

AGENDA

- 1. Welcome**
- 2. Pledge of Allegiance**
- 3. Approval of Minutes/Attendance Report for October 8, 2019**
- 4. Action Items**
 - A. M2 Quarterly Revenue & Expenditure Report (June 19)
Receive and File
 - B. M2 Quarterly Revenue & Expenditure Report (September 19)
Receive and File
 - C. M2 Quarterly Revenue & Expenditure Report (December 19)
Receive and File - Sean Murdock, Director, Finance and Administration
- 5. Presentation Items**
 - A. Measure M2 2019 Update: Next 10 Delivery Plan
Tamara Warren, Measure M2 Program Manager
 - B. Interstate 405 Improvement Project Update
Jeff Mills, Senior Program Manager, Capital Programs
Chris Boucly, Section Manager, Public Outreach
 - C. Measure M2 Community-Based Transit Circulators Program Project V
Joseph Alcock, Section Manager, M2 Local Programs
- 6. OCTA Staff Updates**
 - A. Measure M2 Performance Assessment - Tamara Warren, Measure M2 Program Manager
 - B. Staff Liaison – Alice Rogan, Marketing and Public Outreach Director
- 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 April 14, 2020

*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

Staff Report Title	Board Meeting Date
1. 2020 Project V Community-Based Transit Circulators Program	October 14, 2019
2. 2019 Measure M2 Sales Tax Forecast	October 28, 2019
3. Environmental Mitigation Program Endowment Fund Investment Report for September 30, 2019	November 25, 2019
4. OC Streetcar Project Quarterly Update	November 25, 2019
5. Measure M2 Quarterly Progress Report for the Period of July 2019 Through September 2019	December 9, 2019
6. Fiscal Year 2019-20 Measure M2 Annual Eligibility Review	December 9, 2019
7. Comprehensive Transportation Funding Programs Semi-Annual Review – September 2019	December 9, 2019
8. Measure M2 Community-Based Transit Circulators Program Project V Ridership Report	January 13, 2020

*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
October 8, 2019 @ 5:00 p.m.

MEETING MINUTES

Committee Members Present:

Douglas P. Gillen, First District Representative
Dr. Pauline Merry, First District Representative
Mark Kizzar, Second District Representative
Larry Tekler, Second District Representative, Co-Chairman
Tuan Nguyen, Third District Representative
Larry Lang, Fourth District Representative
Michael Pascual, Fourth District Representative
Jeffery Kaplan, Fifth District Representative

Committee Member(s) Absent:

Ronald Randolph, Third District Representative
Douglas Anderson, Fifth District Representative

Orange County Transportation Authority Staff Present:

Christine Byrne, Department Manager, Public Outreach
Rose Casey, Highway Programs Director
Francesca Ching, Measure M2 Program Analyst
Robert Davis, Treasury and Public Finance Manager
Jared Hill, Community Relations Specialist
Kia Mortazavi, Executive Director of Planning
Sean Murdock, Finance and Administration Director
Andrew Oftelie, Chief Financial Officer
Alice Rogan, Director, Marketing & Public Outreach
Tamara Warren, Measure M Program Manager

1. Welcome

Co-Chair Larry Tekler welcomed everyone to the Orange County Transportation Authority (OCTA) Taxpayer Oversight Committee (TOC) meeting at 5:04 p.m. He asked everyone to introduce themselves.

2. Pledge of Allegiance

Co-Chair Larry Tekler led the Pledge of Allegiance to the Flag.

3. Approval of Minutes/Attendance Report for August 13, 2019

Co-Chairman Larry Tekler asked if there are any corrections to the Minutes/Attendance Report for August 13, 2019. A motion was made by Douglas P. Gillen, seconded by Michael Pascual and carried unanimously to approve the August 13, 2019 TOC Minutes and the Attendance Report.

4. Action Items

A. Measure M2 Annual Eligibility Review Subcommittee Eligibility Reports Fiscal Year 2019-20

Dr. Pauline Merry was selected to be the Annual Eligibility Review Subcommittee (AER Subcommittee) Chair for this eligibility cycle. She stated that the Measure M2 ordinance requires all local agencies in Orange County to annually satisfy eligibility requirements in order to receive M2 net revenues. Consistent with this requirement, The AER subcommittee convened on September 26th with OCTA staff to review AER Subcommittee applicable eligibility submittals, in order to ensure compliance with M2 Ordinance requirements and to also ensure all subcommittee related discussions were open to the public.

As part of the M2 Eligibility review for fiscal year 2019-20, the AER subcommittee reviewed documentation for three applicable eligibility components, which included the Pavement Management Plan (for 14 applicable jurisdictions), the Congestion Management Program, and the Mitigation Fee Program. The AER Subcommittee reviewed and confirmed that all 35 local agencies had submitted appropriate documentation in order satisfy M2 eligibility requirements for these three components for the fiscal year 2019-2020 M2 Eligibility Cycle, and recommended advancement of these review conclusions to the TOC for its consideration today.

The AER Subcommittee recommends affirming that the Taxpayer Oversight Committee has received and reviewed Pavement Management Plans for applicable local agencies, Congestion Management Programs, and Mitigation Fee Programs for all local agencies in Orange County. However, it should be noted that while this recommendation acknowledges the cities of Stanton and Santa Ana's eligibility submittals for fiscal year 2019-2020, their submittal of these documents, does not modify their existing ineligible status, which is governed through a separate OCTA Board action.

Upon TOC approval of the AER Subcommittee's recommendation, these findings will be advanced to the OCTA Regional Planning & Highways Committee and Board of Directors, for approval in December 2019. If the OCTA Board approves these findings, they will adopt a conditional eligibility determination (for all applicable local agencies) for fiscal year 2019-2020; and then in December, it would adopt a final eligibility determination, once review and approval of M2 expenditure reports has been completed.

Co-Chairman Tekler stated that letters to Santa Ana and Stanton had been sent and are awaiting final approval. The audit of these cities will not start until the agreements are signed.

A motion was made by Mark Kizzar, seconded by Larry Lang and carried unanimously to approve receipt and review of the Pavement Management Plans for applicable local agencies, Congestion Management Programs, and Mitigation Fee Programs for all local agencies in Orange County.

Presentation Items

A. Measure M2 Quarterly Progress Report

Francesca Ching presented a Measure M2 quarterly progress report for the period of April 2019 through June 2019. She indicated that market trends are forecasting higher construction costs going forward. Key topics in the M2 Program Management Office are restoring funding eligibility to the cities of Santa Ana and Stanton as well as coordination with SB1 projects.

Freeway Program: The M2 Freeway Program, which previously consisted of 27 projects or project segments, now has 30 projects or project segments to be delivered by 2041. Two projects, the Interstate 5 (I-5) between Interstate 405 (I-405) and State Route 55 (SR-55) (Project B) has now been broken into two segments, and State Route 91 (SR-91) between State Route 57 (SR-57) and SR-55 (Project I) has been broken into three segments. Segmenting takes place to provide more opportunity for bidders and to increase competition. While the new segment count will be tracked at 30, the increase does not change the overall commitment detailed in the plan.

Currently, while commencing year nine of the 30-year program, 12 segments are complete, three are in construction, and another three are readying for construction. The remaining 12 segments are in various stages of project development, with three of those slated to go into construction and be complete or nearing completion, by 2026.

Streets and Roads: Since 2011, approximately \$777 million has been allocated to local jurisdictions for transportation improvements through the streets and roads competitive and formula funding programs. Additionally, M2 provided a portion of the \$664 million to grade separate seven street and rail crossings, leveraging the majority of the funds (\$520 million) from local, state, and federal sources.

Transit: The M2 transit mode includes a number of programs designed to provide additional transportation options. M2 is the main funding source for Metrolink commuter rail service in Orange County and provides funding for rail station improvements and transit connections to extend the reach of the services.

Since 2011, M2 has provided competitive funding commitments for bus and station van extension projects to Metrolink (\$483,133 to date), local community based transit circulators and planning studies (\$36 million to date), bus stop improvements (\$2 million to date), and funding to support specific programs to meet the needs of seniors and persons with disabilities (\$69.7 million to date).

Environmental Programs: The M2 Program includes two innovative programs, the Environmental Cleanup Program (ECP) with specific activity, and the Environmental Mitigation Program (EMP) with funding from the freeway program. The ECP improves water quality by addressing transportation related pollutants while the EMP off-sets biological impacts of freeway projects. Since 2011, the ECP has awarded \$48.1 million to local jurisdictions through a competitive process, which funded 159 projects for trash removal devices (Tier 1), and 20 projects for large scale water quality best management practices projects (Tier 2). More than 6.2 million cubic feet of trash (or over 2,600 40-foot shipping containers) have been captured so far. Additionally, the Board has authorized \$55 million for the EMP to acquire conservation lands, fund habitat restoration projects, and to develop the Conservation Plan. OCTA has acquired more than 1,300 acres and funded 12 restoration projects across Orange County. The wildlife and habitat on the acquired lands are protected in perpetuity, and long-term management of the properties will be funded by an established endowment. It is estimated that it will take 12 years to fully fund the endowment with annual deposits, or until the fund totals approximately \$46.2 million. As of June 30, 2019, the balance of the endowment was \$9,534,374. The fourth deposit, of approximately \$2.9 million, took place on July 3, 2019.

Applications for the ninth Tier 1 call are being reviewed, and final programming recommendations are planned to be presented to the Board on September 9, 2019.

B. Freeway Projects Update

Rose Casey provided an update on Freeway Projects.

Project F is on the SR-55 (from I-5 to SR-91) and it is nearing end of the environmental phase. This project has a no build alternative and one build alternative which will add one general purpose lane in each direction between the I-5 and SR-22 along with restructuring on/off-ramps. The public hearing on this project is October 16.

Project A on the I-5 (from SR-55 to SR-57) and has started construction with completion due in early 2021. This project adds a second High Occupancy Vehicle (HOV) lane in each direction and the concrete barrier is being removed between the HOV lanes and general purpose lanes, so there can be continuous access.

Project C on the I-5 (from SR-73 to El Toro). She said this project has been broken-up into three segments. Segment 1 will hopefully have an executed construction contract in the next few days. Segment 2 is under construction. Construction is expected to start in late 2020 on the Segment 3. Lanes will be added in the project and HOV lanes will be extended along with reconstruction of interchanges/ramps.

Project K is on the I-405 (from the SR-73 to the I-605) will add a general purpose lane in each direction in addition to a toll express facility. This project will require 18 bridge replacements. Rose said this project is currently underway and the design-builder is reaching its peak of activity with the project costing about \$1 million a day at this time. This project is projected to be complete in 2023.

C. Investment Policy Update

Robert Davis provided an overview of the OCTA Investment Policy. He stated that The Federal Reserve (Fed) cut the Fed Funds rate twice during the quarter to a range of 1.75 to 2 percent. The Fed is expected to cut rates again before year end.

Economic growth remains positive but cautious at the end of the third quarter. Rate cuts by the Fed has led to uncertainty and volatility within the market. Furthermore, the trade war between the United States (U.S.) and China heated up further during the quarter as both countries imposed additional tariffs on the other, leading to negative effects for both countries in the short run. The U.S. unemployment rate fell to 3.5 percent in September, while the economy added 135,000 jobs at quarter end.

As of September 30, 2019, the M2 Program has \$635.2 million in outstanding debt.

Robert Davis provided an overview of the current investment allocations.

D. Measure M2 Next 10: Market Conditions Forecast and Risk Analysis

Tamara Warren gave an overview of Next 10. The Next 10 provides a framework to accelerate the delivery of M2 freeway, streets and roads, transit, and environmental projects through the year 2026.

The Market Conditions Key Indicators Analysis and Forecast concludes that the Orange County Transportation Authority may experience a cost increase of between two percent and six percent during the 2020 through 2022 time period of construction activity. To reduce the potential risk of cost pressure and project delivery slowdowns due to unanticipated cost increases, staff will incorporate information from this analysis into the Measure M2 cash flow for the 2019 updated Next 10 Delivery Plan, which will be presented to the Executive Committee and Board of Directors in November 2019.

6. OCTA Staff Updates

A. Measure M2 Sales Tax Forecast Update – Sean Murdock.

Sean Murdock gave an update on the future expected revenue of Measure M2.

He stated that OCTA has finalized this year's sales tax forecast for the M2 Program. For the first time in 4 years the forecasted sales tax for the M2 Program is anticipated to increase. The last 4 years had seen the forecasted M2 sales tax decrease from \$15.9BN to \$13.1BN, however based on the updated forecast the sales tax available to the M2 Program is \$13.4 BN, which is up \$300M from last year's forecast. The change was primarily driven by sales tax receipts exceeding expectations in FY 2019 and MuniServices being more optimistic in the latter part of their 5-year forecast. Two of the three universities had slightly lower long-term growth rates and one held their long-term growth rates flat.

B. Finance Directors Workshop Update – Sean Murdock

Sean Murdock gave an update on the Finance Directors Workshop hosted by OCTA.

OCTA held its annual workshop on August 27th for the finance directors of the local jurisdictions in the County. The goal of the workshop is to invite city finance directors and their staff to OCTA and provide them important information related to the M2 Program. OCTA staff from Finance, audit, and planning provide information on areas such as eligibility, timely use of funds guidelines, changes to reporting requirements, maintenance of effort requirements, audits as well as an update on forecasted M2 sales tax. The workshop is one of the tools OCTA staff uses to educate the local jurisdictions on the requirements of the M2 Program and help them maintain eligibility. Over the past few years attendance has continued to grow at the workshop and this year approximately 70 staff members from local jurisdictions attended.

C. Staff Liaison Update – Alice Rogan.

Alice Rogan yielded to Christina Byrne to provide an additional update on the I-405 Improvement Project. Christina stated that there will be 14 bridges under construction by the end of 2019 and we are approaching peak construction.

Larry Tekler said that he frequently uses the I-405 and has noted that the project has been easy to navigate and been moving forward smoothly.

7. Annual Eligibility Review (AER) Subcommittee Report

AER Subcommittee Chair, Dr. Pauline Merry, stated that they are not scheduled to meet again until March 2020. At that time the AER Subcommittee will receive and review M2 Expenditure Reports for fiscal year 2018-2019. Upon completion of the Subcommittee's review, we will advance our findings to this committee for further review and consideration

8. Annual Audit Subcommittee Report

There was no meeting to report on.

9. Environmental Oversight Committee (EOC) Report

Dr. Pauline Merry provided an update on the EOC. She stated that they have not had an EOC meeting since July 10, so we have nothing specific to report at this time. However, they have an upcoming hike on Nov. 2 at 9 a.m. at the Trabuco Rose Preserve in Trabuco Canyon. Dr. Merry attended the Pacific Horizon Preserve hike in August and enjoyed the opportunity. Our next EOC meeting will be on Nov. 6.

10. Committee Member Reports

There were no committee member comments.

11. Public Comments

There were no public comments.

12. Adjournment

Next meeting scheduled for December 10, 2019

Taxpayer Oversight Committee

Fiscal Year 2019-2020

Attendance Record

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

Meeting Date	July	13-Aug.	Sept.	8-Oct.	Nov.	10-Dec.	Jan.	11-Feb.	March	14-Apr.	May	9-Jun.
Douglas P. Gillen		X		X		M						
						E						
Pauline Merry		X		X		E						
						T						
Larry Tekler		X		X		I						
						N						
Mark Kizzar		X		X		G						
Ronald T. Randolph		X		*		C						
						A						
Tuan Nguyen		X		X		N						
						C						
Larry A. Lang		X		X		E						
						L						
Michael Pascual		X		X		L						
						E						
Jeffrey Kaplan		X		X		D						
Douglas Anderson		X		*								

Absences Pending Approval

<u>Meeting Date</u>	<u>Name</u>	<u>Reason</u>
October 8, 2019	Ronald T. Randolph	Family Medical Emergency
October 8, 2019	Douglas Anderson	Business Conflict

Action Items

Measure M2
Schedule of Revenues, Expenditures and Changes in Fund Balance
as of June 30, 2019
(Unaudited)

<i>(\$ in thousands)</i>	Quarter Ended June 30, 2019	Year to Date June 30, 2019 (A)	Period from Inception to June 30, 2019 (B)
Revenues:			
Sales taxes	\$ 82,965	\$ 338,666	\$ 2,413,727
Other agencies' share of Measure M2 costs:			
Project related	(7,560)	43,475	667,785
Non-project related	-	-	453
Interest:			
Operating:			
Project related	551	636	1,228
Non-project related	21,374	29,244	52,356
Bond proceeds	5,475	10,169	61,487
Debt service	187	506	813
Commercial paper	-	-	393
Right-of-way leases	27	30	941
Proceeds on sale of assets held for resale	-	-	12,201
Donated assets held for resale			
Project related	-	2,071	2,071
Non-project related	(371)	(2,071)	-
Miscellaneous:			
Project related	-	-	270
Non-project related	-	-	100
Total revenues	<u>102,648</u>	<u>422,726</u>	<u>3,213,825</u>
Expenditures:			
Supplies and services:			
Sales tax administration fees	909	3,473	26,292
Professional services:			
Project related	17,445	36,692	381,802
Non-project related	1,603	4,784	26,785
Administration costs:			
Project related	2,519	10,087	73,268
Non-project related:			
Salaries and Benefits	643	2,574	25,107
Other	1,326	5,302	42,017
Other:			
Project related	29	86	5,026
Non-project related	44	908	4,916
Payments to local agencies:			
Project related	32,495	107,923	945,857
Capital outlay:			
Project related	96,281	169,281	1,025,983
Non-project related	-	-	31
Debt service:			
Principal payments on long-term debt	-	8,165	50,500
Interest on long-term debt and commercial paper	9	20,676	178,614
Total expenditures	<u>153,303</u>	<u>369,951</u>	<u>2,786,198</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(50,655)</u>	<u>52,775</u>	<u>427,627</u>
Other financing sources (uses):			
Transfers out:			
Project related	(16,590)	(166,072)	(204,679)
Transfers in:			
Project related	74,969	75,770	158,470
Non-project related	(70,243)	(70,243)	(70,243)
Bond proceeds	-	446,032	804,625
Payment to refunded bond escrow agent	-	(45,062)	(45,062)
Total other financing sources (uses)	<u>(11,864)</u>	<u>240,425</u>	<u>643,111</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	<u>\$ (62,519)</u>	<u>\$ 293,200</u>	<u>\$ 1,070,738</u>

Measure M2
Schedule of Calculations of Net Revenues and Net Bond Revenues (Debt Service)
as of June 30, 2019
(Unaudited)

<i>(\$ in thousands)</i>	Quarter Ended June 30, 2019 (actual)	Year to Date June 30, 2019 (actual)	Period from Inception through June 30, 2019 (actual)	Period from July 1, 2019 through March 31, 2041 (forecast)	Total
	(C.1)	(D.1)	(E.1)	(F.1)	
Revenues:					
Sales taxes	\$ 82,965	\$ 338,666	\$ 2,413,727	\$ 10,657,522	\$ 13,071,249
Operating interest	21,374	29,244	52,356	139,989	192,345
Subtotal	<u>104,339</u>	<u>367,910</u>	<u>2,466,083</u>	<u>10,797,511</u>	<u>13,263,594</u>
Other agencies share of M2 costs	-	-	453	-	453
Miscellaneous	-	-	100	-	100
Total revenues	<u>104,339</u>	<u>367,910</u>	<u>2,466,636</u>	<u>10,797,511</u>	<u>13,264,147</u>
Administrative expenditures:					
Sales tax administration fees	909	3,473	26,292	123,125	149,417
Professional services	1,603	4,784	23,010	97,884	120,894
Administration costs:					
Salaries and Benefits	643	2,574	25,107	113,436	138,543
Other	1,326	5,302	42,017	185,485	227,502
Other	44	82	1,915	8,546	10,461
Capital outlay	-	-	31	-	31
Environmental cleanup	2,477	7,118	41,865	213,116	254,981
Total expenditures	<u>7,002</u>	<u>23,333</u>	<u>160,237</u>	<u>741,592</u>	<u>901,829</u>
Net revenues	<u>\$ 97,337</u>	<u>\$ 344,577</u>	<u>\$ 2,306,399</u>	<u>\$ 10,055,919</u>	<u>\$ 12,362,318</u>
Bond revenues:					
Proceeds from issuance of bonds	\$ -	\$ 446,032	\$ 804,625	\$ 1,425,000	\$ 2,229,625
Interest revenue from bond proceeds	5,475	10,169	61,487	94,619	156,106
Interest revenue from debt service funds	187	506	813	4,685	5,498
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>5,662</u>	<u>456,707</u>	<u>867,318</u>	<u>1,524,304</u>	<u>2,391,622</u>
Financing expenditures and uses:					
Professional services	-	-	3,775	4,988	8,763
Payment to refunded bond escrow	-	45,062	45,062	-	45,062
Bond debt principal	-	8,165	50,500	2,060,220	2,110,720
Bond debt and other interest expense	9	20,676	178,614	932,293	1,110,907
Other	-	826	3,001	-	3,001
Total financing expenditures and uses	<u>9</u>	<u>74,729</u>	<u>280,952</u>	<u>2,997,501</u>	<u>3,278,453</u>
Net bond revenues (debt service)	<u>\$ 5,653</u>	<u>\$ 381,978</u>	<u>\$ 586,366</u>	<u>\$ (1,473,197)</u>	<u>\$ (886,831)</u>

Measure M2
Schedule of Revenues and Expenditures Summary
as of June 30, 2019
(Unaudited)

