL ROUTE.

ROUTE SEGMENT DELETION: ELIMINATION OF BUS SERVICE OVER A PORTION OF THE ROUTE DURING ALL OR PART OF THE SERVICE DAY.

PRODUCTIVITY: PASSENGERS PER REVENUE VEHICLE HOUR (P/RVH)

SYSTEM AVERAGE P/RVH FOR THE LAST 12-MONTHS

WEEKDAY:	35.5	P/RVH
SAT:	37.6	P/RVH
SUN:	32.5	P/RVH

JUNE 2009 SERVICE REDUCTION PROGRAM SUMMARY

26-Feb-09

Line	Name	Day	Techniques	Particulars
20	Imperial	Week	Span reduction	2 trips
24	Chapman (in Fullerton)	Week	Trip eliminations Span reduction	4 trips
25	Knott/Golden West	Week	Headway widening	30" to 35"
33	Magnolia	Week	Headway widening	30" to 35"
35	Brookhurst Street	Week	Headway widening	30" to 32"
42	Lincoln Avenue	Week	Short line terminals	1 trip
		Sat	Short line terminals	
		Sun	Short line terminals Span reduction	
46	Ball Road	Week	Short line terminals	
50	Katella Avenue	Week	Short line terminals	
Sat		Short line terminals		
55	Standard—Bristol—17th (Costa Mesa)	Week	Headway widening	Varies by time of day
56	Garden Grove	Week	Short line terminals Span reduction	3 trips
60	Westminster/17th	Week	Short line terminals	
		Sat	Short line terminals	
		Sun	Short line terminals	
66	McFadden	Week	Short line terminals	
		Sat	Short line terminals	
		Sun	Short line terminals	
82	Santa Margarita Parkway	Week	Headway widening Span reduction	30" to 45" (midday)
		Sat	Trip eliminations	2 trips
		Sun	Trip eliminations	2 trips
167	Tustin—Hewes—Bryan	Week	Short line terminals Span reduction	3 trips
177	Laguna Hills—Foothill Ranch	Week	Span reduction	
Sat		Headway widening	45" to 60"	
Sun	Headway widening	45" to 60"		
191	Mission Viejo—San Clemente	Week	Trip eliminations Span reduction	11 trips
453	Orange Transp Center—St. Joseph's	Week	Trip eliminations Span reduction	2 trips
454	Orange Transp Center—The Block	Week	Span reduction	1 trip
462	The Depot At Santa Ana—Santa Ana	Week	Trip eliminations Span reduction	3 trips
463	The Depot At Santa Ana—Hutton Centre	Week	Span reduction	3 trips
472	Tustin Station—Newport Beach	Week	Span reduction	2 trips
473	Tustin Station—U. C. Irvine	Week	Trip eliminations Span reduction	3 trips
480	Irvine Station—Lake Forest	Week	Trip eliminations Span reduction	3 trips
482	Irvine Station—Irvine Center & Discovery	Week	Trip eliminations Span reduction	3 trips
490	LN/MV Station—Aliso Viejo	Week	Trip eliminations Span reduction	2 trips
701	Huntington Beach—Los Angeles	Week	Trip eliminations	1 trip

DRAFT**JUNE 2009 PROPOSED SERVICE REDUCTION PROGRAM**

LINE	DAY OF WEEK	ANNUALIZED RVH REDUCTIONS	PROPOSED CHANGE	PASSENGER IMPACT*	NOTES
20	WKDY	500	Delete last round trip:		
20			644pm WB (span)	5	Approx 5 daily riders will need to take an earlier trip
20			734pm EB (span)	4	Approx 4 daily riders will need to take an earlier trip
24	WKDY	1,050	Delete 4 trips:		
24			525am EB (not span)	7	Approx 7 daily riders may need to take an earlier or later trip
24			1000pm EB (span)	6	Approx 6 daily riders will need to take an earlier trip
24			907pm WB (span)	7	Approx 7 daily riders will need to take an earlier trip
24			1012pm WB (span)	8	Approx 8 daily riders will need to take an earlier trip
25	WKDY	2,750	Hdwy 30" to 35" all day	3100 daily	Approx 3100 daily riders will see frequency reduced from 30" to 35"
33	WKDY	2,800	Hdwy 30" to 35" all day	2800 daily	Approx 2800 daily riders will see frequency reduced from 30" to 35"
35	WKDY	3,350	Hdwy 30" to 32" midday	2000 daily	Approx 2000 daily riders will see frequency reduced from 30" to 32"
42	WKDY	8,375	Short Line	11 daily	Approx 11 daily riders may have to adjust their trip times by 30"
42	SAT	400	Delete 1 trip:		
42			WB 600am - first trip (short) (span)	5	Approx 5 daily riders will need to take a later trip
42			Short Line	4	Approx 4 daily riders may have to adjust their trip times by 40"
42	SUN	450	Delete 1 trip:		
42			WB 600am - first trip (short) (span)	5	Approx 5 daily riders will need to take a later trip
42			Short Line	4	Approx 5 daily riders may have to adjust their trip times by 40"
46	WKDY	1,125	Short Line	200	Approx 200 daily riders may have to adjust their trip times by 30"
50	WKDY	1,350	Short Line	450	Approx 450 daily riders may have to adjust their trip times by 30"
50	SAT	400	Short Line	300	Approx 300 daily riders may have to adjust their trip times by 30"
50	SUN	400	Short Line	275	Approx 275 daily riders may have to adjust their trip times by 30"
55	WKDY	3,675	20 to 22, 15 to 18, 30 to 35, 45 to 60 pm pk-eve	2700 daily	Approx 2700 daily riders will see frequency reduced by 2"-15" depending upon time of day
56	WKDY	825	Delete 1 trip:		
56			431am EB (short) (span)	8	Approx 8 daily riders will need to take a later trip
56			1037pm EB (long) (span)	3	Approx 3 daily riders will need to take an earlier trip
56			1012pm WB (long)	8	Approx 8 daily riders will need to take an earlier trip
56			Short Line	275	Approx 275 daily riders may have to adjust their trip times by 30"
60	WKDY	8,250	Layover 7th/Channel all day	1500 daily	Approx 1500 riders daily would need to ride Long Beach service to travel to downtown Long beach
60	SAT	1,225	Layover 7th/Channel all day	1200 daily	Approx 1200 riders daily would need to ride Long Beach service to travel to downtown Long beach
60	SUN	800	Layover 7th/Channel all day	1000 daily	Approx 1000 riders daily would need to ride Long Beach service to travel to downtown Long beach

