



Measure M
Taxpayers Oversight Committee
at the Orange County Transportation Authority
600 S. Main Street, Orange CA
February 9, 2010, 6:00 p.m.



AGENDA

- 1. Welcome**
- 2. Pledge of Allegiance**
- 3. ANNUAL MEASURE M PUBLIC HEARING**
 - a. Overview of Taxpayers Oversight Committee**
 - b. Review of the 2009 Taxpayers Oversight Committee Actions**
 - c. Growth Management Subcommittee Report**
 - d. Audit Subcommittee Report**
 - e. Public Comments***
 - f. Adjournment of Public Hearing**
- 4. Approval of Minutes/Attendance Report for December 8, 2009**
- 5. Chairman's Report**
- 6. Action Items**
 - A. Measure M Revenue & Expenditure Quarterly Report (Dec. 09)**
Receive and File
 - B. Annual Hearing Follow-up and Compliance Findings**
Presentation – David Sundstrom, Taxpayers Oversight Committee Co-Chair
 - C. Proposed M1 Freeway Program Amendment**
Presentation – Andy Oftelie, Acting Director, Measure M Program Office
- 7. Presentation Items**
 - A. Early Action Plan Update**
Presentation – Andy Oftelie, Acting Director, Measure M Program Office
 - B. M2 Annual Report**
Presentation – Ken Phipps, Executive Director, Finance & Administration
 - C. M2 Eligibility Guidelines**
Presentation – Kia Mortazavi, Executive Director, Development
- 8. Committee Member Reports**
- 9. OCTA Staff Update**
- 10. Public Comments***
- 11. Adjournment**

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

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

4.

**APPROVAL OF MINUTES/
ATTENDANCE REPORT FOR
DECEMBER 8, 2009**

Measure M Taxpayers Oversight Committee

**December 8, 2009
Meeting Minutes**

Committee Members Present:

David Sundstrom, County Auditor-Controller, Chairman
Linda Rogers, First District Representative
Vivian Kirkpatrick-Pilger, First District Representative
Anh-Tuan Le, Second District Representative
Howard Mirowitz, Second District Representative
Edgar Wylie, Third District Representative
Gregory Pate, Fourth District Representative
Hamid Bahadori, Fifth District Representative
James Kelly, Fifth District Representative

Committee Members Absent:

C. James Hillquist, Third District Representative
Rose Coffin, Fourth District Representative

Orange County Transportation Authority Staff Present:

Kirk Avila, Treasurer, Finance and Administration
Janice Kadlec, Public Reporter
Charlie Larwood, Manager, Strategic Planning
Kia Mortazavi, Executive Director of Development
Kathleen M. O'Connell, Manager of Internal Audit
Andy Oftelie, Acting Director, Measure M Program Office
Ken Phipps, Executive Director, Finance and Administration
Alice Rogan, Community Relations Officer

Guests:

Barney Allison, OCTA Bond Counsel

1. Welcome

Chairman David Sundstrom began the meeting at 6:10 p.m. and welcomed everyone.

2. Pledge of Allegiance

Chairman David Sundstrom led everyone in the pledge of allegiance.

3. Approval of Minutes/Attendance Report for October 13, 2009

Chairman David Sundstrom asked if there were any additions or corrections to the August 11, 2009, minutes and attendance report.

Ahn-Tuan Le requested the following correction on Page 4 second paragraph:

Anh-Tuan said his concern was the GMP Subcommittee might be using screening that did not factor into all aspects of the Measure M Growth Management Ordinance. This might be a factor particularly in the TDM and SB 375 part of the Ordinance. He noted that the Subcommittee's review checklist was shorter than the checklist that's attached to the Staff Report. Paul Rodriguez responded that his firm has done due diligence checking of the other screening criteria not on the Subcommittee's list.

Ahn-Tuan Le requested the following correction on Page 6, after the last paragraph of Item 6.A. Rail Program Update. Add the following statement after ...viable at all stages of development:

Hamid Bahadori and Anh-Tuan Le questioned the LOSSAN grade separation schedule as being 12 years which is too long, and being bunched up for construction which doesn't make sense operationally. Darrell Johnson said the graphic was illustrative only and would review and revise.

Ahn-Tuan Le requested the following correction on Page 6, Item 6.B. I-405 Freeway Improvement Project is added after paragraph three:

Anh-Tuan Le asked if the alternatives being considered have included TDM measures to make up for unmet capacity demand. Rose Casey responded "no", that any TDM would be part of current scoping efforts.

A motion was made by Edgar Wylie and seconded by Linda Rogers to approve the October 13, 2009 minutes and attendance report as corrected. The motion passed unanimously.

4. Chairman's Report

Chairman David Sundstrom said he would reserve his comments for the Audit Subcommittee report.

5. Action Items

A. Quarterly Measure M Revenue and Expenditure Report – June 2009

Chairman David Sundstrom said the Quarterly Measure M Revenue and Expenditure Report – June 2009 was reviewed by the Audit Subcommittee. Chair Sundstrom highlighted the findings and Andy Oftelie went over requested changes and adjustments.

A motion was made by Anh-Tuan Le and seconded by Vivian Kirkpatrick-Pilger to receive and file the Quarterly Measure M Revenue and Expenditure Report – June 2009. The motion passed unanimously.

B. Audit Committee Charter

Kathleen O'Connell reviewed the proposed Taxpayer Oversight Committee (TOC) Audit Subcommittee Audit Charter. Kathleen said the purpose of adopting the Charter is to add clarity and definition concerning the role of the Audit Subcommittee. Chairman David Sundstrom said the Charter had been extensively reviewed by the Audit Subcommittee and they have passed it and forwarded it to the full TOC for approval.

Vivian Kirkpatrick-Pilger asked if a question arose outside the scope of the Charter could a member of the Committee ask the question. Kathleen said yes, the Charter is not a limiting document.

A motion was made by Vivian Kirkpatrick-Pilger and seconded by Gregory Pate to accept the TOC Audit Charter (November 2009) as presented. The motion passed unanimously.

6. Presentation Items

A. Overview of Placentia Loan

Ken Phipps gave a background report on the City of Placentia's mid-1990 grade separation project shortfall of \$5.6 million. The OCTA Board agreed to advance to the City of Placentia \$4.1 million of Orange County Unified Transportation Trust (OCUTT) funds to satisfy Placentia's obligation to Caltrans. The outstanding \$4.1 million will be repaid with interest over a number of years beginning in July 2011 - the first full year of M2. It will be repaid at an interest rate equivalent to the short term portfolio rate. The mechanism put in place proposes one possible funding source for reimbursement could be the M2 Local Fair Share funds which would normally go to the City of Placentia for eligible M2 expenses.

Additionally, Caltrans said they can make available an additional \$1.5 million in the form of a project contribution, the City could direct these funds toward an eligible state highway project within the County that would be otherwise funded with OCUTT money. Therefore \$1.5 million would come from OCUTT, it would be given to Caltrans and Caltrans would in turn fund a \$1.5 million project.

Linda Rogers said she is happy OCTA is stepping up to help the City of Placentia. She asked about the definition of Local Fair Share money – does not Placentia need to show a list of projects the M2 money would be going to? Ken said the Local Fair Share money is 18% of M2 available revenue designated to local jurisdictions providing they establish and maintain eligibility under the M2 program and Maintenance of Effort (MOE) qualifies for this. Linda Rogers asked if the money needed to be spent on projects? Ken said no, that is the Competitive Program. Money from the Local Fair Share program can be spent on any project the jurisdiction chooses.

Hamid Bahadori said he felt this fund exchange sets a bad precedent –He feels it is a misuse of Measure M money especially because part of the money comes from transit which is sorely needed. If this is the only feasible option, so be it, but the Committee should make it very clear this is a dangerous precedent; it should not be open to other cities.

Hamid Bahadori said he hopes the OCTA Board does not make giving Measure M money to any city who finds themselves in a bind a precedent. Ken Phipps said the Board did show concern about showing a precedent; the Board made it very clear this was not a precedent it was a onetime exception they were willing to make for a very important partner of the grade separation project. These are very extreme circumstances – if they receive no financial assistance from OCTA, the city may be forced to go into bankruptcy. The M2 future reimbursement language will be strict; it will be for eligible M2 expenses only. They will be expenses which would otherwise be incurred by OCTA for transportation purposes which may not have otherwise been provided given the OCTD revenue situation. Hamid Bahadori said he feels there are two points that should be conveyed to the OCTA Board: 1.) M2 money is being used to rescue Placentia from a fiscal mess they got themselves into on a finished project, M2 revenues are not supposed to be retroactive, and 2.) As an independent oversight committee, the TOC would like the Board to understand this is not to be precedent setting.

Chairman David Sundstrom asked why this situation would not be considered a supplanting of Measure M money? Ken said first the funds being used to make the payment to Caltrans are not Measure M funds, they are OCUTT funds. As long as the city maintains their MOE requirement there will not be a supplanting issue within the Streets and Roads section. The next issue would be how the funds were being used – are they being used for a M2 eligible project? This is a requirement of the language in the agreement.

Howard Mirowitz said there needs to be some mutually agreed upon projects and at that time they will need to fund more than the normal amount. Is this correct? Ken said they will be required to maintain their MOE. Howard Mirowitz said the fact is the M2 funds transmitted to the City of Placentia are not actually going to a project, but going back to OCTA as a reimbursement. Is this an allowable use of M2 funds per the Ordinance? Barney Allison said the M2 Ordinance defines a Streets and Roads project broadly to include planning and design construction, etcetera for a street or road or for any transportation purpose. It is not limited to construction but can be used for operation or maintenance necessary for transportation purposes. It is clear the City of Placentia can use their M2 money for any eligible transportation purpose. Committee member Mirowitz said he is concerned whether M2 money can be used to fund an M1 project that has already been built. Barney said something in the future needed to be found for the City of Placentia to use its money on. It was found that the city could use the money to reimburse OCUTT for future transit services.

James Kelly said the projects M2 money would be used to fund would not be done. Barney Allison said this is a decision of the city. Chairman David Sundstrom said they still have to abide by the MOE. The MOE by definition still needs to be maintained.

Linda Rogers said she agrees it is not a good precedent, but actually only part of the \$4.1 million will not be spent on Placentia transportation projects, police, schools, and other city services. All we have allowed them to do is to amortize it over 19 years instead of shutting the city down today. Chairman Sundstrom said over and beyond MOE they must present a project worth as much money as is going to be advanced in a specific year.

Chairman David Sundstrom said no Measure M money has been spent at this time, so what authority does this Committee have to say the OCUTT money cannot be lent to the City. Hamid Bahadori said because future Measure M money is being committed as a payment guarantee. Chairman Sundstrom said only to the degree they have transportation projects to cover; if they do not have transportation projects they cannot do it. Hamid Bahadori said the question is simple – are the residents of Orange County getting \$4.1 million less in transportation projects as part of the Measure M revenue because the \$4.1 million is being used to pay for old projects? Chairman Sundstrom said no, any city can present projects and use their Local Fair Share money.

The Committee discussed whether to write a letter to the OCTA Board expressing their concerns. Chairman David Sundstrom said he felt the discussion as recorded in the minutes is sufficient.

B. Debt and Investment Report

Kirk Avila gave a Measure M1 and M2 Debt and Investment Summary. He gave background information on the Measure M debt issuances and the current debt balance totals. He reviewed the M1 debt repayment schedule, outlined the Investment Portfolio as of October 31, 2009, and the cash balances as of September 30, 2009.

Chairman David Sundstrom said OCTA has a lot of excess capacity on M2. What is keeping OCTA from expanding at the current low rates? If the rates were locked in there would be money to start some projects. Kirk said there is a new product in the market call Build America Bond which is part of the stimulus package. This product will allow rates to be locked in up to 30 years and has been performing very well with the traditional tax exempt securities. As we move forward, expenditures are being looked at keeping in mind the shrinking revenue stream. OCTA is planning issuing debt in the next couple of years if there are firm commitments to projects.

Linda Rogers asked if \$400 million is too much of a line of credit given the lowered revenue expectations? Kirk said the present revenue stream is more than sufficient to cover OCTA's the current line of credit capacity.

Howard Mirowitz said 28.4% of the Investment Portfolio is invested in Agencies. Is OCTA comfortable with this given the higher default rates on mortgages? Kirk said all the agency securities are triple A security investments. They have never experienced any defaults in the agency securities.

James Kelly asked what rate is the \$236 million debt balance? Kirk said it averages 4.6%. Each debt issuance is issued at different rate. James Kelly asked what type of security is backing the Commercial Paper? Kirk said there is a letter of credit with four financial institutions that provide liquidity. They are secured by M2 tax revenue.

Chairman David Sundstrom asked what the spread was between the loan amounts and the investments? Kirk said the spread is approximately 1%.

Howard Mirowitz said given the interest rates are likely to go up quite a bit starting next year – when is the soonest OCTA can issue debt for M2? Kirk said it all depends on when there are firm commitments to projects. Some projects may have to be scaled down depending on the revenues that come in. If this does not happen and the commitment materializes, a decision would be made to do a permanent financing.

Chairman David Sundstrom asked if OCTA experienced a loss on the SWAPS as of 6/30/09? Kirk said the financial statement reported the market value of the SWAPS and at that time it was a loss.

Vivian Kirkpatrick-Pilger asked if Kirk had an estimate of the net gain if the debt was paid off early? Kirk said he could do some calculations and get those to her. Chairman David Sundstrom asked if just a portion could be called? Kirk said a tier could be called at a time. Calculations would need to be made on the value savings.

C. Overview of SB 375

Charlie Larwood gave an overview of SB 375. This is landmark legislation which could affect long range changes to transportation and land use patterns. This bill requires the state to develop regional reduction targets for greenhouse gas (GHG) emissions with a focus on emissions from cars and light trucks.

Vivian Kirkpatrick-Pilger asked who sponsored the Senate Bill? Charlie said State Senator Simon sponsored the bill. Vivian Kirkpatrick-Pilger asked what part of the Federal government needs to approve Regional Transportation Plan (RTP). Charlie said the Federal Highway Administration (FHA) needs to approve the RTP. Vivian Kirkpatrick-Pilger asked who appointed the members of Southern California

Association of Governments (SCAG). Charlie said he did not know the specific law, but SCAG was formed by the FHA as the metropolitan planning organization for Southern California and representatives from the area's different transportation planning organizations make up the membership.

Linda Rogers said she had attended a presentation by SCAG on SB 375 also. She had three quick points:

1. Their emphasis on land use planning was to take current rail corridors and build them up with housing,
2. When she hears "transportation demand management" she hears "taxes" – making it unpleasant to drive in her car by herself. She is pleased to hear Orange County is coming out with a counter plan, and
3. They talked about building their models and asked for suggestions from the cities on where they should put people to meet these plans. The biggest place suggested was in the ocean.

Howard Mirowitz said he believed the FHA came out yesterday with new regulations to cut emission standards. Charlie Larwood said he has not heard about any changes issued by the FHA yet, but if they do decide to change regulations, OCTA would have to be consistent with those changes in their Sustainable Community Strategy (SCS) plan. Normally the State of California is at the forefront of a lot of the environmental laws and he would be surprised if the Federal mandate was more restrictive than California already has in place. But if it is we would still have to be consistent and meet Federal law.

Chairman David Sundstrom said SB 375 deals primarily with emissions from cars and light trucks. It doesn't necessarily mean it can't be met by other means, for example the installation of solar systems on houses. Charlie Larwood said AB 32 is really the more far reaching vehicle to get to the 1990 levels. The amount of effect SB 375 will have on cars and light trucks is far less than 5% toward the contribution.

Linda Rogers asked how much Federal funding would be lost if Orange County does not comply? Charlie said 80% of the funding for large scale infrastructure projects comes from the Federal government. Keep in mind a SCS plan will have to be done every four years and everybody is working very closely to establish the process and trying to put together a package for Orange County that respects each city's contribution.

D. Combined Transportation Funding Program Project Delivery & Close-out

Kia Mortazavi reviewed the Combined Transportation Funding Program Project delivery and close-out. As of October \$705 million was available through the Local Competitive Streets and Roads projects. Eighty percent has been delivered, completed and awaiting paperwork, or underway. There is approximately \$104

million in projects that need to be started. The OCTA Board requires these projects to be started by March of 2011.

Vivian Kirkpatrick-Pilger asked if there was a list of projects yet to be started? Kia said yes, and he will get the list to the TOC members.

James Kelly asked if the funds for the uncompleted Streets and Roads project were M1 funds? Kia said yes, once M1 expires, the funds will be administered by M2. The funds will continue to be used for the purpose originally designated.

E. Measure M Public Hearing Planning

Alice Rogan went over the 19th Measure M Annual Public Hearing to take place on February 9, 2010. The goal of the Hearing is to listen to public comments to assist the TOC members in determining whether the Authority is proceeding in accordance with the M1 Traffic Improvement and Growth Management Plan and the M2 Transportation Ordinance and Investment Plan.