Project	Description	Net Revenues through June 30, 2019	Total Net Revenues	Expenditures through June 30, 2019	Reimbursements through June 30, 2019	Net M2 Cost
(G)	(H)	(I)	(J)	(K)	(L)	
<i>(\$ in thousands)</i>						
Freeways (43% of Net Revenues)						
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 90,907	\$ 487,262	\$ 7,486	\$ 7,101	\$ 385
B	I-5 Santa Ana/SR-55 to El Toro	58,064	311,226	9,603	6,515	3,088
C	I-5 San Diego/South of El Toro	121,273	650,027	143,359	46,689	96,670
D	I-5 Santa Ana/San Diego Interchange Upgrades	49,902	267,476	2,179	527	1,652
E	SR-22 Garden Grove Freeway Access Improvements	23,210	124,407	4	-	4
F	SR-55 Costa Mesa Freeway Improvements	70,791	379,443	27,831	14,200	13,631
G	SR-57 Orange Freeway Improvements	50,038	268,202	51,174	12,071	39,103
H	SR-91 Improvements from I-5 to SR-57	27,079	145,142	34,792	824	33,968
I	SR-91 Improvements from SR-57 to SR-55	80,559	431,797	23,265	6,782	16,483
J	SR-91 Improvements from SR-55 to County Line	68,122	365,136	6,935	5,294	1,641
K	I-405 Improvements between I-605 to SR-55	207,500	1,112,202	488,526	104,049	384,477
L	I-405 Improvements between SR-55 to I-5	61,836	331,442	9,163	6,941	2,222
M	I-605 Freeway Access Improvements	3,868	20,735	2,106	16	2,090
N	All Freeway Service Patrol	29,013	155,509	2,379	-	2,379
	Freeway Mitigation	49,588	265,790	53,421	2,935	50,486
	Subtotal Projects	991,750	5,315,796	862,223	213,944	648,279
	Net (Bond Revenue)/Debt Service	-	-	44,913	-	44,913
	Total Freeways	\$ 991,750	\$ 5,315,796	\$ 907,136	\$ 213,944	\$ 693,192
	%					37.0%
Street and Roads Projects (32% of Net Revenues)						
O	Regional Capacity Program	\$ 230,643	\$ 1,236,248	\$ 742,532	\$ 461,670	\$ 280,862
P	Regional Traffic Signal Synchronization Program	92,253	494,477	60,311	4,950	55,361
Q	Local Fair Share Program	415,152	2,225,217	401,621	77	401,544
	Subtotal Projects	738,048	3,955,942	1,204,464	466,697	737,767
	Net (Bond Revenue)/Debt Service	-	-	49,885	-	49,885
	Total Street and Roads Projects	\$ 738,048	\$ 3,955,942	\$ 1,254,349	\$ 466,697	\$ 787,652
	%					42.0%

Measure M2
Schedule of Revenues and Expenditures Summary
as of June 30, 2019
(Unaudited)

Project	Description	Net Revenues through June 30, 2019	Total Net Revenues	Expenditures through June 30, 2019	Reimbursements through June 30, 2019	Net M2 Cost
(G)	(H)	(I)	(J)	(K)	(L)	
<i>(\$ in thousands)</i>						
Transit Projects (25% of Net Revenues)						
R	High Frequency Metrolink Service	\$ 217,441	\$ 1,232,958	\$ 290,390	\$ 98,736	\$ 191,654
S	Transit Extensions to Metrolink	203,602	1,091,306	56,858	2,133	54,725
T	Metrolink Gateways	30,144	63,187	98,220	60,956	37,264
U	Expand Mobility Choices for Seniors and Persons with Disabilities	74,208	428,665	71,627	88	71,539
V	Community Based Transit/Circulators	46,116	247,181	9,875	94	9,781
W	Safe Transit Stops	5,090	27,283	1,093	26	1,067
	Subtotal Projects	576,601	3,090,580	528,063	162,033	366,030
	Net (Bond Revenue)/Debt Service	-	-	27,899	-	27,899
	Total Transit Projects	\$ 576,601	\$ 3,090,580	\$ 555,962	\$ 162,033	\$ 393,929
	%					21.0%

Measure M2 Program

\$ 2,306,399	\$ 12,362,318	\$ 2,717,447	\$ 842,674	\$ 1,874,773
---------------------	----------------------	---------------------	-------------------	---------------------

Project	Description	Revenues through June 30, 2019	Total Revenues	Expenditures through June 30, 2019	Reimbursements through June 30, 2019	Net M2 Cost
(G)	(H.1)	(I.1)	(J)	(K)	(L)	
<i>(\$ in thousands)</i>						
Environmental Cleanup (2% of Revenues)						
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 49,322	\$ 265,272	\$ 41,865	\$ 292	\$ 41,573
	Net (Bond Revenue)/Debt Service	-	-	-	-	-
	Total Environmental Cleanup	\$ 49,322	\$ 265,272	\$ 41,865	\$ 292	\$ 41,573
	%					1.7%

Taxpayer Safeguards and Audits

Collect Sales Taxes (1.5% of Sales Taxes)	\$ 36,206	\$ 196,069	\$ 26,292	\$ -	\$ 26,292
%					1.1%
Oversight and Annual Audits (1% of Revenues)	\$ 24,661	\$ 132,636	\$ 25,107	\$ 446	\$ 24,661
%					1.0%

Measure M2
Schedule of Revenues, Expenditures and Changes in Fund Balance
as of September 30, 2019
(Unaudited)

<i>(\$ in thousands)</i>	Quarter Ended Sept 30, 2019	Year to Date Sept 30, 2019 (A)	Period from Inception to Sept 30, 2019 (B)
Revenues:			
Sales taxes	\$ 78,221	\$ 78,221	\$ 2,491,948
Other agencies' share of Measure M2 costs:			
Project related	25,145	25,145	692,930
Non-project related	-	-	454
Interest:			
Operating:			
Project related	(160)	(160)	1,068
Non-project related	5,584	5,584	57,940
Bond proceeds	2,629	2,629	64,116
Debt service	111	111	924
Commercial paper	-	-	393
Right-of-way leases	40	40	981
Proceeds on sale of assets held for resale	-	-	12,201
Donated assets held for resale			
Project related	-	-	2,071
Miscellaneous:			
Project related	17	17	287
Non-project related	-	-	100
Total revenues	<u>111,587</u>	<u>111,587</u>	<u>3,325,413</u>
Expenditures:			
Supplies and services:			
Sales tax administration fees	1,001	1,001	27,293
Professional services:			
Project related	2,259	2,259	384,061
Non-project related	612	612	27,397
Administration costs:			
Project related	2,517	2,517	75,785
Non-project related:			
Salaries and Benefits	643	643	25,750
Other	1,325	1,325	43,342
Other:			
Project related	5	5	5,031
Non-project related	49	49	4,965
Payments to local agencies:			
Project related	12,410	12,410	958,267
Capital outlay:			
Project related	14,234	14,234	1,040,217
Non-project related	-	-	31
Debt service:			
Principal payments on long-term debt	-	-	50,500
Interest on long-term debt and commercial paper	17,518	17,518	196,132
Total expenditures	<u>52,573</u>	<u>52,573</u>	<u>2,838,771</u>
Excess of revenues over expenditures	<u>59,014</u>	<u>59,014</u>	<u>486,642</u>
Other financing sources (uses):			
Transfers out:			
Project related	(5,345)	(5,345)	(210,024)
Transfers in:			
Project related	-	-	158,470
Bond proceeds	-	-	804,625
Payment to refunded bond escrow agent	-	-	(45,062)
Total other financing sources (uses)	<u>(5,345)</u>	<u>(5,345)</u>	<u>708,009</u>
Excess of revenues over expenditures and other sources (uses)	<u>\$ 53,669</u>	<u>\$ 53,669</u>	<u>\$ 1,194,651</u>

Measure M2
Schedule of Calculations of Net Revenues and Net Bond Revenues (Debt Service)
as of September 30, 2019
(Unaudited)

<i>(\$ in thousands)</i>	Quarter Ended Sept 30, 2019 (actual)	Year to Date Sept 30, 2019 (actual)	Period from Inception through Sept 30, 2019 (actual)	Period from October 1, 2019 through March 31, 2041 (forecast)	Total
	(C.1)	(D.1)	(E.1)	(F.1)	
Revenues:					
Sales taxes	\$ 78,221	\$ 78,221	\$ 2,491,948	\$ 10,881,259	\$ 13,373,207
Operating interest	5,584	5,584	57,940	295,147	353,087
Subtotal	<u>83,805</u>	<u>83,805</u>	<u>2,549,888</u>	<u>11,176,406</u>	<u>13,726,294</u>
Other agencies share of M2 costs	-	-	454	-	454
Miscellaneous	-	-	100	-	100
Total revenues	<u>83,805</u>	<u>83,805</u>	<u>2,550,442</u>	<u>11,176,406</u>	<u>13,726,848</u>
Administrative expenditures:					
Sales tax administration fees	1,001	1,001	27,293	120,348	147,641
Professional services	612	612	23,622	103,993	127,615
Administration costs:					
Salaries and Benefits	643	643	25,750	125,083	150,833
Other	1,325	1,325	43,342	213,829	257,171
Other	30	30	1,945	8,649	10,594
Capital outlay	-	-	31	-	31
Environmental cleanup	383	383	42,248	217,590	259,838
Total expenditures	<u>3,994</u>	<u>3,994</u>	<u>164,231</u>	<u>789,492</u>	<u>953,723</u>
Net revenues	<u>\$ 79,811</u>	<u>\$ 79,811</u>	<u>\$ 2,386,211</u>	<u>\$ 10,386,914</u>	<u>\$ 12,773,125</u>
Bond revenues:					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 804,625	\$ 298,950	\$ 1,103,575
Interest revenue from bond proceeds	2,629	2,629	64,116	85,077	149,193
Interest revenue from debt service funds	111	111	924	4,668	5,592
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>2,740</u>	<u>2,740</u>	<u>870,058</u>	<u>388,695</u>	<u>1,258,753</u>
Financing expenditures and uses:					
Professional services	-	-	3,775	1,046	4,821
Payment to refunded bond escrow	-	-	45,062	-	45,062
Bond debt principal	-	-	50,500	929,889	980,389
Bond debt and other interest expense	17,518	17,518	196,132	608,303	804,435
Other	19	19	3,020	-	3,020
Total financing expenditures and uses	<u>17,537</u>	<u>17,537</u>	<u>298,489</u>	<u>1,539,238</u>	<u>1,837,727</u>
Net bond revenues (debt service)	<u>\$ (14,797)</u>	<u>\$ (14,797)</u>	<u>\$ 571,569</u>	<u>\$ (1,150,543)</u>	<u>\$ (578,974)</u>

Measure M2
Schedule of Revenues and Expenditures Summary
as of September 30, 2019
(Unaudited)

Project	Description	Net Revenues through Sept 30, 2019	Total Net Revenues	Expenditures through Sept 30, 2019	Reimbursements through Sept 30, 2019	Net M2 Cost
(G)	(H)	(I)	(J)	(K)	(L)	
(\$ in thousands)						
Freeways (43% of Net Revenues)						
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 94,053	\$ 503,454	\$ 7,500	\$ 7,101	\$ 399
B	I-5 Santa Ana/SR-55 to El Toro	60,074	321,568	9,636	6,515	3,121
C	I-5 San Diego/South of El Toro	125,470	671,629	145,347	46,730	98,617
D	I-5 Santa Ana/San Diego Interchange Upgrades	51,629	276,364	2,220	527	1,693
E	SR-22 Garden Grove Freeway Access Improvements	24,012	128,542	5	-	5
F	SR-55 Costa Mesa Freeway Improvements	73,241	392,053	28,454	14,605	13,849
G	SR-57 Orange Freeway Improvements	51,769	277,114	51,191	12,217	38,974
H	SR-91 Improvements from I-5 to SR-57	28,016	149,965	34,823	824	33,999
I	SR-91 Improvements from SR-57 to SR-55	83,347	446,146	23,337	6,782	16,555
J	SR-91 Improvements from SR-55 to County Line	70,480	377,269	6,935	5,294	1,641
K	I-405 Improvements between I-605 to SR-55	214,681	1,149,161	499,853	106,328	393,525
L	I-405 Improvements between SR-55 to I-5	63,976	342,456	9,178	6,954	2,224
M	I-605 Freeway Access Improvements	4,002	21,424	2,114	16	2,098
N	All Freeway Service Patrol	30,017	160,677	2,406	-	2,406
	Freeway Mitigation	51,304	274,622	53,597	2,775	50,822
	Subtotal Projects	1,026,071	5,492,444	876,596	216,668	659,928
	Net (Bond Revenue)/Debt Service	-	-	50,328	-	50,328
	Total Freeways	\$ 1,026,071	\$ 5,492,444	\$ 926,924	\$ 216,668	\$ 710,256
	%					37.4%
Street and Roads Projects (32% of Net Revenues)						
O	Regional Capacity Program	\$ 238,624	\$ 1,277,328	\$ 745,599	\$ 483,192	\$ 262,407
P	Regional Traffic Signal Synchronization Program	95,445	510,909	61,400	4,957	56,443
Q	Local Fair Share Program	429,518	2,299,163	412,442	77	412,365
	Subtotal Projects	763,587	4,087,400	1,219,441	488,226	731,215
	Net (Bond Revenue)/Debt Service	-	-	55,903	-	55,903
	Total Street and Roads Projects	\$ 763,587	\$ 4,087,400	\$ 1,275,344	\$ 488,226	\$ 787,118
	%					41.4%

Measure M2
Schedule of Revenues and Expenditures Summary
as of September 30, 2019
(Unaudited)

Project	Description	Net Revenues through Sept 30, 2019	Total Net Revenues	Expenditures through Sept 30, 2019	Reimbursements through Sept 30, 2019	Net M2 Cost
(G)	(H)	(I)	(J)	(K)	(L)	(L)
<i>(\$ in thousands)</i>						
Transit Projects (25% of Net Revenues)						
R	High Frequency Metrolink Service	\$ 225,401	\$ 1,273,930	\$ 290,466	\$ 98,736	\$ 191,730
S	Transit Extensions to Metrolink	210,647	1,127,571	61,662	2,133	59,529
T	Metrolink Gateways	30,552	65,286	98,220	60,956	37,264
U	Expand Mobility Choices for Seniors and Persons with Disabilities	76,975	442,910	73,708	88	73,620
V	Community Based Transit/Circulators	47,712	255,395	9,939	883	9,056
W	Safe Transit Stops	5,266	28,189	1,105	26	1,079
	Subtotal Projects	596,553	3,193,281	535,100	162,822	372,278
	Net (Bond Revenue)/Debt Service	-	-	31,263	-	31,263
	Total Transit Projects	\$ 596,553	\$ 3,193,281	\$ 566,363	\$ 162,822	\$ 403,541
	%					21.2%

Measure M2 Program	\$ 2,386,211	\$ 12,773,125	\$ 2,768,631	\$ 867,716	\$ 1,900,915
---------------------------	---------------------	----------------------	---------------------	-------------------	---------------------

Project	Description	Revenues through Sept 30, 2019	Total Revenues	Expenditures through Sept 30, 2019	Reimbursements through Sept 30, 2019	Net M2 Cost
(G)	(H.1)	(I.1)	(J)	(K)	(L)	(L)
<i>(\$ in thousands)</i>						
Environmental Cleanup (2% of Revenues)						
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 50,998	\$ 274,526	\$ 42,248	\$ 292	\$ 41,956
	Net (Bond Revenue)/Debt Service	-	-	-	-	-
	Total Environmental Cleanup	\$ 50,998	\$ 274,526	\$ 42,248	\$ 292	\$ 41,956
	%					1.6%

Taxpayer Safeguards and Audits

Collect Sales Taxes (1.5% of Sales Taxes)	\$ 37,379	\$ 200,598	\$ 27,293	\$ -	\$ 27,293
%					1.1%
Oversight and Annual Audits (1% of Revenues)	\$ 25,499	\$ 137,263	\$ 25,750	\$ 251	\$ 25,499
%					1.0%

Measure M2
Schedule of Revenues, Expenditures and Changes in Fund Balance
as of December 31, 2019
(Unaudited)

(\$ in thousands)	Quarter Ended Dec 31, 2019	Year to Date Dec 31, 2019 (A)	Period from Inception to Dec 31, 2019 (B)
Revenues:			
Sales taxes	\$ 86,119	\$ 164,338	\$ 2,578,067
Other agencies' share of Measure M2 costs:			
Project related	27,102	52,247	720,032
Non-project related	-	-	454
Interest:			
Operating:			
Project related	458	298	1,526
Non-project related	4,084	9,668	62,024
Bond proceeds	2,523	5,152	66,639
Debt service	54	165	978
Commercial paper	-	-	393
Right-of-way leases	29	69	1,010
Proceeds on sale of assets held for resale	-	-	12,201
Donated assets held for resale			
Project related	-	-	2,071
Miscellaneous:			
Project related	-	17	287
Non-project related	-	-	100
Total revenues	<u>120,369</u>	<u>231,954</u>	<u>3,445,782</u>
Expenditures:			
Supplies and services:			
Sales tax administration fees	956	1,957	28,249
Professional services:			
Project related	7,596	9,855	391,657
Non-project related	886	1,498	28,283
Administration costs:			
Project related	2,519	5,035	78,304
Non-project related:			
Salaries and Benefits	643	1,286	26,393
Other	1,326	2,653	44,668
Other:			
Project related	78	82	5,109
Non-project related	187	237	5,152
Payments to local agencies:			
Project related	20,926	33,336	979,193
Capital outlay:			
Project related	69,916	84,150	1,110,133
Non-project related	-	-	31
Debt service:			
Principal payments on long-term debt	-	-	50,500
Interest on long-term debt and commercial paper	6	17,524	196,138
Total expenditures	105,039	157,614	2,943,811
Excess of revenues over expenditures	<u>15,330</u>	<u>74,340</u>	<u>501,972</u>
Other financing sources (uses):			
Transfers out:			
Project related	(16,837)	(22,182)	(226,861)
Transfers in:			
Project related	14,460	14,460	172,930
Bond proceeds	-	-	804,625
Payment to refunded bond escrow agent	-	-	(45,062)
Total other financing sources (uses)	<u>(2,377)</u>	<u>(7,722)</u>	<u>705,632</u>
Excess of revenues over expenditures and other sources	<u>\$ 12,953</u>	<u>\$ 66,618</u>	<u>\$ 1,207,604</u>

Measure M2
Schedule of Calculations of Net Revenues and Net Bond Revenues (Debt Service)
as of December 31, 2019
(Unaudited)

<i>(\$ in thousands)</i>	Quarter Ended Dec 31, 2019 (actual)	Year to Date Dec 31, 2019 (actual)	Period from Inception through Dec 31, 2019 (actual)	Period from January 1, 2020 through March 31, 2041 (forecast)	Total
	(C.1)	(C.1)	(D.1)	(E.1)	(F.1)
Revenues:					
Sales taxes	\$ 86,119	\$ 164,338	\$ 2,578,067	\$ 10,794,597	\$ 13,372,664
Operating interest	4,084	9,668	62,024	292,796	354,820
Subtotal	<u>90,203</u>	<u>174,006</u>	<u>2,640,091</u>	<u>11,087,393</u>	<u>13,727,484</u>
Other agencies share of M2 costs	-	-	454	-	454
Miscellaneous	-	-	100	-	100
Total revenues	<u>90,203</u>	<u>174,006</u>	<u>2,640,645</u>	<u>11,087,393</u>	<u>13,728,038</u>
Administrative expenditures:					
Sales tax administration fees	956	1,957	28,249	119,389	147,638
Professional services	886	1,498	24,508	102,326	126,834
Administration costs:					
Salaries and Benefits	643	1,286	26,393	111,544	137,937
Other	1,326	2,653	44,668	187,748	232,416
Other	187	218	2,132	8,425	10,557
Capital outlay	-	-	31	-	31
Environmental cleanup	641	1,024	42,889	215,857	258,746
Total expenditures	<u>4,639</u>	<u>8,636</u>	<u>168,870</u>	<u>745,289</u>	<u>914,159</u>
Net revenues	<u>\$ 85,564</u>	<u>\$ 165,370</u>	<u>\$ 2,471,775</u>	<u>\$ 10,342,104</u>	<u>\$ 12,813,879</u>
		(C.2)	(D.2)	(E.2)	(F.2)
Bond revenues:					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 804,625	\$ 298,950	\$ 1,103,575
Interest revenue from bond proceeds	2,523	5,152	66,639	83,659	150,298
Interest revenue from debt service funds	54	165	978	4,650	5,628
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>2,577</u>	<u>5,317</u>	<u>872,635</u>	<u>387,259</u>	<u>1,259,894</u>
Financing expenditures and uses:					
Professional services	-	-	3,775	1,046	4,821
Payment to refunded bond escrow	-	-	45,062	-	45,062
Bond debt principal	-	-	50,500	935,220	985,720
Bond debt and other interest expense	6	17,524	196,138	599,405	795,543
Commercial paper interest expense	-	-	-	-	-
Other	-	19	3,020	-	3,020
Total financing expenditures and uses	<u>6</u>	<u>17,543</u>	<u>298,495</u>	<u>1,535,671</u>	<u>1,834,166</u>
Net bond revenues (debt service)	<u>\$ 2,571</u>	<u>\$ (12,226)</u>	<u>\$ 574,140</u>	<u>\$ (1,148,412)</u>	<u>\$ (574,272)</u>

Measure M2
Schedule of Revenues and Expenditures Summary
as of December 31, 2019
(Unaudited)