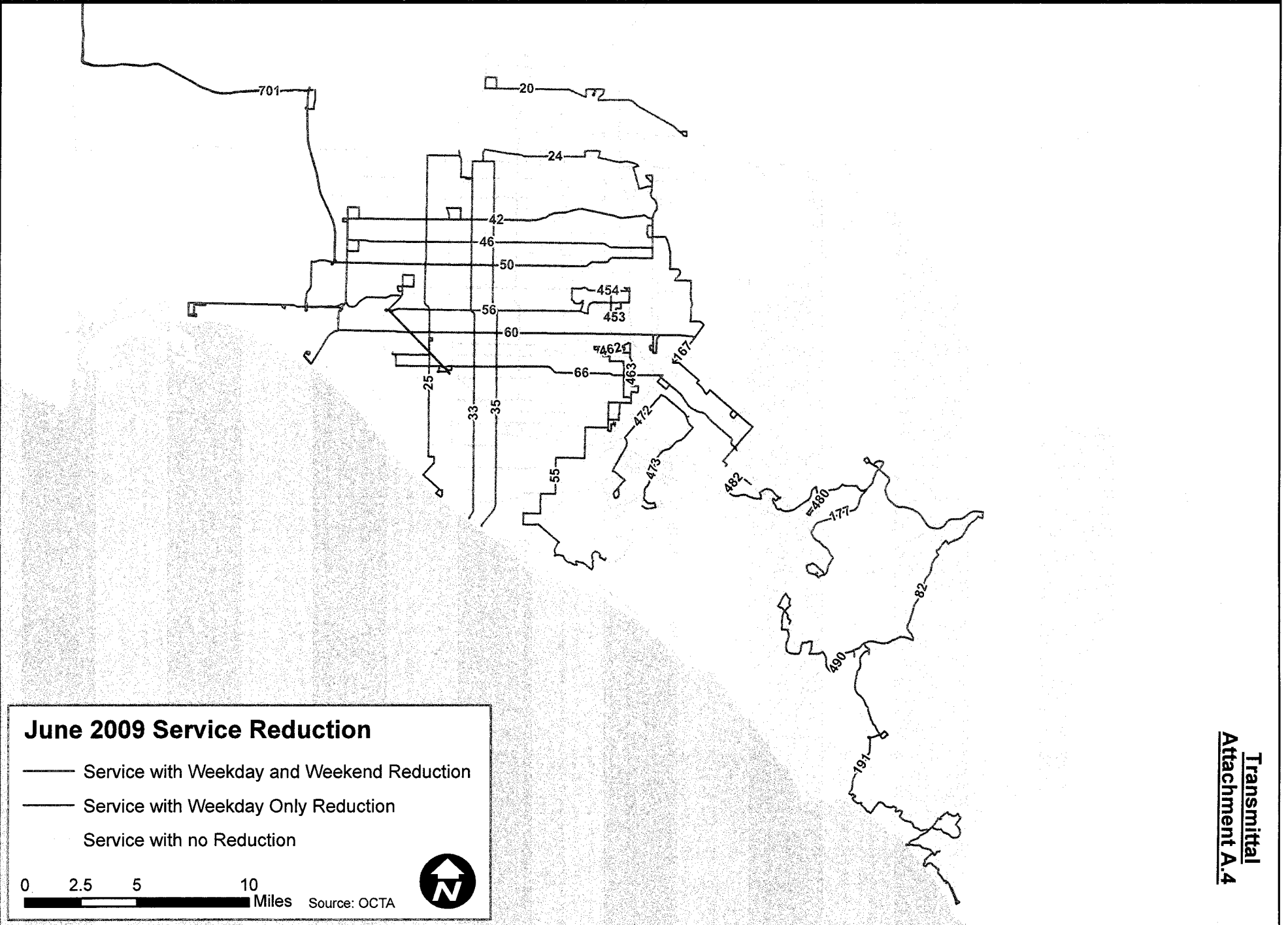
LINE	DAY OF WEEK	ANNUALIZED RVH REDUCTIONS	PROPOSED CHANGE	PASSENGER IMPACT*	NOTES
66	WKDY	1,000	Short Line	1350	Approx 1350 daily riders may have to adjust their trip times by 15"
66	SAT	950	Short Line	1600	Approx 1600 daily riders may have to adjust their trip times by 20"
66	SUN	400	Short Line	1150	Approx 1150 daily riders may have to adjust their trip times by 20"
82	WKDY	3,225	Delete 10 trips:		
82			530am EB (span)	9	Approx 9 daily riders will need to take a later trip
82			800am EB remove Metrolink alignment	0	Almost no riders will be impacted
82			830am EB remove Metrolink alignment	0	Almost no riders will be impacted
82			715pm EB (span)	7	Approx 7 daily riders will need to take an earlier trip
82			815pm EB (span)	8	Approx 8 daily riders will need to take an earlier trip
82			527am WB (span)	10	Approx 10 daily riders will need to take a later trip
82			211pm WB remove Metrolink alignment	0	Almost no riders will be impacted
82			241pm WB remove Metrolink alignment	0	Almost no riders will be impacted
82			311pm WB remove Metrolink alignment	0	Almost no riders will be impacted
82			719pm WB (span)	7	Approx 7 daily riders will need to take an earlier trip
82			45" Hdwy am & pm peak	500 daily	Approx 500 daily riders will see frequency reduced from 30" to 45"
82	SAT	300	Hdwy 60" to 65" all day	300	Approx 300 daily riders will see frequency reduced from 60" to 65"
82	SUN	350	Hdwy 60" to 65" all day	250	Approx 250 daily riders will see frequency reduced from 60" to 65"
167	WKDY	1,050	Delete 3 trips:		
167			432am NB - first trip (span)	8	Approx 8 daily riders will need to take a later trip
167			815pm NB - last trip (span)	3	Approx 3 daily riders will need to take an earlier trip
167			457am SB - first trip (span)	5	Approx 5 daily riders will need to take a later trip
177	WKDY	1,500	Delete 3 trips:		
177			638pm NB (span)	4	Approx 4 daily riders will need to take an earlier trip
177			713pm NB (span)	7	Approx 7 daily riders will need to take an earlier trip
177			515am SB (span)	5	Approx 5 daily riders will need to take a later trip
177	SAT	300	Hdwy 45" to 60"-65" all day	425	Approx 425 daily riders will see frequency reduced from 60" to 65"
177	SUN	350	Hdwy 45" to 60"-65" all day	325	Approx 325 daily riders will see frequency reduced from 60" to 65"
191	WKDY	4,725	Delete 11 trips:		
191			500am NB (span)	9	Approx 9 daily riders will need to take a later trip
191			530am NB (span)	10	Approx 10 daily riders will need to take a later trip
191			822am NB (not span)	13	Approx 13 daily riders may need to take an earlier or later trip
191			535pm NB (not span)	6	Approx 6 daily riders may need to take an earlier or later trip
191			655pm NB (span)	2	Approx 2 daily riders will need to take an earlier trip
191			800pm NB (span)	7	Approx 7 daily riders will need to take an earlier trip
191			520am SB (span)	9	Approx 9 daily riders will need to take a later trip
191			840am SB (not span)	8	Approx 8 daily riders may need to take an earlier or later trip
191			555pm SB (not span)	8	Approx 8 daily riders may need to take an earlier or later trip
191			725pm SB (span)	9	Approx 9 daily riders will need to take an earlier trip
191			830pm SB (span)	11	Approx 11 daily riders will need to take an earlier trip

LINE	DAY OF WEEK	ANNUALIZED RVH REDUCTIONS	PROPOSED CHANGE	PASSENGER IMPACT*	NOTES
453	WKDY	325	Delete 2 trips:		
453			558pm NB - last trip (span)	2	Approx 2 daily riders will need to take an earlier trip
453			657am SB - third trip (not span)	7	Approx 7 daily riders may need to take an earlier or later trip
454	WKDY	200	Delete 1 trip:		
454			623pm EB - last trip (span)	0	Almost no riders will be impacted
462	WKDY	500	Delete 3 trips:		
462			CW 403pm - second PM trip (not span)	4	Approx 4 daily riders may need to take an earlier or later trip
462			CW 603pm - second to the last PM trip (span)	2	Approx 2 daily riders will need to take an earlier trip
462			CW 623pm - last PM trip (span)	1	Approx 1 daily riders will need to take an earlier trip
463	WKDY	900	Delete 3 trips:		
463			NB 549pm - second to the last PM trip (span)	2	Approx 2 daily riders will need to take an earlier trip
463			NB 607pm - last PM trip (span)	4	Approx 4 daily riders will need to take an earlier trip
463			SB 851pm - last AM trip (span)	3	Approx 3 daily riders will need to take an earlier trip
472	WKDY	700	Delete 2 trips:		
472			NB 556pm - last PM trip (span)	3	Approx 3 daily riders will need to take an earlier trip
472			SB 857am - last AM trip (span)	3	Approx 3 daily riders will need to take an earlier trip
473	WKDY	700	Delete 3 trips:		
473			NB 355pm - second PM trip (not span)	0	Almost no riders will be impacted
473			NB 653pm - last PM trip (span)	3	Approx 3 daily riders will need to take an earlier trip
473			SB 535am - first AM trip (span)	0	Almost no riders will be impacted
480	WKDY	650	Delete 3 trips:		
480			EB 904am - last AM trip (span)	4	Approx 4 daily riders will need to take an earlier trip
480			WB 429pm - third PM trip (not span)	10	Approx 10 daily riders may need to take an earlier or later trip
480			WB 558pm - last PM trip (span)	5	Approx 5 daily riders will need to take an earlier trip
482	WKDY	275	Delete 3 trips:		
482			EB 509pm - second to the last PM trip (not span)	2	Approx 2 daily riders may need to take an earlier or later trip
482			WB 606am - first AM trip (span)	2	Approx 2 daily riders will need to take a later trip
482			WB 904am - last AM trip (span)	3	Approx 3 daily riders will need to take an earlier trip
490	WKDY	450	Delete 2 trips:		
490			NB 626am - first AM trip (span)	2	Approx 2 daily riders will need to take a later trip
490			NB 810am - second to the last AM trip	0	Almost no riders will be impacted
701	WKDY	425	Delete 1 trip:		
701			434pm SB (not span)	8	Approx 8 daily riders may need to take an earlier or later trip
Grand Total		57,000			
Directly Op Total		48,600			
Contracted Total		8,400			

*PASSENGER IMPACT: The daily average number of passengers directly affected by a trip deletion or during the affected period of a headway change

Last update: 11 Mar 09

Service Reduction by Route for June 2009



June 2009 Service Reduction

- Service with Weekday and Weekend Reduction
- - - Service with Weekday Only Reduction
- Service with no Reduction

0 2.5 5 10 Miles

Source: OCTA





March 9, 2009

To: Members of the Board of Directors
From: Arthur T. Leahy, Chief Executive Officer
Subject: June 2009 Bus Service Reduction Program

Overview

As the revenue forecast for the Orange County Transportation Authority continues to worsen, staff is working on a number of programs to address the shortfall in the current fiscal year budget, as well as that forecasted for coming fiscal year 2009-10. Included in these efforts is a bus service reduction program that will be implemented as part of the June 2009 service change removing approximately 55,000 annual revenue vehicle hours of service.

Recommendation

Receive and file as an information item.

Background

In response to the worsening economy, Orange County Transportation Authority (Authority) staff has developed and implemented a number of strategies designed to address forecasted reductions in revenue for the current fiscal year and coming fiscal year 2009-10. With the loss of operating dollars associated with the elimination and/or reduction of state and local transportation funding programs, staff must take action to refocus the bus service delivery plan to ensure a balanced operating budget moving toward a sustainable level of service.

Discussion

As fiscal problems continue to impact sources of bus operating funds, staff has taken steps to change the fiscal year 2008-09 bus service delivery plan; this began with a modest service reduction program implemented in December 2008. A larger service reduction was implemented in March 2009. Between these two efforts, service has been reduced by approximately 78,000 annual revenue vehicle hours.

In addition to reducing operating costs, the Authority acted to increase revenue through a fare increase instituted in January 2009.

While these programs have been helpful, financial forecasts continue to deteriorate, requiring the Authority to extend a cost reduction program. Consequently, Authority staff has developed plans to further reduce bus service, effective with the June 2009 service change program. As shown on the attached map (Attachment A), the operating schedules for 26 Authority bus lines will be revised to operate fewer service hours.