Anh-Tuan Le asked if the meeting could be broadcast because it is hard for some members of the public to get to the meeting? James Kelly said the TOC is just an oversight committee and are not involved in any kind of action; this is probably why people do not attend the meetings. Linda Rogers said she would not discourage it because it is not expensive or difficult; however, she thought it is optimistic people would tune in. The reason people do not show up is they are not interested. Chairman David Sundstrom said people have and will show up when they are concerned whether something wrong is happening in terms of expenditures, but the everyday workings of the TOC are not very exciting. Alice Rogan said staff can expand the outreach noticing for the Public Hearing. Whether to broadcast or not is at the pleasure of the Committee; if the Committee would like the exposure staff can try and accommodate. The committee did not direct staff to broadcast the meeting.

7. Growth Management Subcommittee Report

There was nothing to report from the Growth Management Subcommittee.

8. Audit Subcommittee Report

Chairman David Sundstrom said the Audit Subcommittee met earlier in the evening and discussed the following.

- Getting ready to solicit bids for the performance audit – the RFP will be released later in December.
- Sales Tax – it is unlikely the decline in revenues will be reversed anytime soon.
- The Annual Audits will be reviewed on January 26, 2010.

9. Committee Member Reports

Linda Rogers and James Kelly thanked Alice Rogan for arranging the I-5 tour. James Kelly said the I-5 trip was impressive and the overview by the Caltrans staff was very informative.

10. OCTA Staff Update

Alice Rogan reported staff will try to set up a Metrolink tour in the spring of 2010.

11. Public Comments

No members of the Public attended the meeting.

12. Next Meeting Date – February 9, 2010

The next TOC meeting will be February 9, 2010.

13. Adjournment

A motion was made by Edgar Wylie and seconded by Linda Rogers to adjourn. The motion passed unanimously and the meeting adjourned at 8:40 p.m.



Taxpayers Oversight Committee Fiscal Year 2009-2010 Attendance Record



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

Meeting Date	14-Jul	11-Aug	8-Sep	13-Oct	10-Nov	8-Dec	12-Jan	9-Feb	9-Mar	13-Apr	11-May	8-Jun
Hamid Bahadori		X		X		X						
Rose Coffin		E		E		*						
C. James Hillquist		X		X		*						
James Kelly		X		X		X						
Vivian Kirkpatrick-Pilger		X		X		X						
Anh-Tuan Le		X		X		X						
Howard Mirowitz		X		E		X						
Gregory Pate		X		X		X						
Linda Rogers		NA		X		X						
David Sundstrom		X		X		X						
Edgar Wylie		X		E		X						

Absences Pending Approval

Meeting Date	Name	Reason
December 8, 2009	Rose Coffin	Stuck in Traffic
December 8, 2009	Jim Hillquist	Out of town

6.

ACTION ITEMS

Measure M
Schedule of Revenues, Expenditures and Changes in Fund Balance
as of December 31, 2009

(\$ in thousands)	Quarter Ended Dec 31, 2009	Year to Date Dec 31, 2009	Period from Inception to Dec 31, 2009
	(A)	(B)	
Revenues:			
Sales taxes	\$ 55,122	\$ 99,253	\$ 3,678,443
Other agencies share of Measure M costs			
Project related	7,756	7,756	390,938
Non-project related	-	-	613
Interest:			
Operating:			
Project related	15	15	1,030
Non-project related	4,643	6,691	250,740
Bond proceeds	-	-	136,067
Debt service	6	476	81,322
Commercial paper	-	-	6,072
Orange County bankruptcy recovery	-	-	42,268
Capital grants	467	467	158,623
Right-of-way leases	59	159	4,870
Proceeds on sale of assets held for resale	537	1,073	22,964
Miscellaneous:			
Project related	-	-	26
Non-project related	-	-	775
Total revenues	68,605	115,890	4,774,751
Expenditures:			
Supplies and services:			
State Board of Equalization (SBOE) fees	705	1,410	53,110
Professional services:			
Project related	2,681	3,416	180,969
Non-project related	616	785	30,100
Administration costs:			
Project related	449	853	18,600
Non-project related	1,185	2,416	79,479
Orange County bankruptcy loss	-	-	78,618
Other:			
Project related	23	44	1,277
Non-project related	6	86	15,600
Payments to local agencies:			
Turnback	4,828	9,980	540,736
Other	41,385	52,509	616,531
Capital outlay	2,270	2,901	1,967,674
Debt service:			
Principal payments on long-term debt	-	-	842,755
Interest on long-term debt and commercial paper	-	4,509	552,414
Total expenditures	54,148	78,909	4,977,863
Excess (deficiency) of revenues over (under) expenditures	14,457	36,981	(203,112)
Other financing sources (uses):			
Transfers out:			
Project related	(989)	(1,990)	(254,664)
Non-project related	-	-	(5,116)
Transfers in project related	-	-	1,829
Bond proceeds	-	-	1,169,999
Advance refunding escrow	-	-	(931)
Payment to refunded bond escrow agent	-	-	(152,930)
Total other financing sources (uses)	(989)	(1,990)	758,187
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	\$ 13,468	\$ 34,991	\$ 555,075

See accompanying notes to Measure M Schedules

Measure M
Schedule of Calculations of Net Tax Revenues and Net Bond Revenues (Debt Service)
as of December 31, 2009

(\$ in thousands)	Quarter Ended Dec 31, 2009 (actual)	Year Ended Dec 31, 2009 (actual)	Period from Inception through Dec 31, 2009 (actual)	Period from January 1, 2010 through March 31, 2011 (forecast)	Total
	(C.1)	(D.1)	(E.1)	(F.1)	
Tax revenues:					
Sales taxes	\$ 55,122	\$ 99,253	\$ 3,678,443	\$ 266,225	\$ 3,944,668
Other agencies share of Measure M costs	-	-	613	-	613
Operating interest	4,643	6,691	250,740	10,845	261,585
Orange County bankruptcy recovery	-	-	20,683	-	20,683
Miscellaneous, non-project related	-	-	775	-	775
Total tax revenues	59,765	105,944	3,951,254	277,070	4,228,324
Administrative expenditures:					
SBOE fees	705	1,410	53,110	2,476	55,586
Professional services, non-project related	616	785	21,239	2,330	23,569
Administration costs, non-project related	1,185	2,416	79,479	7,727	87,206
Operating transfer out, non-project related	-	-	5,116	-	5,116
Orange County bankruptcy loss	-	-	29,792	-	29,792
Other, non-project related	6	86	6,501	1,821	8,322
	2,512	4,697	195,237	14,354	209,591
Net tax revenues	\$ 57,253	\$ 101,247	\$ 3,756,017	\$ 262,716	\$ 4,018,733
	(C.2)	(D.2)	(E.2)	(F.2)	
Bond revenues:					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 1,169,999	\$ -	\$ 1,169,999
Interest revenue from bond proceeds	-	-	136,067	-	136,067
Interest revenue from debt service funds	6	476	81,322	5,390	86,712
Interest revenue from commercial paper	-	-	6,072	-	6,072
Orange County bankruptcy recovery	-	-	21,585	-	21,585
Total bond revenues	6	476	1,415,045	5,390	1,420,435
Financing expenditures and uses:					
Professional services, non-project related	-	-	8,861	-	8,861
Payment to refunded bond escrow	-	-	153,861	-	153,861
Bond debt principal	-	-	842,755	161,200	1,003,955
Bond debt interest expense	-	4,509	552,414	9,905	562,319
Orange County bankruptcy loss	-	-	48,826	-	48,826
Other, non-project related	-	-	9,099	-	9,099
Total financing expenditures and uses	-	4,509	1,615,816	171,105	1,786,921
Net bond revenues (debt service)	\$ 6	\$ (4,033)	\$ (200,771)	\$ (165,716)	\$ (366,487)

See accompanying notes to Measure M Schedules

Measure M
Schedule of Revenues and Expenditures Summary
as of December 31, 2009

Project Description	Net Tax Revenues		Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance		Expenditures through Dec 31, 2009	Reimbursements through Dec 31, 2009	Net Project Cost	Percent of Budget Expended
	Program to date	Actual				Total Revenues	Net Tax				
(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	
(\$ in thousands)											
Freeways (43%)											
I-5 between I-405 (San Diego Fwy) and I-605 (San Gabriel Fwy)	\$ 886,167	\$ 948,149	\$ 810,010	\$ 800,650	\$ 147,499	\$ 9,360	\$ 810,893	\$ 83,863	\$ 727,030	89.8%	
I-5 between I-5/I-405 Interchange and San Clemente	63,385	67,818	57,836	59,936	7,882	(2,100)	70,294	10,358	59,936	103.6%	
I-5/I-405 Interchange	80,450	86,077	72,802	73,075	13,002	(273)	98,157	25,082	73,075	100.4%	
S.R. 55 (Costa Mesa Fwy) between I-5 and S.R. 91 (Riverside Fwy)	53,633	57,384	44,511	50,225	7,159	(5,714)	55,512	6,172	49,340	110.8%	
S.R. 57 (Orange Fwy) between I-5 and Lambert Road	46,319	49,559	24,128	22,759	26,800	1,369	25,617	2,859	22,758	94.3%	
S.R. 91 (Riverside Fwy) between Riverside Co. line & Los Angeles Co. line	115,799	123,898	116,136	105,702	18,196	10,434	123,995	18,606	105,389	90.7%	
S.R. 22 (Garden Grove Fwy) between S.R. 55 and Valley View St.	369,337	395,170	303,297	302,934	92,236	363	613,278	313,758	299,520	98.8%	
Subtotal Projects	1,615,090	1,728,055	1,428,720	1,415,281	312,774	13,439	1,797,746	460,698	1,337,048		
Net (Bond Revenue)/Debt Service			308,398	308,398	(308,398)	-	168,949		168,949		
Total Freeways	\$ 1,615,090	\$ 1,728,055	\$ 1,737,118	\$ 1,723,679	\$ 4,376	\$ 13,439	\$ 1,966,695	\$ 460,698	\$ 1,505,997	47.0%	
%				42.9%							
Regional Street and Road Projects (11%)											
Smart Streets	\$ 141,655	\$ 151,564	\$ 149,182	\$ 149,182	\$ 2,382	\$ -	\$ 161,825	\$ 11,195	\$ 150,630	101.0%	
Regionally Significant Interchanges	82,632	88,412	88,412	88,412	-	-	63,144	146	62,998	71.3%	
Intersection Improvement Program	118,046	126,303	126,303	126,303	-	-	79,334	214	79,120	62.6%	
Traffic Signal Coordination	59,023	63,152	63,152	63,152	-	-	48,192	132	48,060	76.1%	
Transportation Systems Management and Transportation Demand Management	11,805	12,630	12,630	12,630	-	-	7,661	149	7,512	59.5%	
Subtotal Projects	413,161	442,061	439,679	439,679	2,382	-	360,156	11,836	348,320		
Net (Bond Revenue)/Debt Service			2,382	2,382	(2,382)	-	1,305		1,305		
Total Regional Street and Road Projects	\$ 413,161	\$ 442,061	\$ 442,061	\$ 442,061	\$ -	\$ -	\$ 361,461	\$ 11,836	\$ 349,625	10.9%	
%				11.0%							

Measure M
Schedule of Revenues and Expenditures Summary
as of December 31, 2009

Project Description (G)	Net Tax Revenues Program to date (H)	Total Net Tax Revenues (I)	Project Budget (J)	Estimate at Completion (K)	Variance Total Net Tax Revenues to Est at Completion (L)	Variance Project Budget to Est at Completion (M)	Expenditures through Dec 31, 2009 (N)	Reimbursements through Dec 31, 2009 (O)	Net Project Cost (P)	Percent of Budget Expended (Q)
Local Street and Road Projects (21%)										
Master Plan of Arterial Highway Improvements	\$ 142,696	\$ 159,672	\$ 159,672	\$ 159,672	\$ -	\$ -	\$ 93,000	\$ 99	\$ 92,901	58.2%
Streets and Roads Maintenance and Road Improvements	546,067	584,262	584,262	584,262	-	-	540,752	-	540,752	92.6%
Growth Management Area Improvements	100,000	100,000	100,000	100,000	-	-	75,294	431	74,863	74.9%
Subtotal Projects	788,763	843,934	843,934	843,934	-	-	709,046	530	708,516	
Net (Bond Revenue)/Debt Service										
Total Local Street and Road Projects	\$ 788,763	\$ 843,934	\$ 843,934	\$ 843,934	\$ -	\$ -	\$ 709,046	\$ 530	\$ 708,516	22.1%
Transit Projects (25%)										
Pacific Electric Right-of-Way	\$ 18,174	\$ 19,445	\$ 15,000	\$ 14,000	\$ 5,445	\$ 1,000	\$ 16,639	\$ 2,786	\$ 13,853	92.4%
Commuter Rail	337,427	362,428	346,366	377,929	(15,501)	(31,563)	351,437	60,805	290,632	83.9%
High-Technology Advanced Rail Transit	411,950	440,764	421,230	410,688	30,076	10,542	163,765	6,937	156,828	37.2%
Elderly and Handicapped Fare Stabilization	20,000	20,000	20,000	20,000	-	-	19,000	-	19,000	95.0%
Transitways	151,452	162,046	146,381	126,360	35,686	20,021	162,648	36,687	125,961	86.1%
Subtotal Projects	939,003	1,004,683	948,977	948,977	55,706	-	713,489	107,215	606,274	
Net (Bond Revenue)/Debt Service			55,706	55,706	(55,706)	-	30,517		30,517	
Total Transit Projects	\$ 939,003	\$ 1,004,683	\$ 1,004,683	\$ 1,004,683	\$ -	\$ -	\$ 744,006	\$ 107,215	\$ 636,791	19.9%
Total Measure M Program										
	\$ 3,756,017	\$ 4,018,733	\$ 4,027,796	\$ 4,014,357	\$ 4,376	\$ 13,439	\$ 3,781,208	\$ 580,279	\$ 3,200,929	

See accompanying notes to Measure M Schedules



January 25, 2010

To: Members of the Board of Directors
From: Will Kempton, Chief Executive Officer
Subject: Request to Conduct a Public Hearing on Amendment to the Measure M1 Expenditure Plan for the Freeway Program

Overview

Due to decreases in sales tax revenue, an amendment to the freeway component of the Measure M1 Expenditure Plan is required. The funding allocation for the Orange Freeway (State Route 57) line item needs to be revised to reflect available revenues. A public hearing must be set at least 30 days in advance.

Recommendation

Conduct a public hearing on March 8, 2010, to approve the proposed amendment to the Measure M1 Expenditure Plan.

Background

On September 24, 2007, the Board of Directors (Board) amended the Measure M1 (M1) Expenditure Plan to modify the description of the Orange Freeway (State Route 57) project, consistent with Project G in the Measure M2 (M2) Transportation Investment Plan, and increased the M1 funding allocation by \$22 million. The downturn in the economy has depleted the projected balance in the M1 freeway mode and current projections show that \$22 million of M1 funds will not be available for the Orange Freeway (State Route 57) project. On December 14, 2009, the Board directed staff to initiate the process to amend the M1 Expenditure Plan to remove the \$22 million intended for M2 improvements on the State Route 57 (SR-57).

Discussion

Amendments to the M1 Expenditure Plan require a public hearing, a two-thirds approval of the M1 Taxpayers Oversight Committee (TOC) and a majority

**Request to Conduct a Public Hearing on Amendment to the
Measure M1 Expenditure Plan for the Freeway Program**

Page 2

approval of the Board. The proposed amendment would remove \$22 million of M1 funds from the funding allocation for the SR-57 project.

The process for amending M1 is as follows:

- ☐ January 25: OCTA schedules a public hearing (30-day minimum notice) on the proposal. The proposal is circulated to local agencies.
- ☐ February 9: The Measure M TOC considers and must approve the amendment by a two-thirds vote of its membership, prior to final action by OCTA.
- ☐ March 8: A public hearing is conducted. The Orange County Transportation Authority Board must approve the amendment by a majority vote. A notice of the amendment is sent to local agencies.
- ☐ April 23: The amendment becomes effective 45 days after a notice is sent.

Summary

An amendment to the Measure M1 Expenditure Plan is needed to close the projected funding gap within the freeway program created by the downturn in the economy. The Board of Directors must take action to schedule the public hearing at least 30 days prior to the meeting date.

Attachment

None.

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7.

PRESENTATION ITEMS



BOARD COMMITTEE TRANSMITTAL

December 14, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Renewed Measure M Early Action Plan Review

Transportation 2020 Committee Meeting of November 16, 2009

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

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations (reflects change from staff recommendations)

- A. Direct staff to initiate the process to amend the Measure M Expenditure Plan to remove \$22 million intended for Renewed Measure M improvements on the Orange Freeway (State Route 57) project.
- B. Amend the Renewed Measure M Plan of Finance to allocate an additional \$22 million of Tax-Exempt Commercial Paper for the Orange Freeway (State Route 57) project.
- C. Direct staff to include clarifying language in the Renewed Measure M Eligibility Guidelines to address recent audit findings in lieu of amending the Local Transportation Authority Ordinance No. 3.
- D. Direct staff to return with an action plan on Renewed Measure M streets and roads project delivery before allocating Renewed Measure M funds to local jurisdictions.



- E. Revise the Metrolink Service Expansion Program to reduce the number of weekday trains from 76 per weekday to 56 per weekday as part of the Renewed Measure M Early Action Plan, with full build-out of 76 trains per weekday to be implemented commensurate with future ridership demand and available funding.
- F. Direct staff to revisit the conceptual engineering schedules and evaluate financial capacity to advance freeway projects.



