

AGENDA

- 1. Welcome**
- 2. Pledge of Allegiance**
- 3. Approval of Minutes/Attendance Report for June 12, 2018**
- 4. Co-Chair Election**
- 5. Presentation Items**
 - A. OC Streetcar Project Update
Mary Shavaliar, Program Manager, Capital Programs
 - B. Project V Update
Joseph Alcock, Section Manager, M2 Local Programs
 - C. Measure M2 Sales Tax Forecast
Sam Kaur, Department Manager, Finance and Administration
- 6. OCTA Staff Updates**
 - A. I-405 Update – Christina Byrne, Department Manager, Public Outreach
 - B. M2 Triennial Performance Assessment Update – Stephanie Chhan, Associate, Measure M Program
- 7. Annual Eligibility Review Subcommittee Report**
- 8. Audit Subcommittee Report**
- 9. Environmental Oversight Committee Report**
- 10. Committee Member Reports**
- 11. Public Comments***
- 12. Adjournment**

The next meeting will be held on October 9, 2018

*Public Comments: At this time, members of the public may address the Taxpayer 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 three (3) minutes per person, 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.

INFORMATION ITEMS

<u>Staff Report Title</u>	<u>Board Meeting Date</u>
1. Taxpayer Oversight Committee New Member Recruitment and Lottery	June 11, 2018
2. Environmental Mitigation Program Endowment Fund Investment Report for March 31, 2018	June 11, 2018
3. Measure M2 Eligibility Review Recommendations for Fiscal Year 2016-17 Expenditure Reports	June 11, 2018
4. OC Streetcar Project Revised Funding Plan	July 9, 2018

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

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

Measure M Taxpayer Oversight Committee
Orange County Transportation Authority
550 S. Main Street, Orange CA, Room 07
June 12, 2018 @ 5:00 p.m.

MEETING MINUTES

Committee Members Present:

Richie Kerwin Lim, First District Representative
Anthony Villa, First District Representative, Co-Chairman
Larry Tekler, Second District Representative
Alan P. Dubin, Second District Representative
Eugene Fields, Third District Representative
Andrew Lesko, Third District Representative
Stanley F. Counts, Fourth District Representative
Matt McGuinness, Fifth District Representative
Guita Sharifi, Fifth District Representative

Committee Member(s) Absent:

Eric Woolery, Orange County Auditor-Controller, Co-Chairman
Richard Rojas, Fourth District Representative

Orange County Transportation Authority Staff Present:

Julianne Brazeau, Public Reporter Specialist
Joe Alcock, Section Manager, M2 Local Programs
Marissa Espino, Community Relations Officer
Emily Mason, Community Relations Specialist
Kia Mortazavi, Executive Director, Planning
Andrew Oftelie, Executive Director, Finance
Alice Rogan, Director, Marketing & Public Outreach
Benjamin Torres, Accounting
Tamara Warren, Program Manager, M Program Management Office

1. Welcome

Co-Chairman Anthony Villa welcomed everyone to the Orange County Transportation Authority (OCTA) Taxpayer Oversight Committee (TOC) meeting at 5:04 p.m.

2. Pledge of Allegiance

Co-Chairman Anthony Villa led the Pledge of Allegiance to the Flag.

3. Approval of the Minutes/Attendance Report for August 8, 2017

Co-Chairman Anthony Villa asked if there are any corrections to the Minutes/Attendance Report for April 10, 2018. A motion was made by Richie Lim, seconded by Alan Dubin, and carried unanimously to approve the April 10, 2018 TOC Minutes and the Attendance Report.

4. Subcommittee Selection

Audit Subcommittee	Annual Eligibility Review Subcommittee	Environmental Oversight Committee
Richie Lim	Stanley Counts	Eugene Fields
Andrew Lesko	Eugene Fields	
Larry Tekler	Richie Lim	
Eric Woolery	Matt McGuinness	
	Larry Tekler	

5. Action Items

A. M2 Quarterly Revenue & Expenditure Report (Mar 18)

Benjamin Torres presented the M2 Quarterly Revenue & Expenditure Report for March 2018. He said Schedule 2 shows the sales tax revenue is on target. Benjamin said Measure M revenue is anticipated to meet or exceed the budget for the final two quarters of the fiscal year. He said in Schedule 3, the majority of the spending is related to the start-up of the I-405 project. Benjamin also pointed out the amount Measure M still owes to the borrowing of funds from OCUTT and it is anticipated to have it paid off early.

A motion was made by Richie Lim, seconded by Andrew Lesko, and carried unanimously to receive and file the M2 Quarterly Revenue & Expenditure Report for March 2018.

6. Presentation Items

A. Comprehensive Transportation Funding Programs (CTFP) Semi-Annual Review

Joseph Alcock provided an overview and update of the CTFP Semi-Annual Review process. He said the CTFP provides guidelines for M2 competitive funding programs. Joseph said through the Semi Annual Review, OCTA staff reviews all M2 funded grants. He said during this review cycle there were three project advancements, four phase cancelations, six delays, 10 timely use of funds extension requests for CTFP Grants, five timely use of funds extension requests for the Local Fair Share Program and one timely use of funds extension requests for the senior mobility program. Joseph also said there were 10 scope change requests and three project transfers.

B. Comprehensive Transportation Funding Programs (CTFP) – 2018 Project O and Project P – Call for Projects Programming Recommendations

Joseph Alcock presented an overview of the OCTA Board's funding recommendations for Project O and Project P. He said the OCTA Board authorized a \$40 million call for projects for the two programs. Joseph said \$32 million was set aside for the regional capacity program and \$8 million was set

aside for the regional traffic signal synchronization program. OCTA received applications for 19 projects for \$56 million. After staff and Technical Advisory Committee review, it was recommended 11 projects be funded with \$32 million set aside for the regional capacity program. Joseph said OCTA was able to secure SB1 matching grant funds along with the \$8 million M2 funds for four regional traffic signal synchronization programs.

The TOC discussed signal synchronization funds needed for future projects regarding retiming and hardware. They also talked about when projects are not funded this cycle they would need to reapply due to the competitive process.

The TOC also discussed how the possibility of SB1's recall would affect the projects being recommended and about getting matching funds for projects as much as possible. Joseph Alcock said the projects will continue for now and if SB1 is recalled, the projects would go back to the OCTA Board. He said SB1 revenue is currently being collected and those funds will be available for the projects through the time of the repeal.

C. Measure M2 Quarterly Progress Report

Tamara Warren provided an overview of the Measure M2 Quarterly Progress Report for the third quarter. She said Measure M2 is currently in year seven of a 30 year program. This quarter highlights for the freeway program: the I-5 Central Project was advertised for construction with bids coming in a bit lower than projected, the draft environmental document for the I-5 between the I-405 and the 55 was completed, carpool lanes opened on the I-5 between Pico and San Juan Creek Road and construction began on the I-405 Project. This quarter highlights for the Streets and Road Program: recommendations for the eighth call for projects went to the board and were approved. This quarter highlights for the transit program: design began on improvements to the Anaheim Canyon Metrolink Station, Orange Transportation Center construction is under way, the OCTA Board authorized negotiations for streetcar vehicle purchase and applications for community based transportation circulator programs were received. This quarter highlights for the Environmental Programs: the OCTA Board released the eighth call for Tier 1 environmental clean-up projects and received programmatic permits from the US Army Corp of Engineers to help offset clean-up of water ways.

TOC discussed the Placentia Metrolink station possible delays. Tamara Warren said OCTA is still moving forward with designs.

The TOC discussed the remaining nine freeway projects and asked if any of the projects are having issues. Tamara Warren said these projects are all in the process of becoming shelf-ready. She discussed hurdles/delays to the environmental process on the SR-91 projects and Lambert Road/Tonner Canyon

project related to dealing with other counties and the I-5 Project from SR-55 to El Toro Road right-of-way issues with Caltrans.

The TOC discussed standard lane widths on freeways and how it goes along with safety. Tamara Warren said a 12 foot lane width is the best, but can go to a 10 foot lane width.

The TOC asked about the Buy America impacts on the streetcar purchase. Tamara Warren said there were no impacts due to the Buy America clause. She said there are some delays due to the Federal Government release of funds. Tamara said the contractor has been selected, but the notice to proceed on the purchase of the streetcars has not gone forward.

7. OCTA Staff Updates

- A. Senate Bill 1 – Kia Mortazavi provided an overview of how SB1 pertains to Measure M2. He said due to declining Measure M2 revenue, OCTA is trying to use SB1 monies to the fill gap for fully funding projects in the Measure M2 Ordinance. Kia said OCTA is always looking at other ways to fund projects to maximize M2 funds. OCTA has asked for funds and was awarded the right to money for the following: \$261 million for eight congestion relief projects, \$5.7 million for transit projects, \$18 million for local partnership freeway projects, \$6.9 million for signal synchronization projects, \$65.7 million for trade corridor projects, and \$376 million for capital projects.

The TOC discussed how SB1 funds are distributed among jurisdictions and projects. Also discussed was the recall of SB1 on the November ballot. Kia Mortazavi said the distribution has already been laid out, but it is unclear what will happen if construction is under way and then SB1 is recalled. He said some projects have already received funds – mostly the “fix-it-first” projects.

The TOC asked if OCTA could market all the good things SB1 will do for Orange County. Kia Mortazavi said OCTA cannot advocate for SB1, but can disperse information on how SB1 funds will be used.

The TOC asked how an earthquake would affect OCTA’s budget. Kia Mortazavi said once a project is completed the state owns it. If something happens during construction than OCTA would have to work things out with the contractors.

The TOC discussed how SB1 funds are distributed and competitive matching funds. Kia Mortazavi said OCTA is always leveraging funds and trying to get matches. He said SB1 funds and Measure M2 funds are used proportionally.

The TOC discussed how Orange County has a high Payment Condition Index (PCI). Kia Mortazavi said OCTA is in good shape due to PCI and it allows flexibility. He said some cities in the county are not as good as others.

8. Annual Eligibility Review Subcommittee Report

Matt McGuinness said there was nothing new to report.

9. Audit Subcommittee Report

Richie Lim said cities were selected for Local Fair Share and Senior Mobility Audits. Local Fair Share audits will be conducted for the cities of Aliso Viejo, Buena Park, Costa Mesa, Orange, Santa Ana, Seal Beach, Stanton and Westminster. Senior Mobility audits will be conducted for the cities of Dana Point, Laguna Habra and San Clemente.

10. Environmental Oversight Committee (EOC) Report

Anthony Villa reported the EOC received an overview of several restoration projects that Measure M2 has funded, there was a tour of the Irvine Ranch Conservancy's Bee Flat Canyon/Lower Silverado Canyon restoration projects and the EOC directed staff to proceed with a competitive bidding process to identify an entity(ies) to implement the North Coal Canyon and Chino Hills State Park restoration projects. He said the original group was not able to complete this restoration project and the project will be re-bid.

Eugene Fields wondered if there was any reaction to the renaming contest. Anthony Villa was unaware of any reaction. Guita Sharifi said she went on the hike where the new names were announced and it all seemed very well done and appreciated.

11. Committee Member/Staff Reports

There were no committee member reports.

Alice Rogan announced that the recruitment for new TOC member is complete. The Grand Jurors of Orange County (GJOC) interviewed about 50 people for four open positions. The GJOC recommended five people for the first, second and fifth districts and three people for the fourth district. She reported that the new group is very earnest and eager to get to work.

Alice Rogan presented Resolutions of Appreciation to outgoing members Alan Dubin, Guita Sharifi and Anthony Villa. Anthony thanked the committee and staff for the TOC experience. Alice said to let her know if members are interested in being co-chair of the TOC.

Alice Rogan also announced the departure of TOC contact Emily Mason from OCTA to the private sector.

12. Public Comments

There were no public comments.

13. Adjournment

The Measure M Taxpayer Oversight Committee meeting adjourned at 6:33 p.m. The next meeting will be held on August 14, 2018.

Taxpayer Oversight Committee

Fiscal Year 2017-2018

Attendance Record

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

Meeting Date	11-Jul	8-Aug	12-Sep	10-Oct	14-Nov	12-Dec	9-Jan	13-Feb	13-Mar	10-Apr	8-May	12-Jun
Stanley F. Counts		X		X		M E T I N G C A N C E L L E D		X		*		X
Alan Dubin		X		X				X		X		X
Eugene Fields		X		X				X		X		X
Andrew Lesko		X		X				X		X		X
Richie Kerwin Lim		X		X				X		X		X
Matt McGuinness		X		E				X		X		X
Richard Rojas		N/A		N/A				E		X		*
Guita Sharifi		X		X				X		*		X
Sony Soegiarto		U		N/A				--		--		--
Larry Tekler		X		X				X		X		X
Anthony Villa		X		X				X		X		X

Absences Pending Approval


<u>Meeting Date</u>	<u>Name</u>	<u>Reason</u>
6/12/18	Richard Rojas	Work

***Presentation
Items***



COMMITTEE TRANSMITTAL

June 25, 2018

To: Members of the Board of Directors
From:  Laurena Weinert, Clerk of the Board
Subject: OC Streetcar Project Update

Transit Committee Meeting of June 14, 2018

Present: Directors Davies, Do, Jones, Murray, Pulido, Tait, and Winterbottom
Absent: None

Committee Vote

Following the discussion, no action was taken on this receive and file information item.

Staff Recommendation

Receive and file as an information item.



June 14, 2018

To: Transit Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: OC Streetcar Project Update

Overview

An update on the OC Streetcar project was provided to the Orange County Transportation Authority Board of Directors on March 26, 2018. Subsequently, several actions have occurred related to the overall project schedule that merit another update.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA), in coordination with the cities of Santa Ana and Garden Grove, is implementing the OC Streetcar project (OC Streetcar), a new east-west double track streetcar between the Santa Ana Regional Transportation Center in the City of Santa Ana and the Harbor Boulevard/Westminster Avenue intersection in the City of Garden Grove. The OC Streetcar includes track, overhead electrical power supply, ten stops in each direction, four traction power substations, and two bridges. In addition, a new maintenance and storage facility will be constructed for the streetcar vehicles, administration, operations, parts storage, and maintenance-of-way.

On May 22, 2017, the OCTA Board of Directors (Board) authorized the Chief Executive Officer to request and enter into a Full Funding Grant Agreement (FFGA) with the Federal Transit Administration (FTA) to secure a federal contribution of \$148.96 million through the Capital Investment Grant (CIG) New Starts Program. The date assumed in the OC Streetcar schedule at that time for FFGA execution was November 2017. Key project activities and procurement schedules were based upon the federal funding commitment being secured by the end of 2017. This assumption was

reasonable at the time given the program and project history, and was made in concurrence with FTA staff and leadership.

Discussion

The federal fiscal year (FFY) 2017 Appropriations Act directed the FTA to spend \$285 million on new project FFGAs, and included a \$50 million single-year appropriation line item for the OC Streetcar. FFGAs are typically processed and executed just prior to construction expenditures being incurred, and may be subject to multiple years of federal appropriations.

Prior to FFGA execution, certain pre-construction expenditures related to long lead time items such as vehicles, utility relocation, and right-of-way (ROW) acquisition are eligible to receive pre-award authority granted by the FTA. This pre-award authority allows expenses incurred prior to the FFGA to be reimbursed after the FFGA is executed. On January 11, 2017, OCTA received pre-award authority from the FTA for pre-construction activities, including streetcar vehicles. The OCTA Board awarded the contract to manufacture and supply eight streetcar vehicles to Siemens Industries, Inc. (Siemens), on March 26, 2018. In accordance with the request for proposals, Siemens' pricing was valid until June 4, 2018. Staff negotiated with Siemens a 45-day extension (July 18, 2018) to the proposal validity date in order to finalize contract documents. Executing the contract after July 18, 2018, could potentially expose OCTA to significant project delays, substantially increased vehicle cost, and vehicle delivery schedule delays related to production schedules.

The FFGA program guidelines provide OCTA the authority to issue the OC Streetcar construction invitation for bids (IFB), open the bids, and award the construction contract. However, to remain eligible for federal construction reimbursement, OCTA cannot issue the construction notice to proceed (NTP) and incur construction contract expenses prior to FFGA execution. On December 11, 2017, the OCTA Board authorized release of the construction IFB to pre-qualified contractors, with a bid submittal date of March 5, 2018. In consideration of requests from the bidders for additional time to prepare bids, lack of Congressional action on the FFY 2018 appropriations bill, ongoing delays with the FTA's FFGA approval process, and City of Santa Ana delays in securing necessary ROW, an addendum was issued revising the construction bid submittal date to April 27, 2018. Subsequently, and for the same reasons stated above, an addendum was issued revising the bid submittal date again, to June 19, 2018. The revised OCTA Board award of the construction contract is now August 13, 2018.