Project	Description	Net Revenues through Dec 31, 2019	Total Net Revenues	Expenditures through Dec 31, 2019	Reimbursements through Dec 31, 2019	Net M2 Cost
	(G)	(H)	(I)	(J)	(K)	(L)
	(\$ in thousands)					
Freeways (43% of Net Revenues)						
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 97,426	\$ 505,061	\$ 8,025	\$ 7,101	\$ 924
B	I-5 Santa Ana/SR-55 to El Toro	62,228	322,594	9,744	6,515	3,229
C	I-5 San Diego/South of El Toro	129,971	673,772	163,318	46,759	116,559
D	I-5 Santa Ana/San Diego Interchange Upgrades	53,480	277,246	2,262	527	1,735
E	SR-22 Garden Grove Freeway Access Improvements	24,876	128,951	5	-	5
F	SR-55 Costa Mesa Freeway Improvements	75,867	393,303	30,399	14,605	15,794
G	SR-57 Orange Freeway Improvements	53,625	277,997	51,298	12,217	39,081
H	SR-91 Improvements from I-5 to SR-57	29,020	150,444	34,855	824	34,031
I	SR-91 Improvements from SR-57 to SR-55	86,335	447,570	23,413	22,005	1,408
J	SR-91 Improvements from SR-55 to County Line	73,007	378,473	6,936	5,520	1,416
K	I-405 Improvements between I-605 to SR-55	222,378	1,152,828	554,483	114,165	440,318
L	I-405 Improvements between SR-55 to I-5	66,270	343,549	9,192	6,954	2,238
M	I-605 Freeway Access Improvements	4,146	21,492	2,124	16	2,108
N	All Freeway Service Patrol	31,093	161,190	5,890	-	5,890
	Freeway Mitigation	53,143	275,498	54,048	3,233	50,815
	Subtotal Projects	1,062,865	5,509,968	955,992	240,441	715,551
	Net (Bond Revenue)/Debt Service	-	-	49,388	-	49,388
	Total Freeways	\$ 1,062,865	\$ 5,509,968	\$ 1,005,380	\$ 240,441	\$ 764,939
	%					38.8%
Street and Roads Projects (32% of Net Revenues)						
O	Regional Capacity Program	\$ 247,180	\$ 1,281,404	\$ 754,543	\$ 501,300	\$ 253,243
P	Regional Traffic Signal Synchronization Program	98,868	512,539	64,391	5,054	59,337
Q	Local Fair Share Program	444,920	2,306,498	422,953	77	422,876
	Subtotal Projects	790,968	4,100,441	1,241,887	506,431	735,456
	Net (Bond Revenue)/Debt Service	-	-	54,856	-	54,856
	Total Street and Roads Projects	\$ 790,968	\$ 4,100,441	\$ 1,296,743	\$ 506,431	\$ 790,312
	%					40.0%

Measure M2
Schedule of Revenues and Expenditures Summary
as of December 31, 2019
(Unaudited)

Project	Description	Net Revenues through Dec 31, 2019	Total Net Revenues	Expenditures through Dec 31, 2019	Reimbursements through Dec 31, 2019	Net M2 Cost
(G)		(H)	(I)	(J)	(K)	(L)
<i>(\$ in thousands)</i>						
Transit Projects (25% of Net Revenues)						
R	High Frequency Metrolink Service	\$ 233,934	\$ 1,277,994	\$ 290,728	\$ 98,743	\$ 191,985
S	Transit Extensions to Metrolink	218,200	1,131,169	74,438	2,133	72,305
T	Metrolink Gateways	30,989	65,495	98,220	60,956	37,264
U	Expand Mobility Choices for Seniors and Persons with Disabilities	79,942	444,323	75,727	88	75,639
V	Community Based Transit/Circulators	49,422	256,210	10,260	947	9,313
W	Safe Transit Stops	5,455	28,279	1,117	26	1,091
	Subtotal Projects	617,942	3,203,470	550,490	162,893	387,597
	Net (Bond Revenue)/Debt Service	-	-	30,679	-	30,679
	Total Transit Projects	\$ 617,942	\$ 3,203,470	\$ 581,169	\$ 162,893	\$ 418,276
	%					21.2%
	Measure M2 Program	\$ 2,471,775	\$ 12,813,879	\$ 2,883,292	\$ 909,765	\$ 1,973,527

Project	Description	Revenues through Dec 31, 2019	Total Revenues	Expenditures through Dec 31, 2019	Reimbursements through Dec 31, 2019	Net M2 Cost
(G)		(H.1)	(I.1)	(J)	(K)	(L)
<i>(\$ in thousands)</i>						
Environmental Cleanup (2% of Revenues)						
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 52,802	\$ 274,550	\$ 42,889	\$ 292	\$ 42,597
	Net (Bond Revenue)/Debt Service	-	-	-	-	-
	Total Environmental Cleanup	\$ 52,802	\$ 274,550	\$ 42,889	\$ 292	\$ 42,597
	%					1.6%

Taxpayer Safeguards and Audits						
	Collect Sales Taxes (1.5% of Sales Taxes)	\$ 38,671	\$ 200,590	\$ 28,249	\$ -	\$ 28,249
	%					1.1%
	Oversight and Annual Audits (1% of Revenues)	\$ 26,401	\$ 137,275	\$ 26,393	\$ -	\$ 26,393
	%					1.0%

***Presentation
Items***



November 4, 2019

To: Executive Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Measure M2 2019 Update: Next 10 Delivery Plan

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

Overview

The Measure M2 Next 10 Delivery Plan was approved on November 14, 2016, incorporating the 2016 revenue forecast with a plan for continued acceleration of the delivery of Measure M2 freeway, streets and roads, transit, and environmental projects through the year 2026. With annual updates to the Measure M2 sales tax revenue forecasts, staff reviewed the Next 10 Delivery Plan 2018 update and, once again, confirmed that it remains deliverable. The results of this effort are presented to the Board of Directors.

Recommendations

- A. Adopt the 2019 Measure M2 Next 10 Delivery Plan with updated financial assumptions.
- B. Direct staff to continue to monitor revenue and project cost impacts that could affect the delivery plan and return to the Board of Directors with changes if necessary.

Background

Expedited delivery of Measure M2 (M2) began in 2007 and has continued to date in an effort to bring transportation improvements to the public as early as possible. The 2008 Great Recession and growth in online sales and changes to consumer spending habits resulted in reductions to the M2 sales tax revenue forecast. In response, the Orange County Transportation Authority (OCTA) Board of Directors (Board) proactively revised the forecasting methodology and adjusted delivery plans to ensure the M2 plan of projects and programs is implemented as promised to the voters.

The initial strategy to overcome the drop in M2 revenues for the freeway program included reliance on external revenues rather than exclusive use of M2 revenues, as originally designed. This strategy, combined with availability of one-time state and federal grants and effective use of bonding, allowed OCTA to capitalize on competitive construction market conditions to continue expedited delivery of M2 Capital Program elements.

To date, there have been three early delivery plans. These include: an Early Action Plan adopted in 2007, an M2020 Plan adopted in 2012 (intended to go through 2020 but replaced in 2016 to address changes in M2 revenues), and the Next 10 Delivery Plan (Next 10 Plan) adopted on November 14, 2016, that spans ten years through 2026.

With the adoption of the Next 10 Plan, the Board directed staff to dedicate and set aside local revenues through the allocation of net excess 91 Express Lanes revenue for eligible projects. The two eligible projects are on State Route 91 (SR-91): Project I, between State Route 57 (SR-57) and State Route 55 (SR-55), and Project J, between SR-55 and the Riverside County line. This approach continued with the review and approval of the updated Next 10 Plan on November 13, 2017, and last year on September 10, 2018.

Staff continues to incorporate strategies to ensure the complete M2 program of projects can be delivered through tight project scope management, including refinements as appropriate, adjusting schedules, and aggressively seeking external revenue.

Discussion

On October 28, 2019, the Board received the 2019 M2 sales tax revenue forecast of \$13.4 billion. This increase from \$13.1 billion to \$13.4 billion represents a \$300 million gross increase from what was assumed in the 2018 Next 10 Plan. The increase is driven by the growing economy and the implementation of the Wayfair decision in California. The Wayfair-related legislation enabled the collection of sales tax for out-of-state transactions. As a result of the decision, increased sales tax receipts were incorporated in the short-term forecast provided by MuniServices, LLC, which increased the overall long-term forecast. This increase in the M2 sales tax forecast is the first increase in sales tax revenue projections since 2014.

In general, revenues fluctuate over time. The M2 expenditure plan includes programmatic items with specific percentages, such as 32 percent for streets and roads, which adjusts according to available revenues. However, the freeway portion defines specific projects which cannot be easily adjusted according to revenue shifts.

Next 10 Plan Cash Flow Update

For the 2019 Next 10 Plan review and update, forecasted revenues and costs through 2041 were tested. This effort was conducted to ensure the complete M2 Program could be delivered consistent with commitments provided to the voters as part of the M2 approval in November 2006. The Next 10 Plan cash flow incorporates the revised revenue forecast of \$13.4 billion, with prior commitments in programmed local, state, and federal external revenues. Revenues and expenses are merged into a cash flow model. Bond assumptions are also included to support the project delivery schedules in the freeway program. In this update, the increase in the revenue forecast and refined project costs from completing higher level engineering studies has resulted in reducing bond assumptions to only one planned issuance in 2023, thereby reducing bond interest costs compared to the 2018 plan.

While additional debt is not required to deliver the Next 10 Plan deliverables, in the event the construction market was to change, additional bonding capacity is available. OCTA's debt coverage ratios are well above the allowable amount of 1.3x. The minimum forecasted debt coverage ratio during this period is 5.6x, which provides substantial bonding capacity. This offers significant financial protection against unforeseen economic changes related to project delivery. The updated 2019 Next 10 Plan is included as Attachment A. An M2 cash flow summary chart showing a positive ending balance in all years is included as Attachment B, demonstrating that the full program (through 2041) is deliverable. Specific Next 10 Plan elements are described in the following sections.

Freeway Program

As a result of the increase in the forecasted sales tax and interest revenue, the freeway program is anticipated to receive an additional \$183.6 million in net revenue through 2041. In addition, each project in the freeway program was reviewed and cost estimates updated. With the majority of projects now either nearing completion of the environmental phase or in design, project cost estimates have a higher level of engineering and higher confidence. While some project costs increased, others decreased, which resulted in a net decrease of \$142.2 million. With sales tax revenue up and freeway project costs down, this resulted in a net positive in the freeway program of \$326.8 million. This allows for less reliance on bonding, reducing bond interest costs, and providing savings in the freeway program while at the same time continuing to expedite projects. As noted earlier, should the freeway program require additional revenue to support project expenditures, there is significant bonding capacity available. This results in a delivery plan (through 2041) that remains solvent. More detailed Next 10 Plan program assumptions for the freeway program can be found on page 103 of Attachment A.

There are two deliverables included in the Next 10 Plan related to the freeway program. Deliverable 1 includes a commitment of 12 designated projects to be prioritized and funded through construction which, in addition to the nine prior completed projects, total approximately \$3.5 billion.

Deliverable 2 includes a commitment to environmentally clear all remaining M2 freeway projects making them shelf-ready for early advancement as M2 projects become defined and as external funding becomes available. The deliverable includes \$715 million in M2 capacity to designate and advance additional projects. In total, with Deliverable 1, the Next 10 Plan commits \$4.3 billion in freeway program improvements through construction. Of the nine remaining M2 projects, six are either environmentally cleared or wrapping up environmental clearance. This 2019 Next 10 Plan update designates five of the nine remaining projects for advancement through construction. The remaining four projects have been identified as needing additional time or study prior to being advanced. See below tables for the breakdown.

Environmental Projects Advanced to Construction		Construction Complete	Cost
1. Project M	I-605 Katella Avenue Interchange	2025	\$ 28.6
2. Project G	SR-57 NB Orangewood Avenue to Katella Avenue	2026	\$67.8
3. Project B	I-5 between I-405 and Yale Avenue	2028	\$234.4
4. Project B	I-5 between Yale Avenue and SR-55	2028	\$204.3
5. Project F	SR-55 between I-5 and SR-91	2028	\$122.4
		Deliverable 2 Total	\$657.5

I-605 - Interstate 605 / SR-57 – State Route 57 / NB – Northbound / I-5 – Interstate 5 / I-405 – Interstate 405 / SR-55 – State Route 55

The remaining four projects (projects 6 through 9 below) listed below have specific reasons related to the application of the Guiding Principles that require additional time prior to advancement. An explanation is provided in Attachment C.

Environmental		Cleared/ Shelf-Ready	Cost
6. Project L	I-405 between I-5 and SR-55	2018	\$238.8
7. Project D	I-5 El Toro Road Interchange	2020	\$112.3 ¹
8. Project G	SR-57 NB Lambert Road to County Line	2026	\$167.5 ¹
9. Project J	SR-91 between SR-241 and I-15	2026	\$292.5 ¹
		Remaining M2 Freeway Projects Total	\$811.1 ²

SR-241 - State Route 241 / I-15 – Interstate 15

¹ These cost estimates are preliminary and will be updated once the project alternative is selected at the completion of environmental clearance.

² The total will be revised once the three remaining projects (Project D, G, and J) complete environmental clearance and have a selected project alternative.

Included in the freeway program is the Environmental Mitigation Program. The Next 10 Plan includes a deliverable to ensure the ongoing preservation of purchased open space to address the environmental impacts of freeway projects and streamline project approvals.

Streets and Roads Program

The M2 expenditure plan includes programmatic items which adjust according to available revenues and are cash flowed on a pay-as-you-go basis. The funding assumptions in the streets and roads mode assume \$4.8 billion in total revenue, with costs for the same period totaling \$4.8 billion. The Streets and Roads Program relies on the total receipt of \$600 million in external revenues (state, federal, and local), primarily for the OC Bridges grade separation projects. More detailed Next 10 Plan program assumptions can be found on page 106 of Attachment A.

The Next 10 Plan includes a commitment to allocate up to \$1 billion, with up to \$400 million in competitive funding and \$600 million in flexible funding to local jurisdictions for streets and roads improvements. This deliverable also included the completion of all seven grade separation projects as part of the OC Bridges program which was completed in 2018. The cash flow assumes up to \$40 million in annual calls for road improvement projects and for synchronization of signals.

Transit Program

The M2 expenditure plan includes programmatic items which adjust (except for Project U's Fare Stabilization Program) according to available revenues. Despite not adjusting to available revenues due to changes in ridership and an early amendment providing additional funding, the fare stabilization program remains solvent. The remaining transit mode programs are cash flowed on a pay-as-you-go basis. The transit program assumes \$3.8 billion in total revenue, with costs for the same period totaling \$3.8 billion. Funding for the transit mode assumes the total receipt of \$527.2 million in local, state, and federal revenues. This number is inclusive of \$148.96 million in Federal New Starts and \$25.52 million in State Cap-and-Trade revenues to partially fund the OC Streetcar project. More detailed Next 10 Plan program assumptions can be found on page 106 of Attachment A.

The Next 10 Plan is slated to provide up to \$1 billion in five deliverables for transit improvements, including support for Metrolink service expansion, implementation of the OC Streetcar, expanded mobility for seniors and persons with disabilities, funding for community circulators, and enhanced passenger amenities for Orange County's busiest bus stops.

Environmental Cleanup Program

The increase in forecasted revenue, provides an additional \$6.5 million for the Environmental Clean Up Program (ECP), which assumes \$268 million in total revenue, with costs for the same period totaling \$267 million. The ECP is programmatic, which adjusts to available revenues and is cash flowed on a pay-as-you-go basis. More detailed Next 10 Plan program assumptions can be found on page 106 of Attachment A. The Next 10 Plan commits to \$40 million in environmental cleanup projects intended to prevent the flow of trash and debris into waterways.

With careful management of the projects and use of financial resources, the full scope of the M2 Program is on track to be delivered as promised.

Key Financial Risks and Actions to Protect M2 Delivery

The Next 10 Plan deliverables for projects and programs are not without risks. While the M2 Program continues to demonstrate financial stability and the ability to deliver the complete M2 plan of projects and programs, OCTA remains cognizant of risks. These include financial, construction market, resource, and regulatory risks. A table of risks is included on pages 6 through 7 of Attachment A, with two of the key risks highlighted below.

- Sales Tax Revenues – OCTA has been challenged with actuals not aligning with revenue forecasts and annual forecast updates coming in lower year over year. However, this year's forecast by university economists and tax experts resulted in a higher forecast than the previous year. Although this is very positive, there are no assurances and, hence, the revenue outlook continues to be a risk item to watch.
- Potential for Cost Increases Impacting Freeway Delivery – Last year's Cost Pressure Index, reported by OCTA's contracted market forecast consultants, identified a potential that OCTA could experience a cost increase of between six to 11 percent during the 2018 through 2020 time period of construction activity. The most recent update suggests a tempering and reflects a two to six percent potential increase looking forward between 2020 and 2022. Other influences, such as tariffs which are not quantifiable, can change the outcomes.

In order to mitigate cost pressures, OCTA's Project Controls Department monitors and adjusts project cost escalation assumptions according to market trends. The Project Controls Department's cost estimating process uses historical information, as well as current trends in the market, and follows a consistent and defined process. Looking back at the last 20 years, OCTA's cost estimates have

included a three percent escalation which, on average during this timeframe, provided the appropriate escalation to deliver projects successfully. For this Next 10 Plan update, M2 project costs incorporate a 3.5 percent escalation factor for construction, as well as reasonable contingency based on project type and complexity to protect against construction market pressures.

Updated revenue assumptions and commitments, along with revised bonding assumptions, result in a delivery plan that remains solvent. A balanced plan not only allows OCTA to secure favorable bond ratings when financing, but also allows OCTA to weather reasonable changes to cost or revenues. With a solvent cash flow, the prior Next 10 Plan deliverables remain as adopted and include the designation of five additional freeway projects for advancement through construction. The updated deliverables are included along with a progress report as Attachment D.

Summary

In response to the latest revenue forecast, staff reviewed the Next 10 Plan and updated the revenues, bonding assumptions, project costs, and schedules into the M2 cash flow. The result of the review and update demonstrates a delivery plan that remains solvent. The 2019 updated Next 10 Plan is presented for Board review and approval.

Attachments

- A. Measure M2 Role, Sustainable Communities Strategy
- B. 2019 Update, Next 10 Delivery Plan, 2017-2026, Draft
- C. 2019 Updated Next 10 Delivery Plan, M2 Program Cash Balance
- D. 2019 Updated Next 10 Delivery Plan, Remaining Measure M2 Freeway Projects
- E. 2019 Updated Next 10 Delivery Plan, Progress Report on Deliverables

Prepared by:



Tamara Warren
Manager, Program Management Office
(714) 560-5590

Approved by:



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

**Measure M2 Role
Sustainable Communities Strategy**

Measure M2 (M2) is a balanced plan that not only delivers capital improvements but supports and enhances the ability of the Orange County Transportation Authority to meet the regional Sustainable Communities Strategy in Orange County. M2 projects and programs are part of a larger suite of transportation improvements included in the 30-year M2 Plan. More than 50 percent of M2 funds are intended to fulfill transit, system optimization, enhanced environmental elements, and infrastructure preservation goals. In addition, the funding eligibility criteria encourages local agencies to consider accommodations for transit and non-motorized transportation.

The M2 Program was publicly reviewed through a Program Environmental Impact Report prior to voters approving the ballot measure in November 2006. Since 2008, the M2 Program has been included in the regional transportation plans, Sustainable Communities Strategies, and the associated program environmental impact reports prepared by the Southern California Association of Governments .

In addition to funding freeway improvements, the M2 Program dedicates funding for many transit and local street improvement projects. These include improvements, such as:

- New transit connections between major Orange County activity areas that reduce the need for short automobile trips;
- Enhanced convenience and reliability for bus services and Metrolink commuter rail to encourage transit as a dependable commute option;
- Local funding for development of multimodal corridors and roadway preservation that improves the quality of mobility for all users; and,
- Signal synchronization on 750 miles of roadways throughout Orange County to reduce congestion and tailpipe emissions.

The Freeway Environmental Mitigation Program has preserved 1,300 acres of wild lands that will be converted to the Preserves to enhance connectivity and wildlife movement between existing conservation areas - such as the Cleveland National Forest, the Chino Hills State Park, and the Irvine Ranch Conservancy lands - and to coastal areas. Furthermore, the program also provides critical habitat for endangered or listed species. Additionally, since M2 inception the Environmental Cleanup Program has funded nearly 200 projects, totaling over \$51.8 million to treat storm water runoff, and help keep waterways and beaches clean in Orange County. The aforementioned transit, local streets, and environmental programs collectively contribute to and enhance the quality of life, as well as provide a sustainable future, and an efficient transportation system that benefits the region.

Measure M2 Role Sustainable Communities Strategy

Brief summaries of the specific programs are listed below.

- ✓ Projects A through N – Freeway improvements and Freeway Service Patrol to provide emission reductions through congestion relief.
- ✓ Project O and Project P – Signal synchronization and street improvements that provide emission reductions through congestion relief and allow for bike and pedestrian project elements as appropriate.
- ✓ Project Q – Local funding for city-selected transportation projects that provides for preservation of the streets and roads system and flexibility to accommodate bike, pedestrian, water quality, and transit enhancements as eligible expenditures.
- ✓ Project R – Expanded Metrolink train capacity including improvements to stations and parking to improve transit reliability and convenience and reduce reliance on highways while also supporting potential transit-oriented development.
- ✓ Project S – Transit extensions to improve access between Metrolink stations and residential/employment centers, and provide an alternative to driving.
- ✓ Project T – Station improvements to connect to planned future high-speed rail services.
- ✓ Project U – Sustain mobility choices for seniors and persons with disabilities and provides an alternative to driving.
- ✓ Project V – Community-based circulators to complement regional transit services with local communities and provides an alternative to driving.
- ✓ Project W – Transit stop improvements to support transfers between major bus lines, and support the implementation of mobile ticketing to ensure ease of fare purchase and convenience for bus passengers.
- ✓ Project X – Water quality improvement programs/projects to meet federal Clean Water Act standards for urban runoff, and augment required mitigations.
- ✓ Freeway Mitigation Program – Natural resource protection strategy to provide for more comprehensive mitigation of environmental impacts from M2 freeway improvements.



January 6, 2020

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Interstate 405 Improvement Project Update

Overview

The Orange County Transportation Authority is currently underway with the implementation of the Interstate 405 Improvement Project. This report provides a project update.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation, and the cities of Costa Mesa, Fountain Valley, Huntington Beach, Seal Beach, and Westminster, is implementing the Interstate 405 (I-405) Improvement Project between State Route 73 (SR-73) and Interstate 605 (I-605) (Project). The Project will add one general purpose lane from Euclid Street to I-605, consistent with Measure M2 Project K, and will add an additional lane in each direction that will combine with the existing high-occupancy vehicle lane to provide dual express lanes in each direction of I-405 from SR-73 to I-605, otherwise known as the 405 Express Lanes.

On November 14, 2016, the OCTA Board of Directors (Board) awarded the design-build (DB) contract to OC 405 Partners (OC405), a joint venture. OCTA executed the DB contract with OC405 and issued Notice to Proceed (NTP) No. 1 on January 31, 2017. NTP No. 1 was a limited NTP for mobilization, design, and administrative activities. On July 26, 2017, the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan agreement was executed between OCTA and the United States Department of Transportation (USDOT). On July 27, 2017, OCTA issued NTP No. 2 to OC405. NTP No. 2 was a full NTP for all activities, including construction.