The techniques applied to effect this reduction in service include increasing the time interval between trips (headway widening); individual trip eliminations; reducing the span of service; and the creation of new intermediate terminals (short-line terminals) to enable a reduction in the number of trips operated over select segments of a bus line's full routing. In addition, Route 60 will be shortened to end all trips at 7th Street and Channel Drive in the City of Long Beach. The specific strategies to be applied for each route are summarized in Attachment B.

Finally, the reductions to Authority fixed route services will also impact some ACCESS customers since paratransit services mirror the regular bus route network during the times the buses are in service. As span of service is reduced, ACCESS service availability in the area may be reduced. The reduction of Route 60 in the City of Long Beach, for example, will cause the Authority's ACCESS service to end at 7th Street and Channel Drive instead of the downtown area in the vicinity of 1st Street and Elm Avenue.

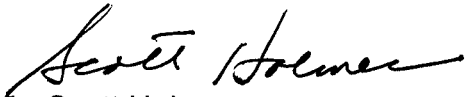
Summary

Revenue projected for the current fiscal year and fiscal year 2009-10 continues to decline. Authority staff has taken action to address projected shortfalls through programs designed to boost revenue and reduce operating costs. As part of a service economies program initiated in December 2008 and continued in March 2009, bus service will continue to be reduced in June 2009 by approximately 55,000 annual revenue vehicle hours.

Attachments

- A. Service Reductions by Route for June 2009
- B. June 2009 Service Change Summary

Prepared by:



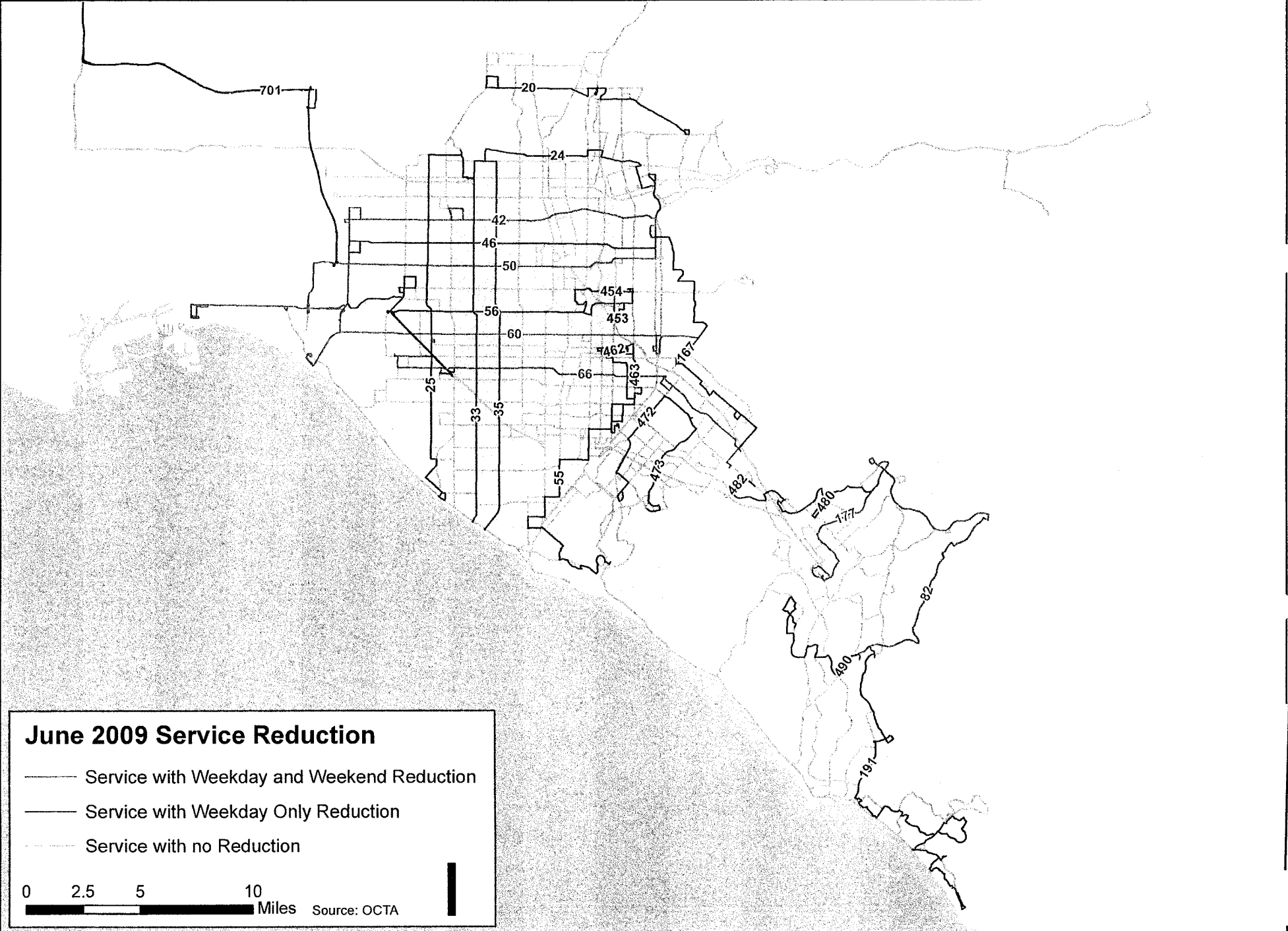
Scott Holmes
Manager, Service Planning and
Customer Advocacy
(714) 560-5710

Approved by:



Beth McCormick
General Manager, Transit
(714) 560-5964

Service Reduction by Route for June 2009



June 2009 Service Reduction

- Service with Weekday and Weekend Reduction
- - - Service with Weekday Only Reduction
- Service with no Reduction

0 2.5 5 10
Miles Source: OCTA

JUNE 2009 SERVICE CHANGE SUMMARY

Line	Name	Day	Techniques
20	Imperial Highway	Weekday	Span reduction
24	Chapman Avenue (Fullerton)	Weekday	Trip eliminations Span reduction
25	Knott Avenue/Golden West Street	Weekday	Headway widening
33	Magnolia Street	Weekday	Headway widening
35	Brookhurst Street	Weekday	Headway widening
42	Lincoln Avenue	Weekday	Short line terminals
		Saturday	Short line terminals
		Sunday	Short line terminals Span reduction
46	Ball Road	Weekday	Short line terminals
50	Katella Avenue	Weekday	Short line terminals
		Saturday	Short line terminals
		Sunday	Short line terminals
55	Standard Avenue/Bristol Street/17th Street (Costa Mesa)	Weekday	Headway widening
56	Garden Grove Boulevard	Weekday	Short line terminals Span reduction
60	Westminster Avenue/17th Street	Weekday	Short line terminals
		Saturday	Short line terminals
		Sunday	Short line terminals
66	McFadden Avenue	Weekday	Short line terminals
		Saturday	Short line terminals
		Sunday	Short line terminals
82	Santa Margarita Parkway	Weekday	Headway widening Span reduction
		Saturday	Trip eliminations
		Sunday	Trip eliminations
167	Tustin Avenue/Hewes Street/Bryan Avenue	Weekday	Short line terminals Span reduction
177	Laguna Hills—Foothill Ranch	Weekday	Span reduction
		Saturday	Headway widening
		Sunday	Headway widening
191	Mission Viejo—San Clemente	Weekday	Trip eliminations Span reduction
453	Orange Transportation Center—St. Joseph's Hospital	Weekday	Trip eliminations Span reduction
454	Orange Transportation Center—The Block	Weekday	Span reduction
462	The Depot At Santa Ana—Civic Center	Weekday	Trip eliminations Span reduction
463	The Depot At Santa Ana—Hutton Centre	Weekday	Span reduction
472	Tustin Station—Newport Beach	Weekday	Span reduction
473	Tustin Station—University of California Irvine	Weekday	Trip eliminations Span reduction
480	Irvine Station—Lake Forest	Weekday	Trip eliminations Span reduction
482	Irvine Station—Irvine Center & Discovery	Weekday	Trip eliminations Span reduction
490	Laguna Niguel/Mission Viejo Station—Aliso Viejo	Weekday	Trip eliminations Span reduction
701	Huntington Beach—Los Angeles	Weekday	Trip eliminations

Span Reduction = Deleting the first and/or last trips of the day and/or evening thereby reducing the total time service is operated;

Trip eliminations = individual trips deleted within the schedule not affecting the span of service;

Headway widening = increasing the time interval between trips (headway) on a recurring basis so that fewer trips are operated in the target time period;

Short line terminals = intermediate locations where buses can turnaround and travel back in the opposite direction instead of traveling to the regular or far terminal.



March 23, 2009

To: Members of the Board of Directors
From: Arthur T. Leahy, Chief Executive Officer
Subject: Fiscal Year 2009-10 Transit Budget Assumptions

Overview

In response to rapidly declining revenues, the Orange County Transportation Authority must reduce ongoing operating costs. A bus service reduction program is required as part of these cost reduction efforts.

Recommendations

- A. Approve a one-year bus service reduction program and direct staff to implement a service reduction of 400,000 annual revenue vehicle hours as part of the fiscal year 2009-10 budget.
- B. Authorize the Chief Executive Officer to lay off employees, including, but not limited to, employees subject to collective bargaining agreements with Teamsters Local 952 or the Transportation Communications International Union, when the Chief Executive Officer decides a reduction in force is necessary.