The construction bid submittal adjustments, from March 5, 2018 to June 19, 2018, will allow for better pricing as it is responsive to construction industry feedback for additional time to assess the IFB. The revised construction bid submittal date, as well as adjustments to contractually defined construction durations for significant progress milestones, have moved the targeted revenue service date to August 2021. A revised summary schedule is reflected in the table below.

	Current Expected Date
Construction Bid Opening	June 19, 2018
Vehicle NTP	July 18 , 2018
FFGA Execution	August 01, 2018
Construction Contract Award	August 13, 2018
Construction NTP	October 1, 2018
Milestone 1 – Completion of Maintenance and Storage Facility and Test Track	December 29, 2020
Milestone 2 – Completion of all track	March 29, 2021
Revenue Service Date	August 30, 2021

Federal Funding

In February 2018, the FTA issued the FFY 2019 Annual Report on Funding Recommendations for the CIG Program, which includes the OC Streetcar as one of the next New Starts projects due for a signed FFGA, given the OC Streetcar has an overall project rating of medium-high, and has met the technical readiness requirements. On March 23, 2018, the President signed the FFY 2018 omnibus appropriations bill, which provides \$1.5 billion for New Starts Projects within the FTA’s CIG Program. The CIG New Starts funding increase allows for approximately \$400 million for new FFGAs, such as the OC Streetcar.

Although the FFY 2018 omnibus does not specify how the FTA should allocate the CIG New Starts spending increase, the bill does contain language directing the administration to “continue to administer the capital investment grant program in accordance with the procedural and substantive requirements of” the CIG authorizing statute. There is also language requiring that \$2.25 billion (85 percent) of CIG funding be obligated by December 31, 2019. The language, taken with the funding increase, should allow action to be taken on the OC Streetcar FFGA. Despite clear direction from Congress, OCTA has not received any indication from the FTA on when an FFGA will be executed. OCTA continues to work with its Congressional delegation in support of the processing of the FFGA with FTA.

The FFGA is required to be executed in time to execute the construction contract prior to the expiration of bids. Per the construction IFB, bid pricing is valid for 180 days. With the construction bid opening on June 19, 2018, OCTA is required to award and execute the construction contract before expiration of bids on December 16, 2018. However, any delays to a construction NTP beyond October 1, 2018 will produce day-to-day delays in the revenue service date. Further delay in the construction bid opening will have significant delay and escalation in capital and support costs that will need to be considered.

Concurrently, final cost negotiations are ongoing with Siemens to provide the eight streetcar vehicles needed to operate the OC Streetcar service. As stated above, the FTA has granted OCTA pre-award authority for the procurement of the streetcar vehicles, which allows OCTA to incur costs under the vehicle contract and seek federal reimbursement once the FFGA is executed. Based upon a revised proposal validity date, OCTA anticipates executing the vehicle contract with Siemens by July 18, 2018. Any delay in contract execution beyond this date will risk substantial vehicle pricing escalation.

To date, approximately \$32.6 million has been expended on the development and implementation of the OC Streetcar. ROW has been acquired and utilities have, and are being, relocated.

Next Steps

Work continues to progress on key OC Streetcar activities, including final possession of remaining required ROW, procurement of demolition services, coordination with third parties on utility relocation, finalizing the California Public Utilities Commission approvals for the OC Streetcar's safety certification, finalizing the scope of services for the operations and maintenance request for proposals, and continued coordination with the FTA. Staff is working toward execution and NTP for the streetcar vehicle manufacturing contract, and to open construction bids planned to be submitted on June 19, 2018.

Summary

An update on the OC Streetcar project activities is presented for the Board of Directors' review.

Attachment

None.

Prepared by:



Kelly Hart
Project Manager
(714) 560-5725

Approved by:



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



COMMITTEE TRANSMITTAL

June 25, 2018

To: Members of the Board of Directors
From: Laurena Weinert, ^{MT} Clerk of the Board
Subject: 2018 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects Programming Recommendations

Transit Committee Meeting of June 14, 2018

Present: Directors Davies, Do, Jones, Murray, Pulido, Tait, and Winterbottom
Absent: None

Committee Vote

The item was passed by the Members present.

Directors Do, Pulido, and Tait were not present to vote.

Committee Recommendations

- A. Approve programming recommendations for Project V funding, in an amount not to exceed \$5,153,664, plus inflationary adjustments, for five local agency projects submitted under capital and operating reserve categories.
- B. Approve programming recommendations for Project V funding, in an amount not to exceed \$1,649,700, plus inflationary adjustments, for the City of San Clemente's Rideshare Beta Test Expansion Program, contingent upon receipt of ridership and usage documentation. If this documentation is not provided by August 2018, and it is not consistent with the Orange County Transportation Authority's minimum performance requirements, direct staff to return with an update and revised programming recommendation.
- C. Direct staff to work with the City of Laguna Niguel on route and operational refinements and return at a later date with a final recommendation on the City of Laguna Niguel's proposed Project V service, if appropriate.



COMMITTEE TRANSMITTAL
Page Two

- D. Authorize staff to execute cooperative funding agreements with appropriate local agencies.



June 14, 2018

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is positioned to the right of the "From:" field.

Subject: 2018 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects Programming Recommendations

Overview

The Orange County Transportation Authority issued the 2018 Measure M2 Project V call for projects for community-based transit circulators on February 12, 2018. Applications have been received and scored consistent with the Board of Director's approved Comprehensive Transportation Fund Programs Project V Guidelines. Projects recommended for funding are presented for review and approval.

Recommendations

- A. Approve programming recommendations for Project V funding, in an amount not to exceed \$5,153,664, plus inflationary adjustments, for five local agency projects submitted under capital and operating reserve categories.
- B. Approve programming recommendations for Project V funding, in an amount not to exceed \$1,649,700, plus inflationary adjustments, for the City of San Clemente's Rideshare Beta Test Expansion Program, contingent upon receipt of ridership and usage documentation. If this documentation is not provided by August 2018, and it is not consistent with the Orange County Transportation Authority's minimum performance requirements, direct staff to return with an update and revised programming recommendation.
- C. Direct staff to work with the City of Laguna Niguel on route and operational refinements and return at a later date with a final recommendation on the City of Laguna Niguel's proposed Project V service, if appropriate.
- D. Authorize staff to execute cooperative funding agreements with appropriate local agencies.

Background

The Community-Based Transit/Circulator Program (Project V) under Measure M provides funding to jurisdictions seeking to implement local transit services (i.e., community-based circulators, shuttles, bus trolleys, and demand-responsive services) that complement regional bus and rail service while also meeting local needs in areas not adequately served by regional transit. Project V provides funding opportunities for bus and vehicle leases/purchases, associated bus stop improvements, maintenance facilities for new service, seasonal/special event and demand responsive transit services, as well as parking leases for seasonal and special event services.

In early 2018, staff requested letters of interest from local agencies to determine if there was sufficient interest to support a 2018 call for projects (call). Based upon these efforts, it was apparent that there was strong support for a 2018 call. Therefore, on February 12, 2018, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved revised Comprehensive Transportation Funding Programs (CTFP) Project V Guidelines (Guidelines) and directed staff to issue a 2018 call. The call opened on February 12, 2018 (for an amount not to exceed \$12 million), and closed on March 23, 2018.

Discussion

On March 23, 2018, six local agencies submitted seven Project V applications, requesting total funding of approximately \$9.3 million. Project applications consisted of requests for capital and operating reserve funding to support special events, weekend, seasonal, and year-round/on-demand services. Applications were reviewed for eligibility, consistency, adherence to the Guidelines, and overall program objectives.

All project submittals met the intent of Project V and also committed to at least ten percent local match rates. However, two applications presented unique consideration factors, which are discussed below.

City of San Clemente's (San Clemente) Rideshare Beta Test Program

San Clemente requested to expand its current Rideshare Beta Test Program for an additional three years. However, both San Clemente and OCTA have had great difficulty in securing performance data from the third-party vendor providing the current service. Therefore, staff's recommendation is to approve San Clemente's programming request of \$1,649,700, for a three-year extension

of the program, contingent upon receipt of ridership and usage documentation. This data will need to be provided to OCTA prior to August 2018. If the data is not provided or is not in compliance with OCTA's minimum performance requirements, staff will return with a revised programming recommendation for this allocation, which could focus upon modifying the program to integrate it with the OC Flex Program.

The Laguna Niguel Trolley

The City of Laguna Niguel (Laguna Niguel) applied to initiate trolley service to several key destinations within Laguna Niguel. However, given that Laguna Niguel's application required additional technical refinements (which were unable to be completed within the timeframe of the call), the infrequent call cycle of Project V, and the fact that OCTA will be initiating its upcoming OC Flex service within Laguna Niguel, staff is requesting Board direction to continue working with Laguna Niguel to develop appropriate route and operational refinements. Staff will return to the Board at a later date with specific recommendations for Laguna Niguel's proposed project, if appropriate.

The remaining five applications are being recommended for programming without restriction. In total, \$5,153,664, plus inflationary adjustments, is requested to be made available to support the programming recommendations. If the Board approves Recommendation B, and San Clemente is able to provide requested performance data prior to August 2018, total programming recommendations would increase to \$6,803,364 (Attachment A). Attachment B provides more details on proposed services and their descriptions.

It should be noted that funds awarded under the operations and maintenance reserve category are subject to minimum performance requirements identified in the CTFP Guidelines, including quarterly reporting of ridership performance and productivity. In addition, operating reserves are also limited to three to five years for this call.

Next Steps

If the programming recommendations identified in Attachment A are approved by the Board, staff will develop cooperative agreements between OCTA and appropriate local agencies, which would allow OCTA to reimburse appropriate local agencies for program costs, per the Board-approved CTFP Guidelines. Staff will also continue to monitor project status and project delivery through the semi-annual review process and quarterly ridership updates, and keep the

Board apprised of program performance. The next quarterly report that will be provided on Project V programs is scheduled to be presented to the Board in summer 2018.

Summary

Proposed programming recommendations for the 2018 Project V call have been developed by staff. Funding for up to six projects, at up to \$6,803,364 (plus inflationary adjustments), for capital grants in Project V funds is being recommended for Board approval, subject to a contingency for San Clemente's Beta Rideshare Test Program Expansion. Staff is also seeking direction to continue working with Laguna Niguel in order to further refine their proposed operations plan and to potentially return with a recommendation at a later date. Authorization is also requested to execute cooperative agreements with appropriate local agencies to support proposed programming recommendations, if approved by the Board.

Attachments


- A. 2018 Measure M2 Community Based Transit Circulators (Project V) Call for Projects, Programming Recommendations
- B. 2018 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects, Proposed Service Descriptions

Prepared by:



Joseph Alcock
Section Manager, Local Programs
(714) 560-5372

Approved by:



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

**2018 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects
Programming Recommendations**

Agency	Project	Capital	Operating Reserve	Total Allocation	Score	Local Match Rate
Dana Point	Dana Point Trolley Continuity and Expansion and Weekend Service	\$ 112,500	\$ 1,632,565	\$ 1,745,065	81	10%
San Clemente	San Clemente Trolley Expansion	\$ 369,000	\$ 1,168,200	\$ 1,537,200	78	10%
Newport Beach	Balboa Peninsula Trolley Expansion Program	\$ 110,400	\$ 168,000	\$ 278,400	75	20%
San Juan Capistrano	Special Event and Weekend Summer Trolley	\$ 304,164	\$ 654,478	\$ 958,642	59	10%
Laguna Beach	Summer Breeze Bus Service	\$ 4,680	\$ 629,677	\$ 634,357	52	10%
		Subtotal	\$ 5,153,664			
San Clemente	Rideshare Beta Test Rider ¹	\$ -	\$ 1,649,700	\$ 1,649,700	48	10%
		Total Allocation	\$ 6,803,364			
UNFUNDED (Not enough information to score)						
Laguna Niguel	Laguna Niguel Trolley	\$ -	\$ -	\$ -		

¹Approval of programming recommendation contingent upon receipt of documentation from the City of San Clemente prior to August 2018.

**2018 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects
Proposed Service Descriptions**

Project Name	Service Description	Service Type	Service Details
<p>1</p> <p>Dana Point Trolley Continuity and Expansion of Weekend Service</p>	<p>The City of Dana Point is requesting to expand their current trolley service with the addition of weekend trolley service for an additional month after Labor Day (starting in 2019). The City will also extend their two existing Project V grant services through June 30, 2024 (less the Harbor Shuttle component of the service).</p>	<p>Seasonal and Special Event Service</p>	<ul style="list-style-type: none"> • Start Date: September 2019 • Service Period: June 1 - first week of October • Service Frequency: Every 15 minutes • Service Days: Monday through Sunday
<p>2</p> <p>Laguna Beach Summer Breeze Bus Service</p>	<p>The City of Laguna Beach is proposing the Summer Breeze Bus Service to provide free parking and free bus service (Orange County Transportation Authority [OCTA]-led under contract) bus service from a parking lot at Spectrum Terrace in Irvine located at the corner of State Highway 133/Laguna Canyon Road (near the Interstate 405). The proposed route would travel along Laguna Canyon Road southbound towards Laguna Beach and would stop at the Sawdust Festival, Art-A-Fair, Festival of the Arts/Pageant of the Masters, the Laguna Playhouse, and the Laguna Beach Bus Depot.</p>	<p>Seasonal Service</p>	<ul style="list-style-type: none"> • Start Date: June 2018* • Service Period: June 30 - September 2 • Service Frequency: Every 30 minutes • Service Days: Saturday and Sundays
<p>3</p> <p>Newport Beach Balboa Peninsula Trolley Expansion Program</p>	<p>The City of Newport Beach is requesting additional funding to extend its original grant award from ten weekends to 15 weekends, plus Labor Day, for the remaining fiscal years (FY) of its grant. Starting in FY 2018-19 (July 1, 2018) and going through FY 2022-23.</p>	<p>Seasonal Service</p>	<ul style="list-style-type: none"> • Start Date: August 2018 • Service Period: August - September • Service Frequency: Every 15 minutes • Service Days: Saturdays and Sundays, Labor Day
<p>4</p> <p>San Clemente Rideshare Beta Test Rider Expansion</p>	<p>The City of San Clemente is requesting to continue their ridesharing service for three additional years, which provides service for previous riders of OCTA routes 191 and 193. The rideshare program picks up riders within 500 feet of former routes 191 and 193 bus stops.</p>	<p>Year Round, On-Demand</p>	<ul style="list-style-type: none"> • Start Date: October 2018 • Service Period: Year Round • Service Frequency: Varies • Service Days: 365 Days a year
<p>5</p> <p>San Clemente Trolley Expansion</p>	<p>The City of San Clemente is requesting to expand their existing trolley service to provide daily service throughout the summer, and also to provide a new northern route connecting with Dana Point starting in May 2019.</p>	<p>Seasonal and Special Event Service</p>	<ul style="list-style-type: none"> • Start Date: July 2018 • Service Period: May - September • Service Frequency: Every 15 minutes • Service Days: Monday through Sunday, Special
<p>6</p> <p>San Juan Capistrano Special Event and Weekend Summer Trolley</p>	<p>The City of San Juan Capistrano is requesting to continue its Summer Trolley Service. The service would operate during peak hours, for 13 consecutive weekends beginning in early June and going through Labor Day. The service would include two trolleys on 20 minute frequencies servicing a continuous loop from downtown San Juan Capistrano (La Zanja Street northern terminus) to a Dana Point trolley service connection stop at Stonehill Drive and Del Obispo Street. Special event service would also be provided for the Swallows Day Parade, the Spring Eggstravaganza, San Juan Capistrano Summer Nites Concert Series, the 4th of July, the Summer Carnival, and the City's Christmas Tree Lighting Ceremony.</p>	<p>Seasonal and Special Event Service</p>	<ul style="list-style-type: none"> • Start Date: June 2018* • Service Period: June - September • Service Frequency: Every 20 minutes • Service Days: Friday through Sunday

* OCTA funding eligibility starts July 1, 2018

2018 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects Programming Recommendations



Project V Overview

- M2 competitive funding program for capital and operations
- Key performance indicators:

Year 1	Year 2	Year 3+
Meet or exceed six B/RVH by end of year 1 ¹	Maintain six B/RVH each reporting period ² and; Meet or exceed ten B/RVH by end of year 2	Maintain ten B/RVH each reporting period

- Under-performing projects are subject to cancellation
- Ridership reports are provided quarterly to Transit Committee and Board

M2 – Measure M2 / B – Boardings / RVH – Revenue Vehicle Hours / FY – Fiscal Year / Board – Board of Directors

¹ One year from the first day of operating the Project V funded service

² FY quarterly basis

Timeline

January 22, 2018

- OCTA Board updated on local agencies' interest

February 12, 2018

- OCTA Board authorized staff to issue 2018 call and approved 2018 Project V Guidelines