Discussion

A number of activities are ongoing as the final design, right-of-way (ROW) acquisition, utility relocations, and construction activities continue to advance. The following provides a more detailed status of Project activities.

Financing and TIFIA Loan

On July 26, 2017, OCTA executed a TIFIA loan agreement with the USDOT for up to \$628.93 million. Pursuant to the terms identified in the loan agreement, OCTA staff submits periodic reimbursement requisitions to the USDOT Build America Bureau and Federal Highway Administration. OCTA has received two TIFIA loan disbursements to date and anticipates receiving the third disbursement in September 2020.

Tolling Contracts

On February 26, 2018, the Board selected Kapsch TrafficCom USA, Inc., (Kapsch) to provide toll lanes system integration services for design, installation, operation, and maintenance of the electronic toll and traffic management system on both the 405 and 91 Express Lanes. Kapsch is currently under contract and is working closely with the design-builder to deliver fully functional express lanes upon opening in 2023.

Staff has initiated the development of a request for proposals for the back office support and customer service center contract for the 405 Express Lanes, and plans to seek Board approval for its release in the spring of 2020.

Design

The final design is approximately 95 percent complete overall. The roadway and bridge design is substantially complete at this time. The design of retaining walls, which is the last component of the Project design, is anticipated to be complete in the summer of 2020.

ROW Acquisition

Construction of the Project impacts 288 properties, including 179 residential properties, 71 commercial/industrial properties, 37 public properties, and one railroad property. There are 287 properties identified as partial acquisitions and one property identified as a full acquisition at the owner's request. The real property requirements for the partial acquisitions are comprised of a combination of fee acquisitions, permanent easements, temporary construction

easements (TCE), permanent and temporary ground lease reductions, and access control rights needed to construct the proposed highway and express lane improvements for the Project. The full-fee acquisition, partial-fee acquisitions, permanent easements, and TCEs are required for roadway and bridge construction, soundwalls and retaining walls, drainage systems, and for the installation of above-ground and underground facilities, including electrical, telecommunication, water, sewer, gas, and storm drain systems.

The ROW acquisition program is currently on schedule. Of the 288 total parcels impacted, the following summarizes the status of the ROW acquisition:

- 288 offers presented,
- 281 parcels in OCTA's possession for construction,
- 60 resolutions of necessity (RONs) approved.

No additional RONs are anticipated at this time.

Utility Relocations

There are currently 107 utilities that require relocation to accommodate the Project. OCTA is coordinating with 22 impacted utility companies to identify and resolve conflicts and relocation issues. To date, OCTA has executed utility agreements for 75 percent of the utilities requiring relocation, and is in the process of finalizing the remaining utility agreements. There are several utility relocation risks, including Frontier Communication, Southern California Gas, Chevron oil lines, and Southern California Edison facilities for which staff continues to develop and implement mitigation plans, as utilities are a shared risk between OCTA and OC405.

Construction

OC405 began construction on March 6, 2018. Initial construction activities included restriping portions of the freeway and setting up concrete barriers on the outside of the freeway to protect work areas for activities such as tree removals and grading. These initial construction activities are complete. Clearing and grubbing, including tree and ground cover removal, and rough grading activities have advanced in the last quarter.

Significant roadway construction activities, including installation of drainage systems, retaining and soundwalls, and paving operations began in earnest in 2019 and will continue through 2020. Construction at Oceanview Channel and East Valley Channel, two major drainage facilities that cross under the freeway is well underway. Additionally, over 40 walls are under construction at this time as well.

After the opening of the Slater Avenue overcrossing bridge in late August 2019, demolition and construction activities commenced on the Talbert Avenue and Bushard Street overcrossing bridges. The Talbert Avenue and Bushard Street overcrossing bridges are anticipated to be open to traffic in early 2021. Construction on the McFadden Avenue overcrossing bridge also continues, and the bridge is anticipated to be open to traffic in late summer of 2020. Talbert Avenue, Bushard Street, and McFadden Avenue are all one-stage bridges, which means the bridges are closed to traffic on both sides of I-405 during demolition and reconstruction.

Also in late 2019, the widening of three existing freeway bridges began over Beach Boulevard, Bolsa Chica Road overhead railroad crossing, and an old Navy railroad crossing.

Significant bridge construction also continued at Fairview Road, Magnolia Street, Goldenwest Street, Westminster Boulevard, and Bolsa Chica Road overcrossings. These are two-stage bridges, which means traffic will be maintained on the remaining portion of the bridge while the first half of the new bridge is constructed. The opening of the first half of the new bridges at all of these locations is anticipated in 2020.

Construction continues to progress on the Santa Ana River bridge and the Harbor Boulevard undercrossing bridge. Construction at Santa Ana River and Harbor Boulevard consists of widening the existing freeway bridge over both of those facilities.

Looking ahead, the remainder of 2020 will remain busy related to bridge, wall, and pavement construction.

Project Challenges

As would be expected on a project of this magnitude, certain challenges have been encountered, including the following:

- Oversight and approvals from many different agencies and third parties
- Cost and availability of construction resources in this active construction market
- Dispute resolution and change management
- Minimizing impacts and disruptions to the public
- Project schedule impacts and mitigations

OCTA has worked closely with its partners and OC405 to mitigate schedule delays when identified. Schedule mitigations implemented to date include building the Slater Avenue and Edwards Street overcrossing bridges in

one stage instead of two stages, improvements to the construction staging at Oceanview Channel, and the long-term closure of one of the two off-ramps from northbound I-405 to Westminster Boulevard. More recent schedule mitigations that have been incorporated include longer ramp closure durations and extended nightly lane closure durations in order to increase the productivity of the contractor. The objectives of the schedule mitigations are to maintain the original Project completion date while balancing the minimization of traffic impacts.

Additionally, in September 2019, there was a discovery of archeological resources within the Project site. OCTA is following established state procedures for this type of discovery and is working with the appropriate parties to ensure appropriate and respectful procedures are followed. This discovery has impacted construction at a specific location; however, mitigations are being explored to minimize the impacts to the overall Project schedule.

Project Cost/Contingency

The overall Project cost remains \$1.9 billion, and the Project contingencies have been approximately 31 percent expended to date. This is in line with the percent complete for the Project from both a time and earned value standpoint.

Public Outreach

In the next 12 months, the Outreach team anticipates conducting more than a dozen neighborhood meetings to prepare the community for major activities throughout the Project corridor. These Saturday morning meetings have been a highly effective method of communicating about construction while sharing the benefits of the Project with residents and business owners.

With work ongoing or expected to begin on more than 50 retaining walls and soundwalls, the Outreach team will also continue to coordinate with affected residents with backyard walls being rebuilt as part of the Project. This coordination, frequently conducted in multiple languages, requires face-to-face communication with hundreds of residents to ensure safety during the initial stages of work, and ongoing communication for construction updates. In addition, the team expects to facilitate several hundred pre- and post-construction surveys of properties adjacent to these walls, as well as properties near bridges.

Completion of the first phase of several bridges is projected to be in 2020, and the Outreach team anticipates coordinating events to mark some of these milestones. The events are an opportunity to thank the community for its continued patience with the Project and to highlight OCTA's partnerships with the corridor cities and the California Department of Transportation.

Multiple briefings with key stakeholders are planned, as well as participation in more than a dozen community events throughout the Project corridor. The Outreach team will also be engaging with diverse communities, in part by tailoring collateral to reflect cultural relevance, hosting exclusive insider tours for key stakeholders and social media influencers in ethnic communities, and meeting with faith leaders throughout the Project area.

Meanwhile, the Outreach team will continue to respond to constituents' comments and questions, which average about 140 per month, and utilize cost-effective methods to get the word out about Project activities, closures, and detours. In 2019, on average each month, that meant canvassing approximately 16,000 flyers in English, Vietnamese, and Spanish; reaching more than 150,000 people on social media; and emailing about ten construction updates to 10,600 recipients. OCTA also continues to direct motorists to the Project's interactive map of closures and detours that is integrated with Waze, and to the Project mobile app, which has seen a surge in users.

Next Steps

Staff will continue to work closely with the design-builder to complete the design and continue construction. This involves completing the wall design, obtaining permits, utility relocation coordination, and coordinating construction activities. Additionally, the ROW acquisition program will continue as planned.

Summary

Final design and construction continue to advance. Currently, final design, ROW acquisition, public outreach, and other activities are in process to continue the construction phase of the Project.

Attachment

None.

Prepared by:



Jeff Mills, P.E.
Program Manager
(714) 560-5925

Approved by:



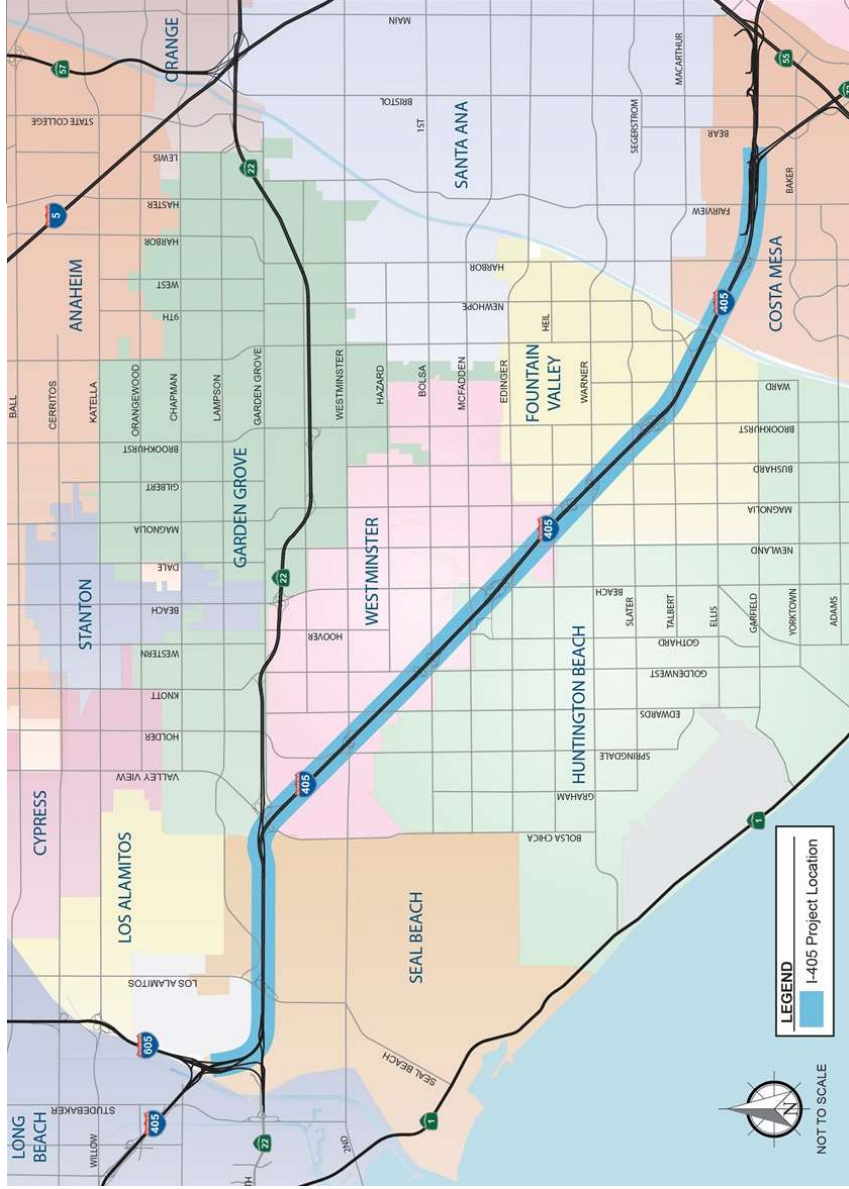
James G. Beil, P.E.
Executive Director, Capital Programs
(714) 560-5646



Interstate 405 Improvement Project Update



Project Location and Key Features



Background



Milestone	Completion Date
Environmental clearance	May 2015
Orange County Transportation Authority Board of Directors (Board) awards design-build contract to OC 405 Partners	November 2016
Notice to Proceed (NTP) No. 1 issued	January 2017
TIFIA* loan executed	July 2017
NTP No. 2 issued	July 2017
Construction began	March 2018

* Transportation Infrastructure Finance and Innovation Act

Project Update



Design

- Project design approximately 95 percent complete
- Roadway and bridge design complete
- Wall design to be complete in 2020

Right-of-Way

- 288 parcels impacted – on schedule overall
- 288 offers presented
- 281 parcels in possession (98 percent of total parcels needed)
- 60 resolutions of necessity adopted by the Board

Construction

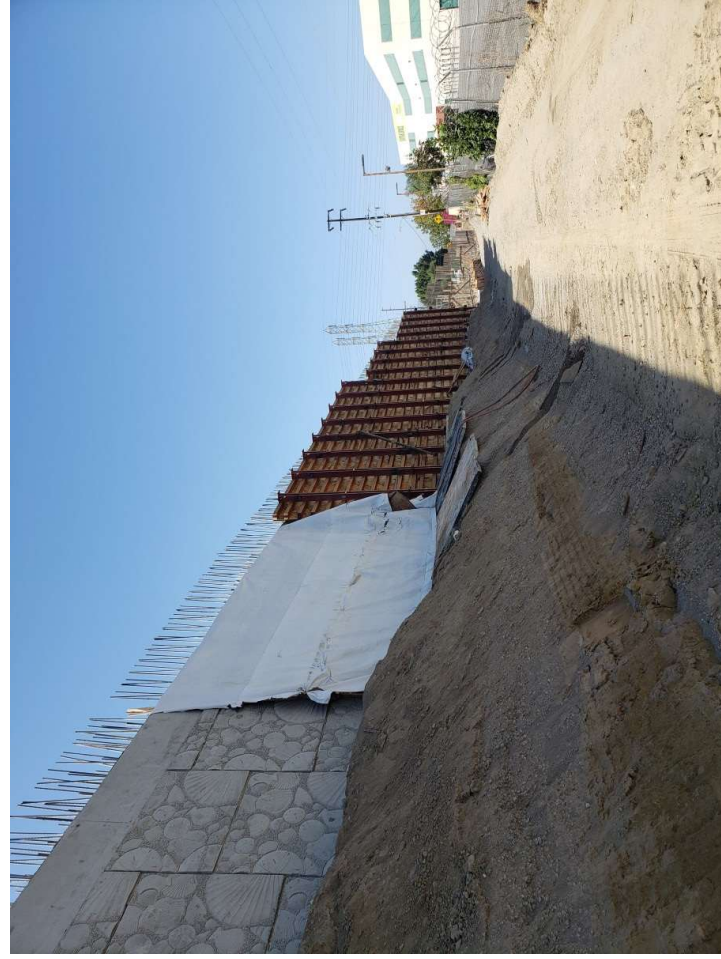
- Construction approximately 25 percent complete
- Design-builder has approximately 700 workers involved in Project

Construction Update



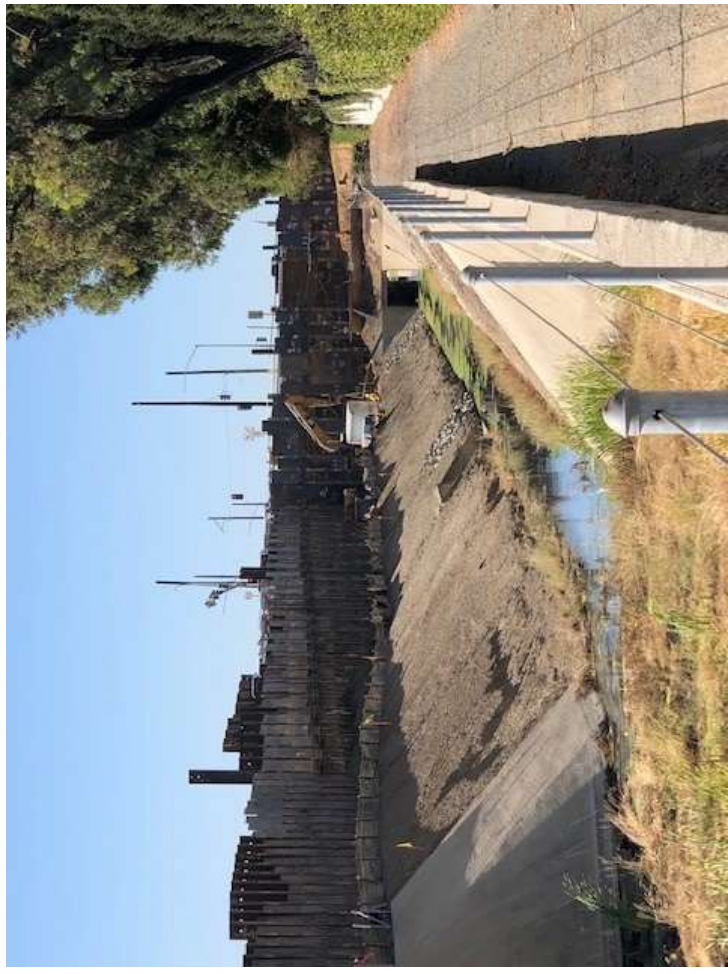
Concrete paving operations

Construction Update



Retaining wall and soundwall construction

Construction Update



Fairview Road bridge and ramp construction

Construction Update



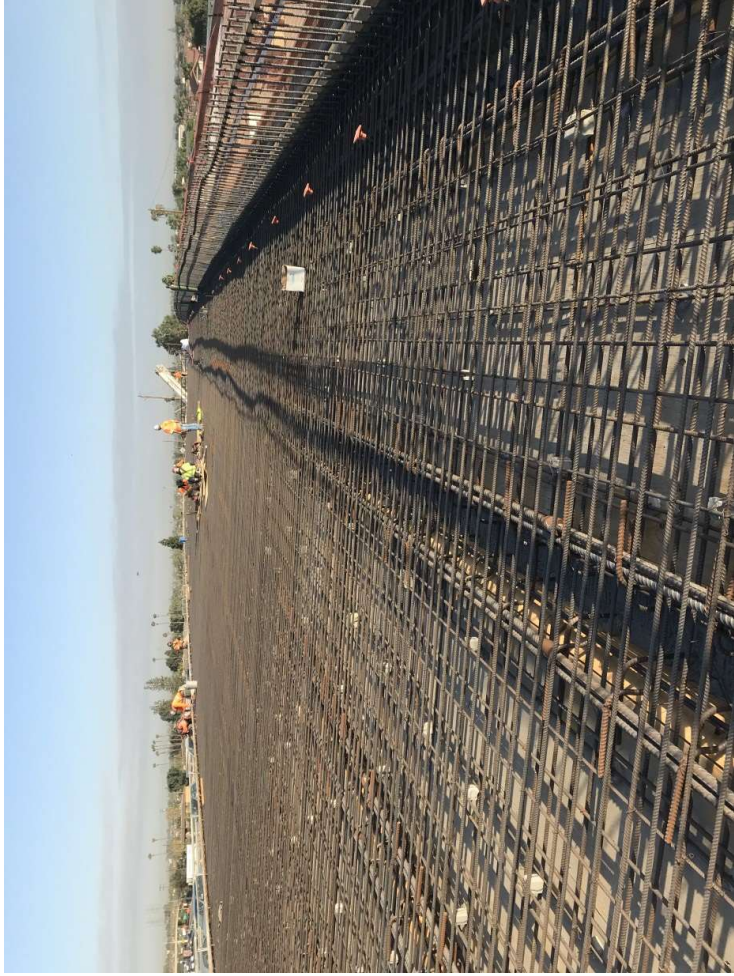
Santa Ana River bridge construction

Construction Update



Bushard Street bridge demolition and construction

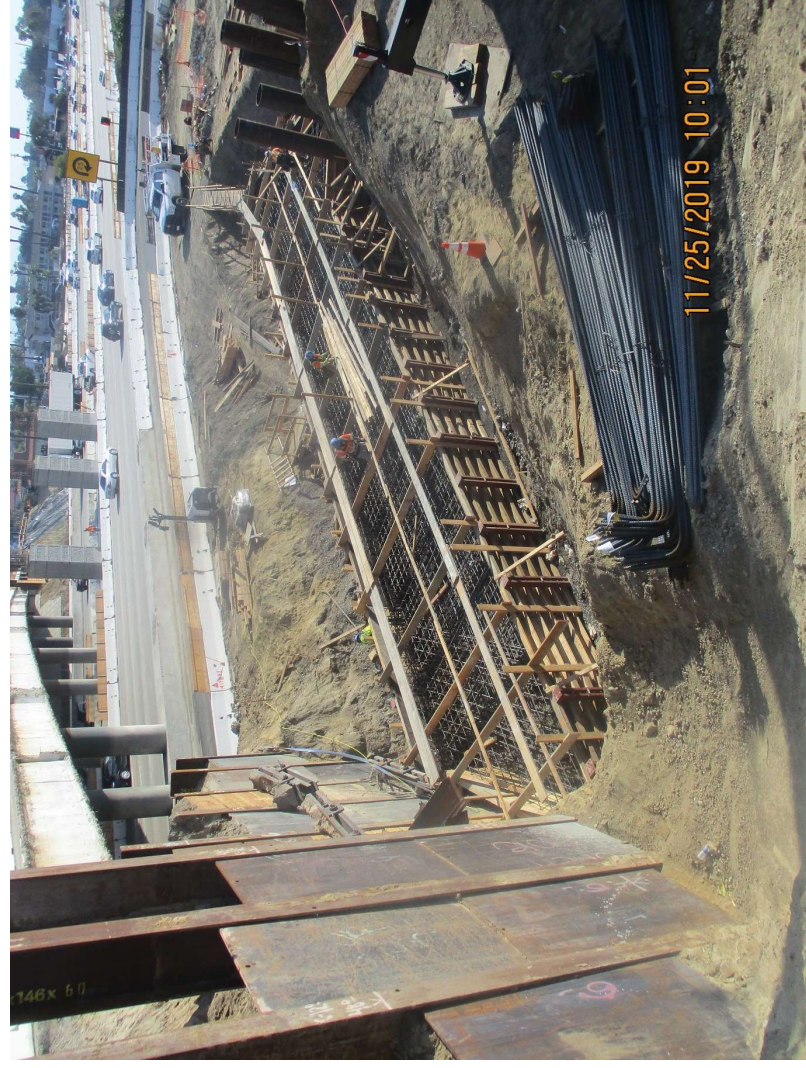
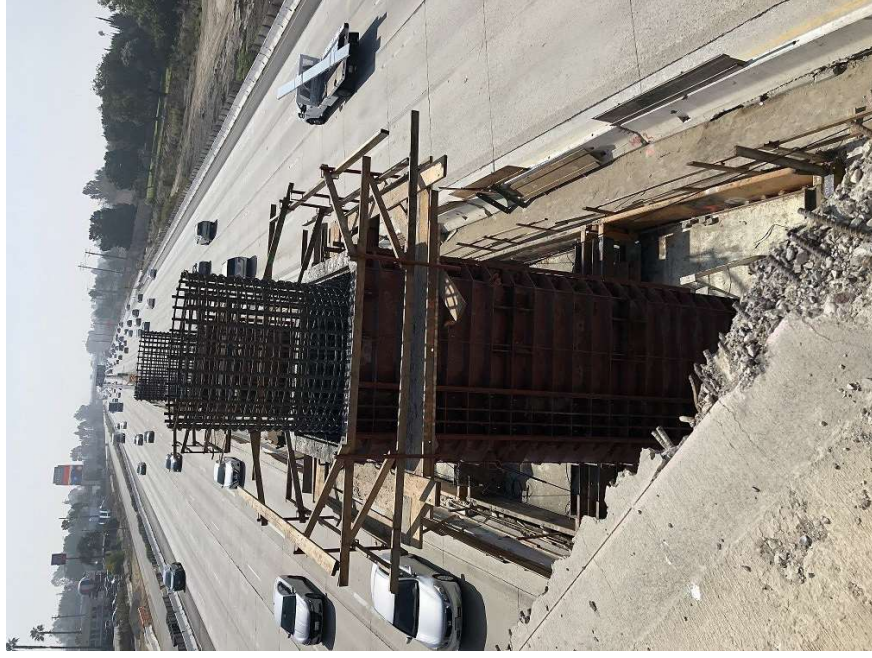
Construction Update