Background

In response to the worsening economy, the Orange County Transportation Authority (Authority) has developed and implemented a number of strategies designed to address forecasted reductions in revenue for both the current and future fiscal years. For the current fiscal year, the Authority has eliminated service line items, deferred capital projects, and implemented a hiring freeze, and an attrition based bus service reduction plan. For next fiscal year (FY), the Chief Executive Officer has recommended a wage freeze and work furlough for administrative employees and has requested that union employees partner with the Authority to address the economic crisis by foregoing a wage increase included in their collective bargaining agreements.

With the continued loss of funding associated with the elimination and/or reduction of state programs and local sales tax revenues and a reduction in the historical coach operator attrition rate, the Authority must now take action to refocus the bus service delivery plan for FY 2009-10 and FY 2010-11 to ensure a balanced operating budget moving toward a sustainable level of service.

Discussion

As fiscal problems continue to negatively impact sources of bus-operating funds, the Authority has taken steps to change the FY 2008-09 bus service delivery plan through the implementation of an attrition based bus service reduction plan. This began with a modest service reduction of approximately 28,000 annual revenue vehicle hours implemented in December 2008. A larger service reduction of approximately 50,000 annual revenue vehicle hours was implemented in March 2009. A third service reduction of approximately 55,000 annual revenue vehicle hours is planned for June 2009, for a total reduction of approximately 133,000 annual revenue vehicle hours during FY 2008-09.

A decline in the historical coach operator attrition rate from two coach operators per week to one and one-half coach operators per week has resulted in bus transit being over-staffed, necessitating a reduction in workforce for FY 2008-09. It is anticipated that the March 2009 service reduction will result in the lay-off of 25 coach operators, 11 service workers, and 6 mechanics. The June service change is anticipated to require a reduction in workforce of up to 30 coach operators, 2 service workers, and 4 mechanics through attrition and lay-off. While these service reductions have proven beneficial in controlling costs, further reductions are unfortunately necessary.

In addition to reducing operating costs, the Authority has acted to increase revenues through a fare adjustment instituted in January 2009, lobbied to maintain state funded transit programs, worked diligently to secure funding through the American Recovery and Reinvestment Act of 2009, and temporarily diverted existing capital formula grant funding to bus operations. The Authority may also need to consider an additional fare adjustment for January 2011. In spite of these efforts, bus transit operating revenues are projected to decline by more than \$270 million over the next five years as compared to the 2008 Comprehensive Business Plan projections. Longer term, bus transit operating revenues are projected to decline by approximately 24 percent over the next 20 years.

Staff presented four service reduction options to the Finance and Administration Committee on March 11, 2009, and to the Transit Committee on

March 12, 2009. These options included (1) a December 2010 bus service reduction of 600,000 annual revenue vehicle hours, (2) a September 2009 bus service reduction of 395,000 annual revenue vehicle hours, (3) a one-year bus service reduction program of 400,000 annual revenue vehicle hours, and (4) a two-year bus service reduction program of 440,000 annual revenue vehicle hours.

The options of deferring any additional service reductions until December 2010, at which time a service reduction of 600,000 annual revenue vehicle hours would be required, and the September 2009 bus service reduction of 395,000 annual revenue vehicle hours, were intended to illustrate the limits of the problem. The one-year and two-year bus service reduction programs were intended to illustrate just two of the many possible options the Board of Directors could choose in moving toward a sustainable level of service. Each bus service reduction option requires a near-term use of reserves and a considerable reduction in workforce as outlined in Attachment A.

There was a great deal of discussion regarding the various pros and cons of each option, and strong consideration given to the impacts on both customers and staff. Requests were made for additional information regarding projected reserve balances and anticipated attrition rates. While neither the Finance and Administration Committee nor the Transit Committee made a formal recommendation, individual committee members voiced their personal preferences. Of the nine individuals present over both meetings, committee members preferred either the one-year or the two-year bus service reduction program.

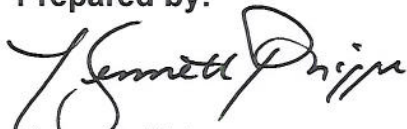
Summary

Bus transit operating revenues are projected to be reduced by more than \$270 million over the next five years as compared to the 2008 Comprehensive Business Plan projections. The Authority must now take action to refocus the bus service delivery plan to ensure a balanced operating budget moving toward a sustainable level of service. It is recommended that the Board approve a one-year bus service reduction program commencing with fiscal year 2009-10 and direct staff to implement a service reduction of approximately 400,000 annual revenue vehicle hours as part of the fiscal year 2009-10 budget and authorize the Chief Executive Officer to make necessary adjustments in both union and administrative staffing levels.

Attachment

- A. Orange County Transportation Authority Fiscal Year 2009-10 Transit Budget Assumptions

Prepared by:



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

Approved by:



James S. Kenan
Executive Director,
Finance and Administration
(714) 560-5678

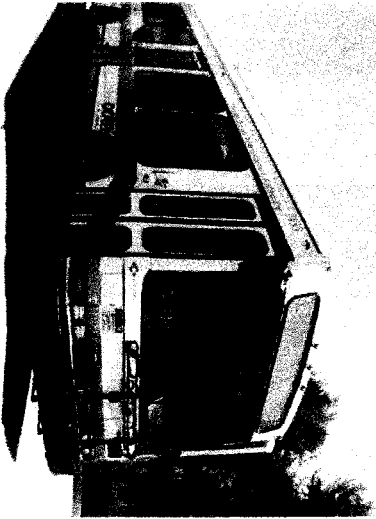
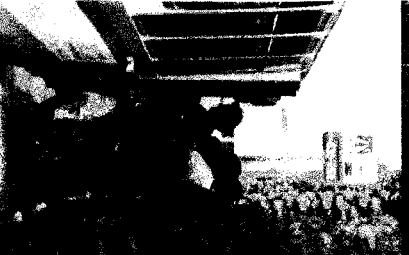
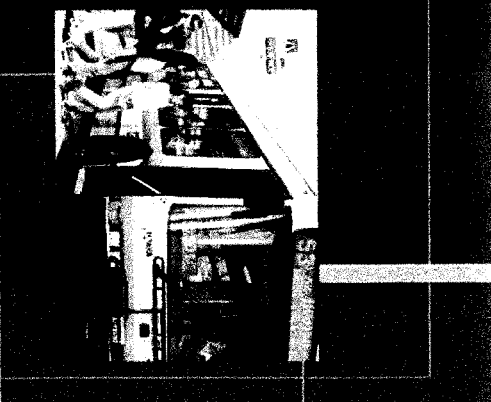
Orange County Transportation Authority Fiscal Year 2009-10 Transit Budget Assumptions
Scenario Comparison
Revenue Hours, Position Reductions, Use of Reserves

	1 Reduction (Sep. 2009)	1 Year Reduction	2 Year Reduction	1 Reduction (Dec. 2010)
Revenue Hours				
Total revenue hour reduction (000's)	395	400	440	475
Revenue hour reduction per service change (000's)	395	100	55	600
Ongoing revenue hours post reduction (000's)	1,283	1,278	1,238	1,203
Position Reductions				
Total position reduction (#)	362	367	404	435
Position reductions per service change (#)				
Coach Operators	255	65	36	307
Maintenance	56	14	8	68
Bus Operations Administration	51	13	7	60
Reserves				
Use of reserves (\$ millions)	\$0	\$13	\$37	\$58
Balance at end of fiscal year 2011 (\$ millions)	\$68	\$55	\$31	\$10
Working capital requirement	\$30	\$30	\$30	\$30

* Scenario with one reduction in September 2009 represents baseline for comparison for the use of reserves

**POWERPOINT
PRESENTATION**

Orange County Transportation Authority Fiscal Year 2009-10 Transit Budget Assumptions



Orange County Transportation Authority
Fiscal Year 2009-10 Transit Budget Assumptions

Jan 28th Budget Assumptions

State Transit Assistance Assumption

- Eliminated for FY 2010 and beyond

Sales Tax Assumption

- FY 2009 @ -5%, FY 2010 @ -2%, FY2011 @ 5.02%

Merit/Special Award Assumption

- 0% for FY 2010

Fuel Prices – 6 month average

- Diesel \$2.72/gallon
- Liquefied Natural Gas \$0.74/gallon
- Compressed Natural Gas \$0.76/Therm