March 23, 2018

- Applications received by OCTA

June 14, 2018

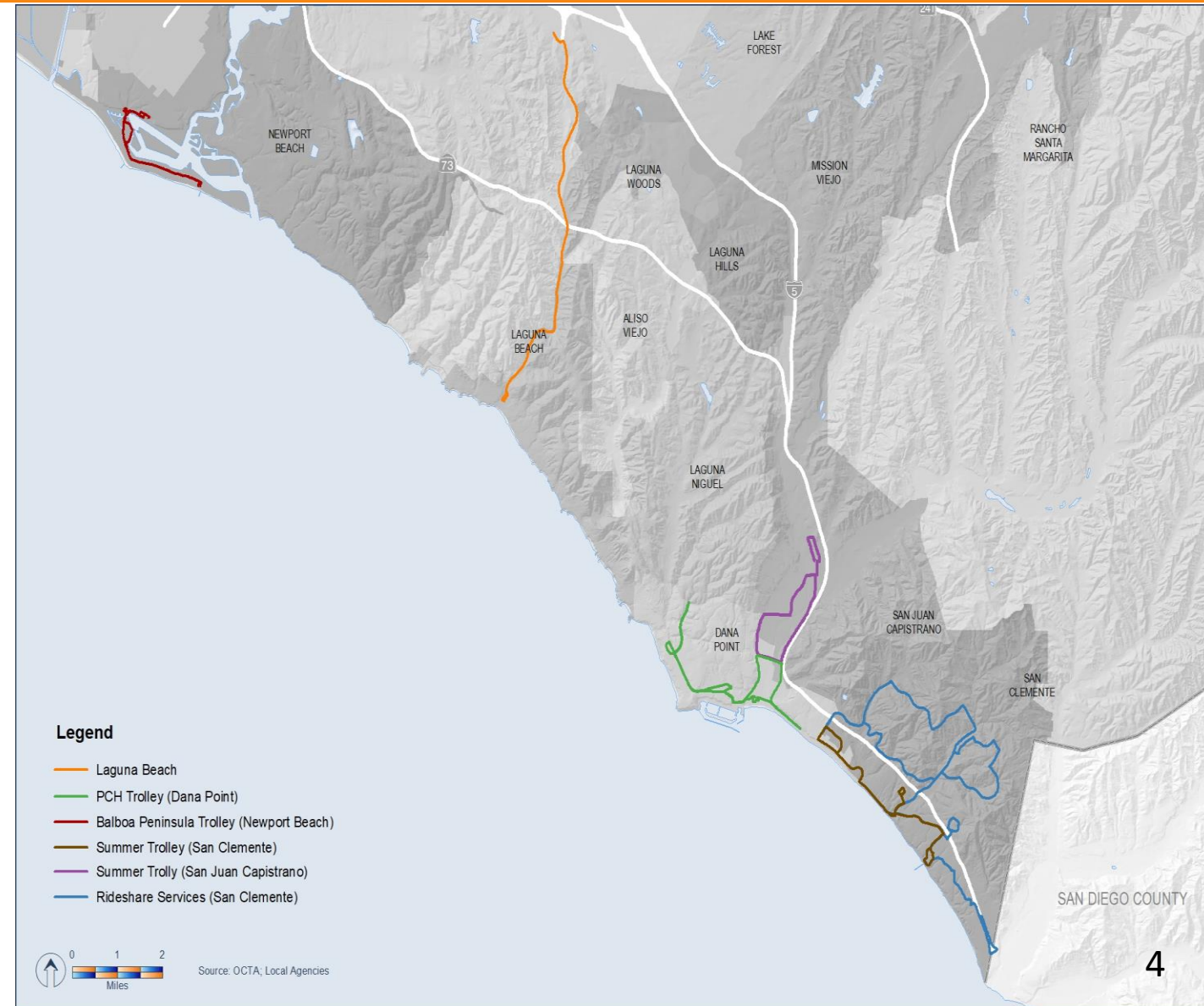
- Project V recommendations presented to the Transit Committee

June 25, 2018

- Project V recommendations presented to the OCTA Board

Project V Recommendations

- Six projects:
 - Dana Point
 - Laguna Beach
 - Newport Beach
 - San Clemente (two projects)
 - San Juan Capistrano
- \$6.8 million in M2 requests



Project V Services Starting in 2018

- **Laguna Beach Summer Breeze**

- 30 minute service during summer weekends
- Service provided by OCTA (under contract) from offsite parking lot to downtown Laguna Beach

- **Newport Beach Balboa Peninsula Trolley Expansion**

- 15 minute service during summer weekends
- Expansion provides an additional five summer weekends of service

- **San Clemente Trolley Expansion**

- 15 minute service during summer weekdays
- Expansion new northern route starting in 2019

Project V Services Starting in 2018 (continued)

- **San Clemente Rideshare Program**

- Demand responsive service along former Route 191 and Route 193 lines
- Expansion would fund year-round pilot program service for an additional three years

- **San Juan Capistrano Trolley Expansion**

- 20 minute service (Friday – Sunday)
- Expansion would provide summer weekend and special events service

- **Dana Point Trolley Expansion**

- 15 minute service during weekends (June – October)
- Expansion to begin in 2019 and provide weekend service one month beyond Labor Day and extend portions of existing Project V grants through 2024

Next Steps

- Cooperative agreements with local agencies
- Continue working with City of Laguna Niguel on route and operational refinements
- Monitor performance and report to the Transit Committee



COMMITTEE TRANSMITTAL

July 23, 2018

To: Members of the Board of Directors
From: Laurena Weinert, ^{ML} Clerk of the Board
Subject: Project V Community-Based Transit Circulators Program Ridership Report

Transit Committee Meeting of July 12, 2018

Present: Directors Davies, Jones, Murray, Pulido, and Winterbottom
Absent: Directors Do and Tait

Committee Vote

Following the discussion, no action was taken on this receive and file information item.

Staff Recommendation

Receive and file as an information item.



July 12, 2018

To: Transit Committee

A handwritten signature in black ink, appearing to read "Darrell E. Johnson for".

From: Darrell E. Johnson, Chief Executive Officer

Subject: Project V Community-Based Transit Circulators Program Ridership Report

Overview

Measure M2 establishes a competitive program through Project V to fund local transit services that complement regional transit. As of March 31, 2018, the Orange County Transportation Authority Board of Directors had approved 23 projects, for a total of \$36.5 million, in Project V funds. A ridership report on Project V services operating through the reporting period is provided for informational purposes. The reporting period is comprised of the second and third quarters of fiscal year 2017-18.

Recommendation

Receive and file as an information item.

Background

Project V is a competitive program under Measure M2 (M2) that provides funding to develop and implement local transit services. Services eligible for this program include community-based circulators, shuttles, trolleys, and demand-responsive services that complement regional bus and rail services, and better suit local needs in areas not adequately served by regional transit. Year-round services and seasonal/special event shuttles are eligible to compete for funding.

The Orange County Transportation Authority (OCTA) Board of Directors (Board) approved six projects for \$9.8 million in Project V funds in June 2013, and \$26.7 million for 17 projects in June 2016. In February 2018, the Board directed staff to issue a 2018 call for projects (call), and on June 25, 2018 the Board awarded \$6.8 million to fund an additional six projects.

Consistent with approved Project V Guidelines, local agencies must provide a minimum match of ten percent for capital costs. Project V M2 contributions towards the operations costs are capped at a maximum of 90 percent of the total service cost, or \$9 per boarding, whichever is less.

Project V-funded service performance is evaluated on a quarterly basis, and services must meet or exceed the minimum performance standards outlined below:

- Six passenger boardings per revenue vehicle hour (B/RVH) by the end of year one (12 months from the first day of operating the service),
- Maintain six B/RVH and meet or exceed ten B/RVH by end of year two,
- Ten B/RVH must be then maintained every year thereafter.

After year one, services that perform below the minimum performance standard for two or more reporting periods will be evaluated for cancellation. These project savings are returned to the program for use in subsequent calls for projects. To date, there is an estimated \$7.9 million in project savings due to cancellations.

In August 2015, the Board directed staff to provide ridership reports to the OCTA Transit Committee on active Project V services. These reports are provided biannually. This report includes ridership for 16 projects that were in operation during the reporting period ending March 31, 2018. Additional projects will be added to this report as those services begin.

Discussion

Current Project V services include a combination of special event, fixed-route, and on-demand projects that meet a variety of community needs. The prior ridership report reflected 17 services in operation (Attachment A). Since then, the City of San Juan Capistrano (San Juan Capistrano) successfully completed its one-year pilot service term on September 4, 2017. San Juan Capistrano successfully applied to continue this service during the 2018 call. Ridership for this service will be included in the next ridership update.

The current ridership report reflects 16 services, 14 of which are still in operation today. In general, special event services tend to be successful. Productivity for the special event services averaged approximately 28 B/RVH for this reporting period. However, fixed-route services are not performing at the same level. The various types of services are summarized below with details in Attachment B, followed by a discussion of circumstances related to services that are not meeting performance standards.

Seasonal services - no services during this period

- Huntington Beach – Holiday and Event Shuttle
- Huntington Beach – Seasonal Local Transit Service
- Newport Beach – Balboa Peninsula Seasonal Trolley
- San Clemente – Summer Weekend Trolley and Seasonal Service

Services meeting or exceeding the minimum performance standard

- Dana Point – Summer Trolley and Seasonal Shuttle
- Dana Point – Pacific Coast Highway and Special Event Trolley
- La Habra – Special Event Service
- Laguna Beach – Summer Weekend Trolley and Seasonal Service
- Lake Forest – Commuter Vanpool Service Irvine Station and Ossur
- Lake Forest – Commuter Shuttle Service Irvine Station and Panasonic

Services below the minimum performance standard

- Anaheim – Anaheim Regional Transportation Intermodal Center to Downtown (no longer in operation)
- Costa Mesa – Local Circulator from Costa Mesa to Anaheim (no longer in operation)
- County of Orange – Local Circulator and Special Event Service
- Laguna Beach – Residential Trolley Service Year-Round and Seasonal Service
- Mission Viejo – Local Community Circulator

Pending usage and performance data

- San Clemente – On-Demand Rideshare

The City of Anaheim (Anaheim) started service in October 2017 and had ridership considerably lower than projected. As a result, Anaheim discontinued service on March 8, 2018. This service was formally cancelled during the March 2018 semi-annual review, which was approved by the Board on June 11, 2018. The City of Costa Mesa (Costa Mesa) started service in July 2017 and remained under the minimum performance target. Costa Mesa suspended service on April 1, 2018. As a result of the suspension, the service likely will not meet the minimum performance requirement for year one, and it is expected that this service will be formally cancelled during the September 2018 semi-annual review.

The City of Laguna Beach and the County of Orange started services in June 2017. Both services are currently under the minimum performance target for this reporting period. However, both are in year one of service and have previously met the six B/RVH performance target (Attachment A).

The City of Mission Viejo's (Mission Viejo) service began in October 2016 and is maintaining the six B/RVH required. However, Mission Viejo must reach the performance target of ten B/RVH by October 2018.

The City of San Clemente (San Clemente) is currently providing demand-responsive rideshare services along the area formerly served by OCTA bus routes 191 and 193. These two routes were eliminated as part of OC Bus 360° during the October 2016 service change. Due to the new and unique nature of this service, the Board approved this as a pilot program for two years. OCTA is currently working with San Clemente and Lyft to obtain necessary information to verify usage and performance. This information needs to be provided by August 2018.

OCTA staff will continue to closely monitor services that are below the standard and meet with city staff on ideas and concepts to improve service productivity and ridership, as appropriate.

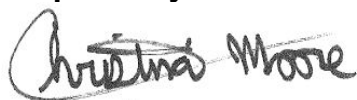
Summary

A status report on Project V services is provided for information purposes. Staff will continue to work with local agencies and monitor these services. In addition, information on new services, starting later this year, will be provided in future reports. The next Project V Community-Based Transit Circulators Program Ridership Report is scheduled for January 2019.

Attachments

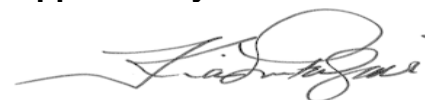
- A. Project V Services – Prior Ridership Report
- B. Project V Services – Current Ridership Report

Prepared by:



Christina Moore
Transportation Funding Analyst
(714) 560-5452

Approved by:



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

Project V Services - Prior Ridership Report

Reporting Period: Q3 and Q4 of FY 2016-17, Q1 of FY 2017-18

Agency	Service Description	Measure M2 Project V Funds	Service Type	Service Start Month/Year	Boardings per Revenue Vehicle Hours (B/RVH) ¹
Costa Mesa	Local Circulator From Costa Mesa To Anaheim	\$ 2,790,638	Local Circulator	July 2017	1
County of Orange	Local Circulator and Special Event Service	\$ 2,041,547	Local Circulator and Special Event	June 2017	7
Dana Point	Summer Trolley and Seasonal Shuttle	\$ 2,456,511	Seasonal Service	June 2015	16
Dana Point	Pacific Coast Highway and Special Event Trolley	\$ 905,968	Seasonal Service	June 2017	17
Huntington Beach	Holiday and Event Shuttle	\$ 93,287	Special Event	July 2015	12
Huntington Beach	Seasonal Local Transit Service	\$ 917,700	Seasonal Service	July 2017	2
La Habra ²	Local Community Circulator	\$ 1,719,839	Local Circulator	August 2014	6
La Habra	Special Event Service	\$ 96,810	Special Event	November 2016	7
Laguna Beach	Summer Weekend Trolley and Seasonal Service	\$ 3,559,860	Special Event	March 2015	34
Laguna Beach	Year-Round and Seasonal Service	\$ 1,967,400	Year-Round and Seasonal Service	July 2017	8
Lake Forest	Commuter Vanpool Service Irvine Station and Ossur	\$ 148,855	Commuter Service	July 2015	10
Lake Forest	Commuter Shuttle Service Irvine Station and Panasonic	\$ 1,226,862	Commuter Service	June 2017	21
Mission Viejo ³	Local Community Circulator	\$ 3,332,879	Local Circulator	October 2016	4
Newport Beach	Balboa Peninsula Seasonal Trolley	\$ 685,454	Seasonal Service	June 2017	20
San Clemente	Summer Weekend Trolley and Seasonal Service	\$ 1,181,393	Seasonal and Special Event	May 2017	46
San Clemente ⁴	On-Demand Rideshare	\$ 914,400	Rideshare Service	October 2016	--
San Juan Capistrano	Summer Trolley Service	\$ 95,486	Seasonal and Special Event	June 2017	18

1. Rounded to the nearest whole number.

2. This service has been cancelled by the City of La Habra effective October 2017, due to low productivity.

3. The City of Mission Viejo has experienced an upward trend in B/RVH in recent months and achieved nine B/RVH in September 2017.

4. The average ridership for this service cannot be confirmed at this time. Awaiting confirmation from the service provider, LYFT, INC.

