



**Measure M**  
**Taxpayers Oversight Committee**  
at the Orange County Transportation Authority  
600 S. Main Street, Orange CA  
June 16, 2009  
6:00 p.m.



**AGENDA**

- 1. Welcome**
- 2. Pledge of Allegiance**
- 3. Approval of Minutes/Attendance Report for April 14, 2009**
- 4. Chairman's Report**
- 5. Co-Chair Election**
- 6. Subcommittee Selection**
- 7. Action Items**
  - A. Quarterly Measure M Revenue and Expenditure Report – March 2009  
Receive and File
- 8. Presentation Items**
  - A. Sales Tax/Forecast Update  
Presentation – Ken Phipps, Interim Executive Director of Finance & Administration
  - B. Metrolink Program Assumptions  
Presentation – Andy Oftelie, Acting Director, Measure M Program Office
  - C. Project T+ Overview  
Presentation – Roger Lopez, Section Manager, Project Delivery
  - D. M2 Eligibility Process  
Presentation – Monica Giron, Transportation Analyst
- 9. Growth Management Subcommittee Report**
- 10. Audit Subcommittee Report**
- 11. Committee Member Reports**
- 12. OCTA Staff Update**
- 13. Public Comments\***
- 14. Adjournment to next meeting – August 11, 2009**

\*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.

**3.**

**APPROVAL OF MINUTES/  
ATTENDANCE REPORT  
FOR APRIL 14, 2009**

# **Measure M Taxpayers Oversight Committee**

**April 14, 2009  
Meeting Minutes**

## **Committee Members Present:**

Narinder Mahal, First District Representative  
Charles Smith, First District Representative  
Howard Mirowitz, Second District Representative  
Gilbert Ishizu, Second District Representative  
Edgar Wylie, Third District Representative  
Frederick Von Coelin, Fourth District Representative  
James Kelly, Fifth District Representative  
Hamid Bahadori, Fifth District Representative

## **Committee Members Absent:**

David Sundstrom, County Auditor-Controller, Chairman  
C. James Hillquist, Third District Representative  
Rose Coffin, Fourth District Representative

## **Orange County Transportation Authority Staff Present:**

Ryan Armstrong, Web Designer  
Jennifer Bergener, Rail Program Manager, Rail Program  
Darrell Johnson, Executive Director, Rail Program  
Janice Kadlec, Public Reporter  
Kelly Long, Senior Analyst, Rail Program  
Andy Oftelie, Manager of Financial Planning and Analysis  
Alice Rogan, Community Relations Officer  
David Simpson, Principal Local Government Relations Representative

## **Members of the Public**

Aysha Ruya Cohen, University of California, Irvine Sustainable Transit Campaign

### **1. Welcome**

In the absence of Chairman David Sundstrom, Co-Chairman, Gilbert Ishizu, welcomed everyone to the meeting.

### **2. Pledge of Allegiance**

Co-Chairman Gilbert Ishizu led everyone in the pledge of allegiance.

### **3. Approval of Minutes/Attendance Report for February 10, 2009**

Co-Chairman Gilbert Ishizu asked if there were any additions or corrections to the February 10, 2009 minutes and attendance report. There were no corrections requested. A motion was made by Edgar Wylie and seconded by Frederick Von Coelin to approve the February 10, 2009 minutes and attendance report as presented. The motion passed unanimously.

#### **4. Chairman's Report**

Co-Chairman Gilbert Ishizu thanked Edgar Wylie for giving the Growth Management Subcommittee Report at the Measure M Annual Public Hearing on February 10, in his and Charles Smith's absence.

#### **5. Presentation Items**

##### **A. ARTIC Update**

Jennifer Bergener gave a computer presentation and update on the Anaheim Regional Transportation Intermodal Center (ARTIC) project. Along with site analysis and conceptual designs for the project, Jennifer outlined the project's vision and goals. She ended her presentation with a conceptual land use plan, statement of qualifications, and a project schedule.

Co-Chairman Gilbert Ishizu asked if the project completion date was in 2015? Jennifer said the year 2013 would mark the completion of the first phase of the project. The entire build out of the project is not anticipated until the year 2030.

Frederick Von Coelin said bike traffic and pedestrian traffic do not mix very well and suggested keeping bike traffic on the east side of the Santa Ana river. Jennifer said this was certainly something to take a look at.

Howard Mirowitz asked if there was going to be increased rail service in this area. Jennifer said OCTA is moving forward to bring high frequency rail service to Orange County between Laguna Niguel and Fullerton.

James Kelly asked if Amtrak and/or Metrolink provided funds for ARTIC? Jennifer said the ARTIC station is being fully funded by state Proposition 116 funds and current and renewed Measure M transit funds and federal funds.

Narinder Mahal asked what the cost of the ARTIC project was? Jennifer said the cost of Phase 1 is \$180 million and at this point it is fully funded. Darrell Johnson said OCTA is working with Caltrans and the City of Anaheim on a funding request for approximately \$200 million for ARTIC as part of the \$800 million High Speed Rail Economic Stimulus funding.

Narinder Mahal asked if they were looking for funds from the private sector? Jennifer said in Phase 2 and 3 the city will be looking for private developers to help develop the site.

Frederick Von Coelin asked if this is going to be a hub to the airport, are there any plans for long-term parking at the site? Jennifer said currently the plans provide for 1,200 parking spaces, which would include long-term and short-term parking. Presently there are not any plans for direct rail service to any of the airports; in the future there is a possibility of service to Ontario Airport. The current train service goes to Union Station in Los Angeles and from there you can connect to LAX.

Darrell Johnson said future plans include light-rail and high-speed ground access to all the airports. The plans for ARTIC do not envision it as a parking lot for airport access.

Hamid Bahadori asked if ARTIC's design was flexible enough to include changes for high-speed rail? Jennifer said yes, the high-speed rail authority is part of the design team for ARTIC.

Howard Mirowitz asked if there was a stipend for the consultant on this project? Jennifer said yes, there is a \$50,000 stipend being offered to non-successful of the six short-listed firms to help compensate for their work.

#### **B. "Go Local" Update**

Kelly Long gave a presentation on the "Go Local" Program. Kelly gave a recap of the work done so far and what the next steps in the program would be.

Howard Mirowitz asked which city was taking the lead on getting the airport connected to Metrolink. Kelly said the cities of Newport Beach and Costa Mesa teamed together to look at this project. Recently the two city councils elected not to move forward with the project.

Hamid Bahadori asked if "Go Local" would pay for the capital costs or the operation costs for the Mixed-Flow Bus/Shuttle services? Kelly said the answer to this question has not been determined. This will be a big component in the evaluation of the plans submitted. Jennifer Bergener said, according to the M2 standards, each project will be evaluated on their capital and operating plan.

#### **C. Metrolink Update**

Darrell Johnson gave a Metrolink update. Darrell said with the cancellation of the CenterLine Project in 2005, the policy direction from the OCTA Board of Directors was to make a much more significant investment in the existing commuter rail system. Darrell talked about the Metrolink expansion program, ridership, and the grade crossing enhancement program. Darrell also gave an update on financial disclosure relative to the Chatsworth incident in 2008.

James Kelly asked if a conductor would be a third pair of eyes in the engine cab. Darrell said in some cases where there are not enough qualified engineers available, the conductor will be the second pair of eyes. The best case would to have two engineers in the cab and one conductor in the body of the train.

James Kelly asked if the cap in insurance fees covered legal fees? Darrell said yes, the total payout including legal fees would not be more than \$200 million.

Howard Mirowitz asked if M2 funds would go toward insurance costs? Darrell said yes, the only funds for Metrolink in Orange County are Measure M funds.

Hamid Bahadori asked if they expect to get through the year 2041 in the operation of Metrolink. Darrell said staff is going through service areas to see at what increments in time can service be added and still meet the passenger demand; the Board directed policy in reference to the CenterLine Program and air quality standards. They are looking at a number of scenarios to take the 44 trains level today and increase it to 76 trains envisioned over the life of Measure M.

#### **D. M2 Website Update**

Ryan Armstrong introduced the new M2 OCTA Website. Ryan said the recent push for accountability and transparency in government was the reason the renewed Measure M portal was built. He demonstrated the new features of the site and asked the Committee for comments and suggestions on the Website.

Frederick Von Coelin asked if the website was promoted to the general public. Ryan said the OCTA outreach representatives promote the website and any OCTA public notice references the website.

Hamid Bahadori suggested allowing people to subscribe to the Measure M website for updates. He also suggested OCTA put a notice in the monthly Orange County Business Council's newsletter promoting the new website. Howard Mirowitz suggested Web-Cams at project construction sites.

#### **6. Growth Management Subcommittee Report**

There was nothing to report from the Growth Management Subcommittee (GMP). Alice Rogan said the role of the Subcommittee slightly changes with M2 and suggested they have a meeting to discuss the changes.

#### **7. Audit Subcommittee Report**

Narinder Mahal said the Audit Subcommittee met and reviewed the Measure M Turnback audits and selected new cities to be audited. They also received an update on Sales Tax figures, which are down 12 percent.

#### **8. Committee Member Reports**

There were no Committee Member Reports.

#### **9. OCTA Staff Update**

Alice Rogan reminded the Committee members about the excused absence process. The attendance report is part of the minutes at each meeting. An absence will appear as excused pending on the report; when the Committee approves the minutes they also approve the absence unless the item is pulled.

Alice reported the recruitment for the four open positions on next year's TOC has begun. The following persons will be leaving the Committee after the June meeting:

Narinder Mahal, First District Representative  
Gilbert Ishizu, Second District Representative  
Frederick Von Coelin, Fourth District Representative  
James Kelly, Fifth District Representative

Alice encouraged the departing members to recruit others to apply for their vacant positions. The deadline for applications is May 1.

Alice announced the TOC meeting date in June has changed, the new meeting date will be June 16. Also the Audit Subcommittee meeting date will change.