November 16, 2009

To: Transportation 2020 Committee
From: Will Kempton, Chief Executive Officer
Subject: Renewed Measure M Early Action Plan Review

Overview

The Renewed Measure M Early Action Plan was originally approved by the Board of Directors on July 16, 2007. The Orange County Transportation Authority is at the half-way point in its implementation of this five-year plan. In the course of implementing the Early Action Plan, changed conditions related to revenues and project schedules necessitate a fresh look at various policy considerations. While some projects have already been adjusted, other projects should be reviewed and adjusted appropriately. A status of each of the Early Action Plan objectives is presented.

Recommendations

- A. Direct staff to initiate the process to amend the Measure M Expenditure Plan to remove \$22 million intended for Renewed Measure M improvements on the Orange Freeway (State Route 57) project.
- B. Amend the Renewed Measure M Plan of Finance to allocate an additional \$22 million of Tax-Exempt Commercial Paper for the Orange Freeway (State Route 57) project.
- C. Direct staff to include clarifying language in the Renewed Measure M Eligibility Guidelines to address recent audit findings in lieu of amending the Local Transportation Authority Ordinance No. 3.
- D. Direct staff to return with an action plan on Measure M streets and roads project delivery before allocating Renewed Measure M funds to local jurisdictions.
- E. Revise the Metrolink Service Expansion Program to reduce the number of weekday trains from 76 per weekday to 56 per weekday.

- F. Direct staff to revisit the conceptual engineering schedules and evaluate financial capacity to advance freeway projects.

Background

On November 7, 2006, Orange County voters approved the renewal of the Measure M (M2) one-half cent sales tax for transportation improvements. On July 16, 2007, the Board of Directors (Board) approved a M2 Early Action Plan (EAP) which provided a blueprint for early action on the M2 Transportation Investment Plan. The EAP committed to meeting nine key objectives and made certain assumptions regarding sales tax receipts and available funding. Orange County Transportation Authority (OCTA) is at the half-way point of the five-year plan and sales tax projections for M2 are now projected at 40 percent less than originally anticipated.

Discussion

The EAP clearly articulated nine key objectives. These objectives were developed with an anticipated long-term revenue stream that was developed using forecasts provided by three universities, (University of California, Los Angeles, California State University, Fullerton, and Chapman University). Major reductions in sales tax receipts since the development of the EAP require each objective to be reviewed and adjusted for financial feasibility.

Despite the economic downturn, delivery of all objectives remain largely on track. Course correction in some areas has already occurred and it makes sense to revise other areas and establish applicable policy considerations where needed. A review of each of the nine objectives is provided here.

Objectives that have already been adjusted

Objective: Award up to \$200 million in competitive funding for transit projects.

In April 2009, the Board approved the use of \$82.3 million in M2 Project T funds (convert Metrolink stations to regional gateways) towards completion of Phase 1 of the Anaheim Regional Transportation Intermodal Center (ARTIC). Phase 1 is the initial phase of the project and consists of the relocation of the existing Anaheim station to the ARTIC site, including the necessary infrastructure improvements to the tracks, platforms, roadway, parking and utilities to accommodate the new facility. Phase 1 will also include a modest amount of commercial mixed-use development to support the transit facility. The total Phase 1 project cost is \$178.9 million and is fully funded via the Project T funds combined with a mix of other local, state, and federal funds.

Environmental clearance of the project is currently underway and is estimated to be completed in October 2010 and the station operational in 2013.

Development work is underway for two fixed-guideway projects as well as several mixed-flow bus/shuttle projects as part of the Go Local Program. The detailed planning efforts associated with these projects are funded through Measure M (M1) in preparation for the implementation phase which will be competitively awarded through M2 - Project S (Transit Extensions to Metrolink). In May 2008, the Board approved \$11.8 million of M1 funds, \$5.9 million for the City of Anaheim, and \$5.9 million for the City of Santa Ana (in partnership with the City of Garden Grove) to undergo an alternative analysis and environmental clearance of their respective fixed-guideway projects. Both cities are expected to complete these activities in 2011. The bus/shuttle projects are currently undergoing detailed service planning. This effort is expected to conclude in spring/summer 2010. Development of policy guidelines regarding a call for projects and award of Project S funds is underway and will be presented to the Board for consideration in spring 2010.

Objective: Complete an agreement between OCTA and resource agencies detailing environmental mitigation of freeway improvements and commitments for project permitting. Begin allocation of funds for mitigation.

The Board approved the process for the environmental mitigation program this past July. At that time, the Board reduced the total amount of early action funds to be utilized for property acquisition/restoration from \$80 million to \$55 million to account for the reduction in projected sales tax revenue. Work related to the planning agreement and other related efforts continues through the Transportation 2020 Committee and the Environmental Oversight Committee.

Objective: Complete program development for road runoff/water quality improvements. Begin allocation of funds to water quality projects.

Development of program guidelines for the water quality program is currently underway and on schedule. Staff is working with the Environmental Cleanup Allocation Committee (ECAC) to bring the program guidelines for this competitive program to the Transportation 2020 Committee and the Board in 2010. The ECAC, charged with program development, is preparing a recommendation for a two tier program. Tier I would fund relatively low-cost, quick to implement, debris removal improvements on city and county streets. Tier II would include larger, more complex regional projects. A planning effort to guide Tier II funding will be recommended with final Tier II guidelines to the

OCTA Board in 2010. With lower than expected sales tax receipts, the ECAC has adjusted expectations of the amount of available funding.

Objectives that need to be adjusted

Objective: Start construction on five major M2 freeway projects on Riverside Freeway (State Route 91), State Route 57 (SR-57), and Santa Ana Freeway (Interstate 5) valued at \$445 million.

Despite the drop in sales tax revenue, external funding from the State of California (Proposition 1B) and the federal government (American Recovery and Reinvestment Act) has helped to ensure that all five freeway projects specified in the EAP are on schedule to start within the five-year window of the EAP.

When the original EAP was adopted, the Board authorized using \$22 million of M1 funds for the SR-57 Widening Project. At the time, it was projected that the unprogrammed balance within the M1 freeway mode was in excess of \$100 million. With the continuing downturn in the economy, sales tax has declined so dramatically that the current unprogrammed balance in the freeway mode is negative \$12 million. As a result, staff recommends removing the \$22 million dedicated from M1 for the M2 SR-57 project. Consequently, M2 Tax-Exempt Commercial Paper (TECP) would be used to fund the M2 SR-57 project with reimbursement expected from Proposition 1B funds.

Objective: Enable every Orange County city and the County to meet eligibility requirements for M2 funds, including new pavement management and signal synchronization programs.

Thirty-two percent of net revenues from M2 is dedicated to maintaining streets, fixing potholes, improving intersections, and widening city streets and county roads. OCTA is currently working to make each Orange County local agency eligible to receive M2 funds starting in fiscal year 2010-11, which coincides with the start of M2 revenues. Local agencies' M2 eligibility submittals following the new guidelines will be due to OCTA by June 30, 2010.

Consistent with the first Measure M Ordinance, an eligibility manual is being prepared to assist local jurisdictions to understand the requirements necessary to maintain their eligibility to receive M2 funds. This manual will identify annual eligibility requirements as specified in Ordinance No. 3, Attachment B, Section III. Policies and procedures will be included to enable and facilitate annual eligibility for local agency participation.

Over the last year, a number of audit findings related to the administration of the streets and roads component of the original M1 Ordinance have been reported to the Board. The Board has directed staff to initiate an amendment to both the original M1 Ordinance and the M2 Ordinance to provide clarifying language regarding detail provided in each city's Capital Improvement Program (CIP) and the ability to advance and fund turnback-funded projects. Additionally, the Taxpayers Oversight Committee (TOC) has asked that the Board act on clarifying the proper uses of interest earnings in city-controlled Turnback and CTFP accounts. Staff has raised these issues with the Technical Advisory Committee (TAC) and recommends that this clarifying language be included in the eligibility manual in lieu of a formal amendment to the ordinance. M2 Eligibility Guidelines will be presented to the Board in early 2010.

Objective: Award up to \$165 million to cities and the County for signal synchronization and road upgrades.

In April 2008, \$4 million of Proposition 1B funds was awarded to OCTA for signal synchronization projects. These funds, combined with \$4 million of matching funds from M1, provide the necessary resources to synchronize signals along 10 significant street corridors over the next three years. In addition, a signal synchronization master plan for the entire county is under development and should be completed before the end of the calendar year.

On April 10, 2008, the California Transportation Commission approved programming \$183 million to Orange County under the Trade Corridors Improvement Program for seven railroad grade separation projects in Fullerton and Placentia. This amount is matched with \$74 million of federal funding and \$160 million of local funding. The local funding will come primarily out of the Regional Capacity Program within M2, with \$101 million of TECP being utilized to advance the projects to meet the timelines required under the state program.

Currently, \$134 million of M1 allocations to local jurisdictions through the Combined Transportation Funding Program (CTFP) remain unobligated. Staff has been working with the TAC to develop a plan for the efficient closeout of the M1 CTFP program. Staff recommends that a policy regarding the efficient closeout of the M1 CTFP program be completed prior to the allocation of competitive street and road funds to local jurisdictions under M2.

Objective: Implement high-frequency Metrolink service within Orange County with associated railroad crossing safety and quiet zone improvements completed or under construction. Begin project development for at least five major grade separation projects.

Originally approved in November 2005, the Metrolink Service Expansion Program (MSEP) was to increase weekday rail service from 44 weekday trains per day to 76 weekday trains per day beginning in fiscal year 2009-10. Accommodating this level of service requires a significant capital investment in new rolling stock, station improvements, and track improvements. With M1 providing the primary source of revenue, the Board has authorized a \$420 million capital investment in providing the necessary improvements to increase service. Although sharp declines in sales tax receipts have reduced the anticipated revenues to fund this program, the infusion of Proposition 1B funds, Proposition 116 funds, and STIP funds have kept the MSEP capital program fully funded.

The only ongoing source of funding for operations of Metrolink service is M2. As reported to the Finance and Administration and Transit committees in May 2009, with sales tax projections for M2 now 40 percent less than originally anticipated, service levels must be adjusted to match available revenues. Staff is recommending that the operating plan for the MSEP be adjusted from 76 weekday trains per day to 56 trains per day to match projected revenues.

In a related but separate effort, on August 27, 2007, the Board approved an implementation strategy for the grade crossing safety enhancement program and quiet zone improvements at 52 grade crossings in Orange County. In partnership with the Southern California Regional Rail Authority (SCRRA), construction began in August 2009 and is expected to take slightly more than two years to complete.

The original M2 EAP also called for project development work to begin on at least five major grade separation projects. On August 24, 2009 the Board approved proceeding with five at-grade rail-highway crossings located at Ball Road and Orangethorpe Avenue in the City of Anaheim, Main Street in the City of Orange, and Grand Avenue and 17th Street in the City of Santa Ana, to proceed into the project development phase.

Objectives that need to be reviewed

Objective: Complete the first major milestone – conceptual engineering – for every freeway project in the EAP; ensuring that all projects are eligible for matching funds and ready to enter into environmental review, design, and construction.

OCTA continues to work diligently on getting all freeway projects included in the M2 expenditure plan shelf-ready. However, the dramatic decline in

revenues will pose a considerable challenge in funding projects outside the five-year window of the Early Action Plan. Staff recommends taking a fresh look at the project delivery schedules and financial capacity to advance projects over a 10-year horizon. This will help determine the optimal approach to balancing the need to get projects shelf-ready while avoiding the possibility of committing time and resources to activities that will become out-dated due to lack of available funding for construction activities.

Objective: Complete development work and allocate funds for transit fare discounts and improved services for seniors and persons with disabilities.

Development work has begun on the transit programs under M2. This development work is anticipated to be complete prior to the receipt of revenue in April, 2011.

Summary

The Orange County Transportation Authority is implementing the Renewed Measure M Early Action Plan as approved by the Board of Directors on July 16, 2007. OCTA is at the half-way point in delivering the Early Action Plan and remains on schedule in delivering all elements of the Early Action Plan as promised. However, M2 sales tax projections have decreased by 40 percent since the Early Action Plan was originally conceived and some elements of the Early Action Plan have already been adjusted to reflect new financial realities while other elements require further adjustment and analysis.

Attachment

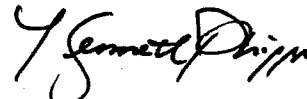
None.

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Approved by:



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BOARD COMMITTEE TRANSMITTAL

January 25, 2010

To: Members of the Board of Directors
From: ^{WV} Wendy Knowles, Clerk of the Board
Subject: Measure M2 Local Agency Eligibility Guidelines and Requirements

Transportation 2020 Committee Meeting of January 18, 2010

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

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Approve Measure M2 Eligibility Guidelines for implementation.



January 18, 2010

To: Transportation 2020 Committee
From: ~~Mr. J. J. J.~~ Will Kempton, Chief Executive Officer
Subject: Measure M2 Local Agency Eligibility Guidelines and Requirements

Overview

On November 7, 2006, Orange County voters approved Measure M2, the one-half cent transportation retail sales tax. The approval resulted in a 30-year extension of the original program with a new slate of projects, programs, and requirements. The transition from the original Measure M to Measure M2 requires an inventory of new eligibility requirements. Consistent with existing policy, an eligibility manual has been prepared to assist local jurisdictions to understand and comply with the requirements necessary to maintain eligibility to receive Measure M funds for the first three quarters of fiscal year 2010-11, and Measure M2 funds effective April 1, 2011.

Recommendation

Approve Measure M2 Eligibility Guidelines for implementation.

Background

The Measure M (M1) Ordinance contains specific language indicating what is required from local agencies to be eligible to receive funding. Eligibility documentation is submitted by local agencies to the Orange County Transportation Authority (OCTA) by June 30 of each year. This documentation is reviewed by staff and evaluated to ensure compliance with M1 eligibility requirements. The documents are also presented to the Technical Advisory Committee (TAC) and the Taxpayers Oversight Committee (TOC) for concurrence. The final determination of local agency eligibility is made by the OCTA Board of Directors (Board).

With the passage of Measure M2 (M2) local agencies must continue to demonstrate eligibility prior to receipt of funding. The eligibility requirements included in the M2 Ordinance have, in many ways, been enhanced over the

previous requirements, including some new requirements. In an effort to create a smooth transition between M1 and M2, staff has developed a new Local Agency Preparation Manual (Attachment A). A summary table showing a comparison between the M1 and M2 eligibility requirements is provided in Attachment B. This manual outlines the annual M2 eligibility requirements. Local agencies will be required to meet the June 30, 2010, submittal requirements for both M1 and M2 eligibility during the transition period beginning in fiscal year (FY) 2010-11.

Discussion

The M2 Local Agency Preparation Manual was submitted to the TAC for review and comment and was subsequently approved on September 23, 2009. In order for a local jurisdiction to receive M2 fair share and competitive program funds, requirements as outlined in the manual must be met. Conditions specific to the eligibility process are defined in Attachment C per Ordinance No. 3. The M2 eligibility requirements that were either enhanced or are new in the M2 Ordinance are summarized below.

Requirements That Have Been Enhanced

- 1) Local jurisdictions must adopt a general plan circulation element consistent with the Master Plan of Arterial Highways depicting planned roadways and related policies within the city limits. This has been enhanced under M2 to include traffic signal synchronization street routes.
- 2) As with M1, local jurisdictions must adopt and update annually a capital improvement program document. This has been enhanced under M2 as the document must now include all capital transportation projects funded by net revenues, including projects required to demonstrate compliance with the signal synchronization and pavement management requirements.
- 3) Local jurisdictions must adopt and update a pavement management plan every two years. This requirement is enhanced under M2 as all agencies must now use a common format as part of the countywide pavement management effort. The submittal must also include a six-year plan for road maintenance and rehabilitation (including projects and funding) and projected pavement condition.

- 4) Local jurisdictions will be required to submit a project final report within six months following project completion. This report includes an accounting of M2 funds, any other funding sources, and the improvements that were delivered. The enhancement under M2 is that the final report must indicate not only M2 competitive funds, but also any M2 local fair share funds used.
- 5) Local jurisdictions shall agree and certify to expend all M2 local fair share revenues received within three years of receipt. Revenues received by local agencies through the M2 local fair share program, including any interest earned, shall be expended or encumbered within three years. Under M2, the requirements were enhanced to include the possibility of a time extension on the use of funds. This may be granted but is limited to a total of five years. Expired funds and related revenues must be returned to OCTA and shall be redistributed within the same source program. Any funding allocated through the competitive programs must be expended or encumbered by the end of the FY for which the net revenues are programmed. One time extension up to 24 months may be granted with TAC and Board approval.

In addition to the time requirements, the use of local fair share revenues for bonding (including debt service) is now limited to 25 percent of the local agency's annual local fair share revenues consistent with provisions of Article 19 of the California Constitution.

- 6) As with M1, local jurisdictions must continue to satisfy the maintenance of effort (MOE) requirements with an annual certification of MOE expenditures by each jurisdiction's finance director. The MOE benchmark has been modified under M2 and will be adjusted in 2014, with further adjustments every three years thereafter. The adjustments will be based upon the California Department of Transportation's construction cost index for the preceding three-year period.