ACRONYMS

Q3 - Quarter 3 (January - March)

Q4 - Quarter 4 (April - June)

FY - Fiscal year

Q1 - Quarter 1 (July - September)

Project V Services - Current Ridership Report

Reporting Period: Q2 and Q3 of FY 2017-18

Agency	Service Description	Measure M2 Project V Funds	Service Type	Service Start Month/Year	Boardings Per Revenue Vehicle Hour (B/RVH) ¹
Anaheim ²	Anaheim Regional Transportation Intermodal Center to Downtown	\$ 1,145,356	Local Circulator and Special Event	October 2017	1
Costa Mesa ³	Local Circulator from Costa Mesa to Anaheim	\$ 2,790,638	Local Circulator	July 2017	2
County of Orange	Local Circulator and Special Event Service	\$ 2,041,547	Local Circulator and Special Event	June 2017	5
Dana Point	Summer Trolley and Seasonal Shuttle	\$ 2,456,511	Seasonal Service	June 2015	46
Dana Point	Pacific Coast Highway and Special Event Trolley	\$ 905,968	Seasonal Service	June 2017	16
Huntington Beach	Holiday and Event Shuttle	\$ 93,287	Special Event	July 2015	N/A ⁴
Huntington Beach	Seasonal Local Transit Service	\$ 917,700	Seasonal Service	July 2017	N/A
La Habra	Special Event Service	\$ 96,810	Special Event	November 2016	28
Laguna Beach	Summer Weekend Trolley and Seasonal Service	\$ 3,559,860	Special Event	March 2015	20
Laguna Beach	Residential Trolley Service Year-Round and Seasonal Service	\$ 1,967,400	Year-Round and Seasonal Service	July 2017	5
Lake Forest	Commuter Vanpool Service Irvine Station and Ossur	\$ 148,855	Commuter Service	July 2015	12
Lake Forest	Commuter Shuttle Service Irvine Station and Panasonic	\$ 1,226,862	Commuter Service	June 2017	8
Mission Viejo	Local Community Circulator	\$ 3,332,879	Local Circulator	October 2016	7
Newport Beach	Balboa Peninsula Seasonal Trolley	\$ 685,454	Seasonal Service	June 2017	N/A
San Clemente	Summer Weekend Trolley and Seasonal Service	\$ 1,181,393	Seasonal and Special Event	May 2017	N/A
San Clemente ⁵	On-Demand Rideshare	\$ 914,400	Rideshare Service	October 2016	--

1. Rounded to the next whole number.

2. This service has been cancelled by the City of Anaheim effective March 8, 2018, due to low productivity.

3. This service has been suspended by the City of Costa Mesa effective April 1, 2018, due to low productivity.

4. N/A - No service hours during reporting period (seasonal services).

5. B/RVH for this service cannot be confirmed at this time. Awaiting confirmation from the service provider, LYFT, INC.

ACRONYMS

Q2 - Quarter 2 (October - December)

Q3 - Quarter 3 (January - March)

FY - Fiscal year

NOTE: Services below the minimum performance standard are shaded

Project V Community-Based Transit Circulators Program Ridership Report



Project V Overview

- M2 competitive funding program for capital and operations
- Key performance indicators:

Year 1	Year 2	Year 3+
Meet or exceed 6 B/RVH by end of Year 1 ¹	Maintain 6 B/RVH each reporting period and; Meet or exceed 10 B/RVH by end of Year 2	Maintain 10 B/RVH each reporting period

¹ One year from the first day of operating the Project V funded service

- Under-performing projects subject to cancellation
- Semi-annual performance updates provided to OCTA Board

Acronyms

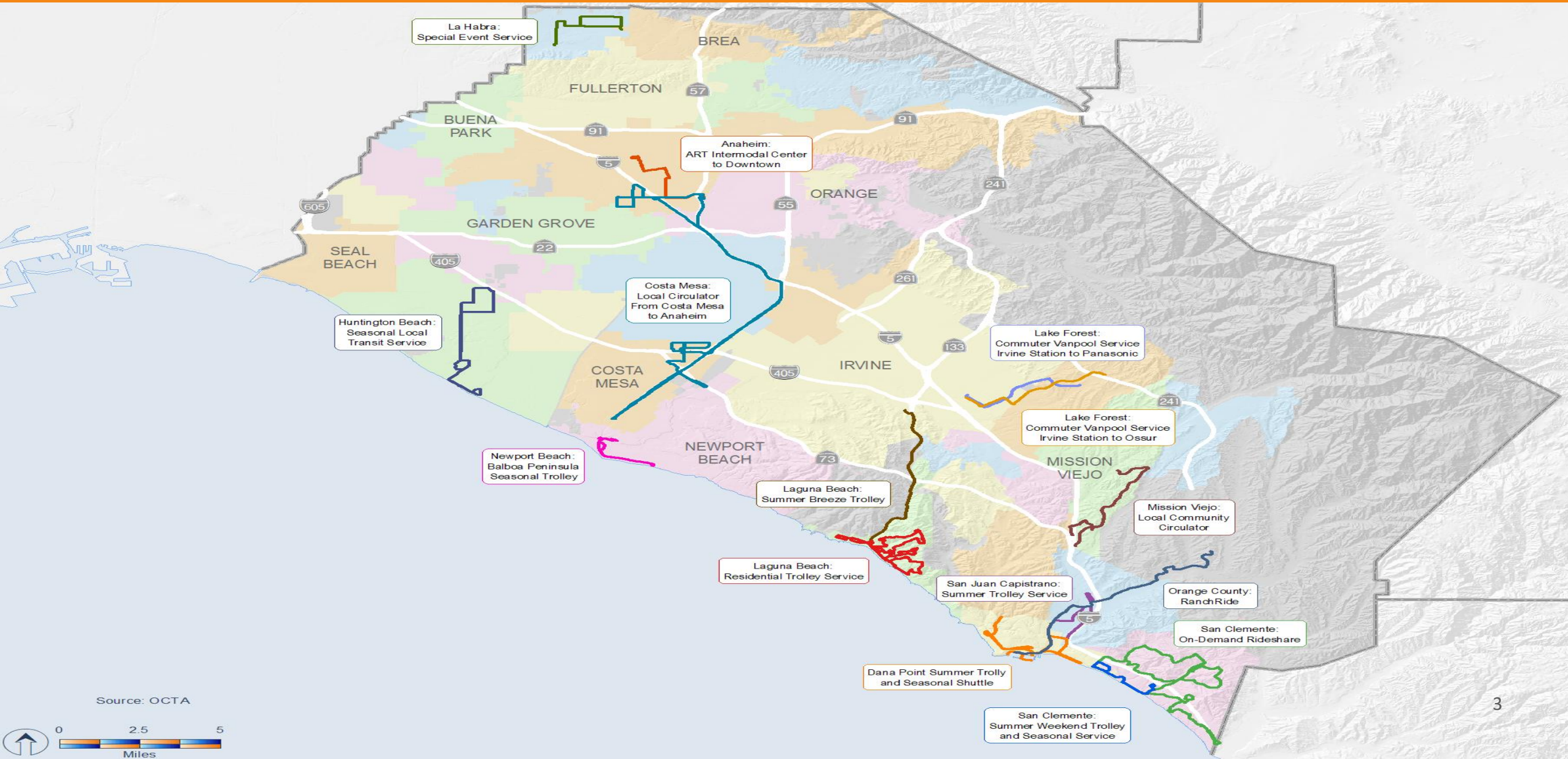
M2 – Measure M2

B/RVH – Boardings per revenue vehicle hour

OCTA – Orange County Transportation Authority

Board – Board of Directors

Active Services through March 2018



Project V Ridership Report*

Seasonal Services

(No service during this reporting period)

- Huntington Beach – Holiday and Event Shuttle
- Huntington Beach – Seasonal Local Transit Service
- Newport Beach – Balboa Peninsula Seasonal Trolley
- San Clemente – Summer Weekend Trolley and Seasonal Service

Services meeting or exceeding the minimum performance standard

- Dana Point – Summer Trolley and Seasonal Shuttle
- Dana Point – Pacific Coast Highway and Special Event Trolley
- La Habra – Special Event Service
- Laguna Beach – Summer Weekend Trolley and Seasonal Service
- Lake Forest – Commuter Vanpool Service Irvine Station and Ossur
- Lake Forest – Commuter Shuttle Service Irvine Station and Panasonic

Services below the minimum performance standard

- Anaheim – Anaheim Regional Transportation Intermodal Center to Downtown (no longer in operation)
- Costa Mesa – Local Circulator Costa Mesa to Anaheim (no longer in operation)
- County of Orange – Local Circulator and Special Event Service
- Laguna Beach – Residential Trolley Service Year-Round and Seasonal Service
- Mission Viejo – Local Community Circulator

*The San Clemente On-Demand Rideshare service is pending usage and performance data

Next Steps

- Continue to work with local agencies and monitor service performance.
- Services approved at the June 25, 2018 Board meeting will be included in future ridership reports.
- The next ridership update is scheduled for January 2019.

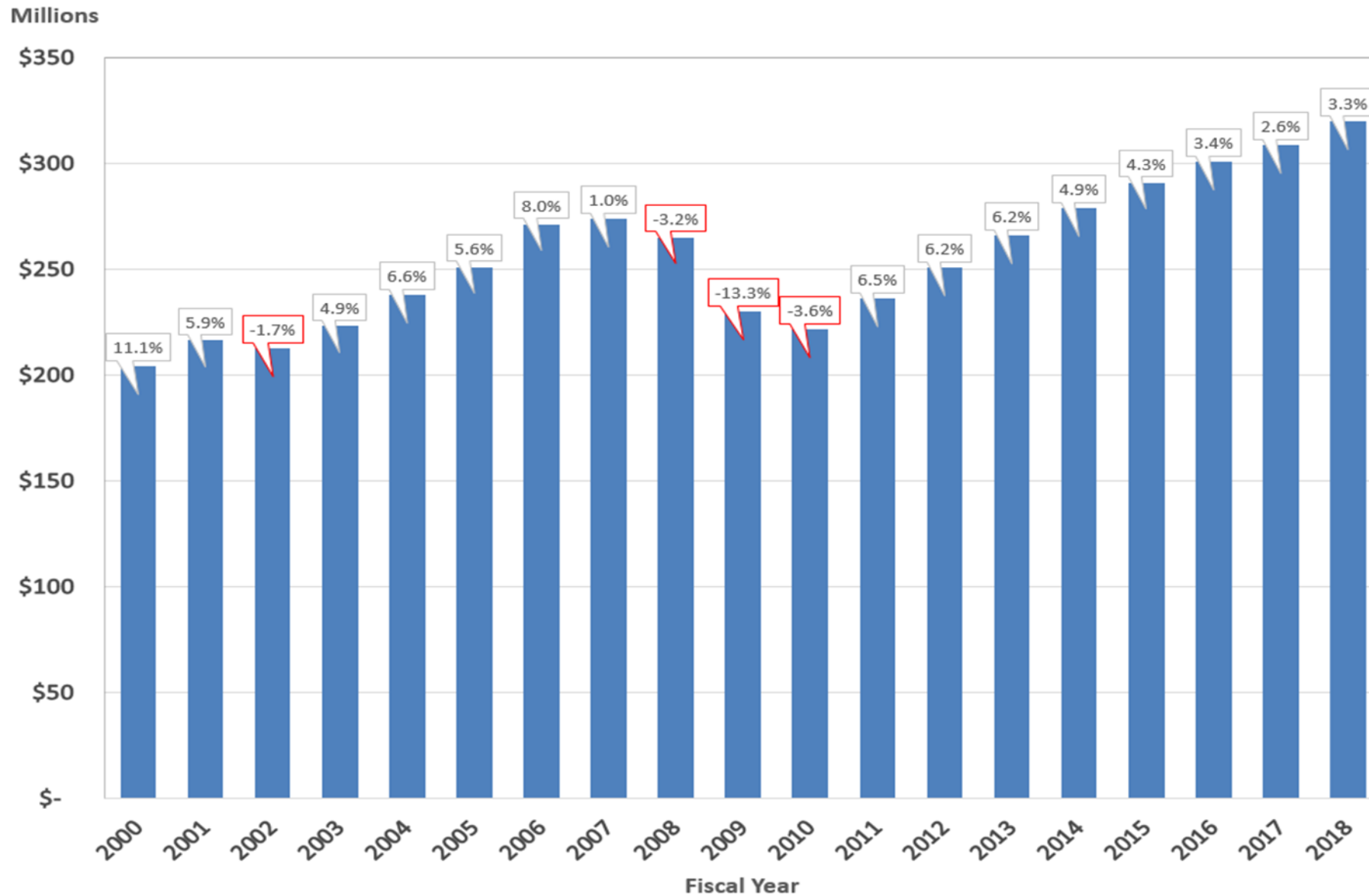
Measure M2 Sales Tax Forecast

Background

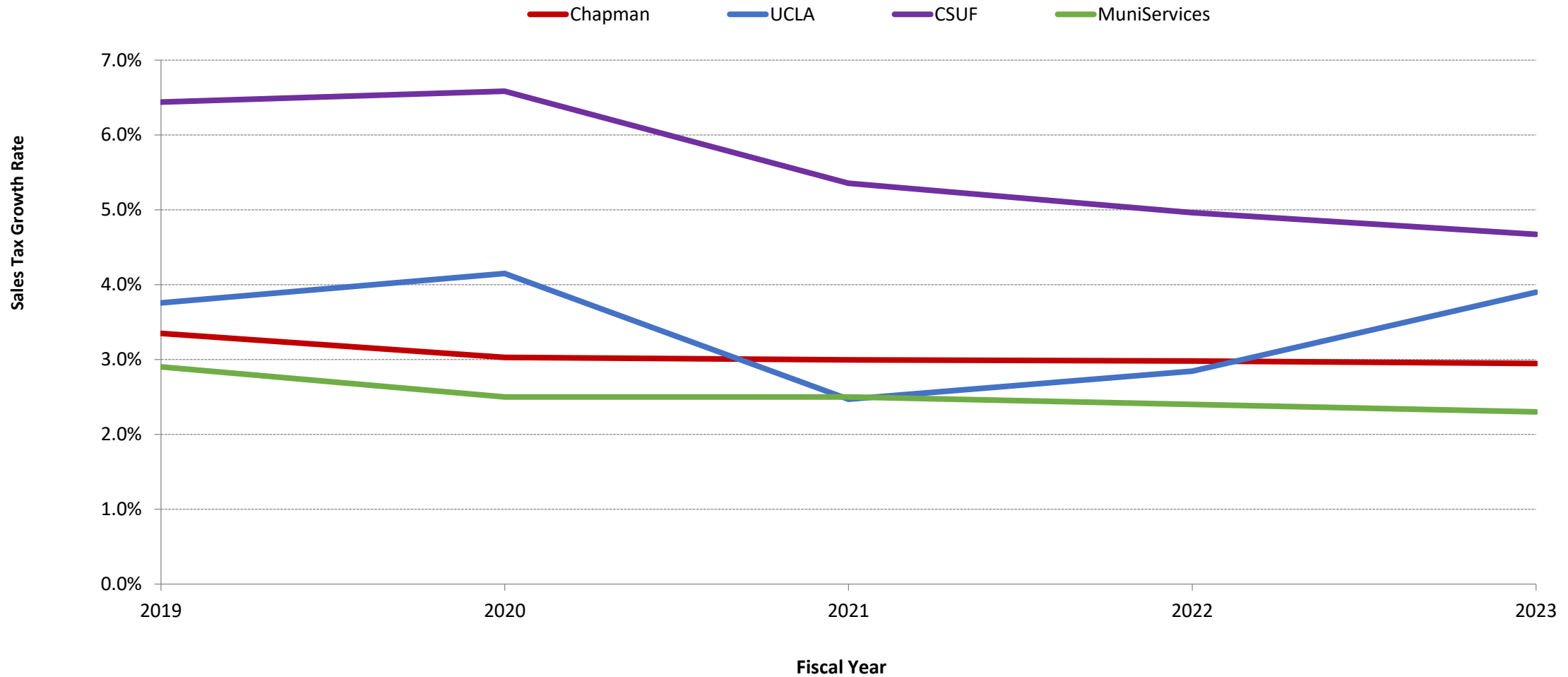
- Methodology uses MuniServices, LLC forecast for the first five years and the three university average for the remaining years
 - MuniServices, LLC forecasts for fiscal years 2019 – 2023
 - Three universities forecasts for fiscal years 2024 - 2041