Alice announced the departure of OCTA CEO Art Leahy, Art has taken the position of CEO at the Los Angeles County Metropolitan Transportation Agency. The interim CEO is Jim Kenan, Executive Director of Finance and Administration. Also Monte Ward has retired and Andy Otelie has taken over his position as Director of Measure M Program Management.

#### **10. Public Comments**

Aysha Ruya Cohen introduced herself as an undergraduate attending the University of California, Irvine and a member of the Sustainable Transit Campaign. She thanked the TOC for their contributions to transportation made a presentation on a petition her group had established to promote transit and road and bridge maintenance in the United States in the upcoming 2010 transportation funding bill. Her group did not advocate the raising of taxes but to make a greater percentage of money in the bill available to go toward public transit and road and bridge maintenance. Aysha passed out material from other transit agencies in the United States and gave a computer presentation as examples of how public transit can be profitable.

Howard Mirowitz asked if she was asking the TOC to sign the petition as individual or as a Committee. Aysha said it would be great if the members signed as individuals, if the group would like to endorse the petition that too would be welcomed. Alice Rogan said the TOC is an OCTA oversight committee and cannot endorse specific groups.

#### **11. Adjournment**

The meeting adjourned at 7:55 p.m.



**Taxpayers Oversight Committee  
Fiscal Year 2008-2009  
Attendance Record**



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

Meeting Date	8-Jul	12-Aug	9-Sep	14-Oct	11-Nov	9-Dec	13-Jan	10-Feb	10-Mar	14-Apr	12-May	16-Jun
Hamid Bahadori		E		X		X		X		X		
Rose Coffin		X		X		X		X		*		
C. James Hillquist		X		E		X		X		*		
Gilbert Ishizu		X		X		X		E		X		
James Kelly		X		X		X		X		X		
Narinder Mahal		X		X		X		X		X		
Howard Mirowitz		X		X		X		X		X		
Chuck Smith		X		X		X		E		X		
David Sundstrom		X		X		X		X		*		
Edgar Wylie		X		X		X		X		X		
Frederick von Coelin		X		X		X		X		X		

**Absences Pending Approval**

<u>Meeting Date</u>	<u>Name</u>	<u>Reason</u>
April 14, 2009	Rose Coffin	Business Trip
April 14, 2009	C. James Hillquist	Business Trip
April 14, 2009	David Sundstrom	Business Trip



**7.**

## **ACTION ITEMS**

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

<i>(\$ in thousands)</i>	Quarter Ended Mar 31, 2009	Year to Date Mar 31, 2009	Period from Inception to Mar 31, 2009
	(A)	(A)	(B)
<b>Revenues:</b>			
Sales taxes	\$ 57,438	\$ 176,848	\$ 3,518,640
Other agencies share of Measure M costs			
Project related	1,049	1,533	381,704
Non-project related	-	-	614
Interest:			
Operating:			
Project related	30	30	953
Non-project related	6,135	18,404	242,294
Bond proceeds	-	-	136,067
Debt service	1,325	2,440	80,253
Commercial paper	1	26	6,072
Orange County bankruptcy recovery	-	-	42,268
Capital grants	4,440	7,514	152,526
Right-of-way leases	130	293	4,651
Proceeds on sale of assets held for resale	537	1,610	21,354
Miscellaneous	-	-	801
Total revenues	<u>71,085</u>	<u>208,698</u>	<u>4,588,197</u>
<b>Expenditures:</b>			
Supplies and services:			
State Board of Equalization (SBOE) fees	735	2,204	51,174
Professional services:			
Project related	6,522	9,582	170,996
Non-project related	455	837	28,236
Administration costs:			
Project related	518	1,635	17,348
Non-project related	1,311	3,851	76,410
Orange County bankruptcy loss	-	-	78,618
Other:			
Project related	24	53	1,192
Non-project related	108	187	15,465
Payments to local agencies:			
Turnback	13,417	26,016	520,410
Competitive projects	15,471	34,867	527,389
Capital outlay	8,057	33,658	1,929,034
Debt service:			
Principal payments on long-term debt	75,355	75,355	842,755
Interest on long-term debt and commercial paper	6,669	13,365	547,907
Total expenditures	<u>128,642</u>	<u>201,610</u>	<u>4,806,934</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(57,557)</u>	<u>7,088</u>	<u>(218,737)</u>
<b>Other financing sources (uses):</b>			
Transfers out:			
Project related	(391)	(1,391)	(252,760)
Non-project related	-	-	(5,116)
Transfers in project related	-	86	1,915
Bond proceeds	-	-	1,169,999
Advance refunding escrow	-	-	(931)
Payment to refunded bond escrow agent	-	-	(152,930)
Total other financing sources (uses)	<u>(391)</u>	<u>(1,305)</u>	<u>760,177</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	<u>\$ (57,948)</u>	<u>\$ 5,783</u>	<u>\$ 541,440</u>

See accompanying notes to Measure M Schedules

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

<i>(\$ in thousands)</i>	Quarter Ended Mar 31, 2009 (actual)	Year Ended Mar 31, 2009 (actual)	Period from Inception through Mar 31, 2009 (actual)	Period from April 1, 2009 through March 31, 2011 (forecast)	Total
	(C.1)	(C.1)	(D.1)	(E.1)	(F.1)
<b>Tax revenues:</b>					
Sales taxes	\$ 57,438	\$ 176,848	\$ 3,518,640	\$ 473,325	\$ 3,991,965
Other agencies share of Measure M costs	-	-	614	-	614
Operating interest	6,135	18,404	242,294	18,032	260,326
Orange County bankruptcy recovery	-	-	20,683	-	20,683
Miscellaneous	-	-	801	-	801
Total tax revenues	<u>63,573</u>	<u>195,252</u>	<u>3,783,032</u>	<u>491,358</u>	<u>4,274,390</u>
<b>Administrative expenditures:</b>					
SBOE fees	735	2,204	51,174	4,402	55,576
Professional services, non-project related	438	791	19,385	3,429	22,814
Administration costs, non-project related	1,311	3,851	76,410	11,375	87,785
Operating transfer out, non-project related	-	-	5,116	-	5,116
Orange County bankruptcy loss	-	-	29,792	-	29,792
Other, non-project related	108	187	6,366	2,681	9,047
	<u>2,592</u>	<u>7,033</u>	<u>188,243</u>	<u>21,887</u>	<u>210,130</u>
Net tax revenues	<u>\$ 60,981</u>	<u>\$ 188,219</u>	<u>\$ 3,594,789</u>	<u>\$ 469,471</u>	<u>\$ 4,064,260</u>
<b>Bond revenues:</b>					
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	1,325	2,440	80,253	8,084	88,337
Interest revenue from commercial paper	1	26	6,072	-	6,072
Orange County bankruptcy recovery	-	-	21,585	-	21,585
Total bond revenues	<u>1,326</u>	<u>2,466</u>	<u>1,413,976</u>	<u>8,084</u>	<u>1,422,060</u>
<b>Financing expenditures and uses:</b>					
Professional services, non-project related	17	46	8,851	-	8,851
Payment to refunded bond escrow	-	-	153,861	-	153,861
Bond debt principal	75,355	75,355	842,755	161,200	1,003,955
Bond debt interest expense	6,669	13,365	547,907	15,042	562,949
Orange County bankruptcy loss	-	-	48,826	-	48,826
Other, non-project related	-	-	9,099	-	9,099
Total financing expenditures and uses	<u>82,041</u>	<u>88,766</u>	<u>1,611,299</u>	<u>176,242</u>	<u>1,787,541</u>
Net bond revenues (debt service)	<u>\$ (80,715)</u>	<u>\$ (86,300)</u>	<u>\$ (197,323)</u>	<u>\$ (168,158)</u>	<u>\$ (365,481)</u>

See accompanying notes to Measure M Schedules

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

Project Description (G)	Net Tax Revenues Program to date		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 Mar. 31, 2009 (N)	Reimbursements through Mar. 31, 2009 (O)	Project Cost Net (P)	Percent of Budget Expended (Q)
	Actual (H)	Net Tax Revenues (I)									
<b>Freeways (43%)</b>											
I-5 between I-405 (San Diego Fwy) and I-605 (San Gabriel Fwy)	\$ 848,127	\$ 958,888	\$ 810,010	\$ 804,897	\$ 5,113	\$ 784,917	\$ 82,124	\$ 702,793	86.8%		
I-5 between I-5/I-405 Interchange and San Clemente	60,664	68,586	57,836	59,935	8,651	70,294	10,338	59,936	103.6%		
I-5/I-405 Interchange	76,996	87,052	72,802	73,075	(273)	98,157	25,082	73,075	100.4%		
S.R. 55 (Costa Mesa Fwy) between I-5 and S.R. 91 (Riverside Fwy)	51,331	58,035	44,511	50,196	(5,685)	55,511	6,172	49,339	110.8%		
S.R. 57 (Orange Fwy) between I-5 and Lambert Road	44,331	50,121	46,128	44,596	1,532	25,617	2,859	22,758	49.3%		
S.R. 91 (Riverside Fwy) between Riverside Co. line & Los Angeles Co. line	110,828	125,302	116,136	105,666	10,470	123,995	18,606	105,389	90.7%		
S.R. 22 (Garden Grove Fwy) between S.R. 55 and Valley View St.	353,483	399,647	301,463	301,037	426	604,041	306,459	297,582	98.7%		
<b>Subtotal Projects</b>											
	1,545,760	1,747,631	1,448,886	1,439,402	9,484	1,762,532	451,660	1,310,872			
Net (Bond Revenue)/Debt Service			307,552	307,552	-	166,047		166,047			
<b>Total Freeways</b>	\$ 1,545,760	\$ 1,747,631	\$ 1,756,438	\$ 1,746,954	\$ 9,484	\$ 1,928,579	\$ 451,660	\$ 1,476,919	48.4%		
<b>Regional Street and Road Projects (11%)</b>											
Smart Streets	\$ 135,575	\$ 153,281	\$ 150,905	\$ 150,905	\$ 2,376	\$ 153,601	\$ 3,489	\$ 150,112	99.5%		
Regionally Significant Interchanges	79,085	89,414	89,414	89,414	-	61,284	146	61,138	68.4%		
Intersection Improvement Program	112,979	127,734	127,734	127,734	-	75,046	214	74,832	58.6%		
Traffic Signal Coordination	56,490	63,867	63,867	63,867	-	45,645	132	45,513	71.3%		
Transportation Systems Management and Transportation Demand Management	11,298	12,773	12,773	12,773	-	7,461	149	7,312	57.2%		
<b>Subtotal Projects</b>											
	395,427	447,069	444,693	444,693	2,376	343,037	4,130	338,907			
Net (Bond Revenue)/Debt Service			2,376	2,376	(2,376)	1,283		1,283			
<b>Total Regional Street and Road Projects</b>	\$ 395,427	\$ 447,069	\$ 447,069	\$ 447,069	\$ -	\$ 344,320	\$ 4,130	\$ 340,190	11.1%		