Property Tax

Alternative Fuel Credit

- Scheduled to Expire December 2009



10 percent Reductions

Action Steps

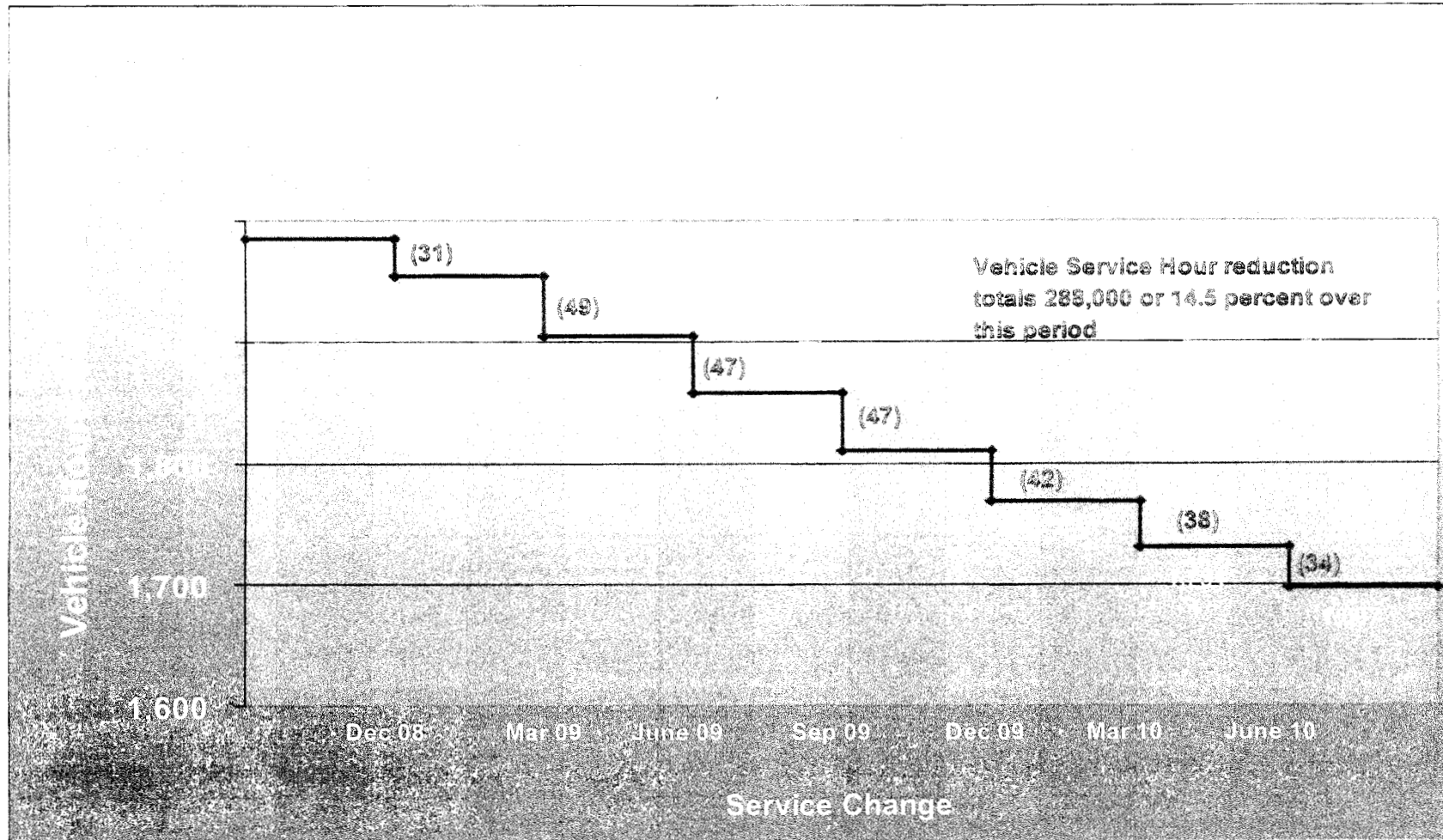
- Bus Service Reductions (Coach Operator Attrition Model)
- Reduce Professional/Outside Service Budget Line items
- Capital Projects – \$50k local funding limit
- Fuel Prices – 6 month average
- Hiring Freeze – 100% Vacancy for non-funded positions
- Employee Suggestions being evaluated

Challenges

- ACCESS Cost/Demand
- Contracted Fixed Route
- Union Contracts
- Administrative Building Lease
- Utilities



Service Reduction by Attrition



March Budget Assumptions

State Transit Assistance Assumption

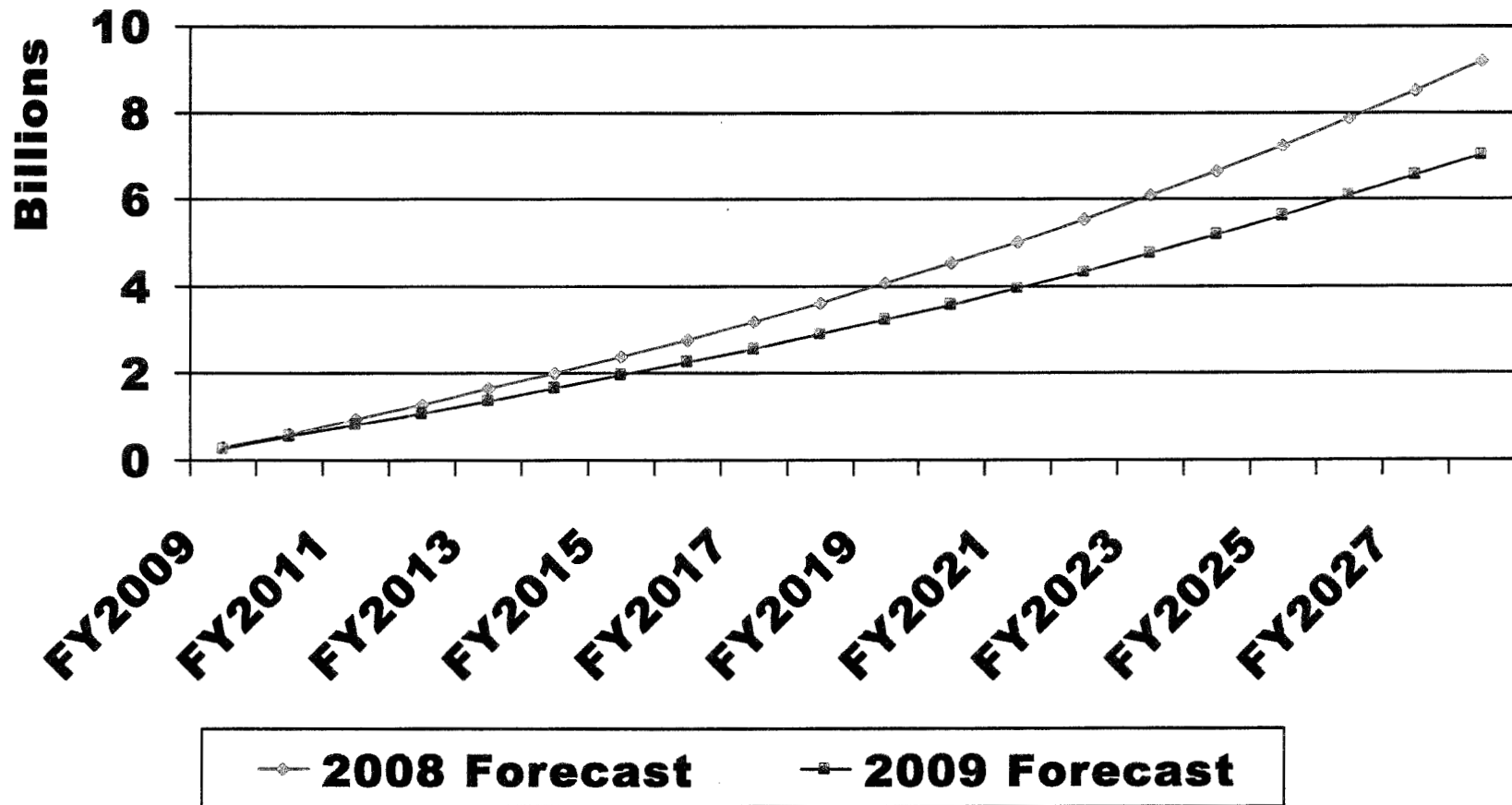
- \$8.4 million in FY 2009
- Eliminated for FY 2010 and beyond
- Loss of \$522 million over 20 years

Sales Tax Assumption

- FY 2009 @ -5%, FY 2010 @ -2%, FY2011 @ 5.02%
- FY 2009 @ -8%, FY 2010 @ -4.3%, FY2011 @ 3.1%
- Loss of \$1.5 billion over 20 years



Bus Transit Operating Revenues



Change in Transit Operating Revenue

Source of Operating Revenue

	Fiscal Year 2008 Comprehensive Business Plan					
	FY09	FY10	FY11	FY12	FY13	Total
Local Transportation Fund	110,806,488	120,233,782	128,227,754	172,041,657	180,834,907	712,144,587
Gas Tax Exchange / BOF	37,000,004	37,000,004	35,285,248	23,000,004	23,000,004	155,285,264
State Transit Assistance Fund	25,852,860	20,004,881	20,787,041	21,223,244	20,210,696	108,078,723
Property tax revenue	11,615,296	12,312,214	13,050,946	13,834,003	14,664,043	65,476,503
Fare Revenue	58,435,183	63,772,970	65,763,947	67,519,856	72,736,917	328,228,873
5307 Federal Formula Grant	32,064,642	33,867,903	35,150,122	36,518,429	37,786,559	175,387,656
Other	25,542,584	25,293,534	26,624,790	14,752,956	13,843,304	106,057,168
Total Bus Transit Operating	\$ 301,317,058	\$ 312,485,288	\$ 324,889,849	\$ 348,890,149	\$ 363,076,431	\$ 1,650,658,774