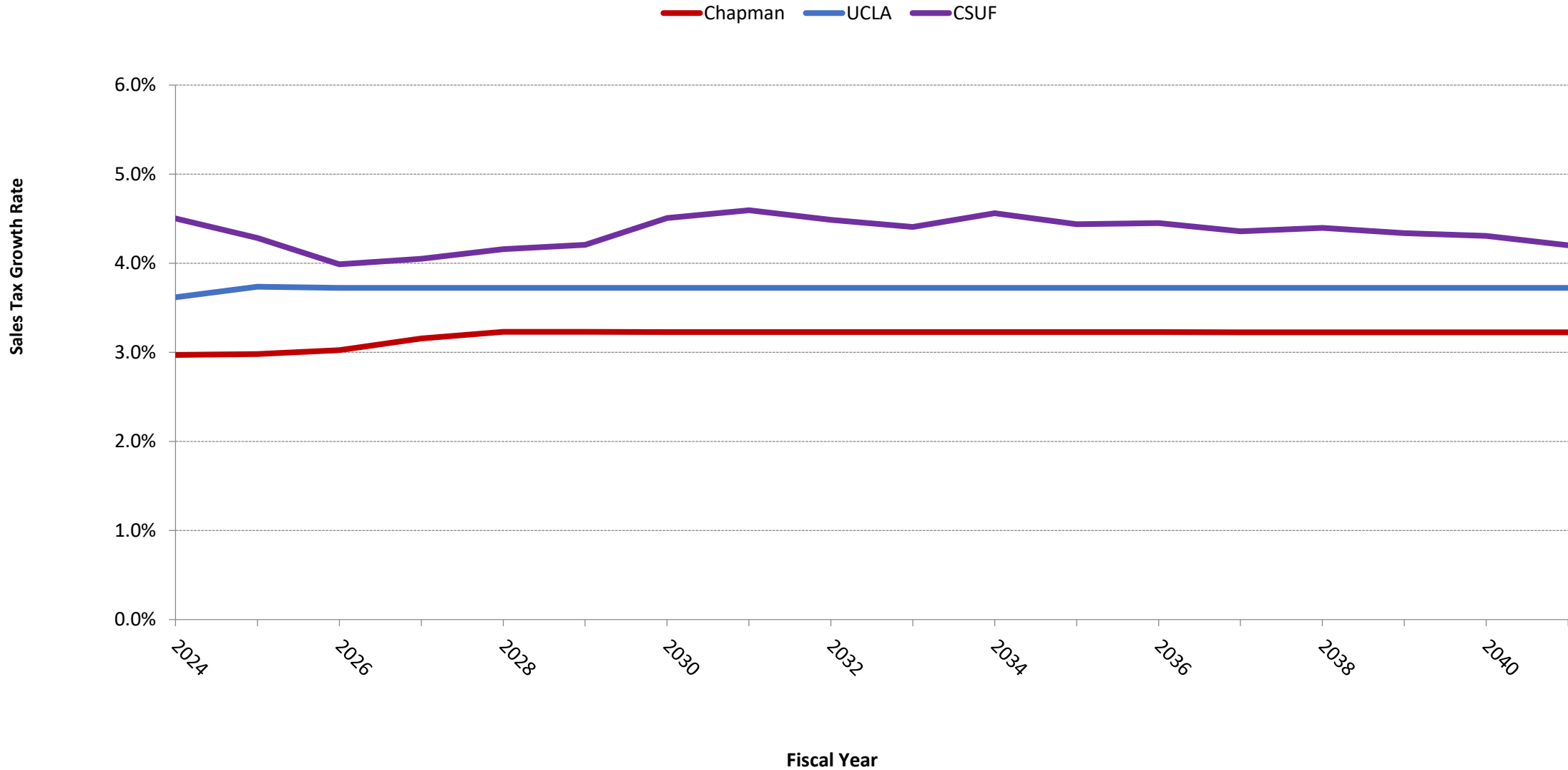
Historical Measure M Sales Tax Revenues



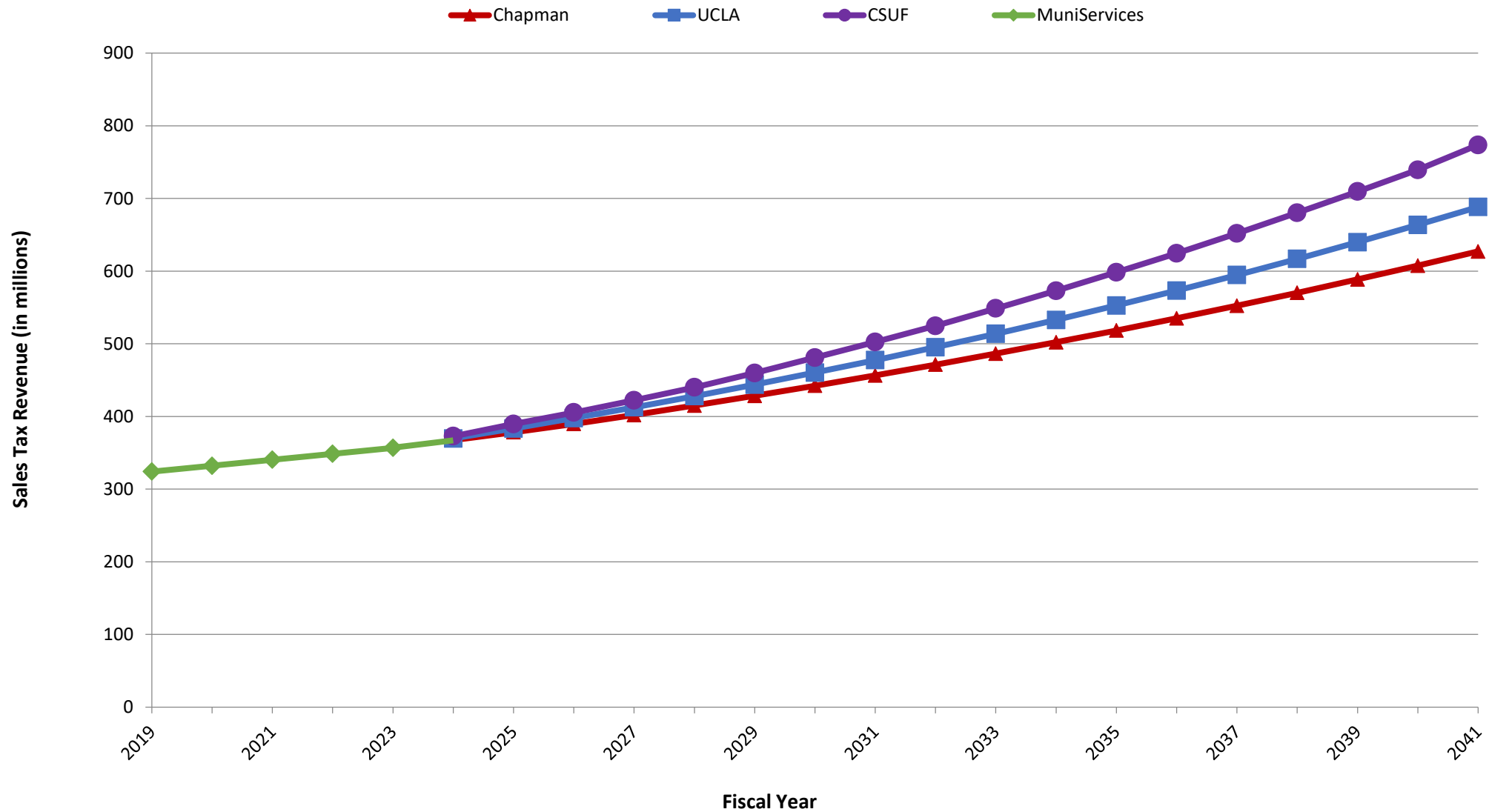
Short-Term Growth Rate Forecasts



Long-Term Growth Rate Forecasts



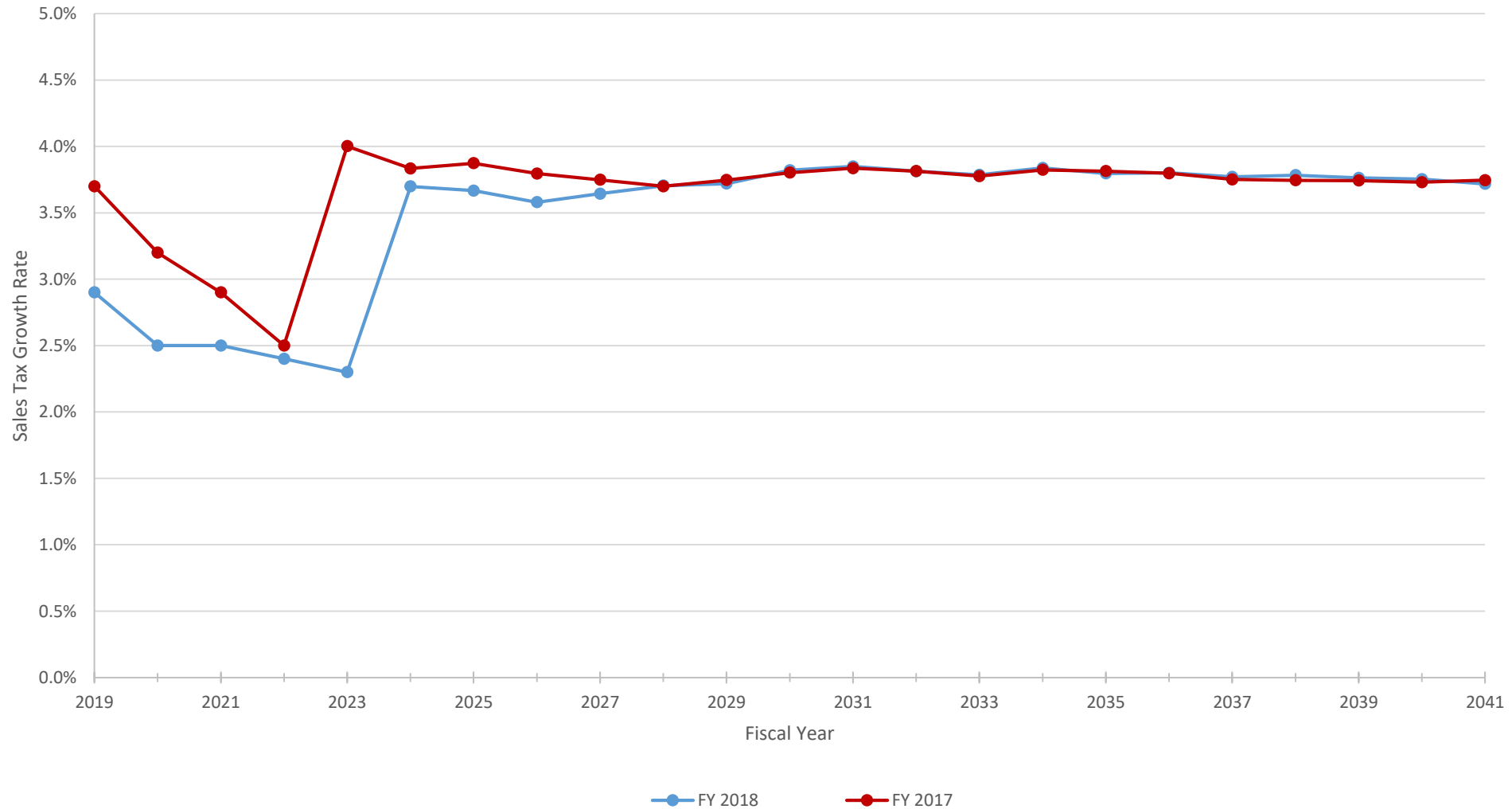
Annual M2 Sales Tax Revenue Forecast



Results of Updated Forecasts

- Sales tax for the M2 Program is forecasted to be \$13.1 billion
- Represents a decrease of \$0.4 billion compared to last year's forecasts of \$13.5 billion
- MuniServices average annual short term growth rate decreased by 0.7 percent
- Average universities growth rates also decreased

Forecast Comparison – 2018 vs 2017

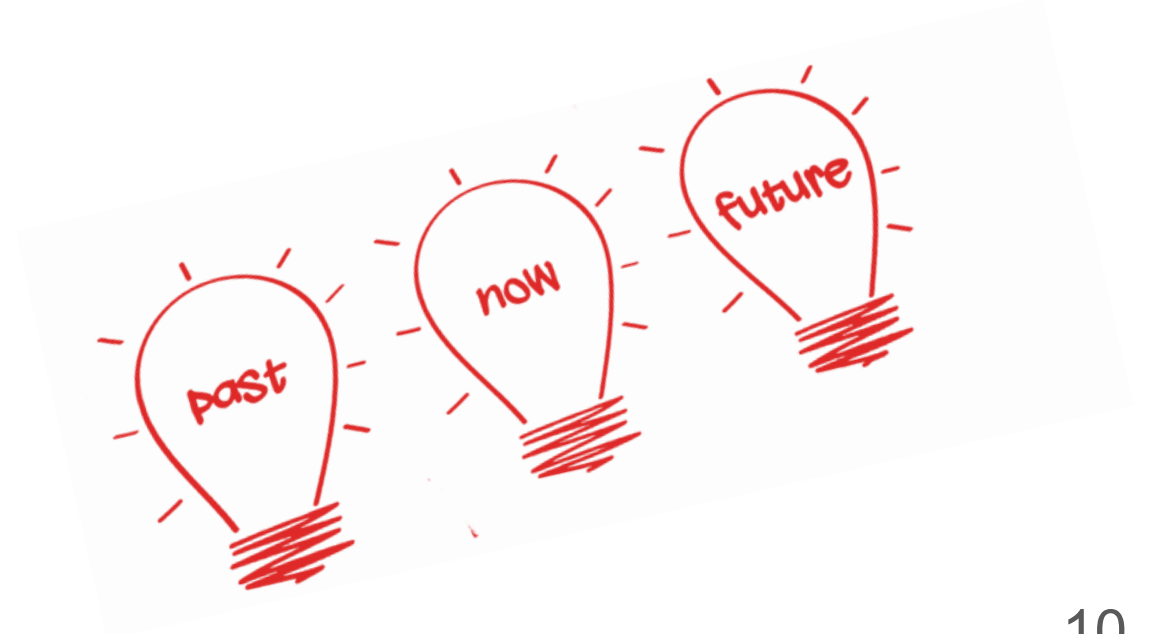


Reasons for anticipated decline in short-term

- Lower growth in general retail as online sales grow
- Growth in new auto sales to taper off
- New construction to taper off
- Information Technology infrastructure spending to decline from trend toward cloud and software applications

Reasons for anticipated decline in long-term

- Lower inflation
- Lower payroll job growth
- Lower population growth
- Higher migration outside of Orange County



Next Steps

- Incorporate forecast into OCTA's planning documents
 - Comprehensive Business Plan
 - Next 10 Update
- Determine impacts of forecast to M2 programs and projects
- Finalize forecast after remaining university presentations and after receiving final year-end actuals

*Information
Items*



June 11, 2018

To: Members of the Board of Directors

From: Darrell E. Johnson, Chief Executive Officer

Subject: Taxpayer Oversight Committee New Member Recruitment and Lottery

Overview

Measure M2 calls for a committee to oversee implementation of the program of transportation improvements. Each year, new committee members are recruited and selected to fill vacancies left by expired terms. The recruitment process for the Measure M2 Taxpayer Oversight Committee has been completed for 2018, and a lottery must take place in public session to fill vacancies in the First, Second, Fourth, and Fifth Supervisorial Districts.

Recommendation

Pursuant to the Measure M2 Ordinance, conduct the lottery for final selection of new Measure M2 Taxpayer Oversight Committee members by drawing one name each representing the First, Second, Fourth, and Fifth Supervisorial Districts from the list of recommended finalists from the Grand Jurors Association of Orange County.

Background

The Measure M2 Taxpayer Oversight Committee (TOC) is required by the Measure M2 (M2) Ordinance No. 3. The TOC is an independent committee representing all five supervisorial districts in the County and is responsible for ensuring the transportation projects in M2 are implemented according to the M2 Investment Plan, approved by the voters. The 11-member committee has a balanced representation of all supervisorial districts, with ten private citizens plus the Orange County Auditor-Controller. The TOC meets bi-monthly to review progress on the implementation of the M2 program.

Each year, as terms of appointed members on the TOC come to an end, a recruitment process is conducted to fill vacancies. As outlined in the M2 Ordinance, the recruitment process is conducted by the Grand Jurors Association of Orange County (GJAOC). The GJAOC acts as an independent body serving in the interest

of Orange County citizens. In its role, the GJAOC appoints a five-member Selection Panel (Panel) to conduct the recruitment process.

The Panel has conducted the application/recruitment program since the beginning of Measure M in 1990. The first lottery took place on November 15, 1990, and the individuals chosen began meeting in January 1991, serving staggered one-year, two-year, or three-year terms. Following the same recruitment process, new members serving three-year terms have joined the committee each year, replacing outgoing members whose terms have expired.

Discussion

On June 30, 2018, the terms of four members of the TOC will expire. The current membership roster is attached (Attachment A). The schedule for the recruitment process for this year began in late January to fill vacancies in the First, Second, Fourth, and Fifth Supervisorial Districts (Attachment B).

The Panel concluded the recruitment process to fill the four vacant positions in early May (Attachment C). A fact sheet/application form was used for recruitment purposes (Attachment D). Announcements were distributed to more than 3,500 persons by sending an announcement to the Orange County Transportation Authority (OCTA) database. Advertisements were also placed in the Los Angeles Times and the Orange County Register, and on their websites. In addition, postings were made on OCTA's Facebook page and targeted Facebook advertisements were used to notify residents in the First, Second, Fourth, and Fifth Supervisorial Districts; announcements were sent to the media and cities; and information was sent to local organizations and professional associations to include in their newsletters and social media accounts. Also, printed flyers were set out in libraries across the county.

The members of the Panel screened 42 applications from interested citizens, looking closely at each applicant's community service record, as well as experience in community and transportation issues. The Panel considered each individual's ability to assess and analyze facts, desire to make the TOC a priority, their involvement in community organizations, any special skills or experience, and their degree of knowledge of government. In addition, the M2 Ordinance prohibits elected or appointed officials from serving on the TOC. Based on a previous amendment to the M2 Ordinance, the Panel also included more specific questions on the application regarding conflicts of interest. Any appointed and elected officials were required to fill out an intent to resign form.

Following the initial screening process, 32 personal interviews were conducted by the Panel in an effort to gain as much insight as possible into the most qualified candidates.

The Panel is recommending 18 candidates for possible membership on the committee: five from the First Supervisorial District, five from the Second Supervisorial District, three from the Fourth Supervisorial District, and five from the Fifth Supervisorial District (Attachment E). Three of these recommended candidates submitted an "Intent to Resign Form," agreeing that, if selected for TOC membership, they will resign from their current public entity office position.