Nov 1, 2019 at 4:25:33 AM
Magnolia St
Huntington Beach CA 92708
United States

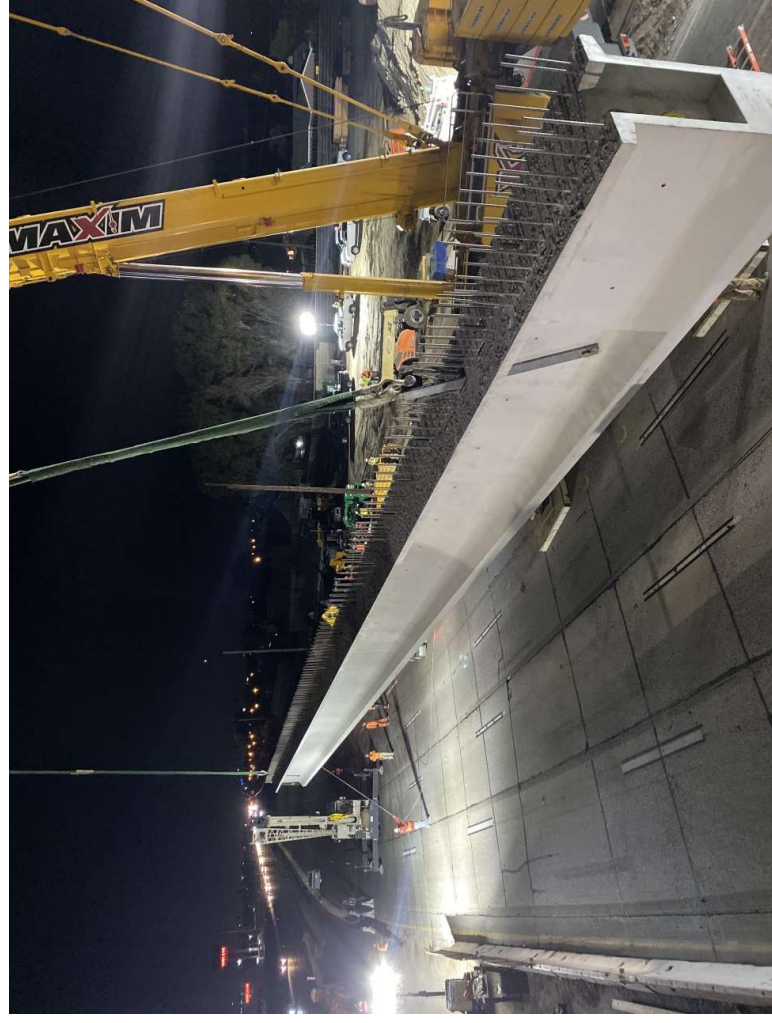
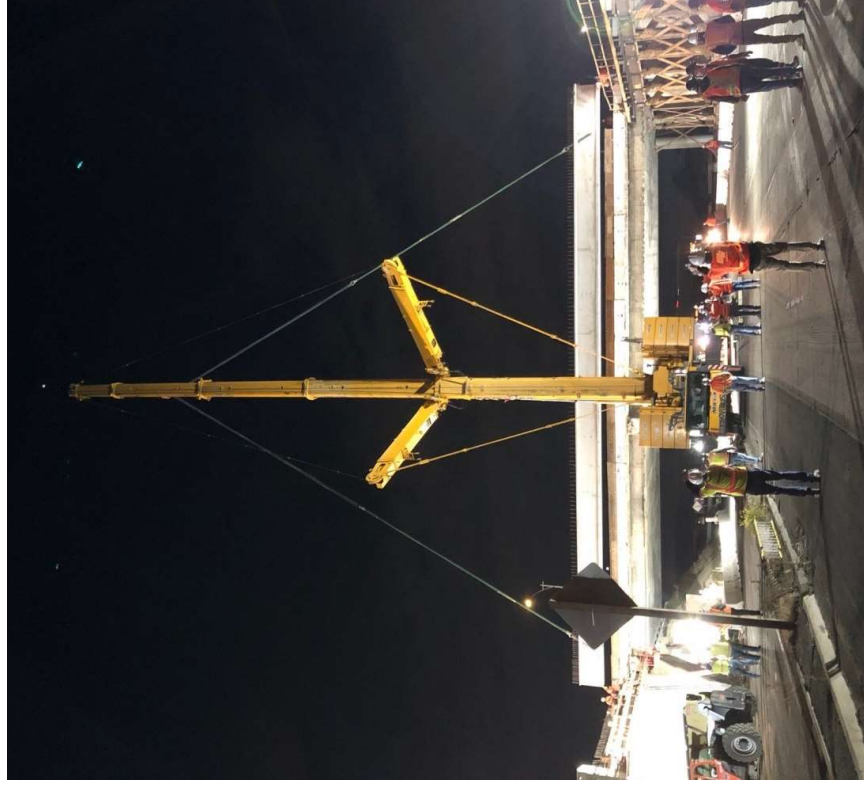
Magnolia Street bridge construction

Construction Update



Westminster Boulevard bridge construction

Construction Update



Bolsa Chica Road bridge construction

Look Ahead for Bridge Construction



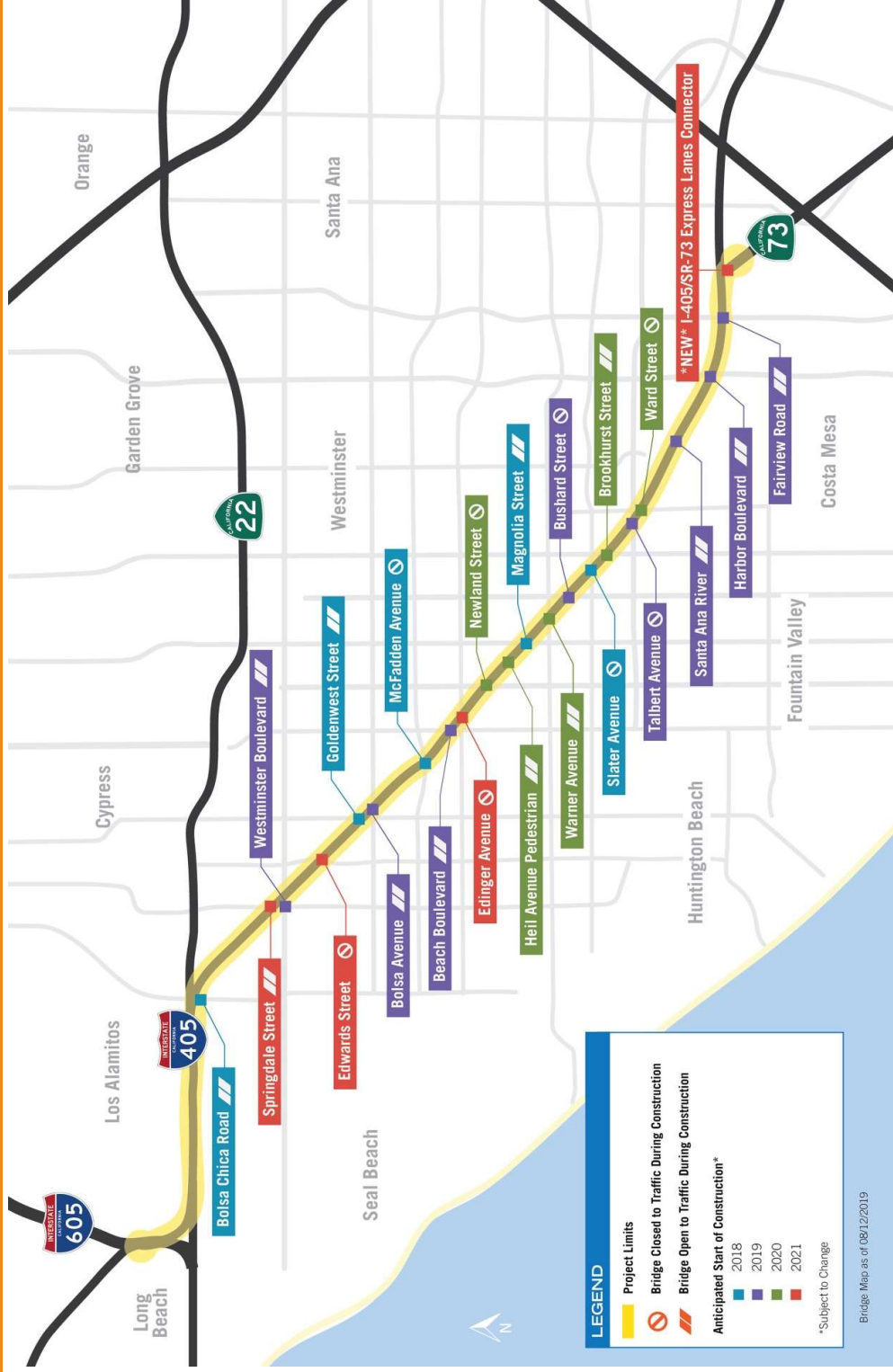
**January – June
2020**

- Bolsa Chica Road bridge (first half) opens to traffic
- Magnolia Street bridge (first half) opens to traffic

**July – December
2020**

- McFadden Avenue bridge fully opens to traffic
- Start Heil Avenue pedestrian overcrossing
- Westminster Boulevard bridge (first half) opens to traffic
- Goldenwest Street bridge (first half) opens to traffic
- Fairview Road bridge (first half) opens to traffic
- Freeway bridge widening over Harbor Boulevard complete

Bridge Construction Map



Project Challenges



- Oversight and approvals from many different agencies and third parties
- Cost and availability of construction resources in this active construction market
- Change management
- Minimizing impacts and disruptions to the public
- Schedule impacts and mitigations

Schedule Mitigations Implemented



Previously Implemented		Recently Implemented
Slater Avenue bridge from two-stage to one-stage construction	Edwards Street bridge from two-stage to one-stage construction	Longer ramp closure durations
Improvements to staging of Oceanview Channel construction	Long-term closure of one of two northbound off-ramps to Westminster Boulevard	Extended and/or multiple night closures

- Mitigations for archeological discovery within Project site being explored
- Mitigations intended to maintain Project completion date
- To be balanced with minimizing traffic impacts

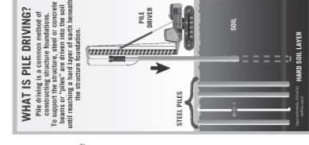
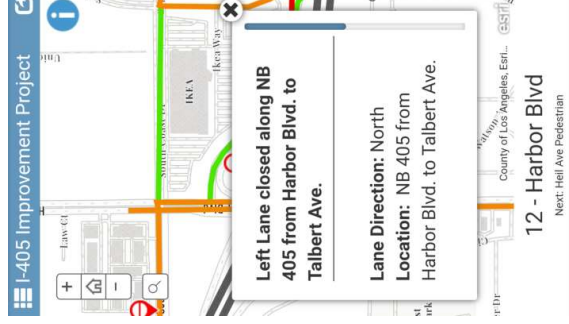
Community Engagement



Category	Average per month
Public comments and questions	140 constituents
Flyers	16,000 addresses
Social media reach	150,000 users
Construction emails	8 (10,600 recipients)
Interactive map	1,965 users
Mobile app	1,636 users
Website closures list	504 downloads

Upcoming Outreach

- Phase 2 bridge neighborhood meetings
 - Bolsa Chica Road
 - Magnolia Street
- Milestone events
 - Bolsa Chica Road bridge
 - McFadden Avenue bridge
- City council updates
- Key stakeholder briefings
- Exclusive insider tours
- Culturally relevant outreach
- Community event participation



WHAT IS PILE DRIVING?
Pile driving is a construction activity used to install a sound wall. It involves driving a pile into the ground using a pile driver. The pile is a long, narrow, cylindrical structure that is driven into the ground to form the foundation for a sound wall.

WHAT IS PILE DRIVING?
Pile driving is a construction activity used to install a sound wall. It involves driving a pile into the ground using a pile driver. The pile is a long, narrow, cylindrical structure that is driven into the ground to form the foundation for a sound wall.

WHAT IS PILE DRIVING?
Pile driving is a construction activity used to install a sound wall. It involves driving a pile into the ground using a pile driver. The pile is a long, narrow, cylindrical structure that is driven into the ground to form the foundation for a sound wall.

WHEN
Pile driving for the foundation of a new sound wall along SR-1405. Approximately 300 piles will be installed.

WHERE
Along SR-1405, between Talbert and Ward, adjacent to the Tiburon community.

WHEN
Beginning as early as Monday, Oct. 14, 7 a.m. to 6 p.m. Construction activities will occur during the day. Crews may also conduct pile installation activities at night.

WHY
Noise and fumes are subject to change due to unforeseen operational factors or inclement weather.

WHY
To construct the foundation of the new sound wall.

Please be advised that this work may be loud.

ION / THÔNG BÁO XÂY CÁT
pilotes para la barrera de sonido
Cọc cho Bức Tường Âm Thanh

La nueva barrera de sonido a lo largo de la Autopista I-405...
Kể từ hôm nay, 14 de octubre, se comenzará a construir las pilotes para la barrera de sonido...
Los cambios de hora y de condiciones operativas...
Por favor, estar preparados para ruidos...
Por favor, estar preparados para ruidos...
Por favor, estar preparados para ruidos...

FOR MORE INFORMATION

- 1. CONTACT THE: 405 AREA
- 2. CONTACT THE: 405 AREA
- 3. CONTACT THE: 405 AREA
- 4. CONTACT THE: 405 AREA
- 5. CONTACT THE: 405 AREA
- 6. CONTACT THE: 405 AREA
- 7. CONTACT THE: 405 AREA
- 8. CONTACT THE: 405 AREA
- 9. CONTACT THE: 405 AREA
- 10. CONTACT THE: 405 AREA

THỜI GIAN
Bắt đầu sớm nhất là vào thứ Hai, ngày 14 tháng 10, từ 7 giờ sáng đến 6 giờ chiều vào các ngày trong tuần trong khoảng hai tiếng. Dự định xây dựng cũng có thể diễn ra vào các ngày lễ và ngày cuối tuần.

ĐỊA ĐIỂM
Dọc theo trục hướng cầu bắc trong khu vực...
Xin thông báo công nhân viên của dự án xây dựng âm thanh.



Staff Update
Items



January 6, 2020

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

A handwritten signature in black ink, appearing to read "Darrell E. Johnson for", is written over a light-colored rectangular background.

Subject: Measure M2 Performance Assessment Report Update

Overview

Measure M2 includes a requirement for a performance assessment to be conducted every three years to evaluate the efficiency, effectiveness, economy, and program results of the Orange County Transportation Authority in delivering Measure M2. The fourth of these performance assessments, covering the period of July 1, 2015 through June 30, 2018, was completed and presented to the Board of Directors on March 11, 2019. This report is the final update on the action items from the recommendations for enhancements identified in the performance assessment.

Recommendation

Receive and file as an information item.

Background

On November 7, 2006, the voters of Orange County approved the Measure M2 (M2) Transportation Investment Plan (Plan) with a 69.7 percent vote. The Plan provides a revenue stream, from April 1, 2011 through March 31, 2041, to fund a broad range of transportation improvements. The M2 Ordinance specifies specific safeguards and requirements that are to be followed.

Ordinance No. 3 states: "A performance assessment shall be conducted at least once every three years to evaluate the efficiency, effectiveness, economy, and program results of the Authority in satisfying the provisions and requirements of the investment summary of the Plan, the Plan, and the ordinance."

The fourth triennial performance assessment, covering the time period of July 1, 2015 through June 30, 2018, was presented to the Orange County Transportation Authority (OCTA) Board of Directors (Board) on March 11, 2019, as well as to the Taxpayers Oversight Committee (TOC) on April 9, 2019.

The performance assessment included eight recommendations for enhancements, and staff provided the Board with an action plan in response to the recommendations, with a commitment to report implementation progress to the Board in the M2 quarterly reports.

Discussion

The key objectives of the fourth assessment were as follows: to evaluate the status of findings from the prior M2 performance assessment and the effectiveness of changes implemented, assess the performance of OCTA on the efficient delivery of M2 projects and programs, and identify and evaluate any potential barriers to success, including opportunities for process improvements. In addition to reviewing the prior assessment findings and OCTA-related actions, five main areas of focus were identified for the assessment:

- Project delivery
- Program management/responsiveness
- Compliance
- Fiscal responsibility
- Transparency and accountability

Overall, the fiscal year (FY) 2015-16 through FY 2017-18 assessment commended OCTA's commitment to the effective and efficient management and delivery of the M2 Program. In general, the assessment report found that OCTA is either where it should be or has accomplished more than what would be assumed in the seven-year period across all M2 program areas.

As part of the report, there were eight recommendations for enhancements related to the execution of the elements outlined in the scope of work. There were no major recommendations that suggested there should be a change in the direction of OCTA's actions.

Below are the key areas the recommendations focused on, along with a summary of the action that staff has implemented.

- To continue to increase awareness of M2, staff has restructured the M website to highlight the balanced Plan of multi-modal transportation improvements. In addition, a section was added to the M website that provides progress updates towards the six key M2 Ordinance goals of relieving congestion, fixing potholes and resurfacing streets, reducing air and water pollution, synchronizing traffic lights, expanding Metrolink, and providing transit at reduced rates to seniors and persons with disabilities.

- To enhance quantitatively tracking data in all programs, staff collaborated to create a methodology that is currently being implemented as appropriate to capture project outputs and accomplishments against the Plan.
- The assessment also recommended that a stronger link between capital project selection and implementation be formally memorialized. The updated 2019 Next 10 Delivery Plan referenced the guiding principles when recommending advancement of select projects from the environmental phase into design and construction.
- To enhance transparency with the public, staff has incorporated more M2 information in social media to bring more awareness to the program and added short biographies for the TOC members to highlight experience and expertise of those providing oversight.

A table outlining the overall M2 Performance Assessment findings, as well as the completed action, can be found in Attachment A.

Summary

The fourth M2 Performance Assessment, as required by Ordinance No. 3, was completed and presented to the Board on March 11, 2019. Eight recommendations for enhancements were made to which staff responded and developed an action plan. Since then, all eight findings have been addressed. A summary of all findings and action items is included in Attachment A.

Attachment

- A. July 2015 – June 2018 M2 Performance Assessment, Recommendations and Action Plan

Prepared by:



Tamara Warren
Manager, Program Management Office
(714) 560-5590

Approved by:



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

**July 2015 - June 2018 M2 Performance Assessment
Recommendations and Action Plan**

Consultant Recommendation		OCTA Action
Chapter 1: Program Goals Have Been Met Thus Far		
1.	Consider identifying measures to capture progress towards the six key M2 Ordinance goals and report on how results achieved correlate to those goals - relieving congestion, fixing potholes and resurfacing streets, reducing air and water pollution, synchronizing traffic lights, expanding Metrolink and providing transit at reduced rates to seniors/persons with disabilities.	Complete - In addition to OCTA's regular reports on progress towards delivery of individual projects and programs, staff has incorporated the six key M2 Ordinance goals on the OC Go website and will update progress on the goals throughout the life of M2.
Chapter 2: OCTA Demonstrated Strong Program Management		
2.	Implement in-progress plans to update cyber security training policy and require annual training as well as establish a timeline for implementation.	Complete - OCTA has updated the security training policy and includes mandatory training requirements.
3.	Regularly monitor the training status of all employees to ensure cybersecurity training is complete within the required timeframe including defining specific roles and responsibilities, timelines and frequency of monitoring, verification methods, and documentation of status.	Complete - Information Systems is responsible for updating the content of the cybersecurity training annually. In coordination with Learning and Development, annual mandatory cybersecurity training is required of all staff and tied to annual performance reviews and merit increases.
Chapter 3: While Still Early in the M2 Life Cycle, Substantial Progress was Made Across All Program Areas		
4.	Create a methodology to gather quantitative accomplishment data and track project accomplishments against Transportation Investment Plan (Plan) anticipated goals.	Complete - Staff created a methodology to capture project outputs and accomplishments against the Plan goals.
5.	Demonstrate a stronger link between capital project selection guiding principles and the actual implementation order for capital projects by formally memorializing discussions and decisions made.	Complete - As part of the 2019 Next 10 Delivery Plan, staff memorialized the application of the guiding principles and decisions made for advancing projects.
Chapter 4: OCTA Approaches Ensured Compliance with M2 Ordinance		
6.	Include additional links, where appropriate, to underlying support documentation to validate compliance efforts in the Program Management Office's Compliance Matrix.	Complete - Staff has incorporated additional links to supporting documentation in the annual Ordinance Compliance Matrix as appropriate.
Chapter 5: OCTA's Sound Fiscal Practices Helped Mitigate Risks Associated with Rising Costs and Decreased Sales Tax Revenue – No Recommendation		
Chapter 6: OCTA was Transparent and Accountable to The Public		
7.	Enhance awareness of the M2/OC Go Program, M2 funded projects, and related M2 accomplishments on social media through posts on currently existing OCTA social media pages or through using separate social media dedicated to M2.	Ongoing - In May 2019, OCTA ran a six-week social media campaign. Staff will incorporate more M2 related information in social media to enhance awareness as appropriate.
8.	Add a short biography on the OCTA website highlighting TOC members' experience and expertise to enhance transparency of those providing oversight.	Complete - Staff has incorporated short biographies on the OCTA website.