Source of Operating Revenue

	Fiscal Year 2009 Comprehensive Business Plan					
	FY09	FY10	FY11	FY12	FY13	Total
Local Transportation Fund	82,159,263	78,662,423	82,249,229	124,279,429	130,367,908	497,718,252
Gas Tax Exchange / BOF	37,000,004	37,000,004	35,270,252	23,000,004	23,000,004	155,270,268
State Transit Assistance Fund	8,847,244	-	-	-	-	8,847,244
Property tax revenue	11,177,886	11,177,886	11,177,886	11,177,886	11,289,665	56,001,209
Fare Revenue	56,760,483	63,091,879	66,801,473	71,593,231	76,329,340	334,576,407
5307 Federal Formula Grant	24,579,710	42,499,616	42,752,342	45,057,763	47,002,084	201,891,515
ARRA (Stimulus)	32,180,015	43,111,985	-	-	-	75,292,000
Other	14,886,718	8,787,205	7,674,907	8,674,752	9,015,028	49,038,611
Total Bus Transit Operating	\$ 267,591,325	\$ 284,330,999	\$ 245,926,089	\$ 283,783,065	\$ 297,004,028	\$ 1,378,635,506

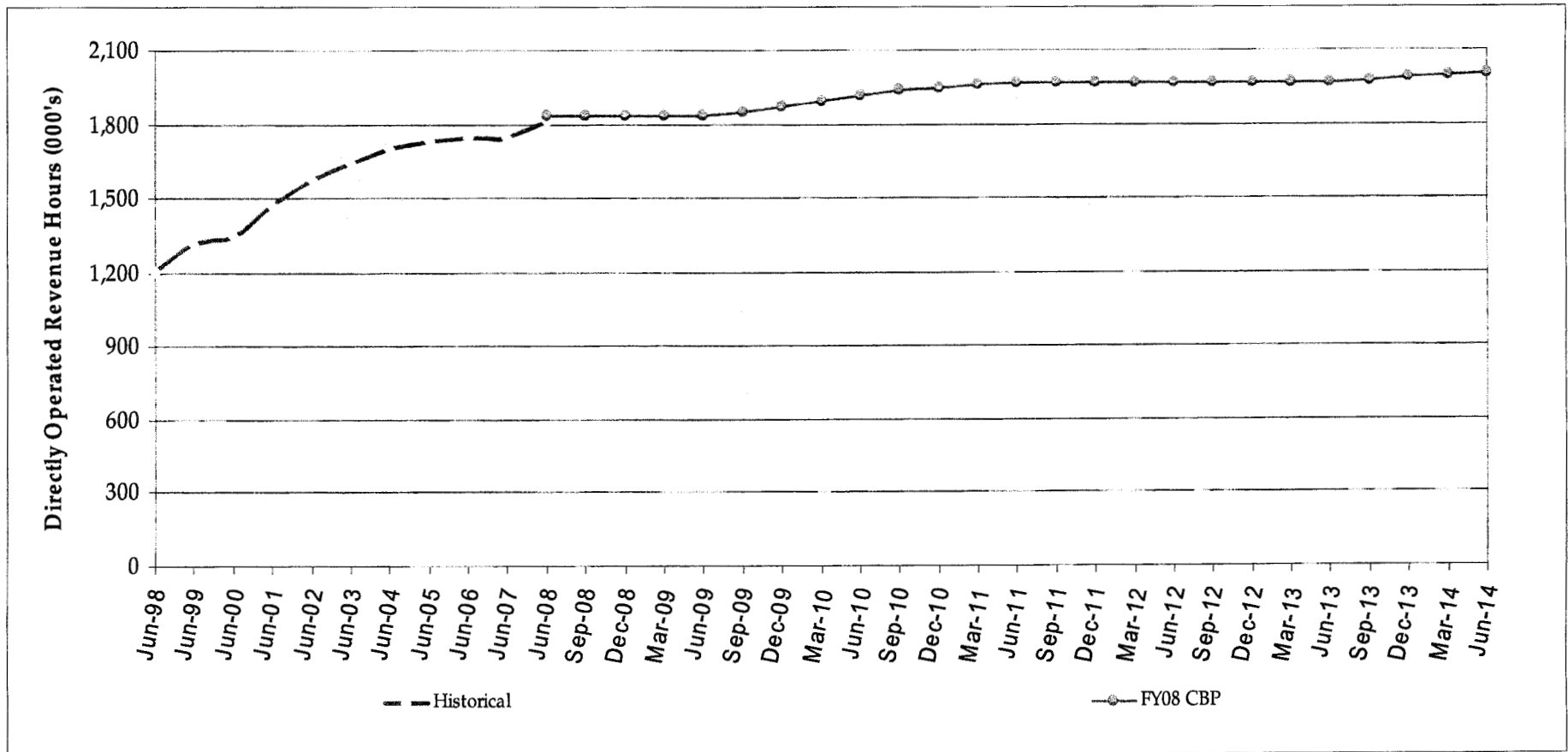
Source of Operating Revenue

	Revenue differences between plans					
	FY09	FY10	FY11	FY12	FY13	Total
Local Transportation Fund	(28,647,225)	(41,571,359)	(45,978,525)	(47,762,228)	(50,466,999)	(214,426,336)
Gas Tax Exchange / BOF	-	-	(14,996)	-	-	(14,996)
State Transit Assistance Fund	(17,005,616)	(20,004,881)	(20,787,041)	(21,223,244)	(20,210,696)	(99,231,478)
Property tax revenue	(437,410)	(1,134,328)	(1,873,060)	(2,656,117)	(3,374,379)	(9,475,294)
Fare Revenue	(1,674,700)	(681,091)	1,037,526	4,073,376	3,592,423	6,347,534
5307 Federal Formula Grant	(7,484,932)	8,631,713	7,602,220	8,539,334	9,215,525	26,503,859
ARRA (Stimulus)	32,180,015	43,111,985	-	-	-	75,292,000
Other	(10,655,866)	(16,506,329)	(18,949,883)	(6,078,203)	(4,828,277)	(57,018,558)
Total Bus Transit Operating	\$ (33,725,733)	\$ (28,154,289)	\$ (78,963,760)	\$ (65,107,083)	\$ (66,072,402)	\$ (272,023,268)