At the June 11, 2018, OCTA Board of Directors meeting, the Chairwoman will select four persons by lottery to fill the vacant positions. The four new members will begin serving their terms in July 2018. Each representative will serve a three-year term.

During the lottery process, the first name drawn from each supervisorial district will be the selected committee member. The remaining names will be drawn from each supervisorial district to establish a contingency list. Should a vacancy occur, finalists would be called upon to serve on the committee in the order in which the names were drawn.

Resolutions for Outgoing Members

Participation on the TOC requires dedication, time, and commitment. The volunteers who serve on the TOC provide expertise and insight, resulting in thoughtful discussions regarding the implementation and oversight of Measure M2. In recognition of this contribution to the citizens of Orange County, Resolutions of Appreciation will be given to the following TOC members who have completed their terms: Anthony Villa – First Supervisorial District, Alan P. Dubin – Second Supervisorial District, Richard Rojas – Fourth Supervisorial District, and Guita Sharifi – Fifth Supervisorial District.

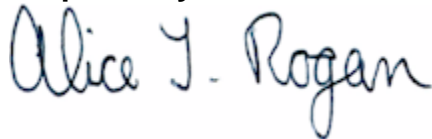
Summary

The Panel has completed its recruitment for four open positions on the TOC for the First, Second, Fourth, and Fifth Supervisorial Districts and submitted the names of eligible candidates for the 2018 lottery to fill the four positions. Outgoing members will receive Resolutions of Appreciation.

Attachments

- A. Measure M Taxpayer Oversight Committee Members Fiscal Year 2017-18
- B. Measure M Taxpayer Oversight Committee 2018 Recruitment Schedule, Supervisorial Districts One, Two, Four, and Five
- C. Grand Jurors Association of Orange County Oversight Committee Selection Panel 2018
- D. Taxpayer Oversight Committee 2018 Membership Application
- E. Measure M Taxpayer Oversight Committee 2018 Finalists

Prepared by:



Alice T. Rogan
Director, Marketing and Public Outreach
External Affairs
(714) 560-5577

Approved by:



Lance M. Larson
Executive Director,
External Affairs
(714) 560-5908

**MEASURE M2
TAXPAYER OVERSIGHT COMMITTEE MEMBERS
FISCAL YEAR 2017-18**

<u>District</u>	<u>Name</u>	<u>Term</u>	<u>Expiration</u>
1	Richie Kerwin Lim	3 Years	2019
1	Anthony Villa	3 Years	2018
2	Larry Tekler	3 Years	2020
2	Alan P. Dubin	3 Years	2018
3	Andrew Lesko	3 Years	2020
3	Eugene Fields	3 Years	2019
4	Richard Rojas**	3 Years	2018
4	Stanley F. Counts	3 Years	2019
5	Guita Sharifi	3 Years	2018
5	Matt McGuinness	3 Years	2019
	Eric Woolery, Orange County Auditor-Controller		Required by M2 Ordinance

****Completed the remainder of Sony Soegiarto's term**

**MEASURE M2 TAXPAYER OVERSIGHT COMMITTEE
2018 RECRUITMENT SCHEDULE:
SUPERVISORIAL DISTRICTS ONE, TWO, FOUR, AND FIVE**

Jan 29	Planning meeting with Grand Jurors Association of Orange County (GJAOC) Selection Panel
Feb 12	Website updated with 2018 recruitment content and application First social media posts on Facebook and Twitter
Feb 19 - Apr 16	Bi-weekly blog in OCTA's On the Move
Feb 26	Press release distributed Info sent to county supervisor offices, city public information officers, city clerks and city managers; Orange County Business Council Women's Transportation Seminar, and other organizations for newsletters/blogs/social media (will work with organizations so that they can notify their own databases in various ways over the next two months)
Feb 26 - Apr 27	Biweekly social media posts (Facebook and Twitter)
February 28 - Apr 27	Notify legal counsel to make time in May to review applications Ad in the Los Angeles Times (includes local community papers); Orange County Register (includes local community papers) Posted on Los Angeles Times website and Orange County Register website Westways Magazine Ad in March/April edition (will arrive at people's houses on Feb. 21)
May 1	Application deadline First reading of applications by GJAOC Selection Panel (Legal review for conflict of interest as needed)
May 3, 4, 7, 8, 9	GJAOC Selection Panel interviews candidates and prepares finalist list
May 14	GJAOC Selection Panel submits list of finalists to OCTA
May 14-18	Legal counsel review of finalists
Jun 11	OCTA Chairman draws names at Board of Directors Meeting

**2018
GRAND JURORS ASSOCIATION OF ORANGE COUNTY
OVERSIGHT COMMITTEE SELECTION PANEL**

Bill Underwood (Chair)

Robin R. Bowen

Bette Flick

John Gallie

John J. Moohr

TAXPAYER OVERSIGHT COMMITTEE

2018 Membership Application

KEEP AN EYE ON YOUR TAX DOLLARS

RESIDENTS NEEDED FROM THE FIRST, SECOND, FOURTH, AND FIFTH SUPERVISORIAL DISTRICTS

OC Go (formerly Measure M) is the Transportation Ordinance and Plan approved first by Orange County voters in 1990 and renewed again by voters in 2006. The combined measures raise the sales tax in Orange County by one-half cent for a total period of 50 years to alleviate traffic congestion. This money is administered by the Orange County Transportation Authority (OCTA) and pays for specific voter-approved transportation projects for freeway improvements, local street and road improvements, and rail and transit programs specified in the Plan.

OC Go calls for an independent Taxpayer Oversight Committee to oversee compliance with the Ordinance as specified in the Transportation Ordinance and Plan.

The responsibilities of the 11-member OC Go Taxpayer Oversight Committee are to:

- Ensure all transportation revenue collected from OC Go is spent on the projects approved by the voters as part of the Plan;
- Ratify any changes in the Plan and recommend any major changes go back to the voters for approval;
- Participate in ensuring that all jurisdictions in Orange County conform with the requirements of OC Go before receipt of any tax monies for local projects;
- Hold annual public meetings regarding the expenditure and status of funds generated by OC Go;
- Review independent audits of issues regarding the Plan and performance of the Orange County Local Transportation Authority regarding the expenditure of OC Go sales tax monies.
- Annually certify OCTA is proceeding in accordance with the Plan.

HOW ARE MEMBERS CHOSEN?

OC Go Oversight Committee candidates are chosen by the Grand Jurors Association of Orange County (GJAOC), which has formed a five-member Taxpayer Oversight Committee Selection Panel to conduct an extensive recruitment program. The panel screens all applications, conducts interviews and recommends candidates for membership on the Taxpayer Oversight Committee. The GJAOC is made up of former grand jurors who have a continuing concern for good government and whose purpose is to promote public understanding of the functions and purpose of the grand jury. The GJAOC is a neutral body serving the interests of the citizens of Orange County.

OC Go Taxpayer Oversight Committee members represent each of the five Orange County Supervisorial Districts and have been meeting regularly since 1990. At this time, the GJAOC is conducting a recruitment to fill four vacancies with one representative from each of the First, Second, Fourth, and Fifth Supervisorial Districts. The GJAOC will recommend as many as five finalists from each district. The new members are to be chosen by lottery at the June 25, 2018 meeting of the OCTA Board of Directors. The terms for the new committee members will begin July 1, 2018. The representatives will serve three-year terms which expire on June 30, 2021. *This is a volunteer position and no monetary compensation will be paid to committee members.* The chairperson is the elected Auditor-Controller of Orange County. The Auditor-Controller's term coincides with his/her elected/appointed term.

WHO CAN APPLY TO SERVE?

Any Orange County citizen 18 years or older may apply to serve on the OC Go Taxpayer Oversight Committee. Potential candidates will be reviewed on the basis of the following criteria:

1. Commitment and ability to participate in Taxpayer Oversight Committee meetings for a three-year term from July 1, 2018 to June 30, 2021. The Committee will maintain time and meeting requirements. The Committee currently meets quarterly.
2. Demonstrated interest and history of participation in community activities, with special emphasis on transportation-related activities.
3. Lack of financial conflict of interest with respect to the allocation of sales tax revenue generated by OC Go. All Taxpayer Oversight Committee members are required to sign a conflict of interest form when accepting appointment.
4. Elected or appointed city, district, county, state or federal officials **are not** eligible to serve.

DEADLINE FOR APPLICATION:

All applications **MUST** be received no later than **May 1, 2018**. For more information on the committee, please call Sandra Dunkin at (949) 735-9151. Please print and mail completed application to:

GJAOC
OC Go TOC Applicant Screening Panel
P.O. Box #14683
Irvine, CA 92623-9998

APPLICATION FOR OC GO TAXPAYER OVERSIGHT COMMITTEE

Please type or print using dark ink. Additional sheets may be attached if needed. Please be as comprehensive as possible.

Name: _____ Email: _____

Business Address: _____
Street City Zip Code

Residence Address: _____
Street City Zip Code

Home Phone: () _____ Business Phone: () _____

Supervisory District Number: _____ (Call Registrar of Voters at (714) 567-7582 to confirm your district.)

Present Employment Status: Employed Unemployed Retired

Present Occupation: _____ Employer: _____

Ethnic Origin (optional): _____ How long have you lived in Orange County? _____ year(s)

Are you a citizen of the United States? Yes No Are you a registered voter? Yes No

Have you (or your spouse) or any entity that you either work for or have a financial interest in, received any financial remuneration for goods or services provided by you, or by any entity you work for or have a financial interest in, that was paid for with OC Go revenues, either directly or indirectly, within the past 12 months? Yes No

If so, please explain.

Do you have any possible conflict of interest with respect to the allocation of OC Go revenues? Yes No

If so, please explain.

Are you currently an elected or appointed officer of any public entity? Yes No
(Note: All public officers shall complete an [intent to resign form](#).)

If so, please explain.

Are you related to or closely associated with any elected official or public employee? Yes No

If so, please state the nature of the association.

Have you ever been convicted of malfeasance in office, or of any felony? Yes No

If so, please explain.

As a member of any profession or organization, or as a holder of any office, have you ever been suspended, disbarred, or otherwise disqualified? Yes No

If so, please explain.

Do you personally have any past or pending issues related to development or transportation in any Orange County city? Yes No

If so, please explain.

Have you ever been involved in a lawsuit with OCTA? Yes No

If so, please explain.

Do you possess research abilities, including complex reading facility and capability to assess and analyze facts? Yes No

Is there any reason that you may be biased and not objective if you are chosen to serve as a member of the OC Go Taxpayer Oversight Committee? Yes No

While no specific time commitment is predetermined, are you willing to make a conscientious effort for a period of three years to give membership on this committee a priority and participate as necessary? Yes No

If you are presently active or have been active in the past five years in any organization, please give the organization name, nature of your activities and duties, and appropriate dates.
(Attach sheet if necessary)

In what transportation-related activities have you been involved?

What do you know about OC Go/Measure M?

What specialized skill or expertise would you bring to the Oversight Committee?

EDUCATIONAL BACKGROUND:

List highest grade completed, any degrees you hold and the college/university attended and date of graduation.

EMPLOYMENT BACKGROUND:

List employment history for the last five years, including positions and titles held.

How did you hear about the Taxpayer Oversight Committee?

- | | | |
|--|--|--|
| <input type="checkbox"/> Online | <input type="checkbox"/> Newspaper/Magazines | <input type="checkbox"/> Social Media |
| <input type="checkbox"/> <i>OC Register</i> | <input type="checkbox"/> <i>OC Register</i> | <input type="checkbox"/> <i>Facebook</i> |
| <input type="checkbox"/> <i>LA Times</i> | <input type="checkbox"/> <i>LA Times</i> | <input type="checkbox"/> <i>Twitter</i> |
| <input type="checkbox"/> <i>OCTA Website</i> | <input type="checkbox"/> <i>Westways</i> | |
| <input type="checkbox"/> Other: _____ | | |

Why do you wish to be considered for membership on the Taxpayer Oversight Committee?

APPLICATION MUST BE RECEIVED BY MAY 1, 2018

Please print and mail completed application to:
GJAOC
OC Go TOC Applicant Screening Panel
P.O. Box #14683
Irvine, CA 92623-9998

For more information call (949) 735-9151.

I hereby declare the information provided in this Application for the OC Go Oversight Committee is true, correct and complete to the best of my knowledge. I understand that my statements may be verified and I give permission to do so.

Date

Signature



COMMITTEE TRANSMITTAL

June 11, 2018

To: Members of the Board of Directors
From: Laurena Weinert, ^{LT} Clerk of the Board
Subject: Environmental Mitigation Program Endowment Fund Investment Report for March 31, 2018

Finance and Administration Committee Meeting of May 23, 2018

Present: Directors Do, Hennessey, Jones, R. Murphy, and Steel
Absent: Director Spitzer

Committee Vote

This item was passed by the Members present.

Committee Recommendation

Receive and file as an information item.



May 23, 2018

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Environmental Mitigation Program Endowment Fund Investment Report for March 31, 2018

Overview

The Orange County Transportation Authority has developed a Natural Community Conservation Plan/Habitat Conservation Plan; acquired conservation properties; and funded habitat restoration projects to mitigate the impacts of Measure M2 freeway projects. California Community Foundation manages the non-wasting endowment required to pay for the long-term management of the conservation properties. Each quarter, the California Community Foundation publishes a comprehensive report detailing the composition of the pool and the performance. Attached is the quarterly investment report for the Endowment Pool for the period ending March 31, 2018. The report has been reviewed and is consistent with the pool objectives.

Recommendation

Receive and file as an information item.

Background

On September 26, 2016, the Board of Directors approved the selection of the California Community Foundation (CCF) as an endowment fund manager for the Measure M2 Freeway Environmental Mitigation Program (EMP). Approximately \$2.9 million on an annual basis will be deposited in the endowment. On March 1, 2017, The Orange County Transportation Authority wired \$2,877,000 to CCF to be deposited in the Endowment Pool. These annual deposits are expected to continue for ten to 12 years, or until the fund totals approximately \$46.2 million.

Discussion

The second scheduled deposit for the program was made on August 31, 2017 for fiscal year 2018. As of March 31, 2018, total pool assets in the CCF Endowment Pool were \$1.07 billion. Total foundation assets were \$1.72 billion. Performance for the Endowment Pool was -0.9 percent for the month, 0.1 percent below the benchmark; -0.1 percent for the quarter, exceeding the customized benchmark by 0.8 percent. The one-year return was ten percent, exceeding the benchmark by one percent.

The balance as of March 31, 2018, is \$6,196,543.55. The number exceeds the projected balance of \$5,934,232 due to higher than projected investment earnings and lower than projected fees. The projected annualized cost for endowment services was 0.75 percent based on indications received during the due diligence process. The program is currently paying 0.35 percent fee on a sliding scale. That fee will continue to be reduced as assets grow.

Summary

The Orange County Transportation Authority is submitting a copy of the California Community Foundation Investment Report to the Board of Directors. The report is for the quarter ending March 31, 2018.

Attachments

- A. California Community Foundation Fund Statement - March 31, 2018
- B. California Community Foundation Endowment Pool Investments – March 31, 2018

Prepared by:



Rodney Johnson
Deputy Treasurer
Treasury/Public Finance
714-560-5675

Approved by:



Andrew Oftelie
Executive Director,
Finance and Administration
714-560-5649



ATTACHMENT A

Fund Name OCTA - Measure M2 Environmental Mitigation Program Fund
Fund Start Date 2/28/2017
Investment Pool(s) Endowment Pool

FUND STATEMENT

OCTA - Measure M2 Environmental Mitigation Program Fund (V398)

1/1/2018 - 3/31/2018

Fund Summary

	Report Period 1/1/2018 - 3/31/2018	Calendar YTD 1/1/2018 - 3/31/2018
Opening Fund Balance	\$6,220,553.14	\$6,220,553.14
Contributions	0.00	0.00
Investment Activity, net	(6,409.92)	(6,409.92)
Administration & Grant Management Fees	(17,599.67)	(17,599.67)
Net Changes to Fund	(24,009.59)	(24,009.59)
Ending Balance	\$6,196,543.55	\$6,196,543.55

Investment Pool Performance as of 03/31/2018

	This Qtr.	1-Year	3-Years	5-Years	10-Years
Endowment Pool	-0.1%	10.0%	5.6%	6.3%	5.0%
Social Impact Endowment Pool	-1.0%	8.5%	5.5%	6.9%	5.7%
Conservative Balanced Pool	-0.4%	4.3%	3.7%	n/a	n/a
Short Duration Bond Pool	-0.5%	0.2%	0.7%	n/a	n/a
Capital Preservation Pool	0.3%	0.9%	0.5%	0.3%	0.6%

Endowment Pool - invested for long-term growth and appreciation while providing a relatively predictable stream of distributions that keeps pace with inflation over time. The target asset allocation is 50% equities, 14% hedge funds, 22% fixed income and 14% real assets. Investment management fees are 66 basis points.