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

Project Description (G)	Net Tax Revenues Program to date Actual (H)	Total Net Tax Revenues (I)	Project Budget (J)	Estimate at Completion (K)	Total Net Tax Revenues to Est at Completion (L)	Variance Project Budget to Est at Completion (M)	Expenditures through Mar 31, 2009 (N)	Reimbursements through Mar 31, 2009 (O)	Net Project Cost (P)	Percent of Budget Expended (Q)
<b>Local Street and Road Projects (21%)</b>										
Master Plan of Arterial Highway Improvements	\$ 132,278	\$ 162,614	\$ 162,614	\$ 162,614	\$ -	\$ -	\$ 79,346	\$ 99	\$ 79,247	48.7%
Streets and Roads Maintenance and Road Improvements	522,627	590,881	590,881	590,881	-	-	520,426	-	520,426	88.1%
Growth Management Area Improvements	100,000	100,000	100,000	100,000	-	-	72,110	431	71,679	71.7%
Subtotal Projects	754,905	853,495	853,495	853,495	-	-	671,882	530	671,352	
Net (Bond Revenue)/Debt Service										
Total Local Street and Road Projects	\$ 754,905	\$ 853,495	\$ 853,495	\$ 853,495	\$ -	\$ -	\$ 671,882	\$ 530	\$ 671,352	22.0%
%				21.0%						
<b>Transit Projects (25%)</b>										
Pacific Electric Right-of-Way	\$ 17,394	\$ 19,666	\$ 15,000	\$ 14,000	\$ 5,666	\$ 1,000	\$ 16,492	\$ 2,631	\$ 13,861	92.4%
Commuter Rail	322,085	366,760	351,690	335,584	31,176	16,106	351,437	60,874	290,563	82.6%
High-Technology/Advanced Rail Transit	394,267	445,758	427,441	464,580	(18,822)	(37,139)	94,074	6,569	87,505	20.5%
Elderly and Handicapped Fare Stabilization	20,000	20,000	20,000	20,000	-	-	17,010	-	17,010	85.1%
Transitways	144,951	163,881	146,381	126,348	37,533	20,033	162,642	36,687	125,955	86.0%
Subtotal Projects	898,697	1,016,065	960,512	960,512	55,553	-	641,655	106,761	534,894	
Net (Bond Revenue)/Debt Service			55,553	55,553	(55,553)	-	29,993	-	29,993	
Total Transit Projects	\$ 898,697	\$ 1,016,065	\$ 1,016,065	\$ 1,016,065	\$ -	\$ -	\$ 671,648	\$ 106,761	\$ 564,887	18.5%
%				25.0%						
Total Measure M Program	\$ 3,594,789	\$ 4,064,760	\$ 4,073,067	\$ 4,063,583	\$ 677	\$ 9,484	\$ 3,616,429	\$ 563,081	\$ 3,053,348	

See accompanying notes to Measure M Schedules

**8.**

# **PRESENTATION ITEMS**



**March 16, 2009**

**To:** Transportation 2020 Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Renewed Measure M Project T Funding Recommendations

### **Overview**

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

### **Recommendations**

- A. Approve the funding allocations included in this report for the cities of Anaheim, Fullerton, Irvine, and Santa Ana for Project T (Convert Metrolink Stations to Regional Gateways) funding, subject to local agencies becoming eligible recipients for Renewed Measure M funds.
- B. Direct staff to return with funding agreements with each local agency for the associated projects and funding amounts presented in this report.
- C. Authorize staff to prepare and submit any necessary programming documents including amendments to the Regional Transportation Improvement Program.

### **Background**

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

include: Project S (Transit Extensions to Metrolink), Project T (Convert Metrolink Stations to Regional Gateways), Project V (Community Based Transit/Circulators), and Project W (Safe Transit Stops). Calls for projects will be issued on a periodic basis, and the Board of Directors (Board) established Project T as an early priority for the first call for transit projects. Future calls will be issued for the other three programs, following development of guidelines and Board authorization.

### ***Discussion***

In November 2008, the Board reviewed a draft funding program framework for Project T. In January 2009, the Board approved the Project T funding guidelines including a call for projects for eligible local agencies (Attachment A). The guidelines recommend that the Orange County Transportation Authority (OCTA) program 20 years of Project T revenue in the call for projects. This represents a significant investment in the regional gateway program and allows local agencies to use the revenue commitment to issue debt, design, and construct regional gateway facilities. The remaining Project T revenues, covering the last ten years of M2, are held in reserve for a future call for projects and due to economic uncertainty.

### **OCTA Revenues Projections and Financing Costs**

The Project T guidelines included a 20-year revenue estimate of \$186 million (nominal dollars) of M2 Project T revenues. Since that time, OCTA has updated the revenue forecasts and the 20-year amount is now estimated at \$151 million (nominal dollars). About three years of additional programming would be necessary to make up for the recent change in the revenue forecast. Given the programming recommendations further discussed below as well as the recent economic downturn, OCTA staff developed a cash flow model to evaluate the impacts of issuing bonds in fiscal year (FY) 2011 and FY 2012 to meet the desired implementation timetable (Attachment B).

Based on the cash flow analysis, the maximum net programming amount for the projects is \$79 million after deducting for bond costs and the total recommended programming amount is \$63.8 million. As a result, the programming recommendations presented below are within OCTA's financial capacity based on current projections.

### **Call for Projects**

Four applications for Project T funding were received by local agencies by the February 20, 2009, deadline. The applicants include the cities of Anaheim,



Fullerton, Irvine, and Santa Ana. The applications were scored against the criteria included in the guidelines that address the areas of financial commitments, transit usage, project and high-speed rail readiness, intermodal connections, and regional markets/land use. Each of the proposed gateway projects including the requested funding amount and staff recommendations for Project T allocation amounts are described below.

### Anaheim

The Anaheim Regional Transportation Intermodal Center (ARTIC) is proposed as a phased, 20-year project, with each progressive phase being developed with the addition of new or the expansion of existing transportation services, and ARTIC involves relocating and expanding the existing Anaheim Metrolink station. ARTIC is envisioned as a joint mixed-use development encompassing a 15.7-acre area. Phase 1 involves the construction of the new transit center to serve existing Metrolink operations to Anaheim as well as accommodate future transit services such as the planned Metrolink Service Expansion Program, OCTA's Bravo! service, and other OCTA fixed route bus services. The Phase I project scope was approved by the Board in November 2008.

The City of Anaheim's (City) Project T application submitted includes all elements of the first phase of the project, as well as additional elements that are planned as part of future phases. For example, the construction of the Grande Hall is included in the application project elements and cost estimates; however, this element was not included in the above-mentioned Phase I project scope. The current estimate for all of the project elements included in the City's application is \$178.9 million, and the application requests \$121 million in Project T funds. The difference of \$57.9 million between the total project costs (\$178.9 million) and Project T request (\$121 million) is comprised of Proposition 116 funds (\$57.3 million), approved by the Board in January 2009 and the California Transportation Commission in February 2009, and a federal funding earmark of approximately \$600,000.

Given the amount of net Project T funding for 20 years, prior Board direction on the ARTIC Phase I scope, and the approved Proposition 116 application, staff is recommending \$57.3 million in Project T funds for ARTIC, combined with \$57.3 million of approved Proposition 116 funds for a total Phase I project of \$114.6 million (specific unrounded amounts are presented in the summary table below). Approximately \$62.5 million of debt service interest costs associated with financing are also attributed to the ARTIC project and will be included in OCTA's cash flows.

The funding levels (excluding bond costs) mentioned above were included in the Proposition 116 application and staff believes this funding level is sufficient to deliver the approved Phase I project. This funding level also includes sufficient contingency in the event new costs are identified through the environmental approval process that is currently under way.

OCTA also recognizes that the other phases of the project offer tremendous benefits to the region, OCTA, and the City. Consequently, staff recommends OCTA continue to work with the City to identify other sources of funds for the future phases, such as potential funds made available through the federal American Recovery and Reinvestment Act's high-speed rail program.

#### Fullerton

The Fullerton Transportation Center (FTC) was originally developed in the 1970s and has grown into a multi-modal transportation resource that currently provides access to Amtrak and Metrolink rail service and OCTA bus services, as well as secure bicycle storage facilities. The FTC will soon offer access to OCTA's Bravo! service. Also planned is the addition of trolley service from the FTC to California State University, Fullerton. The FTC has been identified as an optional station by the California High-Speed Rail Authority. The project envisions mixed-use, transit-oriented development covering a 33-acre site centered on the FTC. This expansion will facilitate the incorporation of high-speed rail.

The current estimate of the overall project is \$72.7 million; however, the application only requests Project T funds for the initial planning and conceptual engineering efforts. The total estimate for this phase is \$973,000, with \$875,000 being requested in Project T funds. The proposed expansion of the FTC has the potential to greatly expand the role it plays as a regional gateway. These efforts will determine the future possibility of FTC as a regional gateway to the California high-speed rail system. Staff recommends a Project T allocation, in the amount of \$875,000, as requested by the City of Fullerton. Approximately \$1 million of debt service interest costs associated with financing are also attributed to the Fullerton project and will be included in OCTA's cash flows.