Acronyms

M2 – Measure M2

OCTA – Orange County Transportation Authority

TOC – Taxpayers Oversight Committee

*Information
Items*



October 10, 2019

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:" line.

Subject: 2020 Project V Community-Based Transit Circulators Program Guidelines and Call for Projects

Overview

Measure M2 establishes a competitive program through Project V to fund local transit services, which complement regional transit. Based upon both outreach and financial assessments conducted earlier this year, there is sufficient interest and financial capacity to justify the initiation of a fourth Project V call for projects. Updated Comprehensive Transportation Funding Programs Guidelines (Project V) are proposed for approval, as well as the authorization to issue a fourth Project V call for projects.

Recommendations

- A. Approve revisions to the Comprehensive Transportation Funding Programs Guidelines for the Project V Community-Based Transit Circulators Program.
- B. Authorize staff to issue the 2020 Measure M2 Project V Community-Based Transit Circulators call for projects.

Background

Project V is a competitive program under Measure M (M2), which provides funding to develop and implement local transit services. Based upon current forecasts, total estimated revenues for Project V (through 2041) are estimated to be approximately \$248 million. To date, the Orange County Transportation Authority (OCTA) has awarded approximately \$42 million in Project V services. After deducting project cancellations, there remains approximately \$30 million in total funding allocations that have been committed to Project V to date.

In early 2019, the OCTA Board of Directors (Board) requested that staff evaluate whether there was sufficient demand and financial capacity to justify a fourth Project V call for projects (call).

Accordingly, OCTA conducted a financial assessment of the Project V Program and concluded that with existing commitments, an assumed continuation allowance for existing successful services, and assumptions with respect to the associated paratransit service costs, that the program could accommodate an approximately \$9 million call for 2020. This finding and conclusions from outreach efforts (assessing local agencies' level of interest in applying for a fourth call) were presented to the Board in August. At that meeting, the Board directed staff to return in the fall with revised Comprehensive Transportation Funding Programs (CTFP) Guidelines for Project V in order to support efforts to initiate a fourth call.

Since that time, OCTA staff met and worked with local agencies to develop proposed CTFP Guidelines revisions. These proposed revisions were designed based upon lessons learned from previous calls in order to facilitate implementation of 2020 call objectives. Applicable local agency comments were reviewed, considered, and incorporated as appropriate, and the following discussion provides a summary of key proposed changes and next steps for Board consideration.

Discussion

Key proposed CTFP Project V changes include the following.

- Specified 2020 call specific objectives to include support for:
 1. Continuing funding of existing successful services (i.e., services with ridership clearly being maintained at ten boardings per revenue vehicle hour, for years three and beyond in previously awarded grants).
 2. New special event and/or shuttle services.
 3. Expanding new options through shared ride-hailing services.
 4. Allowing for planning requests in order to keep the program fresh and evolving.
- Revised application scoring criteria to support 2020 call objectives.
- OCTA does not have the capacity to operate Project V services on behalf of local agencies.

-
- Clarified that agencies may be awarded (from all eligible categories) no more than \$550,000 for a period of up to seven years per project.
 - Funding available starting in fiscal year 2020-21.
 - Clarified the types of eligible capital, and operations and maintenance (O&M) expenditures that would be allowed, and also specified the criteria under which continuation/expansion of existing services would be considered.
 - Specified that the \$9 per boarding, or 90 percent, “whichever is lower” reimbursement process would also be applicable for shared ride-hailing services on a \$9 per user basis.
 - Included new useful-life language with respect to disposition of capital assets upon cancellation and/or removal.
 - Allowed for a separate initial marketing cost category that would not be subject to the \$9 per boarding/user reimbursement limitation.
 - Specified M2 signage and branding requirements.
 - Clarified that provision of Americans with Disabilities Act comparable services for non-fixed-route service applications must be provided by the applicant and documented in the application’s financial assumptions.
 - Required that application financial plans be based upon estimates provided by potential vendors.
 - Clarified how the \$9 per boarding/user, or 90 percent of net O&M costs, “whichever is lower” reimbursement process would work for local agencies.

For a more detailed summary of proposed changes, see Attachment A, which provides a table of proposed changes, as well as Attachment B, which provides a marked-up version of all proposed CTFP Guidelines changes.

Next Steps

Upon Board approval, staff will send out letters and e-blast announcements notifying local agencies of the call’s initiation and any other pertinent information. Applications would be due to OCTA by December 12, 2019, and based upon project selection criteria specified in the CTFP Guidelines, projects will be

prioritized for Board consideration in spring 2020. Project funds, if ultimately awarded by the Board, would become available to local agencies for services starting on July 1, 2020. Approved and active services will be monitored quarterly, and ridership reporting will be provided to the Board on a semi-annual basis.

Summary

Based upon Board direction, staff has completed a financial assessment of the M2 Project V Program, as well as outreach efforts, to determine if there is sufficient justification to warrant a fourth Project V call. Based upon these activities, a fourth Project V call is recommended in an amount not to exceed \$9 million. Approval of proposed changes to the Project V CTFP Guidelines is also recommended.

Attachments

- A. 2020 Project V Guidelines and Call for Projects
- B. Draft Comprehensive Transportation Funding Programs, Guidelines Excerpt, Proposed Revisions

Prepared by:



Alfonso Hernandez
Senior Transportation Funding
Analyst
(714) 560-5669

Approved by:



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

2020 PROJECT V GUIDELINES AND CALL FOR PROJECTS

2020 CTFP Guidelines – Chapter 6 (Project V) Proposed Changes List

#	Section	Page No.	Proposed Change
1	Overview	6-1	Added language to clarify that eligible applicants are CTFP eligible local agencies and to encourage partnerships.
2	Overview	6-1	<p>Added:</p> <p>2020 Call for Projects (call) Objective Priorities</p> <ol style="list-style-type: none"> 1) To continue funding previously awarded successful projects that are expiring. 2) To encourage and support new special event or seasonal shuttle services. 3) To expand shared service options through promoting ride-hailing services. 4) To encourage new and evolving services that will meet Project V's performance standards by providing funding for transit planning studies.
3	2020 Call	6-2	Updated the total estimated amount available for 2020 call (\$9M) and added timeline for the 2020 call.
4	Resolutions	6-3	Identified the due dates for draft and final adopted resolutions. Also clarified the minimum language required for resolutions/
5	Project Participation Categories: Planning for new service	6-3	Made planning for new service eligible for 2020 call and increased maximum amount of Project V funding from \$50k to \$60k for planning for new service.
6	Project Participation Categories: Capital	6-3 and 6-4	Clarified eligible capital items for Project V. Also, clarified OCTA's expectation for useful life of capital items.
7	Project Participation Categories: Initial/Start-up Marketing Costs	6-4	Added: Initial/start-up marketing costs to establish and publicize new and/or expanded services will be capped at \$50,000 (total) Note: Initial/Start-up Marketing costs will not be subject to the Operations and Maintenance boarding subsidy limitations outlined below. However, it would still require a minimum local match of ten percent (10%).
8	Project Participation Categories: Operations and Maintenance	6-4 and 6-5	Clarified and made corrections to content for this section. Also, added shared ride-hailing services to project category.
9	Project Participation Categories	6-5	Increased project period from five to seven years. Identified project start date as FY 2020-21. Added language for agencies proposing shared ride-hailing services to consider user limitations. In addition, added note that some of the service provided has age restrictions for shared ride-hailing services.
10	Ineligible Categories	6-5	Added the following language to supplant existing transit services: In order to justify regional transit service is not being supplanted, local agencies must document and explain how their proposal will not compete with the regional transit service, including the price of service (fare), and facilitate connections with regional transit services. Final determination of proposal supplanting regional transit service will be determined by OCTA staff.

2020 PROJECT V GUIDELINES AND CALL FOR PROJECTS

2020 CTFP Guidelines – Chapter 6 (Project V) Proposed Changes List

#	Section	Page No.	Proposed Change
11	Project Requirements	6-6	<p>Added: New expansion of existing fixed-route services</p> <p>Added: Further, draft recommendations must be provided to OCTA transit planning staff for review prior to study completion.</p>
12	Planning for New Service Project Requirements Capital	6-6	<p>Clarification of disposal of capital assets purchased with Project V funds and their useful life.</p>
13	Project Requirements Operations and Maintenance	6-7 and 6-8	<p>Clarified the service performance for fixed-route, community shuttles and seasonal services.</p> <p>Added: Performance standards for shared ride-hailing services will be determined specifically for each service and may be based on a cost per user, cost per mile, or other applicable performance measure.</p> <p>Clarified that the net operating costs included regular and ongoing marketing and does not include Initial Marketing Costs to Establish Service.</p> <p>Added the term “user” to be used interchangeably with boardings due to the various types of services proposed for the 2020 Call.</p> <p>Clarified language regarding ADA service for fixed-route services.</p> <p>Added: For Project V funded non-fixed route services, including ride-hailing and any other services, the local agency will be required to provide ADA comparable services and include cost for service as part of the project application.</p>
14	Agency Match Requirements	6-8	<p>Clarified agency match requirement language.</p>
15	Eligibility Requirements	6-8 and 6-9	<p>Clarified and corrected eligibility requirement language.</p> <p>Clarified that specific projects must include/not include the costs of ADA related services in their proposals. Added: However, fixed-route proposed services would not include the cost of complementary paratransit service. For non-fixed-route services, including ride-hailing services, the local agency will be required to provide ADA comparable services and include in project costs in the application.</p>
16	Application Process	6-9 and 6-10	<p>Clarified language and added KMZ files for proposed service.</p>
17	Application Guidelines	6-10	<p>Clarified language for the following:</p>

2020 PROJECT V GUIDELINES AND CALL FOR PROJECTS

2020 CTFP Guidelines – Chapter 6 (Project V) Proposed Changes List

#	Section	Page No.	Proposed Change
	Financial Details		<ul style="list-style-type: none"> Initial/Start-up Marketing Cost to Establish Service Cost estimates be based upon realistic estimates provided by potential vendors Consideration of ADA costs
18	Scoring Criteria	6-11	Reference changes to scoring criteria will be consistent with 2020 Call Objectives.
19	Reimbursements	6-12	Clarified language
20	Calculation of Payment	6-12 and 6-13	Updated sample payment calculation
21	Project Cancellation	6-13	Added: Useful life shall be based upon OCTA's policy for service life, where applicable.
22	Project V Branding	6-13 and 6-14	Added: Projects awarded Project V funding are required to place M2 (OCGO) decals in the vehicles used for fixed-route, community shuttles, and seasonal services. For all awarded services, local agencies are required to place M2 logos on marketing and related service publication materials, including software applications.
23	Exhibit 6-1 Point Breakdown & Application Checklist	6-15 and 6-16	Revised and updated scoring criteria to align with the 2020 call Objectives.

Acronyms

- CTFP – Comprehensive Transportation Funding Program
- OCTA – Orange County Transportation Authority
- FY – Fiscal Year
- ADA – Americans with Disabilities Act
- M2 – Orange County Measure 2
- OCGO – Measure M

Comprehensive Transportation Funding Programs Guidelines Excerpt, Proposed Revisions



Chapter 6 – Community-Based Transit/Circulators (Project V)

Overview

The M2 Project V - Community-Based Transit/Circulators Program establishes a competitive process to enable local jurisdictions to develop community-based local transit services that complement regional transit services and meet needs in areas not adequately serviced by regional transit. Projects must meet specific criteria in order to compete for funding through this program. In addition, local jurisdictions will be required to demonstrate the ability to provide funding match for capital and ongoing local share of O&M using non-OCTA resources. Public-private partnerships are encouraged but not required. However, such efforts need to be applied for by a CTFP eligible local agency. Local jurisdictions are also encouraged to partner with each other.

Regional Transit: Regional Transit services are provided by OCTA, specifically through routes 1 through 99 (and excluding those route sections that perform less than 10 boardings per RVH). Additional information on OCTA routes and schedules can be accessed from OCTA website at www.octa.net.

General Policy Objectives

- To provide community transit service that is safe, clean and convenient.
- To encourage new, well-coordinated, flexible transportation systems customized to each community's needs.
- To develop local bus transit services such as community-based circulators, shuttles, and bus trolleys that complement regional bus and rail service.
- To meet transportation needs in areas not served by regional transit.

2020 Call Objective Priorities

- 1) To continue funding previously awarded successful projects¹ that are expiring.
- 2) To encourage and support new special event or seasonal shuttle services.
- 3) To expand shared service options through promoting ride-hailing services.
- 4) To encourage new and evolving services that will meet Project V's performance standards by providing funding for transit planning studies.

¹ Previously Awarded Successful Projects are defined as previously funded Project V services, which will expire and at minimum meet the Year 3+ service performance standard of 10 B/RVH for each applicable reporting period.

Comprehensive Transportation Funding Programs Guidelines Excerpt, Proposed Revisions



2020 Call for Projects

The 2020 Call for Projects (call) for Project V will provide approximately \$9 million for community-based transit/circulators across Orange County, which meet program objectives (emphasis will be focused on 2020 call objectives). Specifics on the funding policies that apply to this call are identified below in subsequent paragraphs.

Timeline for 2020 Call for Projects

Applications will be reviewed by OCTA for consistency, accuracy, and concurrence. Applications determined to be complete and in accordance with program requirements and objectives will be scored, ranked, and submitted to the OCTA Transit Committee and Board of Directors for final consideration and funding approval.

The call schedule is detailed below:

Board authorization to issue call: October 14, 2019

Application submittal deadline: December 12, 2019 at 5:00 PM PST

Final adopted resolution (or minute action) deadline: Thursday, January 3, 2020

Transit Committee/Board approval: Spring 2020

Applications

In order for OCTA to consider a project for funding, applications will be prepared by the local agency utilizing the Application Form, available electronically from OCTA. Agencies are required to submit electronic and hardcopy applications for the 2020 call for projects by the application deadline. Submittals received after 5:00 PM PST on Thursday, December 12, 2019, will be considered late and will not be accepted.

Three (3) unbound hardcopies of the application and any supporting documentation including KMZ files, must be submitted to OCTA by the application deadline, along with an electronic copy (USB, or Dropbox).

Hardcopy applications should be mailed to:

OCTA
Attention: Alfonso Hernandez
550 S. Main Street
P.O. Box 14184
Orange, CA 92863-1584

Hardcopy applications may be hand delivered to:

600 S. Main Street
Orange, CA 92868

Resolutions

A resolution or minute action must be approved by the local agency's governing body. The mechanism selected shall serve as the local agency's formal request for Project V funds and must state that matching funds will be provided by the agency. All project requests must be included in this section.

At minimum, a draft resolution must be submitted with the application by the December 12th deadline. A final adopted resolution (or minute action) must be submitted to OCTA by Thursday, January 3, 2020. A sample resolution is included in Exhibit 6-2. Local agencies, at a minimum, must include items a-m in Exhibit 6-2.

Pre-Award Activities

Pre-Award Activities are allowable under Precept 6. A grantee may, at its own risk and without an executed OCTA Cooperative Agreement, obligate funds. Expenditures that are made prior to an executed OCTA Cooperative Agreement, but after July 1, of the programmed fiscal year must be identified in the grant application and must be submitted to OCTA for administrative approval prior to the implementation of the project.

Project Participation Categories

Transit needs may differ from one location to the next, and projects pursued under this program have significant latitude on how the challenge of delivering community-based transit will be delivered. However, emphasis upon program 2020 call objectives is highly encouraged. The program categories listed below identify key project elements that can be pursued through the Project V funding source. The program categories eligible for funding through Project V are:

Planning for new service - Up to \$6050,000 per agency

- Need for Community-Based Transit/Circulator Services meeting program call objectives
- Origin and Destination Studies
- Surveys and Marketing Research
- Development of Proposed Service Plans
- Transit Coordination Studies

Capital

- Bus and vehicle leases/purchases for the purposes of providing seasonal/special event shuttles and trolleys. If the purchase of vehicles is more cost efficient than a lease, justification and supporting documentation must be provided. Vehicle purchase requests will be evaluated by OCTA for approval on the basis of cost effectiveness.

- Equipment for the deployment, implementation and use of Project V-funded services, including but not limited to:
 - Bike racks
 - Dispatch/routing software
 - Communications equipment
 - Fare collection equipment
 - Reasonable passenger amenities, generally consistent with Chapter 3 (Project W eligible items)
 - ADA equipment for vehicles
- Maintenance facilities and fueling stations required for new and/or substantially revised or modified transit service and directly related to Project V service
- Reasonable stop improvements and amenities (generally including signage, furniture and shelters and consistent with Chapter 3 Project W eligible items) for Project V funded service stops only).

Note: If capital purchases (bus/vehicles, equipment, facilities, bus stop amenities, etc.) are provided with Project V funds, there is an expectation that these capital items will be used for their entire useful life and/or through the termination of the service. If termination occurs prior to the completion of the capital item's useful life and/or grant term, the local agency shall repay OCTA the same percentage of the sale price (or estimated value of the asset(s) based on straight line depreciation of the asset[s]), consistent with the Project V percentage of the initial purchase. Useful life shall be based upon OCTA's policy for service life, where applicable.

Initial/Start-up Marketing Costs to Establish Service

- Initial/start-up marketing costs to establish and publicize new and/or expanded services will be capped at \$50,000 (total) Note: Initial/Start-up Marketing costs will not be subject to the Operations and Maintenance boarding subsidy limitations outlined below. However, it would still require a minimum local match of ten percent (10%).

Operations and Maintenance

All costs below are subject to OCTA subsidy limitations discussed in subsequent sections.

- Seasonal, special-event, fixed route, deviated fixed route, shared ride-hailing services, and shuttle services including administration and O&M of services.
- Transportation services provided must be non-OCTA service providers.
- Expansion of existing services will only be considered if the existing service has clearly met minimum performance standards and will expire within the current call period.

Comprehensive Transportation Funding Programs Guidelines Excerpt, Proposed Revisions



- Existing OCTA—led services are eligible for expansion if an alternate service provider is identified.
- Temporary off-site parking for special events subject to agreement with the property owner and approved by OCTA.
- Parking leases needed in response to expanded transit _services.
- Special event shuttle services for events that will create significant congestion.
- Other flexible and innovative transit services contingent on the proposed service plan, anticipated service performance, and consistency with 2020 call objectives.
- Regular and ongoing marketing efforts including expenditures related to seasonal or special event service schedules, marketing materials such as flyers and brochures and community outreach efforts will be capped at \$15,000 annually.

Agencies may be awarded, from all eligible project categories, no more than \$550,000 annually for a period of up to seven five-years per project. Funding will begin in FY 2020-212019.

For agencies proposing shared ride-hailing services, use of fares and/or user limiting options are encouraged to manage demand. Also, please note that some service providers for shared ride-hailing services have age restrictions for youth travel.

Ineligible Categories

Project V funds may not be used for the following:

- ROW acquisition
- To supplant existing transit services (subject to the Regional Transit definition identified in the Overview). In order to justify regional transit service is not being supplanted, local agencies must document and explain how their proposal will not compete with the regional transit service, including the price of service (fare), and facilitate connections with regional transit services. Final determination of proposal supplanting regional transit service will be determined by OCTA staff.
- Fare subsidies (Free shuttles are not considered subsidized fare for this program)
- Indirect costs
- OCTA-led services
- New expansion of existing fixed-route services

Project Requirements

All projects funded through Project V must comply with the CTFP Guidelines, unless specifically noted in the agreement with the local agency and must comply with applicable state and federal laws, including ADA requirements for transit services.

Planning for New Service

Cities must provide a scope of work for the proposed planning document requesting Project V funds. The scope must include project need and goals and objectives for the proposed service. OCTA transit planning staff must be included in the development and finalization of any planning documents funded through the Project V planning category. Further, draft recommendations must be provided to OCTA transit planning staff for review prior to study completion. Planning documents must include specific recommendations for community-based transit/circulator services that can be implemented within the operating subsidy provided through Project V and must consider coordination with existing services. Plans may also consider ways to eliminate duplication of service or to improve service by combining resources. Progress on planning projects must be reported to OCTA through the semi-annual review process. Agencies will be required to submit all data and planning documents to OCTA in order to receive final payment.

Capital

Project V funding is available to offset the costs of purchasing or leasing vehicles, equipment and other appropriate and reasonable capital amenities as described in Chapter 3, under eligible costs. Progress on capital projects must be reported to OCTA through the semi-annual review process. Agencies must inspect vehicle(s) to ensure they meet specifications prior to final acceptance and withhold retention until warranty issues and/or final acceptance is met and approved by the local agency.

If capital purchases (bus/vehicles, equipment, facilities, bus stop amenities, etc.) are provided with Project V funds, there is an expectation that these capital items will be used for their entire useful life and/or through the termination of the service. If termination occurs prior to the completion of the capital item's useful life and/or grant term, the local agency shall repay OCTA the same percentage of the sale price (or estimated value of the asset(s) based on straight line depreciation of the asset[s]), consistent with the Project V percentage of the initial purchase. Useful life shall be based upon OCTA's policy for service life, where applicable.