New Requirements Established for M2

- 1) Local jurisdictions must comply with the conditions and requirements of the Orange County Congestion Management Program. The Congestion Management Program has as its goal the support of regional mobility and air quality objectives. Each jurisdiction must comply with certain conditions and requirements of the Congestion Management Program pursuant to the provisions of Government Code Section 65089 to be considered eligible for both gas tax revenues and M2 funding.

- 2) Local jurisdictions must participate in traffic forums on an annual basis. Traffic forums, as defined in the ordinance, can be described as a group of eligible jurisdictions working together to facilitate the planning of traffic signal synchronization among the respective jurisdictions. The forums will be further defined as part of the OCTA Traffic Signal Synchronization Master Plan, which is currently under development and planned for subsequent committee review and approval.
- 3) Local jurisdictions must adopt and maintain a local Traffic Signal Synchronization Plan. Each city's plan will identify traffic signal synchronization street routes and intersections and how corresponding projects may be synchronized with any adjoining jurisdictions. Each plan will be for a three-year period of time and will show cost, available funding and the phasing of capital, operations, and maintenance. The local plan must be consistent with OCTA's Traffic Signal Synchronization Master Plan.
- 4) Local jurisdictions must adopt and provide an annual expenditure report to OCTA to account for M2 funds, developer/traffic impact fees, and funds expended by the jurisdiction to satisfy MOE requirements. The report is required within six months of each jurisdiction's fiscal year end. The report will include all M2 net revenue, fund balances and interest earned, and will identify expenditures by activity type and funding source.

Eligibility documents submitted by the local agencies will be subject to a verification process administered by OCTA staff. In addition, the TOC will be responsible for review of select documentation including a local agency's CMP, Mitigation Fee Program, expenditure report, local Traffic Signal Synchronization Plan, and Pavement Management Plan.

The M2 eligibility process will begin in the first quarter of FY 2010-11 and continue on an annual basis. During the transition period between M1 and M2 eligibility, it is understood that some M2 requirements will not be available in the first quarter of FY 2010-11. After the review of the available documentation, local agencies will be found conditionally eligible until these outstanding M2 requirements are met at later dates. These items specifically are a conforming general plan, local Traffic Signal Synchronization Plan (due April 1, 2011), and the first M2 expenditure report (due December 31, 2011). Staff expects to return to the Board with the conditional eligibility findings in fall 2010.

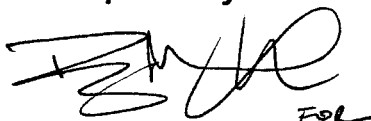
Summary

Staff has developed a Local Agency Preparation Manual to facilitate a smooth transition between M1 and M2 eligibility. The manual helps to identify annual eligibility requirements as specified in the M2 Ordinance and to assist local agencies in preparing eligibility documentation. The Local Agency Preparation Manual is presented for Board review and approval.

Attachments

- A. Draft Renewed Measure M Eligibility Guidelines - Local Agency Preparation Manual - Fiscal Year 2010-11
- B. Measure M and Measure M2 - Eligibility Element Comparison Per Enabling Ordinance
- C. Orange County Local Transportation Authority - Ordinance No. 3 - July 24, 2006 - Section B-7 through B-10

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DRAFT

Renewed Measure M Eligibility Guidelines

**Local Agency Preparation Manual
Fiscal Year 2010-11**

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CHAPTER 1 - ELIGIBILITY OVERVIEW

1.1 Introduction/Background

In order to meet expected growth in Orange County over the next 30 years, continued investment in the County's infrastructure will be required. To meet these needs, additional projects were identified which could be funded through an extension of the Measure M program. Voters approved Renewed Measure M on November 7, 2006. Ordinance No. 3 outlines all programs and requirements and is included as Appendix A.

Renewed Measure M is a 30-year, multi-billion dollar program extension of the original Measure M (1991-2011) with a new slate of projects and programs planned. These include improvements to the Orange County freeway system and streets & road network throughout the County, additional expansion of the Metrolink system, more transit services for seniors and the disabled as well as funding for the cleanup of roadway storm water runoff.

Renewed Measure M extends Orange County's self-help legacy toward financing infrastructure. A seamless transition from the original Measure M to the new slate of projects requires careful consideration of the Ordinance and inventory of new requirements. Consistent with the first ordinance, an eligibility manual has been prepared to assist local jurisdictions to understand the requirements necessary to maintain their eligibility to receive Renewed Measure M funds.

Renewed Measure M Net Revenues are generated from the transactions and use tax plus any interest or other earnings – after allowable deductions. Net Revenues may be allocated to local jurisdictions for a variety of programs identified in Ordinance No. 3 included in this guidance manual as Appendix A. Compliance with the eligibility requirements established in Ordinance No. 3 must be established and maintained in order for local jurisdictions to receive Net Revenues.

This Eligibility Manual identifies annual eligibility requirements as specified in Ordinance No. 3, Attachment B, Section III. Policies and procedures are presented to enable and facilitate annual eligibility for local agency participation. Guidelines for newly incorporated cities are outlined in Appendix B.

1.2 Ordinance Comparison

With the passage of Renewed Measure M, several eligibility requirements applicable to the previous program will no longer be used. Prominent features of the current program that are being discontinued include preparation of Growth Management Program (GMP), a development phasing & monitoring program, and a balanced housing options and job opportunities component of the General Plan. Although these planning tools are no longer elements of the eligibility process, local jurisdictions are encouraged



to consider these elements as sound planning principles for consideration. A comparison of eligibility element changes is shown on Tables 1-1 and 1-2.

1.3 Eligibility for Net Revenues

Every year, OCTA determines if a local jurisdiction is eligible to receive Renewed Measure M Fair Share and competitive program funds. A local jurisdiction must satisfy certain requirements as outlined in Ordinance No. 3. Specifically, a jurisdiction must:

- Comply with the conditions and requirements of the Orange County Congestion Management Program (CMP) *[New]*
- Establish a policy which requires new development to pay its fair share of transportation-related improvements associated with their new development
- Adopt a General Plan Circulation Element consistent with the MPAH, including designated traffic signal synchronization street routes *[Enhanced]*
- Adopt and update a Capital Improvement Program (CIP) *[Modified]*
- Participate in traffic forums *[New]*
- Adopt and maintain a Local Traffic Signal Synchronization Plan *[New]*
- Adopt and update biennially a Pavement Management Plan (PMP) *[Enhanced]*
- Adopt and provide an annual Expenditure Report to the Authority *[New]*
- Provide the Authority with a Project Final Report within six months following completion of a project funded with Net Revenues *[Enhanced]*
- Agree to expend all Local Fair Share revenues received through Renewed Measure M within three years of receipt
- Satisfy Maintenance of Effort (MOE) requirements *[Enhanced]*
- Agree that Net Revenues shall not be used to supplant developer funding
- Consider, as part of the Eligible Jurisdiction's General Plan, land use and planning strategies that accommodate transit and non-motorized transportation



Table 1.1
Eligibility Element Comparison
Per Enabling Ordinance

	Existing Measure M Guidelines	Measure M2 (M2) Guidelines	
			NOT REQUIRED
Growth Management Program (GMP)	• Adopt GMP		
	• Submit every five years		
Congestion Management Program (CMP)	•	N/A	• Comply with Orange County's CMP
Capital Improvement Program (CIP)	• Seven-year CIP with annual renewal		• Seven-year CIP with annual renewal
			• Includes all projects funded with M2 net revenues
Mitigation Fee Program	• Development Mitigation Monitoring Program		• Have a clearly defined Mitigation Fee Program
	• Component of GMP		
General Plan Circulation Element	• Circulation element consistent with the MPAH		• Circulation element consistent with the MPAH
			• Include traffic signal synchronization street routes consistent with the OCTA Signal Synchronization Master Plan
Traffic Forums	• Participate in inter-jurisdictional planning forms (GMA)		• Participate in forums to facilitate the planning of traffic signal synchronization programs and projects
			• Participate in forums to discuss regional traffic routes and traffic patterns, inter-jurisdictional efforts
Local Traffic Signal Synchronization Plan (TSSP)	•	N/A	• Adopt and maintain a local TSSP
			• Conform to the Signal Synchronization Master Plan
Pavement Management Plan (PMP)	• Adopt and fund a local PMP		• Three-year plan showing cost, available funding and phasing of capital, operations, and maintenance
	• Update biennially		• Adopt PMP using common format
Expenditure Report	•	N/A	• Six-year capital plan updated every two years
			• Report projected improvements resulting from program
Project Final Report	• Required under OCTA funding program procedures		• Report required within six months of end of fiscal year (FY)
			• Report to include all net revenue, fund balances, and interest earned
			• Identify expenditures by type, program/project
			• Final report for all projects funded with net revenues
			• Reports to be submitted within six months of completion

Key

No Impact

Consistent with Prior Program

Substantial Changes

MPAH - Master Plan of Arterial Highways
 OCTA - Orange County Transportation Authority
 CCI - Construction Cost Index



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TABLE 1-2
Eligibility Element Comparison Continued

	Existing Measure M Guidelines	Renewed Measure M Guidelines
Time Limits for Use of Revenues	<ul style="list-style-type: none"> Agree to expend all net tax revenues received through Measure M within three years of receipt 	<ul style="list-style-type: none"> Net Revenues shall be expended or encumbered within three years. An extension may be granted with five year limit Net Revenues for RCP and/or Regional Traffic Signal Synchronization must be encumbered by end of fiscal year programmed Requests for extension may be granted for up to 24 months. OCTA may grant one or more extensions Expired funds, and related revenues must be returned to the Authority for use in same source program.
Maintenance of Effort (MOE)	<ul style="list-style-type: none"> Failure to expend funds in timely manner will make jurisdiction ineligible to receive additional funds until reinstated Benchmark based upon average FY1985/86 through 1989/90 Annual certification that MOE has been satisfied 	<ul style="list-style-type: none"> Must meet or exceed MOE local discretionary funds pursuant to current Ordinance No. 2 for FY 2010-2011 Annual certification that MOE requirement have been satisfied Adjust benchmark in 2014 and every three years thereafter based upon CCI for preceding three-years CCI adjustment cannot exceed growth rate in General Fund revenues during update period
Land Use and Planning Strategies	<ul style="list-style-type: none"> Planning standards for fire, police, library, flood control, parks and open space, and other services and public facilities (GMP) 	<ul style="list-style-type: none"> Consider in Jurisdiction's General Plan, land use planning strategies that accommodate transit and non-motorized transportation
Certification of Funds	<ul style="list-style-type: none"> Certify Measure M has not supplanted existing or developer funds 	<ul style="list-style-type: none"> Certification that no Measure M funds have been used to supplant existing commitments or any developer funding which has been or will be committed for any transportation projects.
Development phasing and monitoring program	<ul style="list-style-type: none"> Development phasing and monitoring program 	Not Required
Traffic LOS Standards	<ul style="list-style-type: none"> Summarize Traffic level of service standards 	<ul style="list-style-type: none"> Included in CMP May be included in the Regional Traffic Signal Synchronization Plan
Balanced housing options and job opportunities	<ul style="list-style-type: none"> Balanced housing options and job opportunities 	Not Required
Transportation demand management ordinance	<ul style="list-style-type: none"> Adoption of a transportation demand management ordinance 	<ul style="list-style-type: none"> Included in CMP

Key

No Impact

Consistent with Prior Program

Substantial Changes



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1.4 Compliance Components

Eligibility determinations are made on an annual basis based upon satisfactory submittal of specific elements outlined in Ordinance No. 3. Some components are required on an annual basis while others are satisfied on a periodic basis.

A summary of each eligibility component is presented below. The Authority and/or its representatives perform an administrative review of the data to determine eligibility for Renewed Measure M funds.

These components are segregated in Chapter 2 and Chapter 3 as Policy, Administrative, and Financial in nature. Policy items require periodic updates through Council action or City compliance. Financial items are items which require a set schedule of financial data reporting. Administrative items are the items which require day-to-day implementation and on-going planning.

1. Congestion Management Program (Policy)

Orange County's Congestion Management Program (CMP) is a countywide program established in 1992 to support regional mobility and air quality objectives through the effective use of transportation funds, coordinated land use, and development planning practices. Required elements of the County's CMP include traffic level of service (LOS) standards, performance measures, travel demand assessment methods and strategies, land use analysis programs, and Capital Improvement Programs.

2. Mitigation Fee Program (Policy)

Locally established fee program which collects mitigation fees used to mitigate effects of new development on transportation infrastructure. Appropriate mitigation measures, including payment of fees, construction of improvements, or any combination thereof, will be determined through an established and documented process by each jurisdiction.

3. Circulation Element (Policy)

An element of an eligible jurisdiction's General Plan depicting planned roadways and related policies consistent with the MPAH, including designated traffic signal synchronization street routes.

4. Capital Improvement Program (Financial)

A Capital Improvement Program (CIP) is a multi-year plan which identifies funding for the implementation of capital improvement projects or programs. Improvement and programs identified in the CIP are those which are identified in the jurisdiction's CMP and will improve air quality and increase capacity to the transportation system.



5. Traffic Forums (Administrative)

Traffic forums are annual working group sessions which include the Authority and eligible jurisdictions and provide a venue for discussion regarding the traffic signal synchronization and traffic circulation between participating jurisdictions.

6. Local Traffic Synchronization (Policy)

The Local Traffic Synchronization Plan is a local program consistent with the Traffic Signal Synchronization Master Plan (TSSMP) which provides a three-year plan identifying traffic signal synchronization, street routes and traffic signals to be improved in eligible jurisdictions. The plan will outline the costs associated with the identified improvements, funding and phasing of capital, and the operations and maintenance of the street routes and traffic signals. Inter-jurisdictional planning of traffic signal synchronization is also a component of the local plan.

7. Pavement Management Plan (Policy)

A Pavement Management Plan (PMP) is a plan to manage the preservation, rehabilitation, and maintenance of paved roads by analyzing pavement life cycles, assessing overall system performance costs, and determining alternative strategies and costs necessary to improve paved roads. Eligible jurisdictions must adopt and update their PMP's biennially. MicroPaver or an approved equivalent software management tool will be used for countywide consistency.

8. Expenditure Report (Financial)

The expenditure report is a detailed financial report submitted by each jurisdiction used to track financial activity as it relates to Renewed Measure M and other improvement funds. The report will account for receipt, interest earned, and use of Measure M and other funds as outlined in Ordinance No. 3. This report is used to validate eligible use of funds and must be submitted within six months of the end of jurisdiction's fiscal year.

9. Project Final Report (Financial)

A project final report is to be completed following the completion of a facility for which Measure M funds were used. The final report will describe the improvements that were performed, the construction schedule for the improvements, and the financial status as a result of these improvements.

10. Timely Expenditure of Funds (Policy)

The timely expenditure of funds is a policy which must be adopted by each jurisdiction to ensure all funds received from net revenues are expended and accounted for within an appropriate amount of time as decided by the Authority.

11. Maintenance of Effort Certification (Financial)

The Maintenance of Effort (MOE) Certification is a financial document which provides annual certification of Maintenance, Construction and Administrative/Other expenditures and how they compare to the annual MOE Benchmark Requirements for the fiscal year. This form is submitted to the Authority as part of the annual eligibility process.



12. No Supplanting of Developer Commitments (Policy)

Eligible jurisdictions must ensure Measure M monies do not supplant existing or future developer funding committed for any transportation project. Development must be required to continue paying their fair share for new transportation improvements that are necessary because of the new traffic their projects create.

13. Transit/Non-motorized Transportation in General Plan (Policy)

Jurisdictions must outline strategies within the jurisdiction's General Plan to incorporate transit projects, as well as non-motorized transportation plan and programs.

1.5 Taxpayers Oversight Committee

Renewed Measure M established a Taxpayers Oversight Committee (TOC). The TOC is an independent citizens' committee established for the purpose of overseeing compliance with the Ordinance and ensuring safeguards are in place to protect the integrity of the overall program. TOC responsibilities include:

- Approval of any amendment to the Renewed Measure M proposed by the Authority which changes the funding categories, programs or discrete projects identified for improvements in the Funding Plan
- Review of select documentation establishing eligibility by a jurisdiction including a jurisdiction's Congestion Management Plan, Mitigation Fee Program, Expenditure Report, Local Traffic Signal Synchronization Plan, and Pavement Management Plan
- Verification that the Authority is proceeding in accordance with the Renewed Measure M Plan and is meeting the performance standards outlined in the Renewed Measure M Ordinance

1.6 Non-Compliance Consequences

Renewed Measure M follows a legacy of successful public funding investment in transportation throughout Orange County. The eligibility process includes a review of required compliance components to ensure that programs and funding guidelines are met as defined by Ordinance No. 3. Article XIX of the California Constitution provides guidance regarding the use of tax revenues for transportation purposes and provides a useful definition of eligible transportation planning/implementation activities.

OCTA routinely conducts an audit of local jurisdiction annual eligibility materials and financial records. Full cooperation is expected in order to complete the process in a timely manner.