#### Santa Ana

The Santa Ana Regional Transportation Center (SARTC) opened in 1985 and currently offers access to both Amtrak and Metrolink rail service, OCTA fixed route bus services, Greyhound national bus services, and international tour bus services. The SARTC expansion envisions new station areas

and additional parking as well as the grade separation of Santa Ana Boulevard.

The expansion project will allow for easier connections to the currently available transit modes, as well as the planned future modes such as the magnetic levitation (maglev) high-speed line included in the Southern California Association of Governments (SCAG) 2008 Regional Transportation Plan (RTP), OCTA's Bravo! service, and the proposed Santa Ana streetcar.

The City of Santa Ana requests Project T funds for the initial planning and conceptual engineering for the station expansion project. The total estimate for this phase is \$3.4 million, with \$3 million requested in Project T funds. The proposed expansion of the SARTC and grade separation of Santa Ana Boulevard will increase the role SARTC plays as a regional gateway. Staff recommends a Project T allocation in the amount of \$3 million as requested by the City of Santa Ana. Approximately \$3.3 million of debt service interest costs associated with financing are also attributed to the Santa Ana project and will be included in OCTA's cash flows.

#### Irvine

The Irvine Transportation Center (ITC) currently provides south Orange County with Amtrak and Metrolink services as well as OCTA fixed route bus service. The proposed ITC improvements would encompass 25 acres. The ITC station expansion will facilitate the addition of expanded Metrolink service, Bravo!, and FlyAway airport shuttle services. In addition, the station is the potential terminus for a maglev high-speed line included in SCAG's 2008 RTP.

The current estimate for the overall station expansion project is \$199.3 million; however, the application requests Project T funds for the initial planning and environmental efforts only. The total estimate for the planning and environmental phases is \$3.16 million, with \$2.66 million being requested in Project T funds. Staff recommends a Project T allocation in the amount of \$2.66 million as requested by the City of Irvine. Approximately \$2.8 million of debt service interest costs associated with financing are also attributed to the Irvine project and will be included in OCTA's cash flows.

The ITC expansion project does not appear to account for previous commitments made to OCTA for Metrolink operations identified during the El Toro Base closure process. As part of this process, OCTA and Metrolink identified the need for a minimum of 20 acres for a Metrolink maintenance facility adjacent to the existing tracks and north of the ITC. The ITC expansion could impact the location of the rail maintenance facility, and staff recommends

that this issue be resolved before awarding (i.e., executing a cooperative agreement) the \$2.9 million Project T grant to the City of Irvine.

Allocation and Scoring Summary

Below is a summary of the requested allocations, the specific project allocations amounts (thousand of dollars) recommended by staff, and the project application scoring.

<u>Agency</u>	<u>M2 Project T Request</u>	<u>Recommended Allocation</u>	<u>Application Score</u>
Anaheim*	\$121,001	\$57,268	84
Fullerton	\$875	\$875	57
Santa Ana	\$3,000	\$3,000	52
Irvine	\$2,660	\$2,660	51
	<u>\$127,536</u>	<u>\$63,803</u>	

Note:

Values shown are in thousands

Recommended project allocations do not include bond costs of approximately \$69.6 million.

Actual bond costs will be attributed proportionally to each project in OCTA's cash flows.

\*Anaheim Project T allocation to match an equal amount of Proposition 116 funds

As the table above indicates, there was a significant range in application scores with the City of Anaheim scoring the highest at 84 points. The Board-approved scoring criteria placed significant value on the financial portion of the application, specifically the percentage of M2 dollars assumed for the project. This portion of the scoring criteria allowed for a maximum of 30 points. The Proposition 116 funds committed to ARTIC provided a match of 50 percent, placing Anaheim's application in the top tier, thus accounting for the majority of the point difference.

Renewed Measure M eligibility

Local jurisdictions must meet the annual eligibility criteria to participate in Measure M-funded programs. Project T will fall under the new eligibility requirements that are being developed for M2. These guidelines will be complete and in place for the FY 2010-11 eligibility cycle. Project T allocations made as part of the current call for projects are contingent upon the cities

meeting these eligibility requirements. The FY 2010-11 eligibility review is anticipated to start by fall 2009.

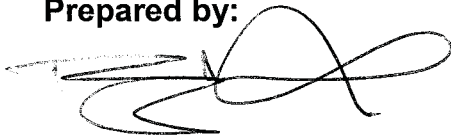
**Summary**

In January 2009, the Board approved the Project T funding guidelines including a call for projects for eligible local agencies. Four applications have been received from the cities of Anaheim, Fullerton, Santa Ana, and Irvine. The applications have been reviewed and scored, and allocation recommendations are presented for Board review and approval.

**Attachments**

- A. Project T Funding Program Guidelines
- B. Project T Cash Flow Summary

**Prepared by:**



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(714) 560-5438

**Approved by:**



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

# Renewed Measure M Project T Funding Recommendations

Attachments available upon request  
or can be located at:

[http://www.octa.net/pdf/agenda032309\\_full.pdf](http://www.octa.net/pdf/agenda032309_full.pdf)

# **INFORMATION ITEMS**



BOARD COMMITTEE TRANSMITTAL

**April 13, 2009**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Orange County Local Transportation Authority Measure M Agreed-Upon Procedures Reports, Year Ended June 30, 2008

Finance and Administration Committee meeting of March 25, 2009

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

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendations (Reflects change from Staff Recommendations)**

- A. Receive and file the Orange County Local Transportation Authority Measure M Agreed-Upon Procedures Reports, Year Ended June 30, 2008.
- B. Direct staff to initiate an amendment to the Orange County Local Transportation Authority Ordinances No. 2 and 3, clarifying whether or not projects must be included in the Seven-Year Capital Improvement Program for every year in which expenditures are made and that turnback funds cannot be used for internal city borrowing or to pay interest or costs of issuance for debt incurred to advance projects.
- C. Direct staff to accept an amended Seven-Year Capital Improvement Program from the City of Irvine.





**March 25, 2009**

**To:** Finance and Administration Committee  
*ATL/pt*

**From:** Arthur T. Leahy, Chief Executive Officer

**Subject:** Orange County Local Transportation Authority Measure M Agreed-Upon Procedures Reports, Year Ended June 30, 2008

**Overview**

Mayer Hoffman McCann P.C., an independent accounting firm, has completed its annual agreed-upon procedures for ten Orange County cities for the fiscal year ended June 30, 2008. These procedures were developed by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority to assist them in evaluating the selected cities' level of compliance with provisions of Measure M Local Transportation Ordinance No. 2.

**Recommendations**

- A. Receive and file the Orange County Local Transportation Authority Measure M Agreed-Upon Procedures Reports, Year Ended June 30, 2008.
- B. Direct staff to initiate an amendment to the Measure M Local Transportation Ordinance clarifying the requirement that projects be included in the Seven Year Capital Improvement Program.
- C. Direct staff to accept an amended Seven Year Capital Improvement Program from the City of Irvine.

**Background**

Annually, the Audit Subcommittee of the Taxpayers Oversight Committee (Committee) selects a sample of cities receiving Measure M turnback funding to evaluate the cities' level of compliance with provisions of the Measure M Local Transportation Ordinance No. 2 (Ordinance). The selection for the fiscal year ended June 30, 2008, was based, in part, on risks identified through questionnaires, management letters, and single audit reports

collected from all 34 Orange County cities. A total of ten cities were selected for audit.

***Discussion***

Mayer Hoffman McCann P.C. (MHM or auditors) conducted the audits, including site visits to each of the selected cities and interviews of city Finance Department and Public Works Department staff. Procedures also included review of the cities' maintenance of effort (MOE) calculation and sample testing of the underlying expenditures to ensure that they met the definition of local street and road expenditures. The auditors also tested a sample of Measure M turnback expenditures to ensure they were related to projects listed in the cities' current year Seven Year Capital Improvement Program (CIP). Other procedures related to indirect costs, interest earnings, and timing of expenditures were performed.

Agreed-upon procedures performed for two cities, Huntington Beach and Placentia, identified some expenditures in the calculation of the MOE requirement that did not meet the definition of local street and road expenditures according to the Ordinance. Despite the disallowance of these expenditures in the calculation of MOE, both cities still met the minimum requirements.

The cities of Cypress and Irvine were found to have spent turnback funds on projects not included in their CIP for fiscal year 2007-08. The expenditures, totaling \$73,016 for the City of Cypress and \$705,152 for the City of Irvine, were not included in the fiscal year 2007-08 CIP, but were included in prior years' CIPs. Because the Ordinance does not specify whether expenditures must be included in the CIP in every year the expenditures are incurred, MHM recommended that both cities obtain approval from the Orange County Transportation Authority (OCTA) allowing the expenditures. In their response to the audit report, the City of Cypress argued that it is common to have approved projects incomplete at fiscal year end and carried into a new fiscal year for completion. The City of Irvine responded similarly, stating that the projects are multi-year projects that were appropriately programmed in the CIP at inception. OCTA staff have agreed with the cities. OCTA's Internal Audit Department recommends that OCTA staff initiate an amendment to the Ordinance clarifying the requirement that projects be included in the CIP for every year in which expenditures are made.

In addition to the issue noted above, the auditors found that the City of Irvine spent \$1,479,892 of turnback funds on projects that were not included in any CIP. The auditors recommended restoration of these funds. The City of Irvine

has responded that the projects are eligible expenditures and were approved by the city council as part of the approval of its annual budget. The City of Irvine also indicated that the CIP has been updated to reflect these projects.

OCTA staff responded to the finding and recommendation by MHM. OCTA staff believes that, while the projects were not included in the City of Irvine's CIP, the expenditures were all related to projects that would otherwise have been eligible. OCTA staff recommends that the amended CIP be accepted and will take action to remind all cities that CIPs must be amended and forwarded to OCTA in a timely manner.