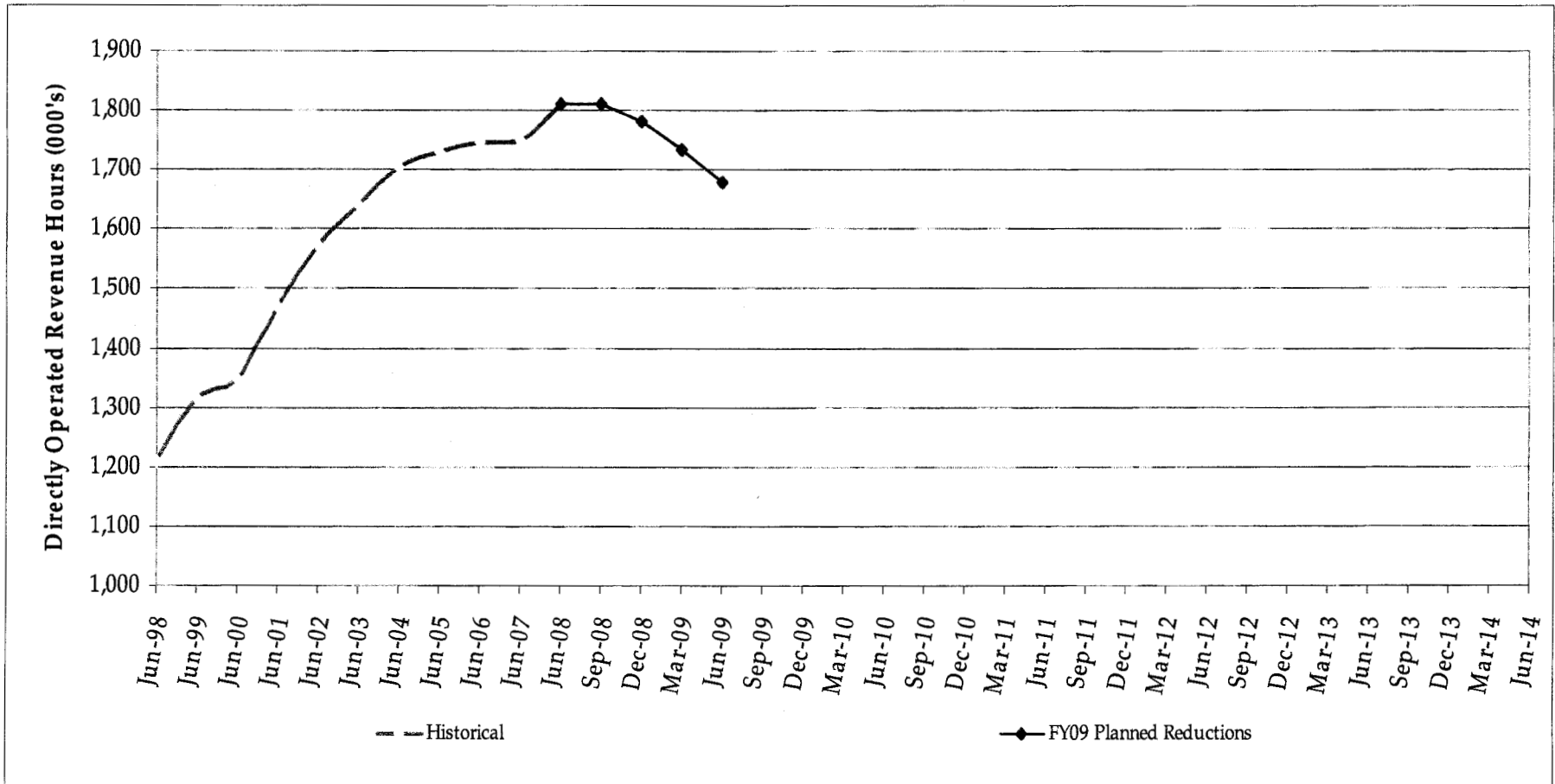
Revenue Hours: FY1998 – FY2014

Revenue Hours (FY1998 – FY2008) plus planned growth per FY2008 CBP



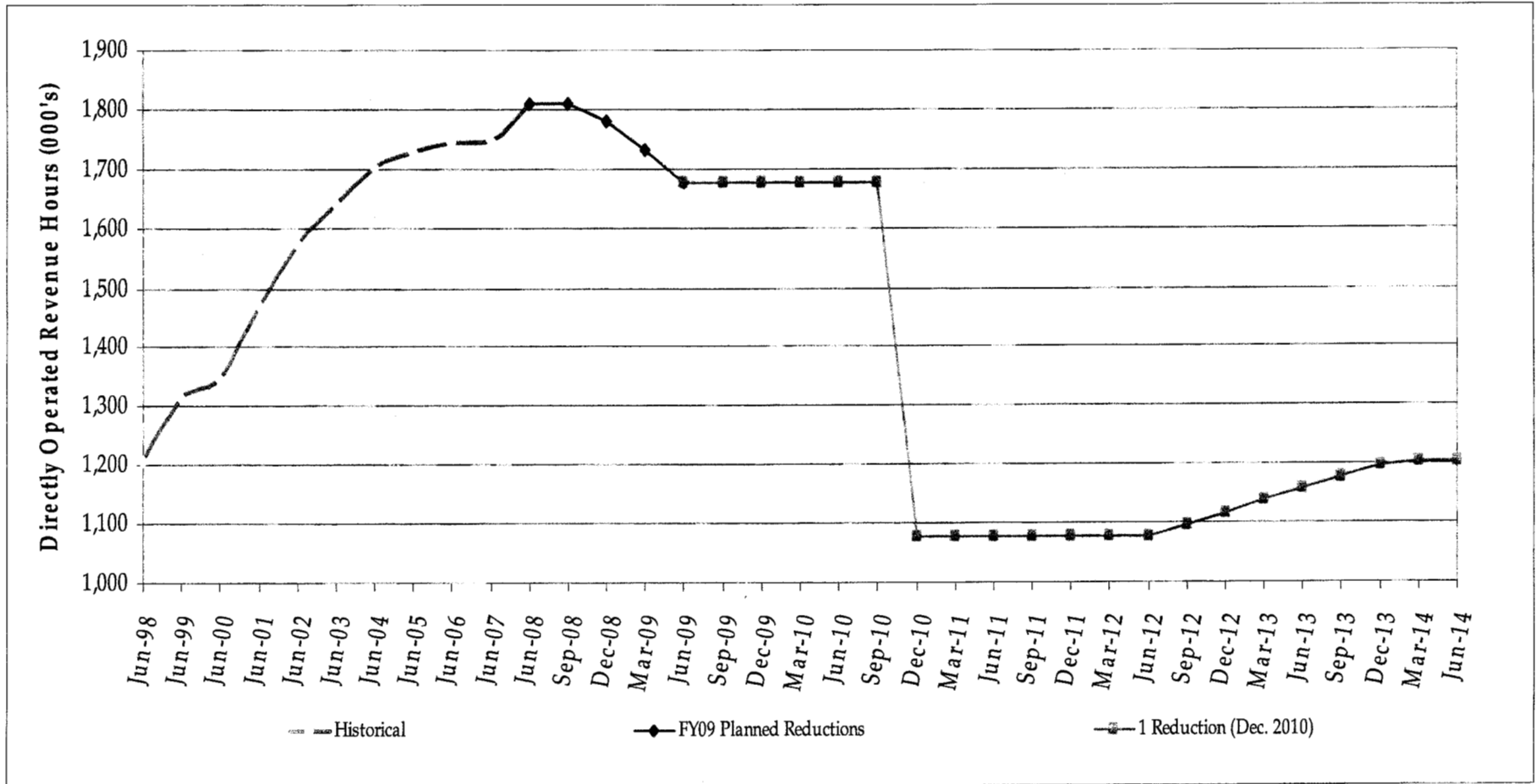
Revenue Hours: FY1998 – FY2009

Revenue Hours (FY1998 – FY2008) plus planned reductions in FY2009



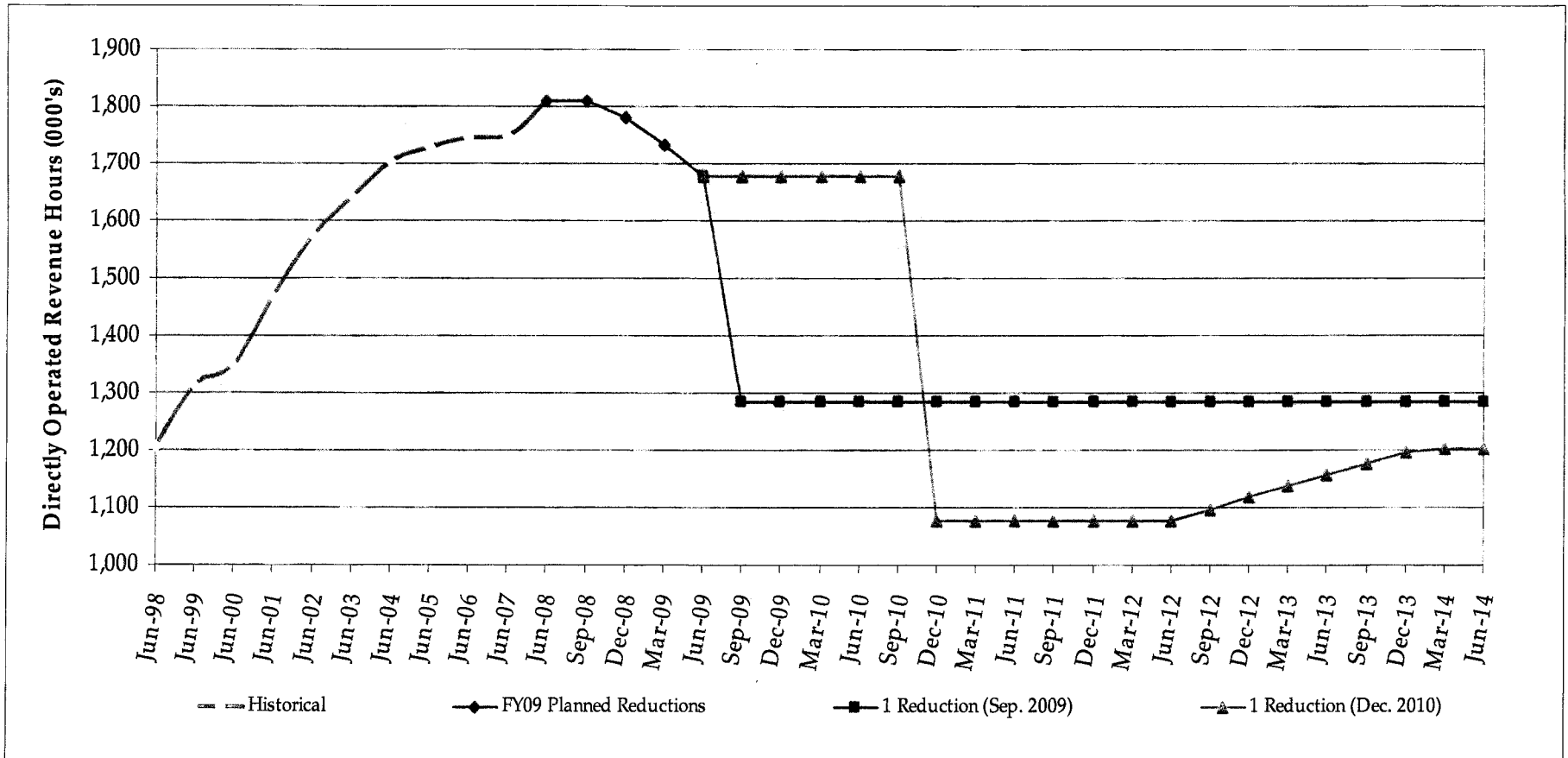
Scenario: Continue Operations As-is

Scenario: 1 Reduction (December 2010 service change)