A finding of non-compliance may be made if either of the following conditions exists:

- Use of Renewed Measure M funding for non-transportation activities
- Failure to meet eligibility requirements

If a determination is made that a local jurisdiction has used Renewed Measure M funds for non-transportation purposes, misspent funds must be fully repaid and the jurisdiction will be deemed ineligible to receive Net Revenues for a period of five (5) years. A finding of ineligibility is determined by the OCTA Board of Directors and is typically applied for deliberate actions rather than administrative errors.

Failure to adhere to eligibility compliance components may result in suspension of funds until such time as satisfactory compliance is achieved. The Authority, in consultation with the Taxpayers Oversight Committee, will determine if a redistribution of deferred funding is warranted.

1.7 Appeals Process

Eligibility review and determination is a multi-step process which relies upon an objective review of information by the Technical Advisory Committee, Taxpayers Oversight Committee with final determination made by the OCTA Board of Directors. An appeal of findings may be filed with the Board of Directors for re-consideration.



CHAPTER 2 - GUIDANCE

The annual eligibility process relies upon a variety of reporting methods to verify local jurisdiction compliance. Most methods leverage tools routinely used in the public planning process while others require certification forms or specialized reports. Templates, forms, and report formats are described in this chapter and included as appendices to the eligibility manual. The requirements presented in this section have been segregated into three separate categories based upon purpose and process. The table below summarizes certification frequency and documentation requirements.

Compliance category	Frequency	Documentation
<i>Policy Items</i>		
Congestion Management Program	Odd numbered year (2011, 2013, etc.)	Checklist item, CIP
Mitigation Fee Program	Annually (June 30 th)	Checklist item, copy of program
MPAH Consistency (Circulation Element)	Annually (June 30 th)	Resolution and Exhibit
Timely Expenditure of Funds	Annually (June 30 th)	Checklist, Master agreement
No Supplanting Existing Commitments	Annually (June 30 th)	Checklist item
Transit/Non-motorized Transportation in General Plan	Annually (June 30 th)	Checklist item, GP excerpt for updates
<i>Administrative Items</i>		
Traffic Forums	Annually (June 30 th)	Checklist item
Local Traffic Synchronization Plan	Every three years	Copy of plan
<i>Financial Items</i>		
Capital Improvement Program	Annually (June 30 th)	Electronic, hardcopy
Pavement Management Plan	Every two years	Certification form, report
Expenditure Report	Annually (December 31st)	Report six months after end of fiscal year
Project Final Report	Within 6 months of project completion	Report
Maintenance of Effort	Annually (June 30 th)	Certification form, budget excerpt

2.1 Policy Items

Congestion Management Program

With the passage of Proposition 111 Gas Tax increase in June 1990, responsible urbanized areas of California were required to adopt a Congestion Management Plan (CMP). OCTA was designated as the County's Congestion Management Agency (CMA), and as such, is responsible for the development, monitoring, and biennial updating of Orange County's CMP.

The goals of Orange County's CMP are to support regional mobility and air quality objectives by reducing traffic congestion; provide a mechanism for coordinating land use and development decisions that support the regional economy; and determine gas tax eligibility.



Each jurisdiction must comply with the following conditions and requirements of the Orange County Congestion Management Program (CMP) pursuant to the provisions of the Government Code Section 65089 to be considered eligible for both gas tax revenues and Renewed Measure M funding:

- Level of Service – Highways and roadways designated by OCTA must operate at an established level of service (LOS) of no less than LOS “E” (unless the LOS from the baseline CMP dataset was lower)
- Travel Demand – Jurisdictions must promote alternative transportation methods to improve balance between jobs and housing, and other strategies. Methods and strategies may include, but are not limited to, carpools, transit, bicycles, and park-and-ride lots, flexible work hours, telecommuting, parking management programs, and parking cash-out programs. This is accomplished through the development and adoption of a Transportation Demand Management ordinance by each jurisdiction
- Land Use Analysis – Analyze the impacts of land use decisions on the transportation system, using the previously described performance measure. The analysis must also include the cost estimate associated with mitigating those impacts
- Modeling and Data Consistency – In association with Southern California Association of Governments (SCAG) and local governments, OCTA will develop a uniform database on traffic impact for use in a countywide transportation computer model
- Adoption of a Transportation Demand Management (TDM) Ordinance consistent with Rule 2202 of the South Coast Air Quality Management District (SCAQMD)
- Capital Improvement Program (CIP) – Use performance measure to determine effective projects that mitigate impacts identified in the land use analysis program through an adopted six-year CIP

Verification Method

The CMP checklist, as shown in Appendix C, must be completed every odd numbered year (2011, 2013, 2015, etc.) to demonstrate compliance with CMP requirements. If a deficient intersection is identified, the jurisdiction must include a project in their CIP to address the issue or develop a deficiency plan.

Mitigation Fee Program

Each eligible jurisdiction must assess traffic impacts of new development and require new development to pay a fair share of necessary transportation improvements



attributable to the new development. To insure eligibility, each jurisdiction must have a clearly defined mitigation program.

Verification Method

The initial Renewed Measure M eligibility submittal should include a copy of nexus study improvement list, current fee schedule, and adopted ordinance. Where mitigation measures, including fair share contributions and construction of direct impact improvements are used in lieu of AB1600 Nexus Study fee programs, each jurisdiction should provide a Council-approved policy outlining steps for determining and assessing mitigation measures. For each following annual eligibility submittal, jurisdictions must include only a copy of their current mitigation impact fee schedule. At such time that a jurisdiction updates their mitigation program and/or nexus study, they must submit their updated program and revised fee schedule or process methodology for the following review cycle.

Circulation Element

Each jurisdiction must adopt and maintain a Circulation Element within their adopted General Plan depicting planned roadways and related policies within the City limits. The Circulation Elements must also be consistent with the MPAH, including designated traffic signal synchronization street routes.

Verification Method

To establish eligibility for Renewed Measure M, each jurisdiction must document within the agency submittal checklist (Appendix D) that it confirms its Circulation Element is consistent with the MPAH, including designated traffic signal synchronization street routes. For the FY 2010-11 eligibility cycle, jurisdictions which have not updated their Circulation Element to include traffic signal synchronization street routes by June 30, 2010, may be found conditionally eligible provided that they submit a conforming Circulation Element by April 1, 2011 (start date for Renewed Measure M). Each jurisdiction also must submit a copy of their most current Circulation Element with each eligibility review cycle. In addition, the MPAH Resolution identified in Appendix E must be adopted by the legislative body and submitted on a biennial basis.

Timely Expenditure of Funds

Certify that the receipt and use of all Measure M funds received will adhere to the time limits for use as outlined in the ordinance.

Competitive Programs

- Agree that Net Revenues for Regional Capacity Program (RCP) projects and/or Regional Traffic Signal Synchronization Program projects shall be expended or encumbered by end of fiscal year for which Net Revenues are programmed
- Requests for extension may be granted for up to 24 months
- OCTA may grant one extension up to 24 months



Local Fair Share

- Net Revenues received by local agency through the local fair share program shall be expended or encumbered within three years. An extension may be granted but is limited to a total of five years
- Expired funds and related revenues must be returned to the Authority. These funds shall be returned for redistribution within the same source program
- Use of Local Fair Share revenues for bonding (including debt service) shall be limited to 25% of the jurisdiction's annual Local Fair Share revenues as defined in Article 19 Motor Vehicle Revenues, Section 5 of the California Constitution

Interest Derived from Net Revenues

- Account for interest from competitive funding program and Local Fair Share proceeds in separate account
- Expend local Renewed Measure M interest proceeds on transportation activities consistent with Local Fair Share eligible activities
- Expend interest revenues within 3 years of receipt
- Interest may be accumulated for substantive project where necessary, with prior OCTA approval, provided account balance does not exceed aggregate local fair share payments received in preceding three (3) years of reporting period
- All interest accumulated at the conclusion of Renewed Measure M is to be expended within three years of program sunset date (2041)

Verification Method

To establish eligibility for Renewed Measure M, each jurisdiction must document within the agency submittal checklist (Appendix D) confirmation that the jurisdiction observed the timely use of net revenues as outlined in the ordinance. Net Revenue and Interest balances are reported on the annual Expenditure Report.

No Supplanting of Developer Commitments

Renewed Measure M funding shall not be used to supplant existing or future development funding commitments for transportation projects. Development must be required to continue paying their fair share for new transportation improvements that are necessary because of the new traffic their projects create.

- Development must continue to pay their fair share for needed infrastructure improvements and transportation projects
- Net revenues must not supplant development funding or contributions which have been previously committed to transportation projects through payment of fees in a defined program, fair share contribution, community facilities district (CFD) financing, or other dedicated contribution to a specific transportation improvement
- Standard checklist item



Verification Method

To establish eligibility for Renewed Measure M, each jurisdiction must document within the agency submittal checklist (Appendix D) that there has been no supplanting of developer commitments for transportation projects as outlined in the ordinance.

Consider, as part of the Eligible Jurisdiction's General Plan, land use planning strategies that accommodate transit and non-motorized transportation

Multi-modal options are vital to a comprehensive transportation network. General plans must include policies and language that demonstrate a thoughtful approach toward land use planning that encourages and facilitates mobility options.

Verification Method

To establish eligibility for Renewed Measure M, each jurisdiction must document within the agency submittal checklist (Appendix D) that it includes, as part of its General Plan, land use planning strategies that accommodate transit and non-motorized transportation. For the initial submittal cycle, a copy of the jurisdiction's General Plan must also be provided. Clear compliance must be demonstrated. For the FY 2010-11 eligibility cycle, jurisdictions which have not adequately addressed this requirement by June 30, 2010, may be found conditionally eligible provided that they submit a conforming General Plan reference by April 1, 2011 (start date for Renewed Measure M).

2.2 Administrative Items

Traffic Forums

Each jurisdiction must participate in Traffic Forums on an annual basis to ensure eligibility. Traffic forums, as defined in the Ordinance, can be described as a group of eligible jurisdictions working together to facilitate the planning of traffic signal synchronization among the respective jurisdictions. The forum will include an Executive Committee and a technical/policy committee.

Forum will be established through cooperative agreement between each jurisdiction, Caltrans, and OCTA with the participation of the County of Orange and the Orange County Division of League of Cities. The Forum(s) will provide a group setting for cities to participate in the planning of traffic signal synchronization programs and projects as well as to discuss regional traffic routes, traffic patterns, and inter-jurisdictional coordination efforts.

Verification Method

To establish eligibility for Renewed Measure M, each jurisdiction must document within the agency submittal checklist (Appendix D) evidence of its annual participation in traffic forums.

Local Traffic Signal Synchronization Plan

Each jurisdiction will be required to adopt and maintain a Local Traffic Signal Synchronization Plan consistent with specific requirements in Ordinance No. 3. Each City's Traffic Signal Synchronization Plan will identify traffic signal synchronization street routes and traffic signals and how they may be synchronized with traffic signals on the street routes of adjoining jurisdictions. Each plan will include a three-year plan showing cost, available funding and phasing of capital, operations and maintenance (performance report is an element of the competitive funding program).

A local match reduction of ten percent (10%) of eligible Regional Capacity Program application cost will be permitted if the jurisdiction's implements, maintains and operates a local plan consistent with the regional plan.

Verification Method

To establish eligibility, cities must ensure that their local plan is conformance with the Traffic Signal Synchronization Master Plan (TSSMP). Local plans may exceed the regional plan where appropriate. A copy of the plan, if other than the TSSMP, must be submitted every three years beginning in June 2010. For the FY 2010-11 eligibility cycle, jurisdictions which have not adequately addressed this requirement by June 30, 2010, may be found conditionally eligible provided that they submit a conforming Plan by April 1, 2011 (start date for Renewed Measure M). Subsequent submittals must include a copy of the performance audit. A Council resolution attesting to the adoption, implementation and ongoing use of the plan will be required.

2.3 Financial Items

Capital Improvement Program

The Renewed Measure M Ordinance specifies that each jurisdiction a Capital Improvement Program (CIP). For purposes of eligibility, annual seven-year CIP updates are required to enable timely review of eligible use of funds. The CIP shall include all capital transportation projects, including but not limited to, projects funded by Net Revenues and shall include transportation projects required to demonstrate compliance with signal synchronization and pavement management requirements. If Renewed Measure M funds are needed for a project not reflected on the current CIP, an amended CIP should be adopted with contract award. The revised CIP should be submitted to OCTA in hard copy form.

Each eligible jurisdiction must include in their CIP projects which are needed to meet and maintain the adopted Traffic Level of Service and Performance Standards. It shall also include all projects proposed to receive Measure M funding. Cities are encouraged, but not required, to include all projects regardless of Measure M funding participation.

Verification Method

To establish eligibility, each jurisdiction must submit an electronic and hard copy of its CIP. A Smart CIP has been developed and is supplied in database format. Below is a brief description of information necessary to complete the Smart CIP.

- *Agency* – Name of the jurisdiction preparing the CIP
- *Type of Work* – Brief description of the nature of the work (i.e., traffic signals, road maintenance, road widening, etc.)
- *Project Name* – Name of the project as worded on the CTFP project application (if applicable)
- *Project Limits/Location* – Geographic project limits
- *Type of Work Description* – Additional description expanding upon the Type of Work
- *Description* – More detailed description of the project. Required if project is “other”
- *Funding Source* – Source of funding for the project. Local matching funds should also be indicated under this column, (i.e. 70 percent M2 Capital and 30 percent local). Must add up to 100 percent
- *Explain Other/Unfunded* – Explain funding source not listed in the drop down selection
- *Project Phase* – Phase of project development, beginning with **E**-planning (environmental, engineering), **R**-right of way, and **C**-construction
- *Escalation* – Costs for right of way and construction phases will be escalated at a rate equal to the annual State Department of Finance Construction Cost Index. The escalation rates are cumulative and are capitalized into the project cost
- *Estimated Cost* – Estimated current costs for the three project phases. The cost for each phase should be indicated under the fiscal year in which the phase will be implemented. Escalated costs are calculated automatically

Verification Method

The Authority provides an electronic database called the Smart CIP used countywide for reporting Council-approved CIP information. The Smart CIP includes all projects submitted in the previous eligibility cycle. New projects should be added to the database and old projects should be removed. In addition, the funding schedule,



source, and cost data for ongoing projects should be reviewed and updated for accuracy.

Pavement Management Plan

Each jurisdiction must adopt and update biennially a Pavement Management Plan (PMP) consistent with the specific requirements outlined in Ordinance No. 3, and issue, using a common format approved by the Authority, a report every two years regarding status of road pavement conditions and implementation of the PMP including the following elements:

- Current status of pavement roads
- A six-year plan for road maintenance and rehabilitation, including projects and funding
- Projected pavement conditions resulting from improvements
- Alternative strategies and costs necessary to improve road pavement conditions

The Regional Capacity Program (RCP) identified in Renewed Measure as Project O includes an incentive for successful PMP implementation. A local match reduction of ten percent (10%) of eligible competitive program application cost will be permitted if the jurisdiction meets either of the following criteria:

- Has measurable improvement of paved road conditions during the previous reporting period as determined through the countywide pavement management rating standards, or
- Has road pavement conditions during the previous reporting period which are within the highest twenty percent (20%) of the pavement condition index used by the regional program.

Verification Method

To establish eligibility, each jurisdiction must complete and submit a copy of the Local Pavement Management Plan Certification to OCTA during the eligibility review cycle every two years. A copy of the Pavement Management Plan Certification is included as Appendix F. The jurisdiction must also provide OCTA with a brief overview of their PMP highlighting different issues that have developed between review cycles and provide additional information regarding the projects funded through the program. MicroPaver or an approved equivalent software management tool will be used for countywide consistency.

Expenditure Report

Each jurisdiction must adopt an annual Expenditure Report to account for Measure M funds, developer/traffic impact fees, and funds expended by the jurisdiction that satisfy the Maintenance of Effort requirements.

- Report required within six months of jurisdiction's end of fiscal year
- Report to include all Net Revenue, fund balances, and interest earned
- Expenditures shall be identified by activity type (capital, operations, administration, etc.) and funding source for each program/project

Verification Method

The expenditure report signed by the City Finance Director will be prepared in a format determined in consultation with the Authority Internal Audit department. The report may replicate existing financial templates used by the jurisdiction for public reporting purposes. A sample template is provided as Appendix G.

Project Final Report

Each jurisdiction must provide Authority with a Project Final Report within six months following completion of a capital project funded with Net Revenues. Final report formats follow the template used by the Comprehensive Transportation Programs (CTP).

Verification Method

To establish eligibility, a jurisdiction must submit a copy of the CTP Project Final Report for each capital project utilizing Net Revenues, which is included as Appendix H. Each Final Report must be individually submitted to OCTA within six months of the completion of a project funded by Net Revenues, regardless of the eligibility review cycle. For the purposes of reporting non-project work (maintenance, repair, and other non-project related costs) funded by Renewed M local fair share funds, the annual Expenditure Report shall satisfy reporting requirements. If local fair share funds are used for projects, the local agency shall also include a list of those funds and/or other Renewed Measure M funds in the Project Final Report.

Maintenance of Effort

Each jurisdiction must provide annual certification to Authority that the Maintenance of Effort (MOE) requirements of Section 6 of Ordinance No. 3 have been satisfied.