***Summary***

Mayer Hoffman McCann P.C., an independent accounting firm, has completed its annual agreed-upon procedures reviews of ten selected cities for the fiscal year ended June 30, 2008.

***Attachments***

- A. Orange County Local Transportation Authority Measure M Agreed-Upon Procedures Reports, Year Ended June 30, 2008
- B. Independent Accountant's Report – City of Irvine

**Prepared by:**



Kathleen O'Connell  
Executive Director, Internal Audit  
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Orange County Local  
Transportation Authority Measure M  
Agreed-upon Procedure Reports  
Year Ended June 30, 2008

Attachments available upon request  
or can be located at:

<http://www.octa.net/pdf/apr13full.pdf>



BOARD COMMITTEE TRANSMITTAL

*April 27, 2009*

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** First Quarter 2009 Debt and Investment Report

Finance and Administration Committee meeting of April 22, 2009

**Present:** Directors Amante, Bates, Brown, Buffa, Campbell, Green, and Moorlach  
**Absent:** None

***Committee Vote***


This item was passed by all Committee Members present.

***Committee Recommendation***

Receive and file the Quarterly Investment Report prepared by the Treasurer as an information item.



*April 22, 2009*

**To:** Finance and Administration Committee  
**From:**  James S. Kenan, Interim Chief Executive Officer  
**Subject:** First Quarter 2009 Debt and Investment Report

**Overview**

The California Government Code requires the Orange County Transportation Authority Treasurer to submit a quarterly investment report detailing the investment activity for the period. This investment report covers the first quarter of 2009, January through March, and includes a discussion on the Orange County Transportation Authority's debt portfolio.

**Recommendation**

Receive and file the Quarterly Investment Report prepared by the Treasurer as an information item.

**Discussion**

The Treasurer is currently managing the Orange County Transportation Authority's (Authority) investment portfolio totaling \$890.3 million as of March 31, 2009. The portfolio is divided into two managed portfolios: the liquid portfolio for immediate cash needs and the short-term portfolio for future budgeted expenditures. In addition to these portfolios, the Authority has funds invested in debt service reserve funds for the various outstanding debt obligations.

The Authority's debt portfolio had an outstanding principal balance of \$361.1 million as of March 31, 2009. Approximately 45 percent of the outstanding balance is comprised of Measure M debt, 7 percent is associated with the Renewed Measure M Program, and the remaining 48 percent is for the 91 Express Lanes.

Economic Summary: In minutes released from the most recent Federal Open Market Committee (Fed) meeting in March, officials fear the economy may fall into a self-reinforcing cycle of rising unemployment and slumping business and consumer spending. The net effect will be tighter credit in an already vulnerable financial system. The Fed Funds rate remained unchanged during the quarter at zero to 0.25 percent. Unable to reduce rates further, the Fed voted unanimously to increase its open-market purchase of bonds by \$1.25 trillion, continuing its unprecedented increase in money supplied to the economy.

During the quarter the unemployment rate rose to 8.5 percent, the highest level since 1983. Since the recession began in December 2007, the economy has lost about 5.1 million jobs. This includes 3.1 million jobs lost in 2008 and 2 million already in 2009. Gross Domestic Product for the fourth quarter of 2008 was revised downward to negative 6.3 percent. With little good news on the economic front, it will likely be several months before efforts by the Fed and the Department of Treasury take effect.

Debt Portfolio Activity: On February 5, 2009, the Authority retired the final \$11 million in principal from the Measure M Tax-Exempt Commercial Paper (TECP) Program. On February 15, 2009, the Authority remitted a debt service payment to Measure M investors in the amount of \$82 million. Of this amount, \$75 million was used to retire Measure M principal. The Measure M Program currently has \$161 million in outstanding debt and will be fully repaid by 2011.

Also on February 15, 2009, the Authority remitted a debt service payment for the 91 Express Lanes. The Authority paid \$4.6 million in interest on the bonds. Currently, there remains \$175 million in principal outstanding on the bonds. In addition to the amounts due on the bonds, the Authority has subordinated debt outstanding related to the acquisition of the 91 Express Lanes. The remaining balance (which will be repaid with 91 Express Lanes net revenues) totals approximately \$45 million. The outstanding balances for each of the Authority's debt securities are presented in Attachment A.

Staff continues to observe the situation regarding Lehman Brothers Holdings Company (Lehman). Lehman served as one of the Authority's counterparties for the swap component of the variable rate bonds. Lehman has not made their counterparty payments to the Authority since September 1, 2008 (the last payment date prior to the bankruptcy filing). Lehman has failed to pay \$700,870 to the Authority. However, on February 15, 2009, the Authority did not remit \$1.5 million owed to Lehman as part of the swap agreement. The

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Authority will continue to work with bond counsel and monitor the legal options available.

**Investment Portfolio Activity:** During the quarter, the Authority liquidated \$20 million from the short-term portfolio to meet current cash flow needs.

**Investment Portfolio Compliance:** As of March 31, 2009, the Authority's portfolio was in compliance with its investment policy. The Authority continues its policy of reviewing the contents of the investment portfolio on a daily basis to ensure compliance. Attachment B provides a comparison of the portfolio holdings as of March 31, 2009, to the diversification guidelines of the policy.

**Investment Portfolio Performance Versus Selected Benchmarks:** The Authority's investment managers provide the Authority and its financial advisor, Sperry Capital, with monthly performance reports. The investment managers' performance reports calculate monthly total rates of return based upon the market value of the portfolios they manage at the beginning of the month versus the market value at the end of the month. The market value of the portfolio at the end of the month includes the actual value of the portfolio based upon prevailing market conditions as well as the interest income accrued during the month.

The Authority has calculated the total returns for each of the investment managers for short-term operating monies and compared the returns to specific benchmarks as shown in Attachment C. Attachment D contains an annualized total return performance comparison by the investment manager for the previous two years. Attachment E provides a two-year yield comparison between the short-term portfolio managers, the Orange County Investment Pool (OCIP), and the Local Agency Investment Fund.

The returns for the Authority's short-term operating monies are compared to the Merrill Lynch 1-3 year Treasury Index benchmark. The Merrill Lynch 1-3 year Treasury Index is one of the most commonly used short-term fixed income benchmarks. Each of the four managers invests in a combination of securities that all conform to the Authority's 2009 Annual Investment Policy. For the quarter ending March 31, 2009, the weighted average total return for the Authority's short-term portfolio was 0.57 percent, 48 basis points above the benchmark return of 0.09 percent. For the 12-month period ending March 31, 2009, the portfolio's return totaled 3.56 percent, 5 basis points below the benchmark return of 3.61 percent for the same period.

The strong performance relative to the benchmark for the quarter illustrates a reduction in flight to quality partially offsetting demand for treasury securities.



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Further, there has been a rise in prices for corporate medium-term notes and mortgage-backed securities as the demand for these non-treasury sectors increased.

Fixed income security yields remain at historic lows, partially due to market forces and partially due to fiscal policy. The first quarter average yield for a two-year treasury security was 0.90 percent versus 1.60 percent for a comparable agency security. The yield advantage of agency securities has created an opportunity in that sector to add incremental income over treasuries.

Investment Portfolios: A summary of each investment manager's investment diversification, performance, and maturity schedule is provided in Attachment F. These summaries provide a tool for analyzing the different returns for each manager.

A complete listing of all securities is provided in Attachment G. Each portfolio contains a description of the security, maturity date, book value, market value, and current yield provided by the custodial bank.

Cash Availability for the Next Six Months: The Authority has reviewed the cash requirements for the next six months. It has been determined that the liquid and the short-term portfolios can fund all projected expenditures during the next six months.

### **Summary**

As required under the California Government Code, the Orange County Transportation Authority is submitting its quarterly investment report to the Board of Directors. The investment report summarizes the Orange County Transportation Authority's Treasury activities for the period January 2009 through March 2009.

**Attachments**

- A. Orange County Transportation Authority Outstanding Debt March 31, 2009.
- B. Orange County Transportation Authority Investment Policy Compliance March 31, 2009.
- C. Orange County Transportation Authority Short-term Portfolio Performance Review Quarter Ending March 31, 2009.
- D. Orange County Transportation Authority Short-term Portfolio Performance March 31, 2009.
- E. Orange County Transportation Authority Comparative Yield Performance March 31, 2009.
- F. Investment Manager Diversification and Maturity Schedules March 31, 2009.
- G. Orange County Transportation Authority Portfolio Listing as of March 31, 2009.

**Prepared by:**



Kirk Avila  
Treasurer/  
General Manager, 91 Express Lanes  
(714) 560-5674

**Approved by:**



Kenneth Phipps  
Acting Executive Director,  
Finance and Administration  
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First Quarter 2009  
Debt and Investment Report

Attachments available upon request  
or can be located at:

<http://www.octa.net/pdf/42709full.pdf>



**May 11, 2009**

**To:** Members of the Board of Directors  
**From:**  James S. Kenan, Interim Chief Executive Officer  
**Subject:** Measure M Quarterly Progress Report

**Overview**

Staff has prepared a Measure M progress report for the first quarter of 2009. This is a regular report that highlights the Measure M projects and programs currently under development.

**Recommendation**

Receive and file as an information item.

**Background**

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

**Discussion**

This quarterly report updates progress in implementing the Measure M Expenditure Plan during the first quarter of 2009 (January through March). Highlights and accomplishments of work-in-progress for freeway, streets and roads, and transit programs, along with expenditure information are presented for Board review.

**Freeway Program**

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

the Riverside Freeway (State Route 91) are complete. The following are highlights and major accomplishments along each of the freeway corridors:

#### Interstate 5 (I-5), Gateway Project

The two-mile stretch of the I-5, from just north of the I-5/State Route 91 (SR-91) interchange to the Los Angeles County line, is the last phase of the I-5 in Orange County to be improved. On April 18, 2006, the freeway widening construction package was awarded to FCI Constructors/Balfour Beatty Construction, Inc. Various construction activities continued during the report period, with the project currently 67 percent complete.