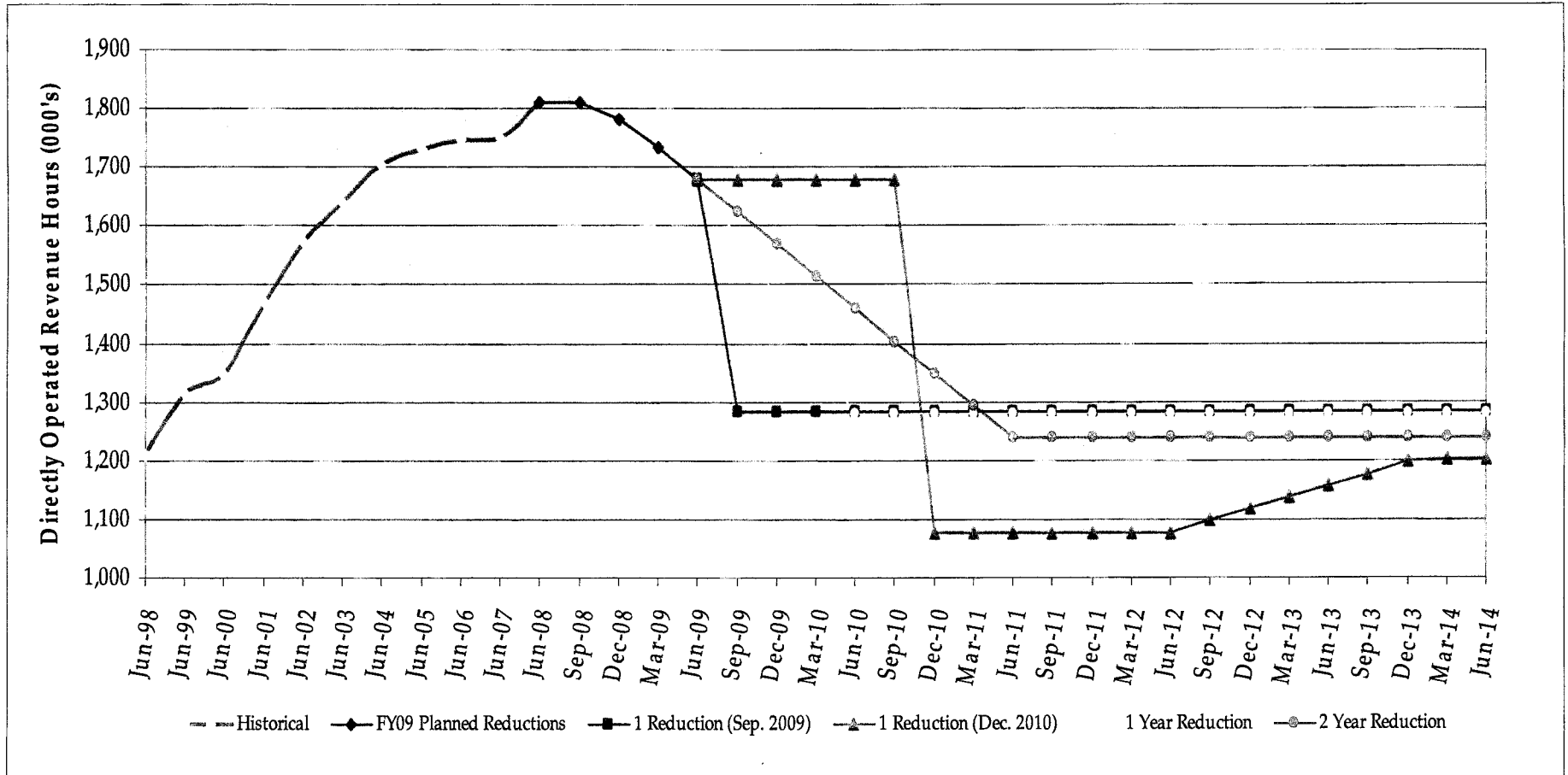
Scenarios: Floor and Ceiling

Scenarios: 1 Reduction September 2009 versus December 2010



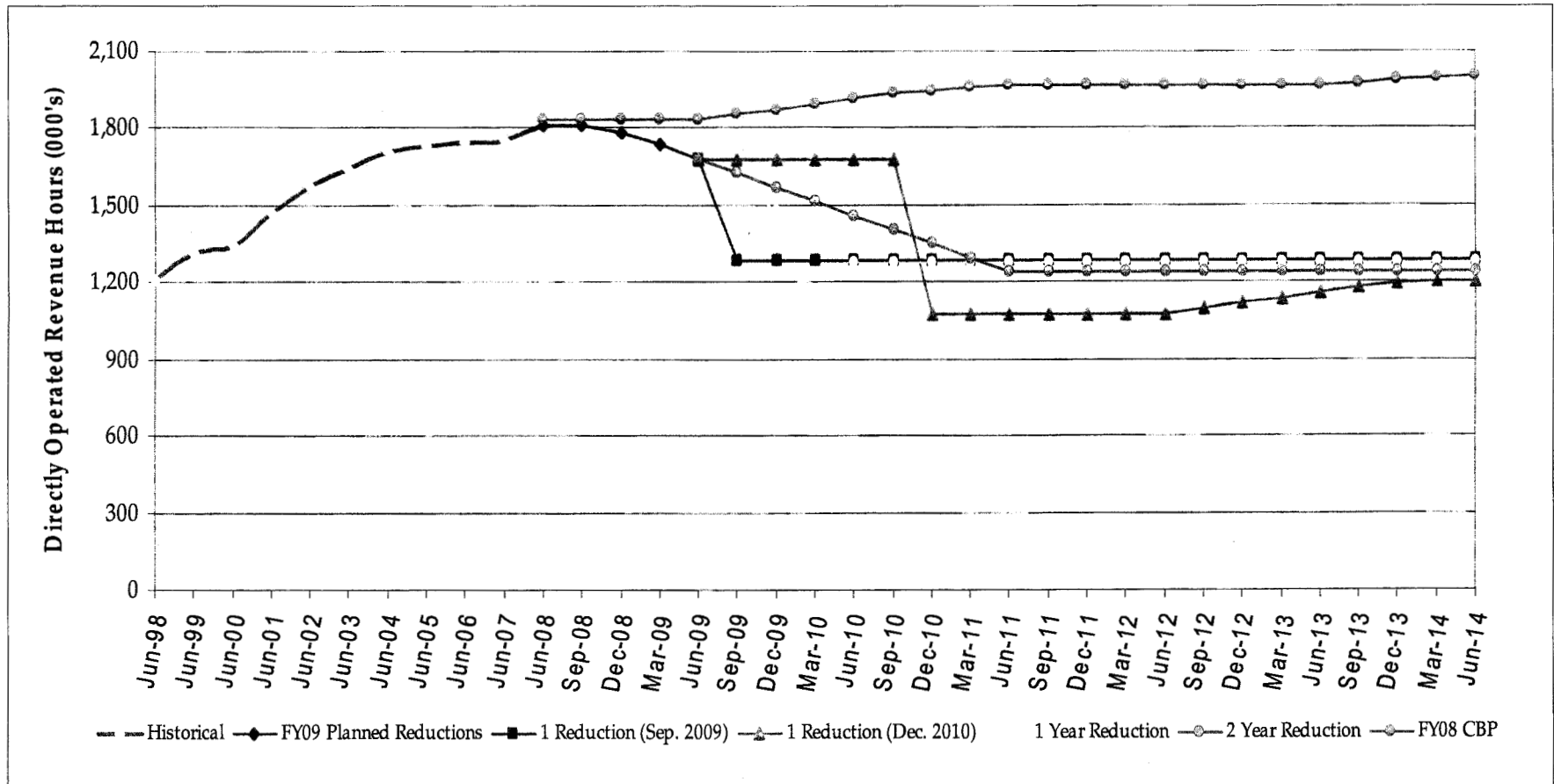
Four Reduction Scenarios Overview

Revenue Hours (FY1998 – FY2009) plus four reduction scenarios



Scenarios Overview

Directly Operated Revenue Hours: FY1998 – FY2014



Scenario Comparison

Scenario Comparison: Revenue Hours, Position Reductions, Use of Reserves

	1 Reduction (Sep. 2009)	1 Year Reduction	2 Year Reduction	1 Reduction (Dec. 2010)
Revenue Hours				
Total revenue hour reduction	395,000	400,000	440,000	475,000
Revenue hour reduction per service change	395,000	100,000	55,000	600,000
Ongoing revenue hours post reduction	1,283	1,278	1,238	1,203
Position Reductions				
Total position reduction	362	367	404	435
Position reductions per service change				
Coach Operators	255	65	36	307
Maintenance	56	14	8	68
Bus Operations Administration	51	13	7	60
Reserves				
Use of reserves	\$0	\$13 million	\$37 million	\$58 million
Balance at end of fiscal year 2011	\$68 million	\$55 million	\$31 million	\$10 million
Recommended working capital reserve	\$30 million	\$30 million	\$30 million	\$30 million

* Scenario with 1 Reduction in September 2009 represents baseline for comparison for the use of reserves

Position Reductions: Attrition versus Layoff

Employee Group	1 Reduction (Sep. 2009)	1 Year Reduction	2 Year Reduction	1 Reduction (Dec. 2010)
Coach Operators				
Total	255	258	284	307
Anticipated Attrition	20	78	130	20
Layoff	235	180	154	287
Maintenance				
Total	56	57	63	68
Anticipated Attrition	2	9	15	2
Layoff	54	48	48	66
Bus Operations Administration				
Total	51	52	57	60
Anticipated Attrition	2	9	15	2
Layoff	49	43	42	58
Total Reductions Per Plan				
Total	362	367	404	435
Anticipated Attrition	24	96	160	24
Layoff	338	271	244	411



Cash Balances Per Scenario

Cash Balance Per Scenario	FY09	FY10	FY11	FY12	FY13	FY14
1 Reduction (Sep. 2009) *	78.3	81.6	68.0	74.7	83.9	84.7
1 Year Reduction	78.3	68.1	54.8	61.8	71.4	72.7
2 Year Reduction	78.3	56.1	31.4	38.9	48.7	50.7
1 Reduction (Dec. 2010)	78.3	41.3	10.2	30.8	50.3	56.2
Recommended working capital reserve	34.3	33.4	30.5	32.8	34.0	32.7

* In millions

** Balances include cash for both operations and fixed asset capital reserve



Next Step

Prepare recommendations to balance
FY 2009-10 budget