- Net Revenues to supplement existing funds used for transportation improvements
- Must meet or exceed MOE local discretionary funds pursuant to current Ordinance No. 2 for FY 2010-2011
- Adjust benchmark in 2014 and every three years thereafter based upon Caltrans' Construction Cost Index (CCI) for preceding three-years

- CCI adjustment cannot exceed growth rate in General Fund revenues during update period

Verification Method

An MOE reporting form must be completed, signed by the jurisdiction's Finance Director and submitted on an annual basis. The form is included in this preparation manual as Appendix I. In addition, excerpts from the jurisdiction's budget showing referenced MOE expenditures and dedication of General Funds should be included in the submittal.

TABLE 2-1
Maintenance of Effort Benchmark
by Local Jurisdiction
 Revised November 8, 2001

Jurisdiction	MOE Benchmark
	\$ 400,000
Aliso Viejo	\$ 7,496,000
Anaheim	\$ 703,000
Brea	\$ 3,526,282
Buena Park	\$ 5,980,000
Costa Mesa	\$ 2,670,215
Cypress	\$ 942,000
Dana Point	\$ 1,149,000
Fountain Valley	\$ 3,083,000
Fullerton	\$ 2,732,000
Garden Grove	\$ 4,510,000
Huntington Beach	\$ 5,112,000
Irvine	\$ 1,297,000
La Habra	\$ 156,000
La Palma	\$ 1,358,000
Laguna Beach	\$ 268,106
Laguna Hills	\$ 691,000
Laguna Niguel	\$ 77,769
Laguna Woods	\$ 140,000
Lake Forest	\$ 136,000
Los Alamitos	\$ 2,150,000
Mission Viejo	\$ 8,229,000
Newport Beach	\$ 2,205,000
Orange	\$ 546,000
Placentia	\$ 350,000
Rancho Santa Margarita	\$ 951,000
San Clemente	\$ 353,000
San Juan Capistrano	\$ 6,753,031
Santa Ana	\$ 505,000
Seal Beach	\$ 172,000
Stanton	\$ 1,119,535
Tustin	\$ 263,000
Villa Park	\$ 1,284,000
Westminster	\$ 1,933,000
Yorba Linda	\$ 69,240,938
Annual Total Orange County	

General Fund Discretionary Expenditures for Maintenance, Construction and other Categories



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TABLE 2-2
Local Jurisdiction Periodic Component Submittal Schedule

	Updated PMP	CMP	MPAH Consistency	Project Reports	Local Signal Plan
Aliso Viejo	June 2010	J U N E	J U N E	WITHIN 6 MONTHS OF PROJECT COMPLETION	C Y C L E T O B E D E T E R M I N E D
Anaheim	June 2011				
Brea	June 2011				
Buena Park	June 2010				
Costa Mesa	June 2010				
County of Orange	June 2010				
Cypress	June 2011				
Dana Point	June 2011				
Fountain Valley	June 2010				
Fullerton	June 2010				
Garden Grove	June 2011				
Huntington Beach	June 2010				
Irvine	June 2011				
Laguna Beach	June 2010				
Laguna Hills	June 2010				
Laguna Niguel	June 2010				
Laguna Woods	June 2010				
Lake Forest	June 2011				
La Habra	June 2011				
La Palma	June 2010				
Los Alamitos	June 2011				
Mission Viejo	June 2010				
Newport Beach	June 2011				
Orange	June 2010				
Placentia	June 2010				
Rancho Santa	June 2010				
San Clemente	June 2011				
San Juan Capistrano	June 2011				
Santa Ana	June 2010				
Seal Beach	June 2010				
Stanton	June 2011				
Tustin	June 2011				
Villa Park	June 2010				
Westminster	June 2010				
Yorba Linda	June 2010				
		2 0 1 1	2 0 1 0		



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CHAPTER 3 - SUBMITTAL PROCESS

3.1 Local Fair Share Program

The Local Fair Share Program is a formula-based allocation provided to eligible jurisdictions for use on allowable transportation planning and implementation activities. It is funded through an eighteen (18) percent allocation from Net Revenues and is distributed to eligible jurisdictions on a formula basis as determined by the following:

- Fifty (50) percent divided between eligible jurisdictions based upon the ratio of the jurisdiction's population to the County's total population, each from the previous calendar year
- Twenty-five (25) percent divided between eligible jurisdictions based upon the ratio of the jurisdiction's existing MPAH centerline miles to the total MPAH centerline miles within the County as determined annually by the Authority
- Twenty-five (25) percent divided between eligible jurisdictions based upon the ratio of the jurisdiction's total taxable sales to the total taxable sales for the County, each from the previous calendar year

Revenue projections are updated annually based upon a blended economic forecast developed by Chapman University, California State University (CSUF), and University of California, Los Angeles (UCLA). The resulting revenue estimates are used for programming of competitive funds and as a guide for local jurisdiction planning within the respective CIPs.

Local Fair Share revenue estimates for the current eligibility review cycle are included as Appendix J.

3.2 Submittal Documentation Summary

In addition to the Eligibility Checklist included as Appendix D, each jurisdiction must submit the following documentation for review during each eligibility review cycle (unless noted otherwise). These submittal requirements were discussed in greater detail in Chapter 2 of this manual.

Policy Items

- Congestion Management Program – The Congestion Management Plan is updated by the Authority every two years. The Renewed Measure M CIP should include CMP related improvements. In addition, a separate CMP checklist will be submitted (Appendix C).



- Mitigation Fee Program – Each jurisdiction must submit a copy of their mitigation fee nexus studies, impact fee schedule, process methodology (where applicable) and Board approved Ordinance or Resolution during the first cycles of Renewed Measure M. Updated fee schedules must be submitted on an annual basis along with updated nexus studies as necessary.
- Circulation Element – Each jurisdiction must document within the agency submittal checklist that their Circulation Element is consistent with the MPAH, including designated traffic signal synchronization street routes. Each jurisdiction must also submit a copy of their approved Circulation Element annually.
- Timely Use of Net Revenues – To establish eligibility, each jurisdiction must document within the agency submittal checklist their compliance with timely use of net revenues throughout the year.
- No Supplanting of Developer Commitments – Each jurisdiction must document within the agency submittal checklist there has been no supplanting of developer commitments for transportation projects as outlined in the Ordinance.
- Consider, as part of the Eligible Jurisdiction's General Plan, land use planning strategies that accommodate transit and non-motorized transportation - Each jurisdiction must document within the agency submittal checklist that land use planning strategies for the jurisdiction accommodate transit and non-motorized transportation.

Administrative Items

- Traffic Forums – Each jurisdiction must document within the agency submittal checklist their annual participation in the regional traffic forums.
- Local Traffic Synchronization Plan – A copy of the Local Traffic Signal Synchronization Plan, including status and performance results, shall be submitted every three (3) years beginning in Fiscal Year 2010/11.

Financial Items

- Capital Improvement Program – Each jurisdiction must submit an electronic and hard copy of the CIP.
- Pavement Management Program – Each jurisdiction must submit biennially a copy of the Pavement Management Program Certification form in addition to a brief overview providing additional information about the program.
- Expenditure Report – Each jurisdiction must submit an expenditure report providing a full accounting of Net Revenues balances and expenditures, developer/traffic impact fees, interest, and funds expended to satisfy MOE requirements.



- Project Final Report – To maintain eligibility, each jurisdiction must submit a project final report to OCTA for each individual capital project funded through Net Revenues within six (6) months of completion of the project.
- Maintenance of Effort – Each jurisdiction must complete the Maintenance of Effort Certification Form during each eligibility cycle and submit supporting budget documentation to substantiate planned relevant General Fund expenditures.

3.3 MOE Certification Process

Renewed Measure M funds may be used to supplement, not replace, existing local revenues being used for transportation improvements and programs. A local jurisdiction cannot redirect monies currently being used for transportation purposes to other uses and replace the redirected funds with Renewed Measure M revenues.

Each jurisdiction is required to maintain a minimum level of local streets and roads expenditures to conform to the MOE requirement. The minimum level of expenditures is based upon an average of General Fund expenditures for local street maintenance and construction over the period from Fiscal Year 1985-86 through Fiscal Year 1989-90. The expenditure information was obtained from the Orange County Transportation Commission's (OCTC) Annual Report data collection sheets.

The established benchmark is reported in constant dollars and is not adjusted for inflation. The MOE benchmark in Renewed Measure M, beginning April 2011, will be adjusted in 2014 and every three years thereafter as described in Chapter 2 and shown on Table 2-1. Annexation of land into an existing jurisdiction does not affect the MOE.

New Cities

Measure M requires the development of a method to apply the MOE to new cities without five years of streets and roads data, including cities incorporated during the thirty years the tax is in effect.

The approved method uses the following formula to calculate the MOE for new cities:

$$\frac{\text{Total MOE benchmark for the county}}{\text{Total county population}} = \text{per capita expenditure}$$

$$\text{Per capita expenditure} \times \text{city population} = \text{MOE benchmark for the city}$$



New cities unable to meet this requirement may use the appeals process to establish a benchmark number that more accurately reflects network needs. A phase-in period of two years has been established for new cities to achieve the approved MOE expenditure requirement.

Appeals Process

New cities may appeal the formula benchmark determination above where there is a dispute regarding the city population. The Authority shall use the most recent Census or figures provide from the State of California Department of Finance. Appeals will be submitted first to the Technical Advisory Committee and then to the OCTA Board of Directors for final determination.

Compliance

Each fiscal year, local jurisdictions must submit an MOE Reporting Form signed by the Finance Director stating they plan to spend the MOE benchmark on transportation improvements (Appendix I). Jurisdictions must also submit budget documents supporting these expenditures.

3.4 Master Plan of Arterial Highways

The Orange County Division of the League of California Cities endorsed a definition of, and a process for, determining consistency of each jurisdiction's Traffic Circulation Element with the MPAH. Through a cooperative process, OCTA, the City Engineers Association, the City Managers Association, and the County of Orange developed criteria for determining consistency with the MPAH.

MPAH Consistency Policies

- The agency's Circulation Element is to have a planned carrying capacity equivalent to the MPAH for all MPAH links within its jurisdiction. Planned carrying capacity is the number of through lanes on each arterial highway.
- Agencies will not be found inconsistent with the MPAH as a result of existing capacity limitations on arterials not yet constructed to the ultimate capacity shown on the MPAH.
- Every two years, each local agency must submit a resolution attesting that no unilateral reduction in lanes has been made on any MPAH arterial.
- The local agency will be ineligible to participate in Renewed Measure M programs if a roadway on the MPAH has been unilaterally removed from or downgraded on their Circulation Element and/or does not meet the capacity criteria. Eligibility will be reinstated upon completion of a cooperative study that resolves the

Eligibility Guidelines



inconsistency. Additionally, the local agency can re-establish eligibility upon restoring its Circulation Element to its previous state of consistency.

- A local agency is inconsistent with the MPAH as of the date the governing body takes unilateral action reducing the number of existing and/or planned through lanes on an MPAH arterial built to its ultimate configuration to less than the ultimate capacity shown on the MPAH. "Unilateral action" means physical action such as striping, signing, physical restriction and/or programmatic change in the Circulation Element.
- A local agency may be permitted to reduce existing through lanes if prior to taking this action, it can demonstrate to the OCTA TAC that such action is temporary and can be justified for operational reasons. The local agency must enter into a binding agreement to restore capacity upon demand by OCTA. The OCTA TAC may recommend that the local agency remain eligible on a conditional basis. If it is found to be ineligible, it may regain eligibility upon physical restoration of the arterial to the original state that is consistent with the MPAH.
- The local agency must adopt a General Plan Circulation Element that does not preclude implementation of the MPAH.
- If a local agency requests a change to the MPAH and enters into a cooperative study to analyze the request, it may be considered conditionally consistent. No change shall be made to its Circulation Element until after the cooperative study is completed and agreement is reached on the proposed amendment.

Program Eligibility

To be eligible for Renewed Measure M funds, the local agency must adopt a General Plan Circulation Element that is consistent with the MPAH. Furthermore, they shall take no unilateral action to preclude implementation of the MPAH.

MPAH Consistency Review Procedures

On June 30th of every year, beginning in 2010, the local jurisdiction shall submit to the OCTA Manager of Planning and Programming the following:

- Resolution adopted by the governing body of the local jurisdiction (Appendix E);
- The Arterial Highway Mileage Change Report (Appendix K). Changes in actual (built) MPAH centerline miles since the previous MPAH Consistency Review are to be reported to the nearest 0.01 mile, excluding State highways. Data should be current as of April 30th of the reporting year. Table 3-1 lists the current MPAH centerline miles by jurisdiction. The base mileage for each jurisdiction is calculated from the current Thomas Brothers database for Orange County.



- A copy of the current Circulation Element showing all arterial highways and their individual arterial designations. Any proposed changes and/or requests for changes to the MPAH should also be included.

TABLE 3-1
Master Plan of Arterial Highways Centerline Miles

Jurisdiction	2007 City Maintained Centerline Miles	2007 State Arterial Highway Centerline Miles	Total 2007 Centerline Miles
	14.88	0	14.88
Aliso Viejo	148.46	2.01	150.47
Anaheim	20.58	8.88	29.46
Brea	32.71	4.28	36.98
Buena Park	49.30	1.01	50.31
Costa Mesa	51.65	20.99	72.64
County of Orange	24.83	0	24.83
Cypress	15.72	4.44	20.16
Dana Point	35.32	0	35.32
Fountain Valley	62.22	1.36	63.58
Fullerton	63.72	0.42	64.14
Garden Grove	92.81	13.14	105.95
Huntington Beach	131.51	1.57	133.07
Irvine	17.13	4.76	21.88
La Habra	7.20	0	7.20
La Palma	2.83	11.15	13.98
Laguna Beach *	19.03	0	19.03
Laguna Hills	35.90	0	35.90
Laguna Niguel	6.11	0	6.11
Laguna Woods	36.78	0	36.78
Lake Forest	6.24	0	6.24
Los Alamitos	43.47	0	43.47
Mission Viejo	48.50	6.75	55.25
Newport Beach	85.24	0	85.24
Orange	24.88	0.48	25.36
Placentia	18.19	0	18.19
Rancho Santa Margarita	23.59	0	23.59
San Clemente	18.89	1.99	20.88
San Juan Capistrano	100.01	0	100.01
Santa Ana	12.24	2.46	14.70
Seal Beach	9.65	2.80	12.45
Stanton	35.85	0	35.85
Tustin	3.48	0	3.48
Villa Park	35.84	2.55	38.39
Westminster	28.80	1.85	30.65
Yorba Linda			
TOTAL	1363.56	92.89	1456.42

* Laguna Beach credited with State Highway mileage by agreement of the TAC. Actual city maintained mileage = 2.71 miles



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Re-establishing Program Eligibility

If a Circulation Element is found to be inconsistent with the MPAH and determined ineligible for Measure M funds, the local agency may re-establish eligibility by requesting to undertake a cooperative study with OCTA. The study will be designed to do the following:

- Ascertain the regional transportation system need
- Make provisions to meet those needs in the local jurisdiction's General Plan
- Re-establish consistency with the MPAH

Any changes to local jurisdiction's General Plan or the MPAH shall be mutually acceptable to the jurisdiction and OCTA. Until such a study has been completed and an agreement reached on the proposed amendment, the jurisdiction shall be ineligible to receive Measure M competitive funds.

3.5 For Additional Information

The OCTA Renewed Measure M Eligibility Guidelines Manual has been developed to assist jurisdictions located throughout Orange County understand and continue to implement all eligibility requirements to receive Renewed Measure M funding. This manual provides general summary information regarding all eligibility requirements as well as a comprehensive summary of all responsibilities and actions for which a local jurisdiction must follow to continue their eligibility.