During the quarter, the re-constructed west side of the Beach Boulevard bridge was opened to traffic on January 26, 2009, as scheduled. Demolition work began on the east side with concrete work completed for two of the three footing areas and pile driving accomplished at the third footing. Column work and the soffit/wall concrete for the southbound Artesia Boulevard undercrossing was completed and the Artesia Boulevard southbound on-ramp was opened. Retaining wall construction continues for the walls adjacent to Union Pacific Railroad tracks, with fill-in retaining wall work completed on the I-5 northbound side, adjacent to the auto dealer properties

The public outreach team continues to attend community meetings and is making presentations to the city council, local organizations, and business associations concerning the Beach Boulevard closure and freeway detours.

#### State Route 57 (SR-57)

In November 1992, OCTA completed the Measure M carpool lane project on the SR-57, between the I-5 and Lambert Road. In September 2007, the Board approved amending the Measure M Expenditure Plan to include additional projects along SR-57 that are currently included in Project J in the Renewed Measure M. The amendment allocated \$22 million in Measure M freeway program savings to pay for design and right-of-way pre-construction costs to add a new northbound lane along the SR-57 from Orangewood Avenue to Lambert Road.

Three projects to provide the additional freeway capacity are currently underway. The design notice to proceed for the Orangethorpe Avenue to Yorba Linda Boulevard project was issued on February 18, 2008. The project's design schedule is very aggressive at 22 months. Design progress increased significantly during the quarter to 87 percent complete. The pre-final design plans and specifications are scheduled to be complete and submitted for review in April 2009, two months ahead of schedule.

The design notice to proceed for the Yorba Linda Boulevard to Lambert Road project was also issued on February 18, 2008. This project also has a compressed design duration of only 22 months. Design on this project also increased dramatically during the quarter to 88 percent complete. Pre-final design plans and specifications are also scheduled to be complete and submitted for review in April 2009, two months ahead of schedule.

Work is also underway on the SR-57 project between Katella Avenue and Lincoln Avenue. To expedite project delivery, OCTA awarded a consultant contract combining both environmental and design services. The combined effort is scheduled to be completed in an accelerated 31-month schedule. The notice to proceed was issued on April 10, 2008. The environmental phase is nearing completion with the draft environmental document completed and issued for public review and comment on March 24, 2009.

#### Streets and Roads Programs

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

During the first quarter of 2009, the CTFP provided \$14.4 million towards streets and roads projects throughout the County. Some of the projects of significance include: \$1.8 million to the City of Huntington Beach for the Heil Avenue Widening Project, \$2.9 million to the City of Costa Mesa for intersection improvements at 17<sup>th</sup> and 19<sup>th</sup> streets along Newport Avenue, and \$1 million to the City of Tustin for the Newport Avenue/SR-55 Ramp Reconfiguration Project.

#### Transit Programs

##### Rail Program

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

##### Metrolink Service Expansion Program (Expansion)

On November 14, 2005, the Board authorized the implementation of the Expansion. The Expansion includes all of the capital and operational improvements

necessary to accomplish high-frequency service between the stations located in Fullerton and Laguna Niguel/Mission Viejo. When feasible and appropriate, local, state, and federal funds are used to fund program elements. Only those elements supported by Measure M funding are discussed here.

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

In addition to the civil construction contract, four other procurement packages associated with the Expansion, such as special track work, signal construction, signal maintenance, and rail and ties, either have been awarded or are currently being procured. All contracts associated with the Expansion are expected to be awarded no later than the second quarter of 2009. The SCRRA plans to start construction of the rail infrastructure improvements in June 2009.

Staff continues to meet with individual station cities in order to develop plans for expansion of parking facilities necessary to support the expanded service. The City of Orange has selected a preferred site for its parking expansion and is continuing with further studies to determine if the project will be a mixed use development project. A design contract has been awarded to Watry Design for the 825 space parking structure that will be built on the existing surface parking lot at the Tustin Metrolink Station. Final plans are expected in the first quarter of 2010 with a construction contract to be awarded in the second quarter of 2010. The City of Fullerton is completing design plans that will go out to bid for design build of an 818 space parking structure in July 2009.

#### City-Initiated Transit Extensions to Metrolink

Project development continued with the two Board-approved Go Local fixed-guideway project concepts. Consistent with prior Board direction to move these two projects into Step Two of the Go Local Program, both are undergoing detailed planning including alternatives analysis (AA), selection of a locally preferred alternative, and environmental clearance. During this quarter, the City of Anaheim completed a draft problem definition report and a purpose and need statement for its proposed fixed-guideway project. The project proposes to connect the Anaheim Regional Transportation Intermodal Center to the Platinum Triangle and Anaheim Resort area.

The City of Santa Ana is currently underway with procuring a technical consultant to conduct the AA and environmental clearance for its fixed-guideway concept. It is anticipated that the consultant will be on board within the next month.

The City of Santa Ana's fixed-guideway concept proposes to connect the Santa Ana Regional Transportation Center through downtown Santa Ana to Harbor Boulevard in the City of Garden Grove.

In January 2009, the Board selected Booz Allen Hamilton to serve as an extension of OCTA staff to provide project management oversight and technical support to ensure that the two fixed-guideway projects are developed consistent with the Board-approved guidelines and in compliance with Federal Small/New Starts protocol.

Two additional bus/shuttle proposals from the cities of Aliso Viejo and Fullerton were approved by the Board in January 2009 to advance into Step Two of the Go Local Program. To date, the Board has approved 27 concepts to undergo detailed service planning in order to assess the viability and feasibility of the proposals by evaluating areas such as ridership, alignment, operating parameters and financial plans. During the reporting period, staff initiated the negotiations of cooperative agreements with the lead agencies of the Board-approved bus/shuttle proposals to define the roles of responsibilities for the Step Two service planning effort. Cooperative agreements will be brought before the Board for approval beginning in April 2009.

All planning work done as part of Step One and Step Two of the Go Local Program is funded by Measure M in preparation for the implementation of Step Three through Project S, Transit Extensions to Metrolink, under Renewed Measure M.

#### Financial Status

As required in Measure M, all Orange County eligible jurisdictions receive 14.6 percent of the sales tax revenue based on population ratio, Master Plan of Arterial Highways miles, and total taxable sales. There are no competitive criteria to meet, but there are administrative requirements such as having a growth management plan. This money can be used for local transportation projects as well as ongoing maintenance of local streets and roads. The total amount of Measure M turnback funds distributed since program inception is \$520.4 million. Distributions to individual agencies, from inception-to-date and for the report period, are detailed in Attachment A.

Net Measure M expenditures through March 31, 2009, total \$3.227 billion. Net expenditures include project specific reimbursements to Measure M from local agencies, and the California Department of Transportation on jointly funded projects. Total net tax revenues consist primarily of Measure M sales tax revenues and non-bond interest minus estimated non-project related administrative expenses through 2011. Net revenues, expenditures, estimates at completion, and summary project budgets, per the Measure M Expenditure Plan,



are presented in Attachment B. The basis for project budgets within each of the Measure M Expenditure Plan programs is identified in the notes section of Attachment B. Additional details and supporting information to the Measure M Revenue and Expenditure Summary are provided under Attachment C.

#### Budget Variances

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

The Garden Grove Freeway (State Route 22) project budget and estimate at completion were increased \$1.5 million during the report period to reflect the March 9, 2009, Board action to complete the addition of improvements to the Lewis Channel that were not included in the original project scope.

#### Revenue Projections

Staff continues to closely monitor actual local sales tax revenues versus prior forecasts. For the first quarter of 2009, actual tax revenues were \$5.3 million less than the December 2008 updated revenue forecast. Based on the trend in continued declining revenues, the March 2009 report includes an updated revenue forecast that results in an additional reduction of \$30.9 million in revenues available for all projects. The following revenue reductions are anticipated within the various Measure M programs: freeways \$13.3 million, turnback funding \$4.5 million, competitive grant programs \$5.4 million, and transit \$7.7 million.

The Measure M freeway program is funding a major freeway reconstruction project - the I-5 Gateway Project. The progress on this project is on schedule, on budget, and within the revised revenue forecasts. Staff will continue to monitor ongoing expenses and reduce existing project contingencies when appropriate and reasonable.

The Measure M Expenditure Plan was amended to allocate \$22 million in funding for the three SR-57 projects included in Renewed Measure M, Project J. The allocation is currently included in the Attachment B freeway program budget and estimate at completion. Project costs are initially charged to Renewed Measure M, with subsequent reimbursement through the original Measure M program. The reimbursements have not yet occurred and will be temporarily suspended. The initial \$22 million planned allocation could be adjusted to compensate for any further significant revenue reductions.

The reduced forecasts provide lower funding for the Measure M streets and roads programs. OCTA staff is in the process of completing a thorough analysis on the status of all active and pending Measure M-funded projects. This information, along with any revenue reduction implications and recommendations, will be presented to the Board in June 2009.

The transit component of Measure M is the other remaining program element with several outstanding projects. This program is currently funding the Expansion project, station improvements, and the planning phases of the Go Local Program. The reduction in Measure M revenues has been somewhat offset by new revenues including Proposition 1B and Proposition 116. Staff will be presenting a more complete assessment of the Expansion funding plan to the Finance and Administration Committee and the Transit Committee on May 13 and May 14, 2008, respectively.

**Summary**

As required in Measure M Ordinance No. 2, a quarterly report is provided to update progress in implementing the Measure M Expenditure Plan. This report covers freeways, streets and roads, transit program highlights, and accomplishments from January through March 2009.