Social Impact Endowment Pool - invested in a diversified pool aiming for capital growth for long-term grantmaking; underlying instruments undergo rigorous environmental and social analysis, with an asset allocation of approximately 60%-75% equities and 25%-40% fixed income. Investment management fees are 68 basis points.

Conservative Balanced Pool - designed to aim for moderate growth and to offer diversified exposure to the U.S. equity market and to investment grade fixed income with maturities from one to five years and an asset allocation of 70% fixed income and 30% equities investments. Investment management fees are 9 basis points.

Short Duration Bond Pool - invested to offer diversified exposure to investment grade fixed income with maturities from one to five years for the purposes of grants over a near-term one to four year horizon. Investment management fees are 5 basis points.

Capital Preservation Pool - designed to preserve principal and provide liquidity for present grantmaking needs through investment in short-term fixed income and cash instruments. Investment management fees are 10 basis points.

The Endowment Pool returned -0.9% for the month of March 2018, 10 basis points behind its benchmark. For the trailing year, the pool returned 10.0%, 100 basis points ahead of its benchmark.

Total Pool Assets

\$1.067 billion (Endowment Pool), \$1.72 billion (total foundation assets) as of March 31, 2018.

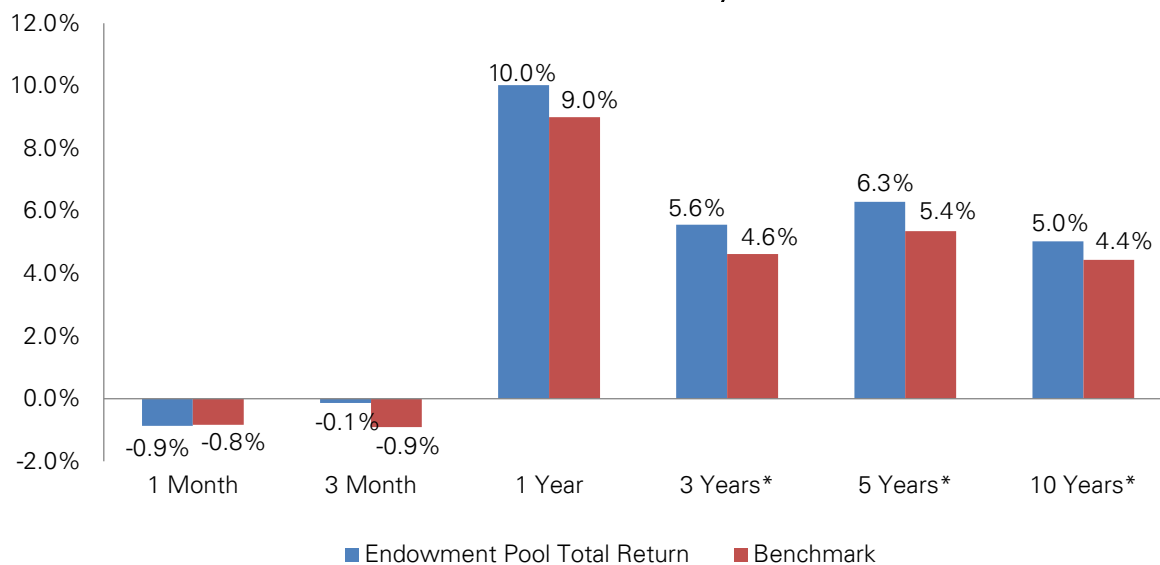
Pool Objective

Preserve the real (i.e., inflation-adjusted) purchasing power of the investment pool net of annual distributions for grants and expenses. An additional objective is to provide a relatively predictable, stable stream of distributions for grants and expenses that keep pace with inflation over time.

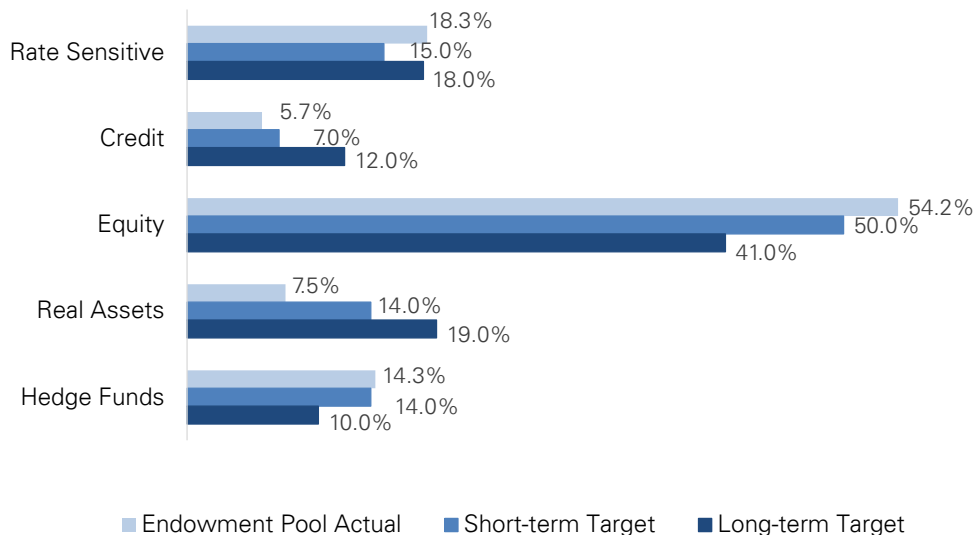
Investment Consultant

Meketa Investment Group

Performance History



Asset Allocation



*Represents annualized returns.

1) Investment expense ratio approximate 0.62%, excluding fund manager incentive fees.

2) Investment performance is presented net of investment expenses, including fund manager incentive fees.

3) Total Fund Benchmark is a combination of: 50% MSCI ACWI / 14% HFR FOF / 14% S&P Real Assets Indx / 15% Barc Agg. / 7% Barc High Yield.

4) Short-term target allocation is over 2-5 years, long-term target allocation is over 5-10 years.



COMMITTEE TRANSMITTAL

June 11, 2018

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Measure M2 Eligibility Review Recommendations for Fiscal Year 2016-17
Expenditure Reports

Regional Planning and Highways Committee Meeting of June 4, 2018

Present: Directors Bartlett, Delgleize, M. Murphy, Nelson, Pulido, and Steel

Absent: Director Spitzer

Committee Vote

This item was passed by the Members present.

Committee Recommendation

Find all 35 Orange County local jurisdictions eligible to receive Measure M2 revenues for fiscal year 2017-18.



June 4, 2018

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

A handwritten signature in blue ink, appearing to read "Darrell Johnson", is written over the name in the "From:" field.

Subject: Measure M2 Eligibility Review Recommendations for Fiscal Year 2016-17 Expenditure Reports

Overview

The Measure M2 Ordinance requires all local jurisdictions in Orange County to annually satisfy eligibility requirements to receive Measure M2 net revenues. Fiscal year 2016-17 expenditure reports and resolutions have been submitted by all local jurisdictions. The Orange County Transportation Authority Taxpayer Oversight Committee met and determined that all local jurisdictions are eligible to receive Measure M2 funds. Based upon this determination and the Measure M2 Eligibility Guidelines, the Board of Directors is now requested to find all local jurisdictions eligible to receive Measure M2 revenues for fiscal year 2017-18.

Recommendation

Find all 35 Orange County local jurisdictions eligible to receive Measure M2 revenues for fiscal year 2017-18.

Background

The Measure M2 (M2) Ordinance requires local jurisdictions to meet 13 eligibility requirements (identified below).

- Adoption of Capital Improvement Program;
- Adoption of general plan circulation element consistent with Master Plan of Arterial Highways;
- Compliance with Congestion Management Program;
- Adoption of local signal synchronization plans;
- Fulfilling the maintenance of effort (MOE) requirements;
- Documentation of Developer Impact Fee Program;
- Adoption of pavement management plans;
- Submission of project final reports;
- Expenditure of M2 net revenues within three years;

- Agreement that net revenues shall not be used to supplant developer funding;
- Participation in traffic forums;
- Documentation of transit/non-motorized considerations in local general plans; and
- Adoption of expenditure reports.

All of these eligibility requirements (with the exception of expenditure reports) were reviewed by the Orange County Transportation Authority (OCTA) Board of Directors (Board). Accordingly, all local jurisdictions were deemed to be conditionally eligible for M2 revenues on December 11, 2017, pending the adoption and submittal of fiscal year (FY) 2016-17 expenditure reports.

Expenditure reports are required to be submitted within six months of the close of each local jurisdiction's FY. This allows local jurisdictions time to finalize comprehensive annual financial reports and to prepare final expenditure reports. The M2 Ordinance also requires that local jurisdictions satisfy MOE requirements by maintaining a minimum level of local streets and roads expenditures from local discretionary funds. These MOE expenditures are then reported as a component of the expenditure report process.

The OCTA Taxpayer Oversight Committee (TOC) is responsible for making eligibility findings. However, it typically designates an Annual Eligibility Review (AER) subcommittee to first review and vet expenditure reports.

Discussion

On March 28, 2018, the AER subcommittee convened to review local jurisdictions' M2 expenditure reports and appropriate resolutions. The subcommittee found all 35 local jurisdictions had submitted acceptable expenditure reports that were consistent with M2 requirements and recommended that the TOC find all local jurisdictions eligible to receive M2 funds.

During the review process, the AER subcommittee, and subsequently the TOC, also re-stated prior year concerns with the level of MOE expenditures reported by the City of Rancho Santa Margarita (City) to satisfy the MOE benchmark. The subcommittee asked OCTA staff to communicate a concern to the City on reporting MOE expenditures that are exactly equal to the City's MOE benchmark. If any MOE expenditures are deemed ineligible through a future audit, the City may jeopardize their eligibility status and risk being ineligible to receive M2 funds since expenditures would potentially be below the required MOE benchmark. OCTA staff will send out a letter to the City (Attachment A) to convey concerns raised by the committee members during the AER subcommittee meeting.

On April 10, 2018, the TOC met and concurred with the AER subcommittee's recommendations, thereby approving all expenditure reports (Attachment B) and also recommending that all 35 local jurisdictions be found eligible to receive M2 revenues for FY 2017-18.

Based upon the TOC's determination, and consistent with the M2 Eligibility Guidelines, the TOC's recommendations are now being advanced to the Board for a final finding that all 35 local jurisdictions are eligible to receive M2 funds for FY 2017-2018.

Summary

All local jurisdictions have submitted FY 2016-17 expenditure reports that are consistent with the M2 Ordinance. On April 10, 2018, the OCTA TOC reviewed and approved all M2 expenditure reports. A Board finding that all local jurisdictions have met M2 eligibility requirements and are eligible to receive M2 revenues for FY 2017-18 is now requested.

Attachments

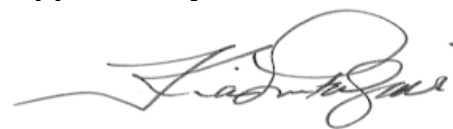
- A. Draft letter from Kia Mortazavi, Orange County Transportation Authority, to Mr. Brenden Dugan, PE, Acting City Engineer, City of Rancho Santa Margarita, dated June 11, 2018, re: Measure M2 Maintenance of Effort Concerns Expressed by the Orange County Transportation Authority's Annual Eligibility Review Subcommittee and Taxpayer Oversight Committee
- B. FY 2017-18 Measure M2 Eligibility Review of FY 2016-17 Expenditure Reports Summary

Prepared by:



May Hout
Senior Transportation Analyst
(714) 560-5905

Approved by:



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

June 11, 2018

Mr. Brendan Dugan, PE
Acting City Engineer
City of Rancho Santa Margarita
22112 El Paseo
Rancho Santa Margarita, CA 92688

RE: **Measure M2 Maintenance of Effort Concerns Expressed by the Orange County Transportation Authority's Annual Eligibility Review Subcommittee and Taxpayer Oversight Committee**

Dear Mr. Dugan:

As you know, local jurisdictions are required to submit Measure M (M2) eligibility verification packages to the Orange County Transportation Authority (OCTA) annually to remain eligible to receive M2 net revenues. The OCTA Taxpayer Oversight Committee (TOC) is responsible for reviewing M2 eligibility requirements and for designating a subcommittee to review this information, which includes the M2 Expenditure Report.

Upon review of the City of Rancho Santa Margarita's (City) fiscal year 2016-17 M2 Expenditure Report submittal, members of the TOC re-stated concerns about the City's actual maintenance of effort (MOE) expenditures. The City is the only local agency in Orange County that is reporting MOE expenditures exactly equal to the City's MOE benchmark.

In the event that any MOE expenditures are deemed ineligible through a future audit, the City may potentially jeopardize their eligibility status and risk being ineligible to receive M2 funds, since the expenditures would be below the required benchmark. While the City is currently satisfying the MOE requirement, the TOC believes that it is important to communicate their concerns to the City in order to avoid future risk of ineligibility.

If you have any questions, please contact me at kmortazavi@octa.net or at (714) 560-5741.

Sincerely,

Kia Mortazavi
Executive Director, Planning

KM:mh

c: Kurt Brotcke, OCTA
Joe Alcock, OCTA

**FY 2017-18 Measure M2 Eligibility Review
of FY 2016-17 Expenditure Reports Summary**

Local Jurisdiction	Expenditure Report Received by Deadline	Resolution Received by Deadline	MOE Reported	Compliant
Aliso Viejo	Yes	Yes	Yes	Yes
Anaheim	Yes	Yes	Yes	Yes
Brea	Yes	Yes	Yes	Yes
Buena Park	Yes	Yes	Yes	Yes
Costa Mesa	Yes	Yes	Yes	Yes
County of Orange	Yes	Yes	N/A	Yes
Cypress	Yes	Yes	Yes	Yes
Dana Point	Yes	Yes	Yes	Yes
Fountain Valley	Yes	Yes	Yes	Yes
Fullerton	Yes	Yes	Yes	Yes
Garden Grove	Yes	Yes	Yes	Yes
Huntington Beach	Yes	Yes	Yes	Yes
Irvine	Yes	Yes	Yes	Yes
La Habra	Yes	Yes	Yes	Yes
La Palma	Yes	Yes	Yes	Yes
Laguna Beach	Yes	Yes	Yes	Yes
Laguna Hills	Yes	Yes	Yes	Yes
Laguna Niguel	Yes	Yes	Yes	Yes
Laguna Woods	Yes	Yes	Yes	Yes
Lake Forest	Yes	Yes	Yes	Yes
Los Alamitos	Yes	Yes	Yes	Yes
Mission Viejo	Yes	Yes	Yes	Yes
Newport Beach	Yes	Yes	Yes	Yes
Orange	Yes	Yes	Yes	Yes
Placentia	Yes	Yes	Yes	Yes
Rancho Santa Margarita	Yes	Yes	Yes	Yes
San Clemente	Yes	Yes	Yes	Yes
San Juan Capistrano	Yes	Yes	Yes	Yes
Santa Ana	Yes	Yes	Yes	Yes
Seal Beach	Yes	Yes	Yes	Yes
Stanton	Yes	Yes	Yes	Yes
Tustin	Yes	Yes	Yes	Yes
Villa Park	Yes	Yes	Yes	Yes
Westminster	Yes	Yes	Yes	Yes
Yorba Linda	Yes	Yes	Yes	Yes

FY - Fiscal Year

MOE - Maintenance of Effort



July 9, 2018

To: Members of the Board of Directors
From: Darrell E. Johnson, Chief Executive Officer
Subject: OC Streetcar Project Revised Funding Plan

A handwritten signature in blue ink, appearing to read "Darrell Johnson", is written over the "From:" line of the header.

Overview

Since the approval of the OC Streetcar project funding plan in May 2017, the OC Streetcar project has experienced schedule delays that, along with construction bid prices, have impacted the OC Streetcar project's cost estimate. In support of the OC Streetcar project's pursuit of a Full Funding Grant Agreement with the Federal Transit Administration, staff is seeking Board of Directors' approval of a revised OC Streetcar project funding plan.

Recommendations

- A. Approve the revised OC Streetcar project funding plan.
- B. Authorize the use of up to \$108.41 million in additional Measure M2 Transit Extensions to Metrolink (Project S) program funding, contingent on construction contract award.
- C. Authorize staff to make all necessary amendments to the Federal Transportation Improvement Program, submit revised project readiness documents to the Federal Transit Administration as required, and execute any required agreements or amendments to facilitate the recommendation above.