Please contact the following OCTA staff when seeking additional information or clarification regarding any of the Renewed Measure M eligibility guidelines:

Monica Salazar
Transportation Analyst
(714) 560-5905
mgiron@octa.net



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Appendix A

Orange County Local Transportation Authority
Ordinance No. 3
July 24, 2006

Available upon request from the
Clerk of the Board Office

APPENDIX B

ELIGIBILITY FOR NEW CITIES

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Eligibility for New Cities

Eligibility for Fair Share Funds - New Cities

At the time of incorporation, a new city may adopt current practices previously established by the County of Orange which have already established eligibility under the current Measure M. As new cities mature, they will adopt their own general plan and growth strategies. To provide for this transition period, the OCTA Board of Directors has previously adopted the following new city eligibility process for Fair Share funds:

- A new city may, at its discretion, adopt the approved PMP of the predecessor governing body as its own, providing these policies are fully enforced
- Prior to incorporation, the proposed new city must work with OCTA and the Local Agency Formation Commission (LAFCO) to identify the variables used in the Measure M Fair Share funds calculation (population, taxable sales, and MPAH mileage). Preliminary data must be identified prior to the date of incorporation
- The new city will begin accruing Measure M Fair Share funds as of the date of incorporation
- The OCTA will reserve the accrued funds for the new city, pending the determination of eligibility by the OCTA Board within one year of the date of incorporation
- In order for the new city to receive the reserved accrued funds, OCTA must receive all necessary elements of the Measure M eligibility package, complete the necessary review and approval of the package, and the OCTA Board determine the new city eligible to receive Measure M funds within one year of the date of incorporation. OCTA recommends the city submit its eligibility package within six months of incorporation to allow sufficient time for OCTA review and approval processes
- Upon determination of eligibility by the OCTA Board within one year of incorporation, the new city will receive its first Fair Share payment including the reserved accrued funds, on the first regular payment cycle following the eligibility determination
- The first fair share payment will be adjusted to reflect final Fair Share calculation (population, taxable sales, and MPAH miles) as determined through the new city eligibility process
- In the event a new city is determined to be ineligible to receive Fair Share funds by the OCTA Board, the reserved accrued funds and interest on the funds, shall

be distributed to the eligible jurisdictions on a pro-rata basis, until such time that the new city attains eligibility

- Such new city will begin to accrue funds as of the first day of the first regular accrual period following its determination of eligibility by the OCTA Board and receive its first Fair Share payment on the corresponding regular payment cycle

Eligibility for Competitive Funds-New Cities

In addition to the new city eligibility process for Fair Share funds, the OCTA Board has adopted the following process for eligibility for competitive funds:

- A new city may apply for competitive funding upon the date of incorporation, however, may not be awarded competitive funding until the new city has been determined eligible to receive Fair Share funds by OCTA Board, as described above
- A new city must include an adopted PMP that is consistent with countywide pavement condition assessment standards (Arterial Highway Rehabilitation Program), a General Plan Circulation Element consistent with the MPAH, and a City Council resolution attesting that no unilateral reduction in lanes have been made on any MPAH arterials in its Measure M eligibility package for review and approval by the OCTA Board
- Applications for competitive funding by new cities will be considered until such time in the process of the competitive funding program that projects are ranked for award. If the new city has not been determined eligible by the OCTA Board by the time projects are ranked for award, any application by the new city for competitive funding will be withdrawn from further consideration. OCTA staff will work with the new city to revise the schedule specific to its time of incorporation in relation to the current competitive funding program process

APPENDIX C

CMP CHECKLIST

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**CMP MONITORING CHECKLIST
CAPITAL IMPROVEMENT PROGRAM**

Responsibility: Cities, County, Caltrans, transit operators

2009 CMP CHECKLIST

- | | YES | NO |
|--|--------------------------|--------------------------|
| 1. Did you submit a seven-year Capital Improvement Program (CIP) to OCTA by June 30, 2009? | <input type="checkbox"/> | <input type="checkbox"/> |
| a. Does it include projects that will maintain or improve the traffic LOS on the CMPHS or adjacent facilities which benefit the CMPHS? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Are maintenance, rehabilitation, and reconstruction projects excluded for CMP purposes? | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Was the CIP Development Program, distributed with the Measure M eligibility package, used to prepare the CMP CIP? | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Have projects included as part of a deficiency plan been identified as such in the CIP? | <input type="checkbox"/> | <input type="checkbox"/> |

CMP MONITORING CHECKLIST DEFICIENCY PLANS

Responsibility: Cities, County

2009 CMP CHECKLIST

YES NO*

1. After adjustments, were any locations on the CMPHS identified as failing to meet the LOS standard through the data collection and calculation process?

☐ ☐

- a. If so, which?

NOTE: Only those agencies which answered question #1 affirmatively need to answer the remaining questions.

2. Will the deficiencies at these locations be corrected by improvements scheduled for completion during the next 18 months?

☐ ☐

3. Has a deficiency plan or a schedule for preparing a deficiency plan been submitted to OCTA?

☐ ☐

4. Does the deficiency plan fulfill the statutory requirements:

- a. include an analysis of the causes of the deficiency?

☐ ☐

- b. include a list of improvements necessary to maintain minimum LOS standards on the CMPHS and the estimated costs of the improvements?

☐ ☐

	YES	NO*
c. include a list of improvements, programs, or actions, and estimates of their costs, that will improve LOS on the CMPHS and improve air quality?	<input type="checkbox"/>	<input type="checkbox"/>
1) do the improvements, programs, or actions meet the criteria established by SCAQMD (see the CMP Preparation Manual)?	<input type="checkbox"/>	<input type="checkbox"/>
d. include an action plan and implementation schedule?	<input type="checkbox"/>	<input type="checkbox"/>
5. Are the capital improvements identified in the deficiency plan programmed in your seven-year CMP CIP?	<input type="checkbox"/>	<input type="checkbox"/>
6. Does the deficiency plan include a monitoring program that will ensure its implementation?	<input type="checkbox"/>	<input type="checkbox"/>
7. Does the deficiency plan include a process to allow some level of development to proceed pending correction of the deficiency?	<input type="checkbox"/>	<input type="checkbox"/>
8. Has necessary inter-jurisdictional coordination occurred?	<input type="checkbox"/>	<input type="checkbox"/>
9. Please describe any innovative programs included in the deficiency plan:		

* Submitting jurisdiction is encouraged to provide a brief explanation of those questions answered "No."

CMP MONITORING CHECKLIST LAND USE COORDINATION

Responsibility: Cities, County

2009 CMP CHECKLIST

	YES	NO*
CMP Traffic Impact Analysis:		
1. Have you changed the CMP traffic impact analysis (TIA) process you selected for the 2007 CMP?	<input type="checkbox"/>	<input type="checkbox"/>
2. If you answered "Yes" to the above question, have you submitted documentation of the revised TIA approach and methodology used to OCTA?	<input type="checkbox"/>	<input type="checkbox"/>
3. Was your CMP TIA process applied to applicable development projects filed and approved by the local jurisdiction between July 1, 2007 and June 30, 2009?	<input type="checkbox"/>	<input type="checkbox"/>
a. How many approved development projects were required to conduct a CMP TIA?		
b. Did the TIA process identify whether any CMPHS links/intersections would exceed their established LOS standard as a result of project related traffic?	<input type="checkbox"/>	<input type="checkbox"/>
c. If so, which CMPHS links/intersections?		
d. Which, if any, of these impacted CMPHS links/intersections are located outside the boundaries of your jurisdiction?		

	YES	NO*
e. Did your agency participate in inter-jurisdictional discussions with other affected jurisdictions to develop a mitigation strategy for each impacted link/intersection?	<input type="checkbox"/>	<input type="checkbox"/>
4. Did you use, or do you anticipate using, a local model for your traffic impact analysis on any projects initiated between July 1, 2007 and June 30, 2009?	<input type="checkbox"/>	<input type="checkbox"/>
5. If you answered "Yes" to the above question, did you follow the modeling consistency process outlined in Attachment 1?	<input type="checkbox"/>	<input type="checkbox"/>

* Submitting jurisdiction is encouraged to provide a brief explanation of those questions answered "No" (with the exception of questions 1 and 4).

CMP MONITORING CHECKLIST LEVEL OF SERVICE

Responsibility: Cities, County

2009 CMP CHECKLIST

		YES	NO*
1.	In your jurisdiction, are all of the intersections on the CMPHS operating at LOS E (or the baseline level, if worse than E) or better?	<input type="checkbox"/>	<input type="checkbox"/>
a.	If not, have the impacts of traffic which are categorically exempt under the CMP legislation (interregional travel, traffic generated by the provision of low and very low income housing, construction rehabilitation or maintenance of facilities that impact the system, freeway ramp metering, or traffic signal coordination) been factored out of the LOS traffic counts?	<input type="checkbox"/>	<input type="checkbox"/>
2.	After adjustments have been included, which intersections, if any, are operating below LOS E (or the baseline level, if worse than E)?	<input type="checkbox"/>	<input type="checkbox"/>
	<hr/>		
	<hr/>		
	<hr/>		
3.	Will the LOS at those intersections be improved by mitigation measures which will be implemented in the next 18 months or improvements programmed in the first year of any FY 2009/2010 funding program (i.e., local agency CIP, CMP CIP, Measure M CIP)?	<input type="checkbox"/>	<input type="checkbox"/>
a.	If not, has a deficiency plan been developed for each intersection which will be operating below LOS E (or the baseline level, if worse than E)?	<input type="checkbox"/>	<input type="checkbox"/>

* Submitting jurisdiction is encouraged to provide a brief explanation of those questions answered "No."

<p style="text-align: center;">CMP MONITORING CHECKLIST TDM ORDINANCE</p>
--

Responsibility: Cities, County

2009 CMP CHECKLIST

YES NO

- | | | | |
|----|--|--------------------------|--------------------------|
| 1. | Have you made revisions to the TDM ordinance used to satisfy the TDM requirements of the last CMP reporting cycle (i.e. 2007)? | <input type="checkbox"/> | <input type="checkbox"/> |
| a. | If so, please attach a copy of the revised ordinance and adopting resolution. | | |

- | | | | |
|----|--|--------------------------|--------------------------|
| 2. | Have you applied your TDM ordinance to development projects? | <input type="checkbox"/> | <input type="checkbox"/> |
|----|--|--------------------------|--------------------------|

- a. If not, please provide a brief explanation.

APPENDIX D

ELIGIBILITY CHECKLIST

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MEASURE M ELIGIBILITY CHECKLIST FOR FY 2010-11

Responsibility: Cities, County

FY 2010-11 MEASURE M CHECKLIST

YES NO

Capital Improvement Program

- | | | | |
|----|--|--------------------------|--------------------------|
| 1. | Did you submit your draft Measure M seven-year Capital Improvement Program (CIP) for FY 2010-11 through FY 2016-17 to OCTA by June 30, 2010? | <input type="checkbox"/> | <input type="checkbox"/> |
| a. | Did you utilize the required CIP development software? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. | Have you indicated what percentage of funding will come from each source for each of the projects? | <input type="checkbox"/> | <input type="checkbox"/> |
| c. | Have you listed projects in current year (2010) dollars? | <input type="checkbox"/> | <input type="checkbox"/> |
| d. | Did you include all projects that are partially, fully or potentially funded by Measure M? | <input type="checkbox"/> | <input type="checkbox"/> |
| e. | Have you established an estimated target date prior to August 13, 2010 for submitting your final, adopted Measure M seven-year CIP to OCTA? | <input type="checkbox"/> | <input type="checkbox"/> |

Maintenance of Effort

- | | | | |
|----|---|--------------------------|--------------------------|
| 2. | Did you submit your Maintenance of Effort certification and supporting budget documentation to OCTA by June 30, 2010? | <input type="checkbox"/> | <input type="checkbox"/> |
| a. | Did you use the Maintenance of Effort Reporting Form included in the GMP Preparation Manual for FY 2010-11? | <input type="checkbox"/> | <input type="checkbox"/> |

Pavement Management Program

- | | | | |
|----|---|--------------------------|--------------------------|
| 3. | Did you submit a Pavement Management Program (PMP) Update to OCTA in 2009? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. | If you answered "no" to question #3, did you submit a PMP Update to OCTA for FY 2010-11 by June 30, 2010? | <input type="checkbox"/> | <input type="checkbox"/> |
| a. | Did you use the current PMP Certification form? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. | Is the PMP consistent with the AHRP standards? | <input type="checkbox"/> | <input type="checkbox"/> |

Resolution of Master Plan of Arterial Highway (MPAH) Consistency

- | | | | |
|----|--|--------------------------|--------------------------|
| 5. | Did you submit a resolution demonstrating consistency with the MPAH in 2009? | <input type="checkbox"/> | <input type="checkbox"/> |
|----|--|--------------------------|--------------------------|

- a. If not, did you submit an MPAH consistency resolution to OCTA for FY 2010-11 by June 30, 2010?

6. Have you enclosed a figure representing your most current circulation element? ☐ ☐
7. Does your circulation element include designated traffic signal synchronization street routes? ☐ ☐

Mitigation Fee Program

8. Does your jurisdiction currently have a defined development impact mitigation fee program in place? ☐ ☐
- a. If you answered yes to #7, have you included a copy of your current impact fee schedule? ☐ ☐
- b. If you answered yes to #7, have you provided OCTA with a copy of your mitigation fee nexus study? ☐ ☐

Time Limits For Use of Net Revenues

9. Has your jurisdiction observed the time limits for the use of net revenues over the last year per the requirements outlined in the ordinance? ☐ ☐

Supplanting of Developer's Commitments

10. Has your jurisdiction insured they have not supplanted developer commitments for transportation projects and funding with Measure M funds? ☐ ☐

Planning Strategies

11. Does your jurisdiction consider as part of its General Plan, land use planning strategies that accommodate transit and non-motorized transportation? ☐ ☐

Traffic Forums

12. Did representatives of your jurisdiction participate in the regional traffic forum(s)? ☐ ☐

Congestion Management Program

13. Has your jurisdiction completed the required CMP checklist? ☐ ☐

Submitted by:

Name (Print)	Signature	Title
Jurisdiction	Phone Number	Date

APPENDIX E

**SAMPLE RESOLUTION FOR MPAH
CONSISTENCY**

[SAMPLE MPAH RESOLUTION]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____ CONCERNING THE STATUS OF THE CIRCULATION ELEMENT FOR THE CITY OF _____

WHEREAS, the City/County of _____ desired to maintain and improve the streets within its jurisdiction, including those arterials contained in the Master Plan of Arterial Highways (MPAH) and

WHEREAS, the City/County of _____ had endorsed a definition of and process for, determining consistency of the City's/County's Traffic Circulation Plan with the MPAH, and

WHEREAS, the City/County has adopted a General Plan Circulation Element which does not preclude implementation of the MPAH within its jurisdiction, and

WHEREAS, the City/County is required to adopt a resolution every year informing the Orange County Transportation Authority (OCTA) that the City/County's Circulation Element is in conformance with the MPAH and whether any changes to any arterial highways of said Circulation Element have been adopted by the City/County during Fiscal Years 20XX-XX and 20XX-XX, and

WHEREAS, the City/County is required to send every year to the OCTA all recommended changes to the City/County Circulation Element and the MPAH for the purposes of re-qualifying for participation in the Combined Transportation Funding Programs.

NOW, THEREFORE, BE IT RESOLVED that the City/County of _____, does hereby inform OCTA that:

- a) The arterial highway portion of the City/County Circulation Element of the City/County is in conformance with the MPAH.
- b) The City/County attests that no unilateral reduction in through lanes has been made on any MPAH arterials during the Fiscal Years 20XX-XX and 20XX-XX.
- c) The City/County has adopted a uniform setback ordinance providing for the preservation of rights-of-way consistent with the MPAH arterial highway classification.
- d) The City/County has adopted provisions for the limitation of access to arterial highways in order to protect the integrity of the system.

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APPENDIX F

**PAVEMENT MANAGEMENT PROGRAM
(PMP) CERTIFICATION**

Date_____

RENEWED MEASURE M
LOCAL PAVEMENT MANAGEMENT PLAN CERTIFICATION

The City/County of _____ certifies their Pavement Management Plan is in conformance with the criteria stated in the Orange County Local Transportation Authority Ordinance No. 3. This resolution requires that a Local Pavement Management Plan be in place and maintained to qualify for allocation of revenues generated from Measure M.

The system was developed by _____* and contains, at a minimum, the following elements:

- Inventory of MPAH and local routes reviewed and updated biennially. The last update of the inventory was completed _____, _____.
- Assessment of pavement condition for all routes in the system, updated biennially. The last review of pavement condition was completed _____, _____.
- Percentage of all sections of pavement needing:
Rehabilitation_____ Replacement_____
- Budget needs for rehabilitation or replacement of deficient sections of pavement for:
Current biennial period_____ Following biennial period_____
- The local Pavement Management Plan is consistent with countywide pavement condition assessment standards as described in the Arterial Highway Rehabilitation Program (AHRP).

* A copy of the Local Pavement Management Plan must be submitted with the certification statement.

A copy of this certification is being provided to the Orange County Transportation Authority.

Submitted by:

Local Jurisdiction

Name (Print)

Signed

Title

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APPENDIX G

**SAMPLE EXPENDITURE REPORT
TEMPLATE**

EXPENDITURE REPORT TEMPLATE TO BE DEVELOPED

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APPENDIX H

PROJECT FINAL REPORT TEMPLATE FOR “NET REVENUE” PROJECTS

*Project final report template to follow Regional Capacity
Program requirements*

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APPENDIX I

MAINTENANCE OF EFFORT (MOE)
REPORTING FORM

MAINTENANCE OF EFFORT REPORTING FORM

Reporting Jurisdiction: _____**Type of GENERAL FUND Transportation Expenditures:**

(please attach supporting budget documentation for each line item listed below,
and record separately in CIP software)

MAINTENANCE	Total Expenditure
Subtotal Maintenance	

CONSTRUCTION	Total Expenditure
Subtotal Construction	

ADMINISTRATIVE/OTHER	Total Expenditure
Subtotal Other	
Total General Fund Transportation Expenditures	
(less Total MOE Exclusions*)	(~)
MOE Expenditures	
MOE Benchmark Requirement	
(Shortfall) / Surplus	

Certification:

I hereby certify that the City of _____ has budgeted and
will meet the Maintenance of Effort requirement for Fiscal Year _____.

Signature (Finance Director)

Date

Title

*Funding sources include federal, state, redevelopment, and bond financing.