**Attachments**

- A. Measure M Local Turnback Payments
- B. Measure M Revenue and Expenditure Summary as of March 31, 2009
- C. Supporting Information to Measure M Revenue and Expenditure Summary

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**MEASURE M LOCAL TURNBACK PAYMENTS**

<b>Agency</b>	<b>First Quarter 2009</b>	<b>Total Apportionment as of 3/31/09</b>
Aliso Viejo	\$ 155,138	\$ 3,336,688
Anaheim	1,435,399	57,011,561
Brea	236,704	9,279,420
Buena Park	388,968	14,000,753
Costa Mesa	613,775	24,499,463
Cypress	236,937	9,154,187
Dana Point	144,209	5,813,709
Fountain Valley	270,087	11,176,391
Fullerton	546,085	22,310,937
Garden Grove	627,546	25,434,252
Huntington Beach	816,076	33,321,454
Irvine	1,050,595	36,597,150
Laguna Beach	113,118	4,365,751
Laguna Hills	155,058	6,135,261
Laguna Niguel	291,811	11,075,564
Laguna Woods	59,103	1,586,944
La Habra	229,806	8,736,651
Lake Forest	335,151	11,490,716
La Palma	73,797	2,920,292
Los Alamitos	56,606	2,436,247
Mission Viejo	409,210	16,165,750
Newport Beach	457,247	16,121,345
Orange	699,249	27,017,716
Placentia	199,374	8,054,164
Rancho Santa Margarita	184,537	4,313,141
San Clemente	240,890	8,250,373
San Juan Capistrano	166,107	6,429,183
Santa Ana	1,231,809	50,966,551
Seal Beach	108,781	4,108,855
Stanton	127,280	5,119,725
Tustin	359,358	14,002,443
Villa Park	22,855	933,687
Westminster	374,667	15,301,706
Yorba Linda	251,367	9,648,442
County Unincorporated	747,936	33,245,969
<b>Total County:</b>	<b>\$ 13,416,635</b>	<b>\$ 520,362,442</b>

**Measure M Revenue and Expenditure Summary  
as of March 31, 2009**

Project Description (\$ in thousands, escalated to year of expenditure/revenue)	Total Net Tax Revenues		Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion		Project Budget to Est at Completion	To Date Net Project Cost	Percent Budget Expended (D / B)	Notes
	A	B			C	(A - C)				
<b>Freeways (43%)</b>										
I-5 between I-405 and I-605	\$ 958,888	\$ 810,010	\$ 804,897	\$ 153,991	\$ 5,113	\$ 702,793	86.8%	1		
I-5 between I-5/I-405 Interchange and San Clemente	68,586	57,836	59,935	8,651	(2,099)	59,936	103.6%	1		
I-5/I-405 Interchange	87,052	72,802	73,075	13,977	(273)	73,075	100.4%	1		
SR-55 between I-5 and SR-91	58,035	44,511	50,196	7,839	(5,685)	49,339	110.8%	1		
SR-57 between I-5 and Lambert Road	50,121	46,128	44,596	5,525	1,532	22,758	49.3%	1		
SR-91 between Riverside Co. line & Los Angeles Co. line	125,302	116,136	105,666	19,636	10,470	105,389	90.7%	1		
SR-22 between SR-55 and Valley View Street	399,647	301,463	301,037	98,610	426	297,582	98.7%	1,4		
Subtotal Projects	\$ 1,747,631	\$ 1,448,886	\$ 1,439,402	\$ 308,229	\$ 9,484	\$ 1,310,872	90.5%			
Net (Bond Revenue)/Debt Service		307,552	307,552	(307,552)	-	166,047				
<b>Total Freeways</b>	\$ 1,747,631	\$ 1,756,438	\$ 1,746,954	\$ 677	\$ 9,484	\$ 1,476,919	84.1%	3		
<b>Expenditures as a Percent of Total Program</b>						48.4%				
<b>Regional Street and Road Projects (11%)</b>										
Smart Streets	\$ 153,281	\$ 150,905	\$ 150,905	\$ 2,376	\$ -	\$ 150,112	99.5%	2		
Regionally Significant Interchanges	89,414	89,414	89,414	-	-	61,138	68.4%	2		
Intersection Improvement Program	127,734	127,734	127,734	-	-	74,832	58.6%	2		
Traffic Signal Coordination	63,867	63,867	63,867	-	-	45,513	71.3%	2		
Transportation Systems and Transportation Demand Mgmt	12,773	12,773	12,773	-	-	7,312	57.2%	2		
Subtotal Projects	\$ 447,069	\$ 444,693	\$ 444,693	\$ 2,376	\$ -	\$ 338,907	76.2%			
Net (Bond Revenue)/Debt Service		2,376	2,376	(2,376)	-	1,283				
<b>Total Regional Street and Road Projects</b>	\$ 447,069	\$ 447,069	\$ 447,069	\$ -	\$ -	\$ 340,190	76.1%	2		
<b>Expenditures as a Percent of Total Program</b>						11.1%				

**Measure M Revenue and Expenditure Summary**  
as of March 31, 2009

Project Description (\$ in thousands, escalated to year of expenditure/revenue)	Total Net Tax Revenues		Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion		Variance Project Budget to Est at Completion	To Date Net Project Cost	Percent Budget Expended (D / B)	Notes
	A	B			C	(A - C)				
<b>Local Street and Road Projects (21%)</b>										
Master Plan of Arterial Highway Improvements	\$ 162,614	\$ 162,614	\$ 162,614	\$ -	\$ -	\$ -	\$ -	\$ 79,247	48.7%	2
Streets and Roads Maintenance and Road Improvements	590,881	590,881	590,881	-	-	-	-	520,426	88.1%	2
Growth Management Area Improvements	100,000	100,000	100,000	-	-	-	-	71,679	71.7%	2
Subtotal Projects	\$ 853,495	\$ 853,495	\$ 853,495	\$ -	\$ -	\$ -	\$ -	\$ 671,352	78.7%	
Net (Bond Revenue)/Debt Service								-		
<b>Total Local Street and Road Projects</b>	<b>\$ 853,495</b>	<b>\$ 853,495</b>	<b>\$ 853,495</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 671,352</b>	<b>78.7%</b>	
<b>Expenditures as a Percent of Total Program</b>								<b>22.0%</b>		
<b>Transit Projects (25%)</b>										
Pacific Electric Right-of-Way	\$ 19,666	\$ 15,000	\$ 14,000	\$ 5,666	\$ 1,000	\$ 1,000	\$ 1,000	\$ 13,861	92.4%	
Commuter Rail	366,760	351,690	335,584	31,176	16,106	16,106	16,106	290,563	82.6%	
High-Technology Advanced Rail Transit	445,758	427,441	464,580	(18,822)	(37,139)	(37,139)	(37,139)	87,505	20.5%	
Elderly and Handicapped Fare Stabilization	20,000	20,000	20,000	-	-	-	-	17,010	85.1%	
Transitways	163,881	146,381	126,348	37,533	20,033	20,033	20,033	125,955	86.0%	1
Subtotal Projects	\$ 1,016,065	\$ 960,512	\$ 960,512	\$ 55,553	\$ -	\$ -	\$ -	\$ 534,894	55.7%	
Net (Bond Revenue)/Debt Service		55,553	55,553	(55,553)	-	-	-	29,993		
<b>Total Transit Projects</b>	<b>\$ 1,016,065</b>	<b>\$ 1,016,065</b>	<b>\$ 1,016,065</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 564,887</b>	<b>55.6%</b>	
<b>Expenditures as a Percent of Total Program</b>								<b>18.5%</b>		
<b>Total Measure M Program</b>	<b>\$ 4,064,260</b>	<b>\$ 4,073,067</b>	<b>\$ 4,063,583</b>	<b>\$ 677</b>	<b>\$ 9,484</b>	<b>\$ 9,484</b>	<b>\$ 9,484</b>	<b>\$ 3,053,348</b>	<b>75.0%</b>	

Notes:

1. Project Budget based on escalated value of 1996 Freeway Strategic Plan plus subsequent Board approved amendments.
2. Project Budget and Estimate at Completion equal to Total Net Tax Revenues as all funds collected will be expended on future projects.
3. Due to a change in reporting practices, Estimates at Completion now include approximately \$10 million of OCTA direct project labor not included in Project Budgets.
4. SR-22 Budget and Estimate at Completion increased by \$1.5 million for the addition of improvements to the Lewis Channel not included in the original project scope.

*Schedule 1*

**Supporting Information to Measure M Revenue and Expenditure Summary**

(\$ in thousands)	Quarter Ended Mar 31, 2009	Year to Date Mar 31, 2009	Period from Inception to Mar 31, 2009
	(A)	(B)	
<b>Revenues:</b>			
Sales taxes	\$ 57,438	\$ 176,848	\$ 3,518,640
Other agencies share of Measure M costs			
Project related	1,049	1,533	381,704
Non-project related	-	-	614
<b>Interest:</b>			
<b>Operating:</b>			
Project related	30	30	953
Non-project related	6,135	18,404	242,294
Bond proceeds	-	-	136,067
Debt service	1,325	2,440	80,253
Commercial paper	1	26	6,072
Orange County bankruptcy recovery	-	-	42,268
Capital grants	4,440	7,514	152,526
Right-of-way leases	130	293	4,651
Proceeds on sale of assets held for resale	537	1,610	21,354
Miscellaneous	-	-	801
	<hr/>	<hr/>	<hr/>
Total revenues	71,085	208,698	4,588,197
<b>Expenditures:</b>			
<b>Supplies and services:</b>			
State Board of Equalization (SBOE) fees	735	2,204	51,174
<b>Professional services:</b>			
Project related	6,522	9,582	170,996
Non-project related	455	837	28,236
<b>Administration costs:</b>			
Project related	518	1,635	17,348
Non-project related	1,311	3,851	76,410
Orange County bankruptcy loss	-	-	78,618
<b>Other:</b>			
Project related	24	53	1,192
Non-project related	108	187	15,465
<b>Payments to local agencies:</b>			
Turnback	13,417	26,016	520,410
Competitive projects	15,471	34,867	527,389
Capital outlay	8,057	33,658	1,929,034
<b>Debt service:</b>			
Principal payments on long-term debt	75,355	75,355	842,755
Interest on long-term debt and commercial paper	6,669	13,365	547,907
	<hr/>	<hr/>	<hr/>
Total expenditures	128,642	201,610	4,806,934
Excess (deficiency) of revenues over (under) expenditures	<hr/>	<hr/>	<hr/>
	(57,557)	7,088	(218,737)
<b>Other financing sources (uses):</b>			
<b>Transfers out:</b>			
Project related	(391)	(1,391)	(252,760)
Non-project related	-	-	(5,116)
Transfers in project related	-	86	1,915
Bond proceeds	-	-	1,169,999
Advance refunding escrow	-	-	(931)
Payment to refunded bond escrow agent	-	-	(152,930)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(391)	(1,305)	760,177
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	<hr/>	<hr/>	<hr/>
	\$ (57,948)	\$ 5,783	\$ 541,440