Background

On May 17, 2017, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved a funding plan for the OC Streetcar project (Project) for purposes of pursuing a Full Funding Grant Agreement (FFGA) with the Federal Transit Administration (FTA) as follows:

Funding Sources May 2017	Amount (millions)	Percent (%) of Project Funding
Federal 5309 New Starts	\$148.96	
Federal Congestion Mitigation and Air Quality Improvement (CMAQ)	\$54.46	
Federal FTA 5307	\$13.26	
Subtotal Federal	\$216.68	72%
State Cap-and-Trade	\$25.52	9%
Measure M2 (M2) - Project S	\$57.15	19%
TOTAL	\$299.34	100%

Slight variance due to rounding

The CMAQ, 5307, and state cap-and-trade funds have all been committed, and the existing M2 Project S funds have been approved by the Board. The remaining funding source to be secured is the Federal 5309 New Starts, which is pending execution of the FFGA with the FTA.

Discussion

Since Board approval of the Project's funding plan in May 2017, several circumstances have occurred that have impacted the Project's cost estimate. A description of each of these factors is described below, as well as a recommended revised funding plan to accommodate the revised Project cost.

Factors Effecting Schedule

In May 2017, the Board authorized the Chief Executive Officer to request and enter into an FFGA with the FTA to secure a federal Capital Investment Grant (CIG) New Starts Program contribution of \$148.96 million. At that time, the date in the Project schedule for FFGA execution was November 2017. Key project activities and procurement schedules were based upon the federal funding commitment being secured by the end of 2017. This assumption was reasonable at the time given the program and Project history, and was made in concurrence with FTA staff and leadership. The Project has met every technical readiness requirement needed to secure the FFGA.

On March 23, 2018, the President signed the Federal Fiscal Year 2018 appropriations bill, which provided \$1.5 billion for New Starts projects within the CIG Program, and additional reporting language directing the Administration to continue to administer the CIG program in accordance with statute. Since the signing of the appropriations bill, OCTA has coordinated with FTA and Congress to address any remaining questions prior to the processing of the FFGA. Within

this time, the Project schedule has changed. The lack of an FFGA created uncertainty in the date of the required possession of the two parcels being acquired for the maintenance and storage facility (MSF), which impacted business relocation negotiations.

While the FTA allows for construction bid opening and awarding a contract prior to the executed FFGA, OCTA cannot execute the construction contract or incur construction contract expenses prior to FFGA execution in order to remain eligible for federal construction reimbursement. Bid prices expire 180 days from bid opening, and the bid opening was delayed twice principally because the FFGA was not progressing as originally planned. With the construction bid opening on June 19, 2018, OCTA is required to award and execute the construction contract before expiration of bids on December 16, 2018. OCTA is anticipating an executed FFGA by October 2018. This is an approximate 11-month delay from when the FFGA was originally anticipated.

In addition to extending the bid opening from March 5, 2018 to June 19, 2018 to accommodate the delay in FFGA execution, it was also extended based upon feedback from the construction industry for additional time to prepare responsive bids given both the complexity of the Project, as well as limited availability of contractor estimating and bidding resources to respond to the invitation for bids (IFB). The construction duration milestones were also slightly extended to accommodate the industry's request for additional time to complete a section of track for vehicle testing, the MSF, and the limitations on the number of on-street segments that can be under construction at one time.

Given the delays associated with the FFGA execution, construction bid opening, and extended construction duration milestones, the revenue service date was extended from December 2020 to the end of August 2021. This eight-month schedule delay also has significant cost implications that impact the professional services supporting the Project, the vehicle pricing, and the construction pricing.

Professional Services

The delay has also resulted in a required increase in professional services that support the Project. This includes OCTA staff resources, as well as the consultant contracts related to project management, design, construction management, and quality.

Design costs have increased to account for support over a longer bidding period, as well as additional work not anticipated in the original scope of the Project. This includes redesigning the Orange County Sanitation District (OCSD) sewer protections, additional design of City of Santa Ana (City) traffic signals needed to accommodate the Project, additional safety enhancement systems required

by the California Public Utilities Commission (CPUC), and ongoing third-party utility relocation support. Board approval of the modifications to the design consultant contract will be presented pending completion of negotiations with the designer. The estimated overall increase in all professional services costs is approximately \$6.01 million.

Vehicles

At the time of the vehicle contract award, the vehicle cost was within the planned budget based upon availability of Project contingency. Given the Project delays and related cost increases, contingency has been globally reassessed and is being applied to other Project budget line items, resulting in a required re-budgeting of the vehicle contract value. Any savings anticipated to be achieved from negotiations with the vehicle manufacturer were not realized as the manufacturer requested additional costs due to a seven-month delay in vehicle delivery. There was also a new high-rail tow vehicle added based upon a re-examination of operational needs. The estimated increase in vehicle costs is approximately \$2.43 million.

Construction Bid

Construction costs have been impacted by the schedule delays, design changes made by addendum, and external market conditions as reflected in the pricing of construction bids received on June 19, 2018.

A significant level of uncertainty in the construction market due to shortages in skilled labor and materials, and rapidly increasing material costs for steel, aggregate, lumber products, and diesel fuel have significantly impacted bid prices. These market factors were evident in all bids received, and particularly in the bid items for mobilization and the MSF. OCTA is not alone in experiencing higher bid prices over engineers' estimates. The Los Angeles County Metropolitan Transportation Authority conducted a construction market analysis focused on Southern California (May 2018) and concluded that construction costs are rising as a result of labor shortage, low unemployment, concurrent large infrastructure projects in the area, and inflation. The report mentions that, "A perfect storm of conditions is occurring in the construction industry with a construction labor shortage, low unemployment, and large amount of ongoing and planned work in the region." This is coupled with rising material pricing with subcontractors and suppliers not guaranteeing pricing beyond a few months resulting in contractors including large contingencies to cover material price risk.

Design changes that were made during the bid process via addendum and reflected in the construction bid include additional safety signal systems to meet requirements of the CPUC, addition of revised OCSD sewer protection and

relocation work, revisions to traction power substation site design in response to requirements from the City and Southern California Edison (SCE), addition of civil and traffic elements to coordinate the Project with the County of Orange Block 16 development, and civil modifications and landscape additions to improve compatibility within Sasser Park.

Construction bids are currently being analyzed for responsiveness to the IFB requirements. The apparent responsive low construction bid is approximately \$78.89 million higher than the original construction estimate. A bid protest from one bidder was received on June 27, 2018, and is currently under review. The funding plan update is assuming the apparent responsive low bid in the revised cost estimate for the revised funding plan needs.

The results of the bid analysis and the Project construction award recommendation is planned for Board action in August 2018. This may be impacted by the final processing and execution timeline for the FFGA.

Utility Costs

Utility costs in the Project estimate reflect an increase due primarily to recent direction from the FTA to include the full cost for the relocation of SCE and Southern California Gas (SCG) utilities in the Project cost estimate. OCTA has advanced \$12.44 million to keep SCE and SCG relocation work progressing, and OCTA intends on fully recovering these costs at a later date. Previously, only a small portion of these costs were being recognized as part of the Project contingency because the full cost can be recovered based upon franchise rights in place between the City and the utility companies. The FTA is now requiring that the full relocation costs for both SCE and SCG be accounted for in the base Project cost. These funds would be credited to the M2 program (Project S) when costs are recovered.

Similar to the SCE and SCG relocation costs, the Project cost estimate now includes the full cost of the OCSD relocation and protection work, which is reflected in the construction bid cost. OCSD labor costs for design review and construction inspection have also been added to the Project cost.

ROW

ROW acquisition and relocation costs have increased to accommodate the terms of the proposed settlement agreements with the MSF property owners based upon updated property appraisals and relocation cost. The estimated increase in these right-of-way (ROW) costs is approximately \$1.08 million. The FTA does not recognize nor participate in ROW goodwill costs as a Project cost.

Final goodwill costs are still being negotiated and will be handled separately from the official FTA approved Project cost.

Revised Cost Estimate

Based upon these increases, the Project cost estimate increased by approximately 36.22 percent from the May 2017 estimate submitted as part of the FFGA application to \$407.76 million. A 10.19 percent (\$37.84 million) contingency is included in the cost estimate. This contingency level is recommended by the FTA at construction award and is supported by an updated analysis of Project risks.

Attachment A reflects the revised Project cost estimate in the FTA Standard Cost Categories (SCC) format. The cost increases discussed above are distributed amongst the cost categories as required by the FTA. As identified in the SCC workbook, the Project continues to meet the FTA cost effectiveness thresholds for New Starts funding.

Revised Funding Plan

The FTA sets the maximum amount of Section 5309 funding when the Project is approved for entry into the New Starts Engineering phase. For the Project, this amount is the \$148.96 million included in the funding plan approved by the Board in May 2017.

To remain successful in OCTA's pursuit of an FFGA with the FTA, staff is seeking Board approval for the use of an additional \$108.41 million of M2 Transit Extensions to Metrolink (Project S) program funds to accommodate the funding plan increase. This amount of funds is available within the M2 Transit Extensions to Metrolink program and, based upon discussions with the FTA, OCTA believes that using local funds to cover the Project cost increases is a more favorable approach to the FTA. This is supported by the June 29, 2018, letter from the FTA (Attachment B). FTA states that strong local financial commitment and stable, reliable, and dependable non-federal funding sources are necessary for projects to do well in the CIG program. FTA will not sign the agreement committing CIG funding until after the project sponsor has demonstrated that its project is ready, including assurance that the project's development and design have progressed to the point where its scope, costs, benefits, and impacts are considered firm and final; the project sponsor has obtained all non-CIG funding commitments; and the project sponsor has completed all critical third-party agreements. The Project has satisfied these requirements upon Board approval of the financial commitment and revised funding plan.

The funding sources would remain unchanged. Only the total amount of Measure M2 Project S funding will increase. The following table reflects the May 2017 FFGA funding plan and the proposed revised funding plan.

Funding Sources (millions)	May 22, 2017 Plan	July 9, 2018 Plan	Difference	% of Project Funding
Federal 5309 New Starts	\$148.96	\$148.96		
Federal CMAQ	\$54.46	\$54.46		
Federal FTA 5307	\$13.26	\$13.26		
Subtotal Federal	\$216.68	\$216.68		53%
State Cap-and-Trade	\$25.52	\$25.52		6%
M2 - Project S	\$57.15	\$165.56	\$108.41	41%
TOTAL	\$299.34	\$407.76	\$108.41	100%

Slight variance due to rounding

To continue to support the processing of the FFGA with OCTA, the FTA is requesting a commitment from OCTA on the use of the additional M2 Transit Extensions to Metrolink program funds for the revised funding plan.

Next Steps

Upon Board approval, staff will submit the revised funding plan to the FTA for inclusion in the FFGA documentation. Based upon ongoing and consistent communication with the FTA on the status of the FFGA, OCTA anticipates executing the FFGA in October 2018.

Staff will also be returning to the Board in August 2018 for approval of the construction contract award. Construction NTP is anticipated in October 2018, with revenue service starting in September 2021. The specific timing of the construction contract award and NTP may be impacted by the FFGA execution timeline.

Summary

Staff is seeking Board approval of a revised OC Streetcar funding plan.

Attachments

- A. OC Streetcar Project – Main Worksheet – Build Alternative
- B. Letter from K. Jane Williams, Acting Administrator, U.S. Department of Transportation, to Colleague, Orange County Transportation Authority, Dated June 29, 2018

Prepared by:



Kelly Hart
Project Manager
(714) 560-5725

Approved by:



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



**U.S. Department
of Transportation**

**Federal Transit
Administration**

Administrator

**1200 New Jersey Avenue, SE
Washington, DC 20590**

June 29, 2018

Dear Colleague:

This letter highlights elements of existing policy regarding the Federal Transit Administration's (FTA) advancement of projects through the Capital Investment Grants (CIG) program. The CIG program is a discretionary grant program whereby projects are selected for funding based on eligibility and merit. The FTA reviews, assesses, and evaluates the quality of the projects seeking funding to inform its decision-making. While 49 U.S.C. 5309 (Section 5309) provides for a phased process through which projects must advance before being eligible for funding, and identifies evaluation criteria to be used by FTA, advancing a project (including the decision whether to enter into a construction grant agreement at the end of the process) is ultimately a discretionary one.

The FTA bases its discretionary funding allocation decisions for the CIG program on a variety of factors including the extent of the local financial commitment, project readiness, and geographic diversity. The FTA also considers the extent value capture, private contributions, and other innovative approaches to project development and delivery are used, including public-private partnerships.

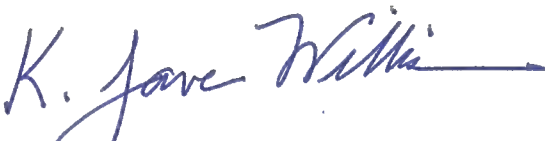
Before advancing a project, Section 5309 requires FTA to evaluate all projects seeking CIG funding on local financial commitment. Given the competitive nature of this discretionary program, the statute specifically urges FTA to consider the extent to which the project has a local financial commitment that exceeds the required non-government share of the cost of the project. To this end, FTA considers U.S. Department of Transportation loans in the context of all Federal funding sources requested by the project sponsor when completing the CIG evaluation process, and not separate from the Federal funding sources. Strong local financial commitment and stable, reliable, and dependable non-funding sources are necessary for projects to do well in the CIG program. The FTA strongly encourages project sponsors to consider innovative financing and funding approaches, including value capture and private contributions.

If FTA decides to proceed with a construction grant agreement, FTA does not sign the agreement committing CIG funding until after the project sponsor has demonstrated that its project is ready for such an agreement. This includes assurance that the project's development and design have progressed to the point where its scope, costs, benefits, and impacts are considered firm and final; the project sponsor has obtained all non-CIG funding commitments; and the project sponsor has completed all critical third-party agreements.

Lastly, as required by statute, FTA intends to publish revised CIG Policy Guidance later this year for notice and comment. If you have questions about the CIG program, please contact Elizabeth

S. Riklin, Acting Associate Administrator for Planning and Environment at 202-366-4033 or Sherry.Riklin@dot.gov.

Sincerely,

A handwritten signature in blue ink that reads "K. Jane Williams" with a long horizontal flourish extending to the right.

K. Jane Williams
Acting Administrator



OC Streetcar Project Revised Funding Plan

Recommendations

- A. Approve the revised OC Streetcar project funding plan.
- B. Authorize the use of up to \$108.41 million in additional Measure M2 (M2) Transit Extensions to Metrolink (Project S) program funding, contingent on construction contract award.
- C. Authorize staff to make all necessary amendments to the Federal Transportation Improvement Program, submit revised project readiness documents to the Federal Transit Administration (FTA) as required, and execute any required agreements or amendments to facilitate the recommendation above.

May 2017 Funding Plan

Sources	Amount (millions)	% of Project Funding
Federal 5309 New Starts	\$148.96	
Federal Congestion Mitigation and Air Quality Improvement (CMAQ)	\$54.46	
FTA 5307	\$13.26	
Subtotal Federal	\$216.68	72%
State Cap-and-Trade	\$25.52	9%
M2 - Project S	\$57.15	19%
TOTAL	\$299.34	100%

Slight variance due to rounding

Factors Effecting Schedule

- Executed Full Funding Grant Agreement (FFGA)
 - Target by October 2018, 11 months later than planned
- Construction bid opening
 - June 19, 2018, three months later than planned
- Construction duration
 - Added six months to construction time
- Revised Revenue Service Date is September 2021

Cost Increases

Cost Category	Description	Cost Increase (millions)
Vehicles	<ul style="list-style-type: none">Schedule delayHigh-rail tow vehicle	\$2.43
Professional Services	<ul style="list-style-type: none">Primarily to account for schedule delayAdded minor scope to design contract	\$6.01
Construction Bid	<ul style="list-style-type: none">Second low bid	\$78.89 *
Utilities	<ul style="list-style-type: none">Requirement from FTA to include Southern California Edison and Southern California Gas relocation costs in project cost	\$12.44 *
Right-of-Way (ROW)	<ul style="list-style-type: none">Maintenance and Storage Facility ROW acquisition settlements	\$1.08

* Cost does not include allocated contingency

Project Cost Estimate

	May 2017 (millions)	July 2018 Revised Cost Estimate (millions)
Project Cost	\$ 299.34	\$407.76
Project Contingency	20.47%	10.19%

Revised Funding Plan

Sources	May 2017 (millions)	July 9, 2018 (millions)	Difference	% of Funding
Federal New Starts	\$148.96	\$148.96		
Federal CMAQ	\$54.46	\$54.46		
Federal FTA 5307	\$13.26	\$13.26		
Subtotal Federal	\$216.68	\$216.68		53%
State Cap-and-Trade	\$25.52	\$25.52		6%
M2 - Project S	\$57.15	\$165.56	\$108.41	41%
TOTAL	\$299.34	\$407.76	\$108.41	100%

Slight variance due to rounding

Next Steps

- Submit revised funding plan to FTA
- Continue coordination with FTA to process the FFGA
- Return to Board of Directors in August 2018 with construction contract award recommendation
 - Issue notice to proceed with construction October 1, 2018
 - System testing and certification early 2021
 - Revenue service operations September 2021