

Measure M2

2020 UPDATE

NEXT 10 DELIVERY PLAN



- Purpose

- Confirm promised projects can be delivered
- Ensure financial sustainability
- Mobilize projects and benefits earlier
- Minimize cost escalation risks
- Position projects to leverage external funding



- Work to date

- ✓ Early Action Plan - adopted in 2007 (five-year mobilization plan)
- ✓ M2020 - adopted in 2012 (eight-year plan – replaced mid-stream)
- ✓ Next 10 Plan - adopted in 2016 (ten-year plan)
 - ✓ Annual updates in 2017, 2018, and 2019

M2 Accomplishments to Date

- **Freeways**
 - ✓ 12 projects completed
 - ✓ 1,300 acres of open space preserved and another 350 acres restored
- **Streets and Roads**
 - ✓ 155 projects to make streets work better
 - ✓ 3,000 signals coordinated to reduce stop & go traffic
 - ✓ \$476 million distributed to local jurisdictions for transportation improvements
- **Transit**
 - ✓ Ongoing Metrolink service and five station projects completed
 - ✓ Safety enhancements at 50 railroad grade crossings
 - ✓ OC Streetcar under construction
 - ✓ \$85 million for mobility of seniors and persons with disabilities
 - ✓ 26 community circulator services
- **Environmental**
 - ✓ 196 water quality projects



M2 Sales Tax Revenue Forecast

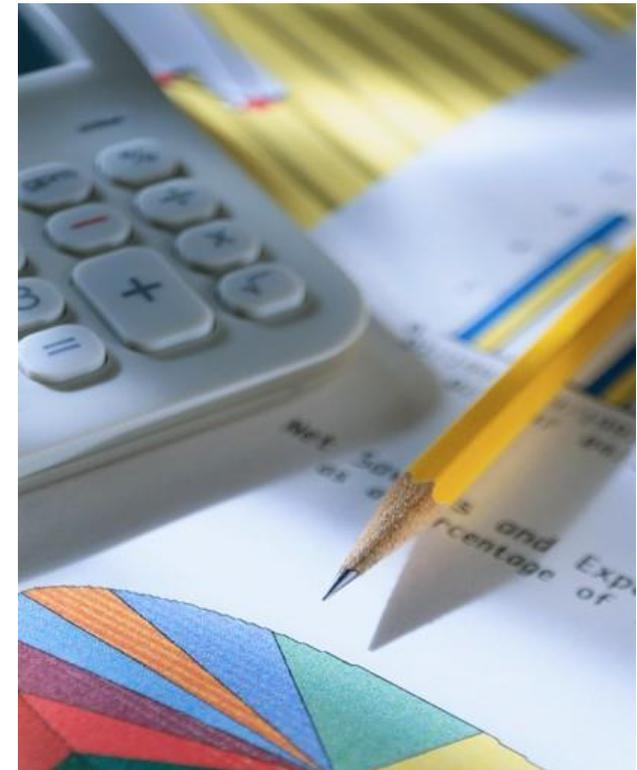
- Updated 2020 forecast is \$11.6 billion
 - ↓ \$1.8 billion less than the 2019 forecast
- Most areas of M2 Plan scale to available revenue
- Freeway Program cannot scale due to set scopes
 - ↑ Cost increase - \$244 million
 - ↓ Revenue loss - \$747 million



ENVIRONMENTAL

- A total of 5% of OC Go Freeway Program funds is allocated to the Freeway Environmental Mitigation Program
- A total of 2% of the overall OC Go Program funds is allocated to the Environmental Cleanup Program