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

<i>(\$ in thousands)</i>	Quarter Ended Mar 31, 2009 (actual)	Year Ended Mar 31, 2009 (actual) <i>(C.1)</i>	Period from Inception through Mar 31, 2009 (actual) <i>(D.1)</i>	Period from April 1, 2009 through March 31, 2011 (forecast) <i>(E.1)</i>	Total <i>(F.1)</i>
<b>Tax revenues:</b>					
Sales taxes	\$ 57,438	\$ 176,848	\$ 3,518,640	\$ 473,325	\$ 3,991,965
Other agencies share of Measure M costs	-	-	614	-	614
Operating interest	6,135	18,404	242,294	18,032	260,326
Orange County bankruptcy recovery	-	-	20,683	-	20,683
Miscellaneous	-	-	801	-	801
Total tax revenues	<u>63,573</u>	<u>195,252</u>	<u>3,783,032</u>	<u>491,358</u>	<u>4,274,390</u>
<b>Administrative expenditures:</b>					
SBOE fees	735	2,204	51,174	4,402	55,576
Professional services, non-project related	438	791	19,385	3,429	22,814
Administration costs, non-project related	1,311	3,851	76,410	11,375	87,785
Operating transfer out, non-project related	-	-	5,116	-	5,116
Orange County bankruptcy loss	-	-	29,792	-	29,792
Other, non-project related	108	187	6,366	2,681	9,047
	<u>2,592</u>	<u>7,033</u>	<u>188,243</u>	<u>21,887</u>	<u>210,130</u>
Net tax revenues	<u>\$ 60,981</u>	<u>\$ 188,219</u>	<u>\$ 3,594,789</u>	<u>\$ 469,471</u>	<u>\$ 4,064,260</u>
<b>Bond revenues:</b>					
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	1,325	2,440	80,253	8,084	88,337
Interest revenue from commercial paper	1	26	6,072	-	6,072
Orange County bankruptcy recovery	-	-	21,585	-	21,585
Total bond revenues	<u>1,326</u>	<u>2,466</u>	<u>1,413,976</u>	<u>8,084</u>	<u>1,422,060</u>
<b>Financing expenditures and uses:</b>					
Professional services, non-project related	17	46	8,851	-	8,851
Payment to refunded bond escrow	-	-	153,861	-	153,861
Bond debt principal	75,355	75,355	842,755	161,200	1,003,955
Bond debt interest expense	6,669	13,365	547,907	15,042	562,949
Orange County bankruptcy loss	-	-	48,826	-	48,826
Other, non-project related	-	-	9,099	-	9,099
Total financing expenditures and uses	<u>82,041</u>	<u>88,766</u>	<u>1,611,299</u>	<u>176,242</u>	<u>1,787,541</u>
Net bond revenues (debt service)	<u>\$ (80,715)</u>	<u>\$ (86,300)</u>	<u>\$ (197,323)</u>	<u>\$ (168,158)</u>	<u>\$ (365,481)</u>

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

Project Description (G)	Net Tax Revenues Program to date		Total Net Tax Revenues (H)	Project Budget (I)	Estimate at Completion (K)	Variance Total Net Tax Revenues at Completion (L)	Variance Project Budget to Est. at Completion (M)	Expenditures through Mar 31, 2009 (N)	Reimbursements through Mar 31, 2009 (O)	Net Project Cost (P)	Percent of Budget Expended (Q)
	Actual	Net Tax Revenues									
<b>Freeways (43%)</b>											
I-5 between I-405 (San Diego Fwy) and I-605 (San Gabriel Fwy)	\$ 848,127	\$ 958,888	\$ 810,010	\$ 804,897	\$ 153,991	\$ 5,113	\$ 784,917	\$ 82,124	\$ 702,793	86.8%	
I-5 between I-5/I-405 Interchange and San Clemente	60,664	68,586	57,836	59,935	8,651	(2,099)	70,294	10,358	59,936	103.6%	
I-5/I-405 Interchange	76,996	87,052	72,802	73,075	13,977	(273)	98,157	25,082	73,075	100.4%	
S.R. 55 (Costa Mesa Fwy) between I-5 and S.R. 91 (Riverside Fwy)	51,331	58,035	44,511	50,196	7,839	(5,685)	55,511	6,172	49,339	110.8%	
S.R. 57 (Orange Fwy) between I-5 and Lambert Road	44,331	50,121	46,128	44,596	5,525	1,532	25,617	2,859	22,758	49.3%	
S.R. 91 (Riverside Fwy) between Riverside Co. line & Los Angeles Co. line	110,828	125,302	116,136	105,666	19,636	10,470	123,995	18,606	105,389	90.7%	
S.R. 22 (Garden Grove Fwy) between S.R. 55 and Valley View St.	353,483	399,647	301,463	301,037	98,610	426	604,041	306,459	297,582	98.7%	
Net (Bond Revenue)/Debt Service	1,545,760	1,747,631	1,448,886	1,439,402	308,229	9,484	1,762,532	451,660	1,310,872		
			307,552	307,552	(307,552)	-	166,047		166,047		
<b>Total Freeways</b>	\$ 1,545,760	\$ 1,747,631	\$ 1,756,438	\$ 1,746,954	\$ 677	\$ 9,484	\$ 1,928,579	\$ 451,660	\$ 1,476,919	48.4%	
				43.0%							
<b>Regional Street and Road Projects (11%)</b>											
Smart Streets	\$ 135,575	\$ 153,281	\$ 150,905	\$ 150,905	\$ 2,376	\$ -	\$ 153,601	\$ 3,489	\$ 150,112	99.5%	
Regionally Significant Interchanges	79,085	89,414	89,414	89,414	-	-	61,284	146	61,138	68.4%	
Intersection Improvement Program	112,979	127,734	127,734	127,734	-	-	75,046	214	74,832	58.6%	
Traffic Signal Coordination	56,490	63,867	63,867	63,867	-	-	45,645	132	45,513	71.3%	
Transportation Systems Management and Transportation Demand Management	11,298	12,773	12,773	12,773	-	-	7,461	149	7,312	57.2%	
Net (Bond Revenue)/Debt Service	395,427	447,069	444,693	444,693	2,376	-	343,037	4,130	338,907		
			2,376	2,376	(2,376)	-	1,283		1,283		
<b>Total Regional Street and Road Projects</b>	\$ 395,427	\$ 447,069	\$ 447,069	\$ 447,069	\$ -	\$ -	\$ 344,320	\$ 4,130	\$ 340,190	11.1%	
				11.0%							



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

Project Description (G)	Net Tax Revenues Program to date Actual (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 Mar 31, 2009 (N)	Reimbursements through Mar 31, 2009 (O)	Project Cost (P)	Percent of Budget Expended (Q)
<b>Local Street and Road Projects (21%)</b>										
<i>(\$ in thousands)</i>										
Master Plan of Arterial Highway Improvements	\$ 132,278	\$ 162,614	\$ 162,614	\$ 162,614	\$ -	\$ -	\$ 79,346	\$ 99	\$ 79,247	48.7%
Streets and Roads Maintenance and Road Improvements	522,627	590,881	590,881	590,881	-	-	520,426	-	520,426	88.1%
Growth Management Area Improvements	100,000	100,000	100,000	100,000	-	-	72,110	431	71,679	71.7%
Subtotal Projects	754,905	853,495	853,495	853,495	-	-	671,882	530	671,352	
Net (Bond Revenue)/Debt Service										
<b>Total Local Street and Road Projects</b>	<b>\$ 754,905</b>	<b>\$ 853,495</b>	<b>\$ 853,495</b>	<b>\$ 853,495</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 671,882</b>	<b>\$ 530</b>	<b>\$ 671,352</b>	<b>22.0%</b>
<b>Transit Projects (25%)</b>										
Pacific Electric Right-of-Way	\$ 17,394	\$ 19,666	\$ 15,000	\$ 14,000	\$ 5,666	\$ 1,000	\$ 16,492	\$ 2,631	\$ 13,861	92.4%
Commuter Rail	322,085	366,760	351,690	335,584	31,176	16,106	351,437	60,874	290,563	82.6%
High-Technology Advanced Rail Transit	394,267	445,758	427,441	464,580	(18,822)	(37,139)	94,074	6,569	87,505	20.5%
Elderly and Handicapped Fare Stabilization	20,000	20,000	20,000	20,000	-	-	17,010	-	17,010	85.1%
Transitways	144,951	163,881	146,381	126,348	37,533	20,033	162,642	36,687	125,955	86.0%
Subtotal Projects	898,697	1,016,065	960,512	960,512	55,553	-	641,655	106,761	534,894	
Net (Bond Revenue)/Debt Service			55,553	55,553	(55,553)	-	29,993		29,993	
<b>Total Transit Projects</b>	<b>\$ 898,697</b>	<b>\$ 1,016,065</b>	<b>\$ 1,016,065</b>	<b>\$ 1,016,065</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 671,648</b>	<b>\$ 106,761</b>	<b>\$ 564,887</b>	<b>18.5%</b>
<b>Total Measure M Program</b>	<b>\$ 3,594,789</b>	<b>\$ 4,064,260</b>	<b>\$ 4,073,067</b>	<b>\$ 4,063,583</b>	<b>\$ 677</b>	<b>\$ 9,484</b>	<b>\$ 3,616,429</b>	<b>\$ 563,081</b>	<b>\$ 3,053,348</b>	

See accompanying notes to Measure M Schedules