Operations and Maintenance (O&M)

OCTA has established an operating reserve as part of this program that may be used to support the costs of O&M for fixed-route, community shuttles, and seasonal services. The operating reserve is subject to the following requirements:

- Service performance will be evaluated on a quarterly basis. The minimum performance standards for fixed-route, community shuttles, and seasonal services are calculated by dividing boardings (B) by the Revenue Vehicle Hour (B/RVH) as detailed below in the following table:

Comprehensive Transportation Funding Programs Guidelines Excerpt, Proposed Revisions



Minimum Performance Standards: Fixed-Route, Community Shuttles, and Seasonal Services		
Year 1	Year 2	Year 3+
Meet or exceed 6 B/RVH by end of Year 1 ²	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

- Performance standards for shared ride-hailing services will be determined specifically for each service and may be based on a cost per user, cost per mile, or other applicable performance measure.
- After Year 1, services that perform below the minimum performance standard for two or more reporting periods will be evaluated for cancellation.
- As part of the Project V service, local agencies must develop strategies to measure ridership satisfaction and on-time performance and must achieve an 85% on-time performance on an ongoing basis, and rider satisfaction must be 90% satisfied based on customer surveys.
- Awarded agencies must submit O&M costs and ridership and fare performance data to OCTA on a quarterly basis. The OCTA Transit Committee will be provided with summarized information from these reports on a semi-annual basis.
- The OCTA subsidy allows awarded agencies to be reimbursed on a pro-rata basis, but not to exceed \$9 per boarding/user or 90 percent (90%) of net operating and maintenance costs³ (after deducting fares and non-OCTA subsidies), whichever is less. The \$9 per boarding/user may increase annually by an OCTA-approved inflationary factor⁴.
- Consistent with Federal law, ADA complementary paratransit or ADA comparable service is required for certain types of Project V funded services.
 - For Project V funded fixed-route services, paratransit services will be provided independently with Project V funds through OCTA Board policy.
 - For Project V funded non-fixed route services, including ride-hailing and any other services, the local agency will be required to provide ADA comparable services and include cost for service as part of the project application.
- Agencies receiving Project V funds may be required to adopt a paratransit plan prior to starting operations.

² One year from the first day of operating the Project V funded service

³ Net Operating Costs include Regular and ongoing marketing, but no longer include Initial Marketing Costs to Establish Service.

⁴ Note: Reimbursement for Planning for New Service, Capital, and Initial Marketing Costs to Establish Service are not subject to the passenger boarding/user requirements and can be reimbursed at up to 90% of total eligible capital costs, depending upon the local agencies' match commitment.

Agency Match Requirements

Local funds are required to provide a minimum 10% non-OCTA match for all Project V components. The match may be comprised of any combination of private contributions, advertising revenues, and local discretionary funds. The match must be a local agency contribution and may not be made up of in-kind services. Capital match funding commitments in excess of ten percent (10%) are eligible for additional points. The OCTA contribution for O&M will not exceed \$9 per boarding/user. Therefore, the actual match provided by the local agency may be greater than ten percent (10%) depending upon ridership. Agency match commitments will be incorporated into cooperative agreements.

Eligibility Requirements

Minimum eligibility and participation requirements must be considered before a project funding application should be submitted. Adherence to strict funding guidelines is required by the M2 Ordinance. Additional standards have been established to provide assurance that M2 funds are spent in the most prudent and effective manner. There is no guarantee that funding will be approved during a particular call for projects. If no acceptable project is identified during a funding cycle, a subsequent call for projects may be scheduled at an appropriate time.

- Applicant must be eligible to receive M2 funding (established on an annual basis) to participate in this program.
- Support recommendations from OC Transit Vision, local transit planning efforts and goals of the Sustainable Communities Strategy, and 2020 call objectives.
- Supplement rather than supplant existing transit services (and commitments) and emphasize service to areas not served by transit.
- Demonstrate availability of local share of O&M funding for the application's specific time horizon.
- Demonstration of cost reasonableness.
- Agency must have a financial plan outlining a funding strategy for ongoing O&M (maximum of seven years).
- Local agency will be required to enter into a cooperative funding agreement with OCTA.
- All projects must include meeting ADA requirements, and these costs must be included in the project application. However, fixed-route proposed services should not include the cost of complementary paratransit service, which will be provided independently with Project V funds through Board policy. For non-fixed-route services, including ride-hailing services, the local agency will be required to provide Americans with Disabilities Act (ADA) comparable services and include in project costs in the application.

- Complete applications must be approved by the city council and partner jurisdictions, if applicable, prior to submittal to OCTA to demonstrate adequate community and elected official support for initial consideration.
- Local agencies will be required to submit appropriate National Transit Database data to OCTA, or local agency's operator must submit directly to the National Transit Database, if applicable.

Application Process

Project V allocations are determined through a competitive application process. Local agencies seeking funding must complete a formal application and provide supporting documentation that will be used to fully evaluate the project proposal. An application for any proposed service must include a detailed funding/operations plan.

The project application for capital and O&M shall include, at a minimum, the following information:

- Project need, goals and objectives
- Project development and implementation schedule
- Funding plan (funding needs, match funding availability, operations funding assurances, public-private partnership arrangements, and ADA considerations, if applicable)
- Proposed and/or ongoing service and operations plan
- O&M facility management
- KMZ file(s) of proposed service, sufficient to support OCTA geocoding efforts
- Any additional information deemed relevant by the applicant and/or OCTA
- Ridership Projections
- Coordination with existing services such as OCTA transit services, existing Project V services, Metrolink, I-Shuttle, Anaheim Transportation Network and/or Senior Mobility Program

The project application for planning for new projects shall include a scope of work for the proposed planning document requesting Project V funds. The scope must include project need and goals and objectives for the proposed or considered service.

Complete project applications must be submitted by the established due date to be eligible for consideration.

Applications will be reviewed by OCTA for consistency, accuracy, and concurrence. For applications completed in accordance with the program requirements, the projects will be scored, ranked, and submitted to the Transit Committee, and the Board for consideration and potential funding approval. The process is expected to be concluded by Spring 2020.

The final approved application (including funding plan) will serve as the basis for any [cooperative agreements](#) required under the program. The approved projects will be subject to the CTFP Guidelines for project delivery requirements.

Application Guidelines

Project selection is based upon merit utilizing a series of qualitative and quantitative criteria. Candidate projects are required to submit a financial plan with sufficient data to enable adequate evaluation of the application. Each jurisdiction is provided broad latitude in formatting, content, and approach. However, key elements described below must be clearly and concisely presented to enable timely and accurate assessment of project applications.

Financial Details

Each candidate project application must include all phases through construction of facilities. The financial plan will include, at a minimum, the following information:

- Estimated project cost for each phase of development (Planning, [if applicable, Initial/Startup Marketing Cost to Establish Service, Capital—including](#) equipment and vehicle acquisition, construction, [if applicable, O&M, Ongoing Marketing,](#) and project oversight).
- Preliminary cost estimates for O&M should be coordinated with OCTA [and be based upon realistic estimates provided by applicable potential vendors.](#)
- Funding request phase of project implementation with match funding amounts and funding sources clearly identified
- [Consideration of ADA costs, if applicable](#)
- Demonstrated financial commitments for match funding and ongoing operations
- Discussion of contingency planning for revenue shortfalls
- Revenue projections and methodology where commercial activity is expected to support implementation and/or operations costs
- Project readiness status
- Realistic project schedule for each project phase

Scoring Criteria

Specific scoring criteria will be used to evaluate the competitive program project applications. Emphasis [will be](#) placed on projects with firm financial commitments, overall project readiness, [and consistency 2020 call objectives.](#) In addition, projects will be evaluated based upon ridership projections, areas served, cost effectiveness, and local/regional benefits.

Comprehensive Transportation Funding Programs Guidelines Excerpt, Proposed Revisions



The formal application must include feasibility and efficacy components in order to demonstrate transportation benefits and to also ensure that selected project(s) meet the spirit and intent of M2.

Merit will be demonstrated through technical attributes and industry standard methodologies. The following data will be included and fully discussed in the application:

- Matching funds
- Level of commitment from non-applicant partners
- Operating cost per boarding
- Project readiness including initial operating period for seasonal services or special event readiness
- Projected daily boardings with projection methodology fully presented
- Community connections; connections to fixed route bus and rail
- Projected annual visitors served by seasonal route
- Community outreach
- Agency experience

Other Application Materials

Supporting documentation will be required to fully consider each project application. In addition to the information described above, local agencies will be required to submit the following materials:

Council Resolution: A council resolution authorizing request for funding consideration with a commitment of project match funding (local sources) and operating funds as shown in the funding plan.

Lease/Cost Sharing Agreements: Copies of leases, sponsorship, and/or advertising revenue documents. Confidential agreements may be included for reference when accompanied by affidavit from city treasurer or finance director.

Project Documentation: If the proposed project has completed initial planning activities evidence of approval should be included with the application. Satisfactory evidence includes project approval signature page, engineer-stamped site plan, or other summary information to demonstrate completion or planning phases. The applicant will be asked for detailed information only if necessary, to adequately evaluate the project application.

Operations Plan: In addition to the financial details indicated in this chapter, the operations plan submitted shall include the following technical data: a route map, draft time table, headways, stop location listing, summary of vehicle types and characteristics, speed profile, fleet size, and any other applicable supporting documentation.

Reimbursements

The planning, initial marketing costs to establish service, capital, and O&M phases will be administered on a reimbursement basis. Planning, initial marketing costs to establish service, capital, and O&M reimbursements will be disbursed upon review and approval of a complete expense report, performance report, and consistent with cooperative funding agreement requirements and specifications.

OCTA's operating subsidy for O&M will be no more than Nine Dollars (\$9.00) per boarding/user or Ninety Percent (90%) of net O&M costs, whichever is lower. Local agency matching commitment to OCTA for ongoing operating assistance will be in accordance with terms identified in the cooperative funding agreement.

Calculation of Payment

OCTA's operating subsidy will be no more than Nine Dollars (\$9.00) per boarding/user OR Ninety Percent (90%) of net O&M costs, whichever is lower. An example of a payment calculation to differentiate between the two scenarios is provided as follows:

SAMPLE PAYMENT CALCULATION	
<small>ASSUMPTIONS: 10% MATCH and 1,500 BOARDINGS</small>	
Operating Cost	\$23,000
Fare Revenue (deduct)	-\$3,000
Net Operating Cost	\$20,000
Agency Match (10%)	\$2,000
Agency Reimbursement (90%)	\$18,000
<i>or</i>	
Operating Cost	\$23,000
Fare Revenue (deduct)	-\$3,000
Net Operating Cost	\$20,000
\$9 x Boardings (\$9 x 1,500)	\$13,500
Agency Match	\$6,500
Agency Reimbursement (\$9 per boarding/user)	\$13,500

Note: In this case, the local agency would be reimbursed for the lower \$9.00 per boarding/user amount.

Project Cancellation

Projects deemed infeasible during the planning process will be cancelled and further expenditures will be prohibited except where necessitated to bring the current phase to a logical conclusion.

For vehicles owned by local agencies that were funded through Project V, if the service is discontinued, agencies shall repay OCTA for vehicles at the same percentage of the sale price, or estimated value based on straight line depreciation of the asset(s) consistent with the Project V percentage of the initial purchase. Useful life shall be based upon OCTA's policy for service life, where applicable.

Cancelled projects will be eligible for re-application upon resolution of issues that led to original project termination.

Audits

All M2 payments are subject to audit. Local agencies must follow established accounting requirements and applicable laws regarding the use of public funds. Failure to submit to an audit in a timely manner may result in loss of future funding. Misuse or misrepresentation of M2 funding will require remediation which may include repayment, reduction in overall allocation, and/or other sanctions to be determined. Audits shall be conducted by the OCTA Internal Audit Department or other authorized agent either through the normal annual process or on a schedule to be determined by the OCTA Board.

Project V Branding

Projects awarded Project V funding are required to place M2 (OCGO) decals in the vehicles used for fixed-route, community shuttles, and seasonal services. Local agencies will coordinate with OCTA in regard to the sizing, placement, and furnishing of decals.

For all awarded services, local agencies are required to place M2 logos on marketing and related service publication materials, including software applications.

An example of the M2 OCGO logo is shown as follows:



Exhibit 6-1

**Point Breakdown & Application Checklist for Community-Based
Transit/Circulators (Project V)**

Scoring Criteria	
Financial Commitment Capital Match Rate ≥ 50% 40% - 49% 30% - 39% 20% - 29% 10% - 19%	15 Points Max. <input type="checkbox"/> 15 <input type="checkbox"/> 12 <input type="checkbox"/> 10 <input type="checkbox"/> 8 <input type="checkbox"/> 4
Cost Effectiveness Estimated Operating Cost per Boarding (\$) < \$6.00 \$6.01 - \$8.99 \$9.00 - \$11.99 \$12.00 - \$15.00	105 Points Max. <input type="checkbox"/> ____ <input type="checkbox"/> 10 <input type="checkbox"/> 8 <input type="checkbox"/> 4
Project Readiness Project Implementation Schedule – Estimated Opening by Fiscal Year 2021 2018 Project Implementation Schedule – Estimated Opening by Fiscal Year By 2022 19 Project Implementation Schedule – Estimated Opening by Fiscal Year By 2023 20 Project Feasibility Study Complete Planning and Environmental Complete	105 Points Max. <input type="checkbox"/> 55 <input type="checkbox"/> 33 <input type="checkbox"/> 1 <input type="checkbox"/> 53 <input type="checkbox"/> 52
Operations Plan Draft Time Table & Headways and Stop Locations Identified Route Map w/ Existing Transit Service Stop Locations Identified Fleet Size & Summary of Vehicle Types Maintenance Facilities Identified Available & Service Plan Developed Average Service Speed by Time Period Paratransit Plan	15 20 Points Max. <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 3 <input type="checkbox"/> 3 <input type="checkbox"/> 12 <input type="checkbox"/> 1

Comprehensive Transportation Funding Programs Guidelines Excerpt, Proposed Revisions



Ridership Projection Projected Average Daily Boardings (Opening Year) >1,000 501 - 1,000 151 - 500 50 - 150	5 Points Max. <input type="checkbox"/> 5 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
Funding Plan Specific Funding Needs (Per year and per phase) Funding Assurances Partnership Arrangements Service Coordination Plan Cost of ADA Service Considered/Addressed	10 Points Max. <input type="checkbox"/> 3 <input type="checkbox"/> 3 <input type="checkbox"/> 42 <input type="checkbox"/> 32 <input type="checkbox"/> 3
Service Type Project Time Period Extension of Previous Successful Project V Service New Special Event/Seasonal Services Shared Ride-Hailing Services	15 Points Max. <input type="checkbox"/> 15 <input type="checkbox"/> 13 <input type="checkbox"/> 10
Agency Experience Special Event/Seasonal Service Shuttle Trolley Community Circulator Shared Ride-Hailing/TNC Services Fixed Route Services Vanpool Years in Service ≥ 4 Years ≥ 3 Years ≥ 2 Years ≥ 1 Year	10 Points Max. <input type="checkbox"/> 32 <input type="checkbox"/> 2 <input type="checkbox"/> 2 <input type="checkbox"/> 1 <input type="checkbox"/> 1 <input type="checkbox"/> 34 <input type="checkbox"/> 23 <input type="checkbox"/> 12 <input type="checkbox"/> 4
Community Benefit Community Centers Activity Centers Tourist Attractions Other (i.e. Senior Center) Documented Community Support – Surveys Outreach Letters of Support Fixed-Route Bus/Rail Connections ≥ 3 ≥ 2 ≥ 1	10 Points Max. <input type="checkbox"/> 1 <input type="checkbox"/> 1 <input type="checkbox"/> 1 <input type="checkbox"/> 1 <input type="checkbox"/> 1 <input type="checkbox"/> 1 <input type="checkbox"/> 1 <input type="checkbox"/> 1 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1

Exhibit 6-2

Sample Resolution for Community-Based Transit/Circulators (Project V)

RESOLUTION NO. XXXX

A RESOLUTION OF THE (GOVERNING BODY) OF THE (ADMINISTERING AGENCY) APPROVING THE SUBMITTAL OF THE (PROJECT NAME) APPLICATION TO THE ORANGE COUNTY TRANSPORTATION AUTHORITY FOR FUNDING UNDER THE PROJECT V COMMUNITY-BASED TRANSIT/CIRCULATORS PROGRAM

- (a) WHEREAS, the Community-Based Transit/Circulators program (Project V) establishes a competitive process to enable local jurisdictions to develop community-based local transit services that complement regional transit services and meets needs in areas not adequately serviced by regional transit.
- (b) WHEREAS, OCTA intends to allocate Project V funds within the incorporated cities and the County; and
- (c) WHEREAS, OCTA has established the procedures and criteria for reviewing applications as identified in the Project V Guidelines; and
- (d) WHEREAS, by formal action the (GOVERNING BODY) authorizes the nomination of (PROJECT NAME), including all understanding and assurances contained therein.
- (e) WHEREAS, the (ADMINISTERING AGENCY) has been declared by the Orange County Transportation Authority (OCTA) to meet the eligibility requirements to receive revenues as part of Measure M2; and
- (f) WHEREAS, the (ADMINISTERING AGENCY) must include all projects funded by Net Revenues in the seven-year Capital Improvement Program as part of the Renewed Measure M Ordinance eligibility requirement; and
- (g) WHEREAS, the (ADMINISTERING AGENCY) authorizes a formal amendment to the seven-year Capital Improvement Program to add projects approved for funding upon approval from the OCTA Board of Directors; and
- (h) WHEREAS, the (ADMINISTERING AGENCY's) Circulation Element is consistent with the County of Orange Master Plan of Arterial Highways; and
- (i) WHEREAS, the (ADMINISTERING AGENCY) will comply where applicable with provisions of the Americans with Disabilities Act, and any other federal, state, and/or local laws, rules and/or regulations; and
- (j) WHEREAS, the (ADMINISTERING AGENCY) will consult with OCTA regarding the need for a paratransit plan prior to starting operations; and

Comprehensive Transportation Funding Programs Guidelines Excerpt, Proposed Revisions



(k) WHEREAS, the (ADMINISTERING AGENCY) will provide matching funds for the project as required by the Project V Guidelines and shall fund its share of the project costs and any additional costs over the identified programmed amount; and

(l) WHEREAS, the (ADMINISTERING AGENCY) will not use Measure M funds to supplant Developer Fees or other commitments; and

(m) WHEREAS, the (ADMINISTERING AGENCY) will give OCTA's representatives access to and the right to examine all records, books, papers or documents related to the Project; and

NOW, THEREFORE, BE IT RESOLVED THAT:

The (GOVERNING BODY) hereby requests that the OCTA allocate Project V funds in the amounts specified in the (ADMINISTERING AGENCY's) application to said (ADMINISTERING AGENCY). Said funds shall be matched by funds from the (ADMINISTERING AGENCY) as required and shall be used as supplemental funding to aid the (ADMINISTERING AGENCY) in the implementation of the proposed transit service.

PASSED, APPROVED AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].



October 23, 2019

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: 2019 Measure M2 Sales Tax Forecast

Overview

The Orange County Transportation Authority contracts with MuniServices, LLC, and three universities to forecast Measure M2 taxable sales. MuniServices, LLC, and the three universities have provided updated forecasts, and staff has incorporated the new information into the annual update for the long-range forecast of Measure M2 taxable sales.

Recommendation

Receive and file as an information item.

Background

On March 28, 2016, the Orange County Transportation Authority (OCTA) Board of Directors (Board) directed staff to forecast taxable sales in Orange County by utilizing MuniServices, LLC, forecasted taxable sales growth rates for the first five years of the forecast period, and average growth rates based on forecasted taxable sales from three universities; Chapman University, University of California, Los Angeles, and California State University, Fullerton, for the remaining years. In addition, OCTA received final tax receipts for fiscal year (FY) 2018-19 in September 2019.

Discussion

OCTA received updated taxable sales forecasts from MuniServices, LLC, (MuniServices) and the three universities for the 2019 Measure M2 (M2) sales tax revenue forecast. The MuniServices forecast includes five fiscal years from FY 2020 through FY 2024. The average annual taxable sales growth rate over that period based on MuniServices forecast is 3.2 percent. The three-university average annual growth rate for the remaining years (FY 2025 through FY 2041) is 3.7 percent. The average annual growth rate over the entire forecast period is

3.6 percent. Based on the updated taxable sales forecasts, it is anticipated that total taxable sales available to support the M2 Program will be \$13.4 billion over the 30-year period. The forecasted amount of sales tax of \$13.4 billion represents a \$0.3 billion (2.2 percent) increase in forecasted taxable sales compared to the FY 2018 forecast.

The increase is based on a combination of factors, including California Department of Tax and Fee Administration’s implementation of AB 147 (Chapter 5, Statutes of 2019). AB 147 provides important direction in state law for the implementation of the United States Supreme Court’s *South Dakota v. Wayfair, Inc.* decision in California. AB 147 defines “engaged in business” in California as conducting at least \$500,000 in sales statewide. Under the bill, businesses outside Orange County meeting this new definition must begin collecting M2 revenues on sales in Orange County. The bill requires that businesses register with the CDFTA by October 1, 2019.

Summary

OCTA has received updated taxable sales forecasts from MuniServices and the three universities. Based on the implementation of the new sales tax collection law, it is anticipated that total taxable sales available for the M2 Program will be \$13.4 billion. This represents a year-over-year increase of \$0.3 billion (2.2 percent) in forecasted taxable sales when compared to last year’s forecast.