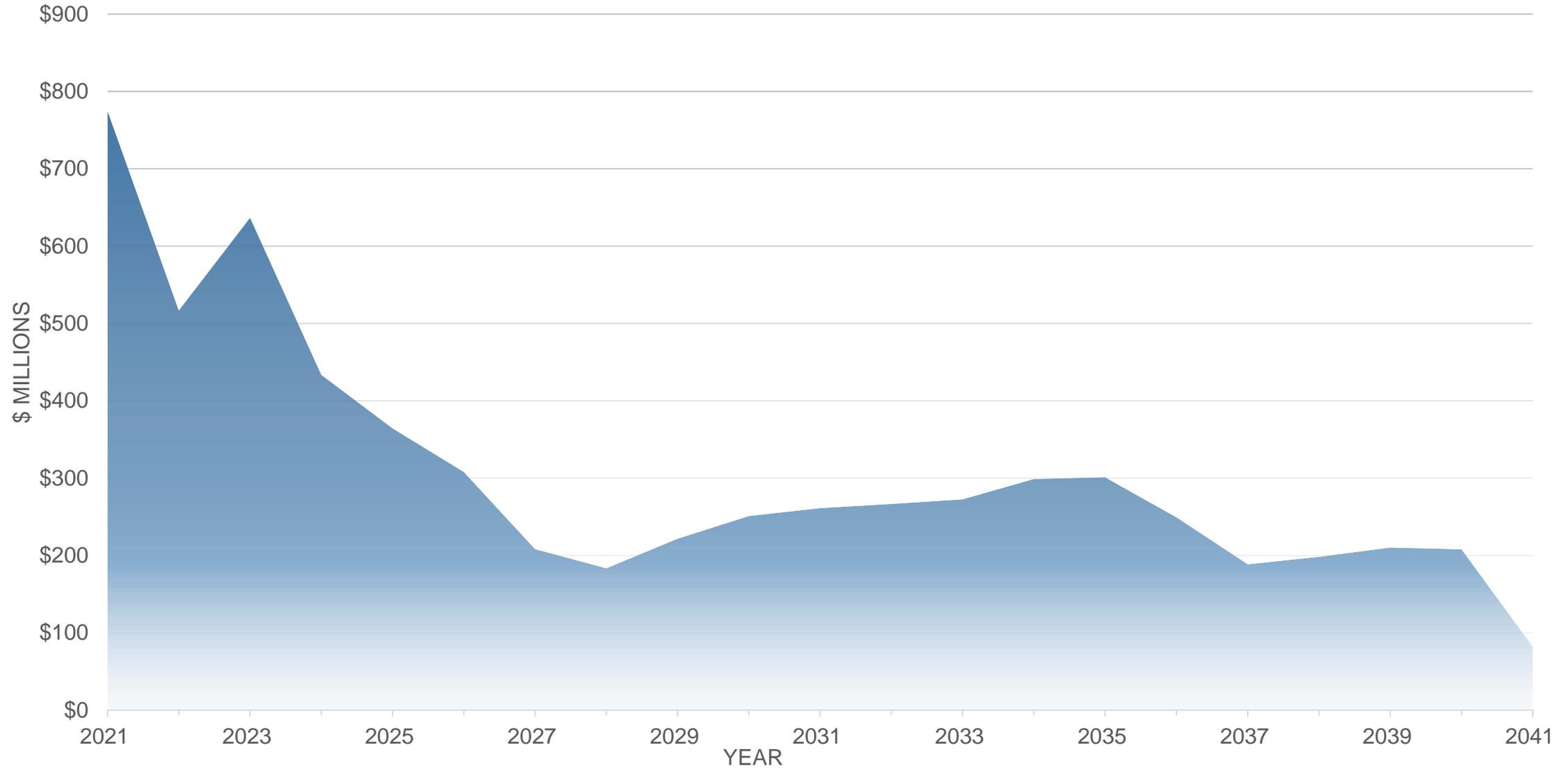
- Options to move forward – December 2020
 - Maintain momentum on project delivery and manage bonding levels
 - Adjust Next 10 Plan horizon from FY 2017-2026 to FY 2021-2030
 - Review Q2 M2 revenue receipts prior to update
- Information on M2 Revenue Collections – March 2021
 - ✓ Q2 M2 revenue receipts consistent with forecasts
 - ✓ On track to generate \$11.6 billion in gross M2 revenues