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APPENDIX J

**LOCAL FAIR SHARE REVENUE
PROJECTIONS**

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MEASURE M LOCAL FAIR SHARE PROGRAM*
FORECAST ESTIMATE R FY 2010-11 THRU FY 2015-16

Agency	FY 2010-11 (Apr. - Jun.) City	FY 2011-12 City	FY 2012-13 City	FY 2013-14 City	FY 2014-15 City	FY 2015-16 City	Total FY 2011 - FY 2016 City
Aliso Viejo	Apportionment \$ 106,280	Apportionment \$ 435,087	Apportionment \$ 458,217	Apportionment \$ 483,119	Apportionment \$ 507,706	Apportionment \$ 532,319	Apportionment \$ 2,522,728
Anaheim	990,857	4,056,355	4,271,993	4,504,162	4,733,391	4,962,854	23,519,612
Brea	157,734	645,729	680,056	717,015	753,506	790,034	3,744,075
Buena Park	237,000	970,226	1,021,804	1,077,336	1,132,164	1,187,049	5,625,578
Costa Mesa	417,216	1,707,992	1,798,790	1,896,549	1,993,069	2,089,688	9,903,304
Cypress	159,532	653,089	687,808	725,188	762,095	799,039	3,786,751
Dana Point	96,630	395,582	416,611	439,252	461,607	483,985	2,293,666
Fountain Valley	184,715	756,183	796,382	839,662	882,395	925,171	4,384,508
Fullerton	373,849	1,530,457	1,611,817	1,699,414	1,785,901	1,872,477	8,873,915
Garden Grove	434,066	1,776,973	1,871,438	1,973,144	2,073,563	2,174,084	10,303,268
Huntington Beach	554,176	2,268,679	2,389,283	2,519,133	2,647,338	2,775,675	13,154,284
Irvine	695,889	2,848,822	3,000,267	3,163,322	3,324,311	3,485,466	16,518,076
Laguna Beach	75,945	310,901	327,429	345,223	362,793	380,380	1,802,671
Laguna Hills	107,999	442,123	465,627	490,932	515,917	540,927	2,563,525
Laguna Niguel	199,972	818,643	862,163	909,019	955,281	1,001,591	4,746,668
Laguna Woods	41,154	168,476	177,433	187,075	196,596	206,127	976,861
La Habra	154,371	631,963	665,558	701,729	737,442	773,191	3,664,255
Lake Forest	228,995	937,455	987,291	1,040,947	1,093,923	1,146,954	5,435,565
La Palma	54,694	223,907	235,810	248,625	261,279	273,945	1,298,260
Los Alamitos	38,488	157,560	165,936	174,954	183,858	192,771	913,568
Mission Viejo	283,793	1,161,789	1,223,551	1,290,047	1,355,700	1,421,422	6,736,302
Newport Beach	301,416	1,233,931	1,299,527	1,370,152	1,439,883	1,509,685	7,154,593
Orange	471,327	1,929,513	2,032,087	2,142,525	2,251,563	2,360,714	11,187,730
Placentia	138,616	567,465	597,632	630,111	662,179	694,280	3,290,282
Rancho Santa Margarita	126,106	516,251	543,695	573,243	602,417	631,621	2,993,332
San Clemente	161,186	659,859	694,937	732,705	769,994	807,322	3,826,003
San Juan Capistrano	115,741	473,819	499,008	526,127	552,903	579,707	2,747,305
Santa Ana	849,674	3,478,382	3,663,295	3,862,383	4,058,950	4,255,718	20,168,403
Seal Beach	70,410	288,242	303,565	320,063	336,352	352,658	1,671,291
Stanton	88,682	363,047	382,347	403,126	423,642	444,179	2,105,023
Tustin	238,240	975,302	1,027,149	1,082,971	1,138,087	1,193,258	5,655,007
Villa Park	15,586	63,805	67,197	70,849	74,455	78,064	369,957
Westminster	259,666	1,063,016	1,119,527	1,180,370	1,240,442	1,300,575	6,163,596
Yorba Linda	169,314	693,137	729,984	769,657	808,826	848,036	4,018,955
County Unincorporated	508,175	2,080,358	2,190,951	2,310,022	2,427,585	2,545,269	12,062,361
Total County:	\$9,107,493	\$37,284,118	\$39,266,164	\$41,400,153	\$43,507,114	\$45,616,234	\$216,181,277

* - The Population, MPAH Mileage, and Taxable Sales Criteria used in the Turnback allocation model change annually. Also the Measure M Sales Tax Forecast is updated each year; therefore, these figures are very preliminary.
- Forecast from FY 2010-11 (Apr. - Jun.) through FY 2015-16 is a very preliminary estimate based on forecasted nominal revenues as of January 1, 2010.

APPENDIX K

**ARTERIAL HIGHWAY MILEAGE
CHANGE REPORT**

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APPENDIX L

ACRONYMS

Acronyms

AHRP	– Arterial Highway Rehabilitation Program
CEQA	– California Environmental Quality Act
CIP	– Capital Improvement Program
CMP	– Congestion Management Program
COC	– Citizen's Oversight Committee
CTFP	– Combined Transportation Funding Program
GMA	– Growth Management Area
GME	– Growth Management Element
GMP	– Growth Management Program
LAFCO	– Local Agency Formation Commission
LOS	– Level of Service
LTA	– Local Transportation Authority
MOE	– Maintenance of Effort
MPAH	– Master Plan of Arterial Highways
OCCOG	– Orange County Council of Governments
TAC	– Technical Advisory Committee
TDM	– Traffic Demand Model
TOC	– Taxpayers Oversight Committee
TSC	– Technical Steering Committee
SCAQMD	– South Coast Air Quality Management District

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**Measure M and Measure M2
Eligibility Element Comparison
Per Enabling Ordinance**

ATTACHMENT B

	Existing Measure M Guidelines	Measure M2 (M2) Guidelines
Growth Management Program (GMP)	<ul style="list-style-type: none"> • Adopt GMP • Submit every five years 	<ul style="list-style-type: none"> • NOT REQUIRED
Congestion Management Program (CMP)	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Comply with Orange County's CMP
Capital Improvement Program (CIP)	<ul style="list-style-type: none"> • Seven-year CIP with annual renewal 	<ul style="list-style-type: none"> • Seven-year CIP with biennial renewal • Includes all projects funded with M2 net revenues
Mitigation Fee Program	<ul style="list-style-type: none"> • Development Mitigation Monitoring Program • Component of GMP 	<ul style="list-style-type: none"> • Have a clearly defined Mitigation Fee Program
General Plan Circulation Element	<ul style="list-style-type: none"> • Circulation element consistent with the MPAH 	<ul style="list-style-type: none"> • Circulation element consistent with the MPAH • Include traffic signal synchronization street routes consistent with the OCTA Signal Synchronization Master Plan
Traffic Forums	<ul style="list-style-type: none"> • Participate in inter-jurisdictional planning forms (GMA) 	<ul style="list-style-type: none"> • Participate in forums to facilitate the planning of traffic signal synchronization programs and projects • Participate in forums to discuss regional traffic routes and traffic patterns, inter-jurisdictional efforts
Local Traffic Signal Synchronization Plan (TSSP)	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Adopt and maintain a local TSSP • Conform to the Signal Synchronization Master Plan • Three-year plan showing cost, available funding and phasing of capital, operations, and maintenance
Pavement Management Plan (PMP)	<ul style="list-style-type: none"> • Adopt and fund a local PMP • Update biennially 	<ul style="list-style-type: none"> • Adopt PMP using common format • Six-year capital plan updated every two years • Report projected improvements resulting from program
Expenditure Report	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Report required within six months of end of fiscal year (FY) • Report to include all net revenue, fund balances, and interest earned • Identify expenditures by type, program/project
Project Final Report	<ul style="list-style-type: none"> • Required under OCTA funding program procedures 	<ul style="list-style-type: none"> • Final report for all projects funded with net revenues • Reports to be submitted within six months of completion

Key

- No Impact
- Consistent with Prior Program
- Substantial Changes

MPAH - Master Plan of Arterial Highways
OCTA - Orange County Transportation Authority
CCI - Construction Cost Index

**Measure M and Measure M2
Eligibility Element Comparison
Per Enabling Ordinance**

	Existing Measure M Guidelines	Measure M2 (M2) Guidelines
Time Limits for Use of Revenues	<ul style="list-style-type: none"> Agree to expend all net tax revenues received through Measure M within three years of receipt 	<ul style="list-style-type: none"> Net revenues shall be expended or encumbered within three years. An extension may be granted with five year limit
		<ul style="list-style-type: none"> Net revenues for M2 grants must be encumbered by end of fiscal year programmed
		<ul style="list-style-type: none"> Requests for extension may be granted for up to 24 months
	<ul style="list-style-type: none"> Failure to expend funds in timely manner will make jurisdiction ineligible to receive additional funds until reinstated 	<ul style="list-style-type: none"> Expired funds and related revenues must be returned to OCTA for use in same source program.
Maintenance of Effort (MOE)	<ul style="list-style-type: none"> Benchmark based upon average FY1985/86 through 1989/90 	<ul style="list-style-type: none"> Must meet or exceed MOE local discretionary funds pursuant to current Ordinance No. 2 for FY 2010-2011 and per Ordinance No. 3 starting April 1, 2011
	<ul style="list-style-type: none"> Annual certification that MOE has been satisfied 	<ul style="list-style-type: none"> Annual certification that MOE requirement have been satisfied
		<ul style="list-style-type: none"> Adjust benchmark in 2014 and every three years thereafter based upon CCI for preceding three-years
		<ul style="list-style-type: none"> CCI adjustment cannot exceed growth rate in general fund revenues during update period
Land Use and Planning Strategies	<ul style="list-style-type: none"> Planning standards for fire, police, library, flood control, parks and open space, and other services and public facilities (GMP) 	<ul style="list-style-type: none"> Consider in jurisdiction's general plan, land use planning strategies that accommodate transit and non-motorized transportation
Certification of Funds	<ul style="list-style-type: none"> Certify Measure M has not supplanted existing or developer funds 	<ul style="list-style-type: none"> Certification that no M2 funds have been used to supplant existing commitments or any developer funding which has been or will be committed for any transportation projects
Development Phasing and Monitoring Program	<ul style="list-style-type: none"> Development phasing and monitoring program 	N/A
Traffic Level of Service (LOS) Standards	<ul style="list-style-type: none"> Summarize traffic LOS standards 	<ul style="list-style-type: none"> Included in CMP
		<ul style="list-style-type: none"> May be included in the regional TSSP
Balanced Housing Options and Job Opportunities	<ul style="list-style-type: none"> Balanced housing options and job opportunities 	N/A
Transportation Demand Management (TDM) Ordinance	<ul style="list-style-type: none"> Adoption of a TDM Ordinance 	<ul style="list-style-type: none"> Included in CMP

Key

- No impact
- Consistent with Prior Program
- Substantial Changes

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

ORDINANCE NO. 3

JULY 24, 2006

Pages B-7 through B-10

Orange County Local Transportation Authority
550 South Main Street
P.O. Box 14184
Orange, CA 92863-1584
Tel: (714) 560-6282

1 III. REQUIREMENTS FOR ELIGIBLE JURISDICTIONS.

2 A. In order to be eligible to receive Net Revenues, a jurisdiction shall
3 satisfy and continue to satisfy the following requirements.

4 1. Congestion Management Program. Comply with the conditions
5 and requirements of the Orange County Congestion Management Program (CMP)
6 pursuant to the provisions of Government Code Section 65089.

7 2. Mitigation Fee Program. Assess traffic impacts of new
8 development and require new development to pay a fair share of necessary transportation
9 improvements attributable to the new development.

10 3. Circulation Element. Adopt and maintain a Circulation Element
11 of the jurisdiction's General Plan consistent with the MPAH.

12 4. Capital Improvement Program. Adopt and update biennially a
13 six-year Capital Improvement Program (CIP). The CIP shall include all capital
14 transportation projects, including projects funded by Net Revenues, and shall include
15 transportation projects required to demonstrate compliance with signal synchronization and
16 pavement management requirements.

17 5. Traffic Forums.

18 Participate in Traffic Forums to facilitate the planning of traffic
19 signal synchronization programs and projects. Eligible Jurisdictions and Caltrans, in
20 participation with the County of Orange and the Orange County Division of League of
21 Cities, will establish the boundaries for Traffic Forums. The following will be considered
22 when establishing boundaries:

23 a. Regional traffic routes and traffic patterns;

24 b. Inter-jurisdictional coordination efforts; and

25 c. Total number of Traffic Forums.

26 6. Local Traffic Signal Synchronization Plan. Adopt and maintain a
27 Local Traffic Signal Synchronization Plan which shall identify traffic signal synchronization
28 street routes and traffic signals; include a three-year plan showing costs, available funding

1 and phasing of capital, operations and maintenance of the street routes and traffic signals;
2 and include information on how the street routes and traffic signals may be synchronized
3 with traffic signals on the street routes in adjoining jurisdictions. The Local Traffic Signal
4 Synchronization Plan shall be consistent with the Traffic Signal Synchronization Master
5 Plan.

6 7. Pavement Management Plan. Adopt and update biennially a
7 Pavement Management Plan, and issue, using a common format approved by the
8 Authority, a report every two years regarding the status of road pavement conditions and
9 implementation of the Pavement Management Plan.

10 a. Authority, in consultation with the Eligible Jurisdictions,
11 shall define a countywide management method to inventory, analyze and evaluate road
12 pavement conditions, and a common method to measure improvement of road pavement
13 conditions.

14 b. The Pavement Management Plan shall be based on:
15 either the Authority's countywide pavement management method or a comparable
16 management method approved by the Authority, and the Authority's method to measure
17 improvement of road pavement conditions.

18 c. The Pavement Management Plan shall include:
19 (i) Current status of pavement on roads;
20 (ii) A six-year plan for road maintenance and
21 rehabilitation, including projects and funding;
22 (iii) The projected road pavement conditions resulting
23 from the maintenance and rehabilitation plan; and
24 (iv) Alternative strategies and costs necessary to
25 improve road pavement conditions.

26 8. Expenditure Report. Adopt an annual Expenditure Report to
27 account for Net Revenues, developer/traffic impact fees, and funds expended by the
28 Eligible Jurisdiction which satisfy the Maintenance of Effort requirements. The Expenditure

1 Report shall be submitted by the end of six (6) months following the end of the jurisdiction's
2 fiscal year and include the following:

- 3 a. All Net Revenue fund balances and interest earned.
4 b. Expenditures identified by type (i.e., capital, operations,
5 administration, etc.), and program or project .

6 9. Project Final Report. Provide Authority with a Project Final
7 Report within six months following completion of a project funded with Net Revenues.

8 10. Time Limits for Use of Net Revenues.

9 a. Agree that Net Revenues for Regional Capacity Program
10 projects and Regional Traffic Signal Synchronization Program projects shall be expended
11 or encumbered no later than the end of the fiscal year for which the Net Revenues are
12 programmed. A request for extension of the encumbrance deadline for no more than
13 twenty-four months may be submitted to the Authority no less than ninety days prior to the
14 deadline. The Authority may approve one or more requests for extension of the
15 encumbrance deadline.

16 b. Agree that Net Revenues allocated for any program or
17 project, other than a Regional Capacity Program project or a Regional Traffic Signal
18 Synchronization Program project, shall be expended or encumbered within three years of
19 receipt. The Authority may grant an extension to the three-year limit, but extensions shall
20 not be granted beyond a total of five years from the date of the initial funding allocation.

21 c. In the event the time limits for use of Net Revenues are
22 not satisfied then any retained Net Revenues that were allocated to an Eligible Jurisdiction
23 and interest earned thereon shall be returned to the Authority and these Net Revenues and
24 interest earned thereon shall be available for allocation to any project within the same
25 source program.

26 11. Maintenance of Effort. Annual certification that the Maintenance
27 of Effort requirements of Section 6 of the Ordinance have been satisfied.

28 12. No Supplanting of Funds. Agree that Net Revenues shall not be

1 used to supplant developer funding which has been or will be committed for any
2 transportation project.

3 13. Consider, as part of the Eligible Jurisdiction's General Plan, land
4 use planning strategies that accommodate transit and non-motorized transportation.

5 B. Determination of Non-Eligibility

6 A determination of non-eligibility of a jurisdiction shall be made only
7 after a hearing has been conducted and a determination has been made by the Authority's
8 Board of Directors that the jurisdiction is not an Eligible Jurisdiction as provided
9 hereinabove.

10 IV. ALLOCATION OF NET REVENUES: GENERAL PROVISIONS.

11 A. Subject to the provisions of the Ordinance, including Section II above,
12 use of the Revenues shall be as follows:

13 1. First, the Authority shall pay the State Board of Equalization for
14 the services and functions;

15 2. Second, the Authority shall pay the administration expenses of
16 the Authority;

17 3. Third, the Authority shall satisfy the annual allocation
18 requirement of two percent (2%) of Revenues for Environmental Cleanup; and

19 4. Fourth, the Authority shall satisfy the debt service requirements
20 of all bonds issued pursuant to the Ordinance that are not satisfied out of separate
21 allocations.

22 B. After providing for the use of Revenues described in Section A above,
23 and subject to the averaging provisions of Section D below, the Authority shall allocate the
24 Net Revenues as follows:

25 1. Forty-three percent (43%) for Freeway Projects;

26 2. Thirty-two percent (32%) for Street and Road Projects; and

27 3. Twenty-five percent (25%) for Transit Projects.

28 C. The allocation of thirty-two percent (32%) of the Net Revenues for