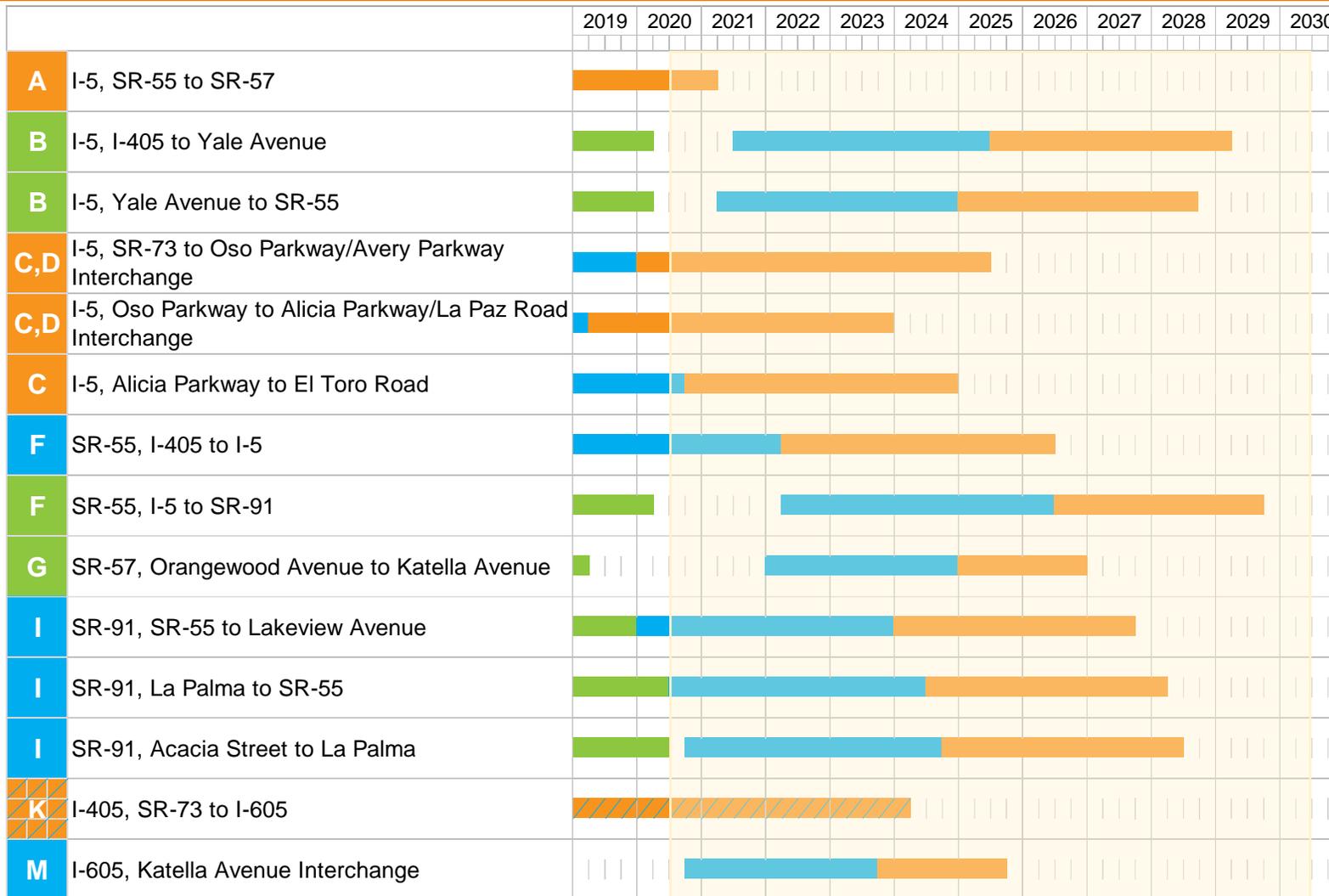
- Cashflow assumes:
 - \$11.6 billion in M2 revenues
 - \$3.6 billion in external revenues
- Assumes one bond issuance of \$575 million in 2023
- Minimum debt service coverage ratio of 3.6x
- Minimum cash balance of \$183 million through 2040
- Cash balance of \$82 million at the end of the program in 2041



M2 Program Cash Balance



M2 Freeway Program

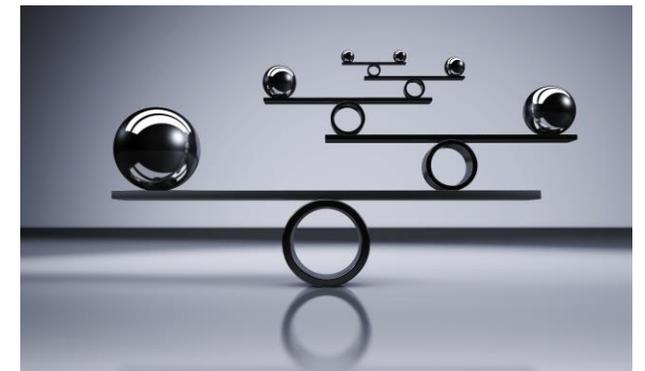


- 14 freeway projects to be delivered in Next 10 Plan timeframe
- Four remaining freeway projects to be reassessed during annual review

I-5 – Interstate 5
SR-55 – State Route 55
SR-57 – State Route 57
I-405 – Interstate 405
SR-73 – State Route 73
SR-91 – State Route 91
I-605 – Interstate 605

Next 10 Deliverables Summary

- Freeways
 - Delivers 14 freeway projects
 - Continues annual endowment deposits
- Streets and Roads
 - Returns 18 percent to local agencies for transportation needs
 - Provides annual grants to address street bottlenecks and gaps
 - Funds ongoing coordination of 2,200 traffic signals
- Transit
 - Operations of Metrolink and station improvements
 - Begins operation of OC Streetcar
 - Enhances mobility for seniors and persons with disabilities
 - Continues support for localized transit options
- Environmental
 - Provides for annual water cleanup grants



- Distribute the updated Next 10 Plan to local jurisdictions and stakeholders
- Work with transportation partners on delivery of the Next 10 Plan
- Monitor the risks associated with the changing environment and return to the Board of Directors with updates as appropriate

2020 UPDATE
NEXT 10 
DELIVERY PLAN