Attachment

- A. Orange County Transportation Authority M2 Sales Tax Revenue Forecast - 2019

Prepared by:



Sam Kaur
Department Manager,
Revenue and Grants Administration
(714) 560-5889

Approved by:



Andrew Oftelie
Chief Financial Officer,
Finance and Administration
(714) 560-5649



Orange County Transportation Authority
M2 Sales Tax Revenue Forecast - 2019
In Nominal Dollars

Fiscal Year	Actual Growth	Chapman		UCLA		CSUF		MuniServices		Board Approved Forecast	
		Gross Sales Tax*	Growth Rate	Gross Sales Tax	Growth Rate	Gross Sales Tax	Growth Rate	Gross Sales Tax	Growth Rate	Gross Sales Tax	Blended Growth Rate
2011 **	6.50%	61,756,868	-	61,756,868	-	61,756,868	-	61,756,868	-	61,756,868	-
2012	6.20%	250,892,931	-	250,892,931	-	250,892,931	-	250,892,931	-	250,892,931	-
2013	6.17%	266,384,076	-	266,384,076	-	266,384,076	-	266,384,076	-	266,384,076	-
2014	4.96%	279,599,946	-	279,599,946	-	279,599,946	-	279,599,946	-	279,599,946	-
2015	4.30%	291,615,675	-	291,615,675	-	291,615,675	-	291,615,675	-	291,615,675	-
2016	3.20%	300,944,523	-	300,944,523	-	300,944,523	-	300,944,523	-	300,944,523	-
2017	2.60%	308,768,664	-	308,768,664	-	308,768,664	-	308,768,664	-	308,768,664	-
2018	4.12%	321,480,529	-	321,480,529	-	321,480,529	-	321,480,529	-	321,480,529	-
2019	3.38%	332,358,188	-	332,358,188	-	332,358,188	-	332,358,188	-	332,358,188	-
2020		341,982,420	2.90%	353,876,468	6.47%	345,876,552	4.07%	346,649,590	4.30%	346,649,590	4.30%
2021		352,417,518	3.05%	360,120,984	1.76%	362,772,435	4.88%	354,969,180	2.40%	354,969,180	2.40%
2022		363,066,528	3.02%	368,616,783	2.36%	379,934,677	4.73%	363,843,409	2.50%	363,843,409	2.50%
2023		374,052,414	3.03%	383,454,033	4.03%	395,438,124	4.08%	376,214,085	3.40%	376,214,085	3.40%
2024		385,288,963	3.00%	397,142,045	3.57%	408,417,755	3.28%	389,005,364	3.40%	389,005,364	3.40%
2025		396,787,773	2.98%	411,895,802	3.71%	422,388,098	3.42%	402,127,873	3.37%	402,127,873	3.37%
2026		408,730,015	3.01%	427,041,017	3.68%	439,004,767	3.93%	416,364,091	3.54%	416,364,091	3.54%
2027		421,251,055	3.06%	442,801,066	3.69%	458,350,970	4.41%	431,853,886	3.72%	431,853,886	3.72%
2028		434,044,442	3.04%	459,117,946	3.68%	479,597,080	4.64%	448,202,806	3.79%	448,202,806	3.79%
2029		447,017,661	2.99%	476,046,697	3.69%	502,897,178	4.86%	465,435,327	3.84%	465,435,327	3.84%
2030		460,414,056	3.00%	493,595,114	3.69%	528,387,855	5.07%	483,667,801	3.92%	483,667,801	3.92%
2031		474,211,939	3.00%	511,792,358	3.69%	553,282,826	4.71%	502,039,135	3.80%	502,039,135	3.80%
2032		488,423,341	3.00%	530,659,651	3.69%	579,112,615	4.67%	521,035,994	3.78%	521,035,994	3.78%
2033		503,060,656	3.00%	550,222,841	3.69%	605,722,735	4.59%	540,624,189	3.76%	540,624,189	3.76%
2034		518,136,649	3.00%	570,507,089	3.69%	632,979,828	4.50%	560,777,459	3.73%	560,777,459	3.73%
2035		533,664,468	3.00%	591,539,182	3.69%	660,756,182	4.39%	581,473,154	3.69%	581,473,154	3.69%
2036		549,657,654	3.00%	613,346,629	3.69%	689,864,042	4.41%	602,965,674	3.70%	602,965,674	3.70%
2037		566,130,156	3.00%	635,958,017	3.69%	719,322,609	4.27%	624,981,205	3.65%	624,981,205	3.65%
2038		583,096,338	3.00%	659,402,988	3.69%	750,061,461	4.27%	647,807,049	3.65%	647,807,049	3.65%
2039		600,570,997	3.00%	683,712,271	3.69%	781,610,990	4.21%	671,321,780	3.63%	671,321,780	3.63%
2040		618,569,373	3.00%	708,917,734	3.69%	814,805,498	4.25%	695,781,102	3.64%	695,781,102	3.64%
2041 **		477,830,372	3.00%	551,289,303	3.69%	636,820,816	4.21%	540,781,379	3.63%	540,781,379	3.63%
Total		\$ 12,712,206,188	3.00%	\$ 13,594,857,417	3.68%	\$ 14,561,206,492	4.36%	\$ 4,244,483,028	3.20%	\$ 13,381,722,934	3.58%

*Fiscal years 2011 through 2017 represent actual sales tax receipts. Fiscal Year 2018 is based on estimated sales tax revenues from MuniServices, LLC. Fiscal Year 2019 represent actual sales tax receipts plus \$1.58 million additional revenues received for Fiscal Year 2018 above MuniServices Fiscal Year 2018 estimate.

** Fiscal year 2011 includes sales tax receipts for one quarter and fiscal year 2041 represents forecasted sales tax receipts for three quarters.



November 13, 2019

To: Finance and Administration Committee 

From: Darrell E. Johnson, Chief Executive Officer

Subject: Environmental Mitigation Program Endowment Fund Investment Report for September 30, 2019

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 its performance. Attached are the quarterly investment reports for the Endowment Pool for the period ending September 30, 2019. The reports have been reviewed and are 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. Annually, approximately \$2.9 million will be deposited in the endowment. As of September 30, 2019, the Orange County Transportation Authority has made four deposits to the Endowment Pool, each in the amount of \$2,877,000. These annual deposits are expected to continue for ten to 12 years, or until the fund totals approximately \$46.2 million.

Discussion

As of September 30, 2019, total pool assets in the CCF Endowment Pool were \$1.127 billion. Total foundation assets were \$1.86 billion. Performance for the Endowment Pool was 1.2 percent for the month, exceeding the benchmark by 0.2 percent; -0.2 percent for the quarter, 0.6 percent below the benchmark. The one-year return was 2.5 percent, 1 percent below the benchmark.

The balance as of September 30, 2019, was \$12,393,157, with the goal to reach a projected balance of \$12,440,408 by June 30, 2020.

The projected annualized cost for endowment services was 0.75 percent based on indications received during the due diligence process. Based on the current balance of the endowment, the cost for administration services is 0.25 percent.

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 September 30, 2019.

Attachments

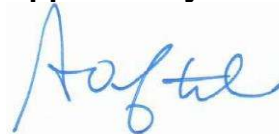
- A. California Community Foundation Fund Statement – September 30, 2019
- B. California Community Foundation Endowment Pool Investments – September 30, 2019

Prepared by:



Robert Davis
Department Manager,
Treasury and Public Finance
714-560-5675

Approved by:



Andrew Oftelie
Chief Financial Officer
Finance and Administration
714-560-5649



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)

7/1/2019 - 9/30/2019

Fund Summary

	Report Period 7/1/2019 - 9/30/2019	Calendar YTD 1/1/2019 - 9/30/2019
Opening Fund Balance	\$9,534,374.24	\$8,568,158.77
Contributions (see attached detail)	2,877,000.00	2,877,000.00
Investment Activity, net	(18,217.43)	973,379.34
Administration & Grant Management Fees	0.00	(25,381.30)
Net Changes to Fund	2,858,782.57	3,824,998.04
Ending Balance	\$12,393,156.81	\$12,393,156.81

Investment Pool Performance as of 09/30/2019

	This Qtr.	1-Year	3-Years	5-Years	10-Years
Endowment Pool	-0.2%	2.5%	7.5%	4.8%	6.5%
Social Impact Endowment Pool	1.7%	5.5%	7.8%	6.3%	7.6%
Conservative Balanced Pool	1.0%	5.5%	5.3%	4.7%	n/a
Short Duration Bond Pool	0.9%	6.0%	1.9%	n/a	n/a
Capital Preservation Pool	0.6%	2.4%	1.5%	1.0%	0.7%

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.

Contribution Details

Date	Donor Name	Amount
07/03/2019	Orange County Transportation Authority	2,877,000.00
		<u>\$2,877,000.00</u>



Endowment Pool

September 2019

INVESTMENTS

The Endowment Pool returned 1.2% for the month of September 2019, 20 basis points ahead of its benchmark. For the trailing year, the pool returned 1.5%, 100 basis points behind its benchmark.

Total Pool Assets

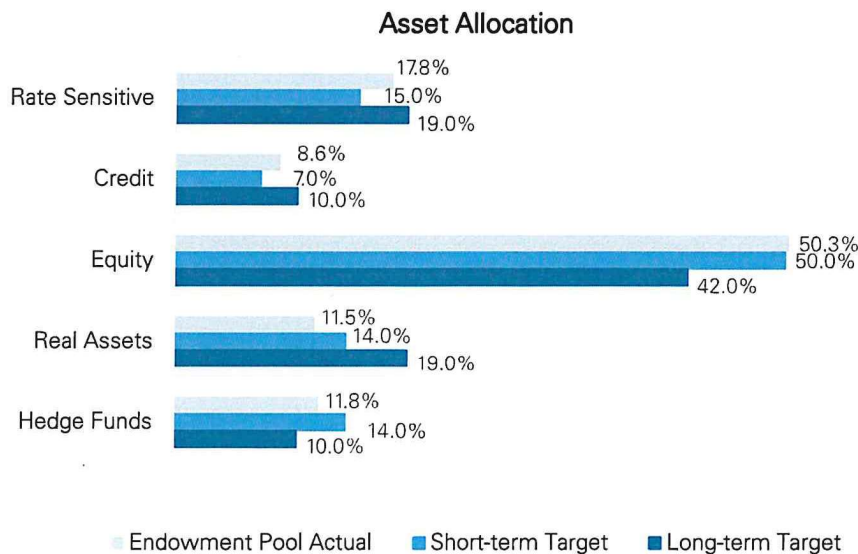
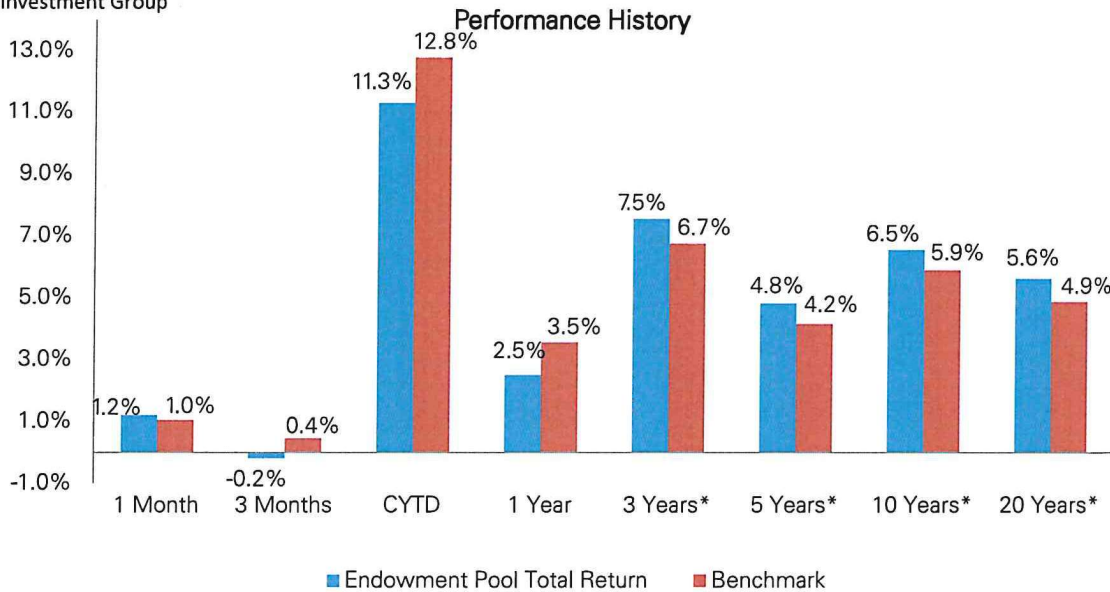
\$1.127 billion (Endowment Pool), \$1.86 billion (total foundation assets) as of September 30, 2019.

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



*Represents annualized returns.

1) Investment expense ratio approximates 0.65%, 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 1-4 years, long-term target allocation is over 4-9 years.



November 14, 2019

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

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

Overview

The Orange County Transportation Authority is currently implementing the OC Streetcar project. Project updates are provided to the Board of Directors on a quarterly basis. This report provides a project update for the first quarter of fiscal year 2019-20 (July-September).

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA), in cooperation with the cities of Santa Ana and Garden Grove, is implementing a modern streetcar running between the Santa Ana Regional Transportation Center in the City of Santa Ana (City) and the Harbor Boulevard/Westminster Boulevard intersection in the City of Garden Grove. The OC Streetcar project (Project) will improve transit connectivity and accessibility, increase transit options, relieve congestion, and provide benefits to the community and traveling public. The Project is being implemented as part of Measure M2 Project S – Transit Extensions to Metrolink, approved by Orange County voters in November 2006.

Construction of the 4.15-route-mile OC Streetcar line involves complex and specialized work, including the installation of embedded track in streets, overhead catenary system to supply power to the vehicles, stops with canopies, bridges, and a maintenance and storage facility (MSF).

The Project includes ten streetcar stops in each direction (four shared center platforms and six side platforms in each direction, for a total of 16 platforms). Each stop includes a canopy, benches, leaning rails, trash cans, lighting, changeable message signs, video cameras, a public address system, and ticket vending

machines which will be procured separately. Platforms will be 14 inches high to enable level boarding. Also included are the installations of new traffic signals and transit signal priority at intersections.

The MSF can accommodate up to 15 modern streetcar vehicles and includes Project administration, operations, vehicle maintenance, parts storage, and maintenance-of-way. Secured exterior vehicle storage, including a wye-track for turning vehicles end-for-end, a free-standing vehicle wash, employee parking, and fire department/delivery access will also be included.

On March 26, 2018, the OCTA Board of Directors (Board) awarded a contract to Siemens Mobility, Inc., (Siemens) for the manufacture and delivery of eight modern streetcar vehicles, spare parts, and special tools. On September 24, 2018, the OCTA Board awarded the Project construction contract to Walsh Construction Company II, LLC (Walsh). On November 30, 2018, the Federal Transit Administration (FTA) executed the Full Funding Grant Agreement (FFGA), which was a significant milestone as it secured \$149 million in federal New Starts discretionary funding for the Project. In February 2019, the FFGA was awarded through the FTA Transit Award Management System, which was the final step necessary to begin the drawdown of federal funding. As of the reporting quarter, \$16.36 million dollars has been drawn down on the FFGA.

Discussion

The following is a status of ongoing OC Streetcar activities.

Construction Activities

The Notice to Proceed (NTP) with Construction was issued to Walsh on March 4, 2019. Construction activities have commenced throughout the Project, with the focus on construction of the Santa Ana River and Westminster Avenue bridges, the MSF, and relocation of storm drain, sewer, and water systems within the City streets.

Foundations and pier walls for the new 350-foot long bridge across the Santa Ana River were completed, and other major work across the river channel will begin after the rainy season. Bridge approach abutments are being installed outside of the river banks. Foundations for the bridge abutments for the bridge over Westminster Avenue have been installed. Drainage systems are also being installed in preparation for the installation of ballasted track in the Pacific Electric Right-of-Way (PE ROW). On August 12, 2019, the OCTA Board approved a contract change order (CCO) for the removal and disposal of contaminated materials within the Orange County Transit District-Owned PE ROW.

The CCO was necessary in order for Walsh to segregate the contaminated soil from the non-contaminated soil, prepare documentation for the contaminated soil, and haul it to the nearest disposal facilities able to accept that particular hazardous waste.

MSF

Construction of the MSF is critical to the Project schedule as the MSF is needed to accept delivery and conduct final acceptance testing for the eight vehicles being manufactured by Siemens. Grading for the building foundation is ongoing, foundations are being poured, and utility duct work for the plumbing, drainage, and electrical systems is being installed.

Utility Relocation

There are numerous overhead and underground utilities that require relocation to accommodate the Project. Wet utilities (sewer, water, and storm drains) are being relocated by Walsh as part of the construction contract. Sewer relocation on Santa Ana Boulevard from Raitt Street to Bristol Street is complete and is progressing between downtown and the Santa Ana Regional Transportation Center. Trenchless sewer replacement work on 4th Street was completed in September 2019. Water line and storm drain relocations for all of the street-running portions of the Project are also underway.

There are challenges installing storm drains and sewers due to the discovery of utilities that were either not shown on any of the record drawings or shown at different locations or elevations than on the plans. These unforeseen utility conflicts will be addressed under a separate report to be presented to the November 14, 2019 Transit Committee and November 25, 2019 Board Meeting.

Dry utilities (electric, communications, and gas) are being relocated by the owners of these systems. Most of these third-party utility relocations are complete at this time. Remaining work includes Southern California Gas working downtown and east of downtown on Santa Ana Boulevard, a few communications facilities, Southern California Edison removal of underground vaults on Santa Ana Boulevard, and AT&T with one final relocation to be scheduled in January 2020 after a sewer line has been relocated.

Vehicle Manufacturing and Delivery

Final design review commenced for the vehicles in preparation for the start of production. During final design review, comments and revisions are incorporated into a final design review package for OCTA's final review and approval.

In September 2019, vehicle production commenced. The vehicle girders and car shells are the first components to be fabricated for the streetcars. Staff receives weekly reports from OCTA's on-site vehicle inspector to detail production progress, pictures of the work completed, and upcoming production milestones. OCTA and Siemens also conducted all-day workshops to review spare parts, special tools, and vehicle manuals.

On July 22, 2019, the Board awarded a contract to Conduent for integration and engineering services of OCTA's Intelligent Transportation Management System with the streetcar vehicles. After the NTP, coordination commenced between Conduent, OCTA, and Siemens in identifying the space requirements of the Computer Aided Dispatch and Automated Vehicle Location equipment on the vehicle.

Coordination also continued between OCTA, Siemens, and Walsh in the development of the Wheel to Rail Interface Plan that details the integration of the vehicle with the infrastructure, including the tracks, platforms, MSF, and wayside equipment and systems.

FTA Update

During the reporting period, OCTA received a letter from Representative Peter DeFazio (D-OR), Chairman of the House Transportation and Infrastructure Committee (Committee) regarding the implementation of the Section 5309 Capital Investment Grant (CIG) Program by FTA. The Committee has been conducting oversight of FTA to "ensure that the FTA is implementing the Section 5309 Program in accordance with congressional intent." At the request of the Committee, OCTA had provided documentation on the Project's application for a FFGA, submitted May 2017, as well as the approval and execution of the FFGA in November 2018. This data, along with information provided by other transit agencies in varying phases of the CIG program, resulted in a memo that summarized the findings of the Committee's oversight of FTA. A key finding in the memo is that "the CIG project approval times more than doubled for projects approved in 2017 and later". The Committee's observation on project delay is consistent with the delay that the Project experienced in getting the FFGA executed with FTA. Representative DeFazio's letter to OCTA and the accompanying memo are provided in Attachment A.

Other key Project updates include:

- Proposals were received in response to the operations and maintenance request for proposals.
- Ongoing coordination with FTA, the City, City of Garden Grove, Orange County Fire Authority, Orange County Flood Control District, and OC Parks.

Public Outreach

Outreach activities continue to focus on keeping the community and project stakeholders aware of ongoing construction activities and that all businesses remain open during construction with emails and social media updates.

The biweekly Construction News email looks ahead to general activities along the alignment, as well as segment-by-segment details. In addition to an email to the project database, individual notifications are provided with a door hanger describing the activity in more detail in multiple languages. The emails are available on the project website, and social media channels are used to broaden its availability and awareness.

During this reporting period, the construction on 4th Street included trenchless sewer replacement. In order to expedite work in the downtown area, crews worked both daytime and nighttime shifts. Two-block road closures were installed beginning with work between Ross Street and Broadway Street. A two-step notification process was implemented with an initial bi-lingual flyer describing the work activities and a follow-up bi-lingual door hanger with advance notification for the evenings when the new sewer pipe was installed. In addition, outreach staff was available on site during the initial hours of pipe installation to answer any questions or address concerns that the public had. Due to these efforts, no adverse comments were received in person, online, or at the City.

Additionally, OCTA provided twenty posters installed on A-frames placed at the entrances to the downtown parking structures alerting drivers and pedestrians that businesses are open during construction and alternate parking is available.

OCTA outreach staff works proactively with City representatives to monitor community events in the downtown area to assure the contractor is aware and can coordinate activities accordingly.

Cost and Contingency

The Project cost, as included in the FFGA, remains at \$407.7 million. This includes \$37.96 million in contingency. As of the end of the reporting quarter, \$4,176,045 in contingency has been expended.

Schedule

Upon issuance of NTP, OCTA issued Walsh two CCOs to perform demolition and removal of contaminated soil, authorized the removal of an undocumented underground storage tank and abandonment of an undocumented water well at the MSF site under a contract allowance. All this work was not anticipated prior to construction. This additional work has impacted the construction schedule to complete the MSF, which is a critical path to accommodate vehicle delivery. The construction management team is performing a time-impact evaluation of all changes to date, along with concurrent Walsh delays on other activities to determine the impact, responsibility, and forward-looking strategies to mitigate the schedule delays.

The current construction schedule status, incorporating these known early delays to date along with modeled future potential risks, indicate the revenue service date could extend to July 2022. The construction management team continues to assess Walsh's progress, track and manage schedule risks, and is actively working with Walsh to identify opportunities to reduce construction time frames on future activities.

Next Steps

Construction activities in the next quarter are scheduled to include: on-site utilities for the MSF and building foundations; completing abutments and approach fills for the Santa Ana River Bridge; the center pier foundation and abutments for the Westminster Avenue Bridge; preparation for ballasted track installation in the PE ROW; and preparation for the start of in-street embedded tracks. Next steps for vehicles include finalizing remaining design components and continued production of the girder. Upcoming outreach activities include coordination with the construction team and the City regarding sewer and water line replacement in several segments

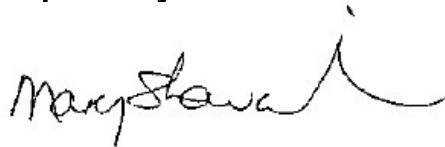
Summary

The fiscal year 2019-20 first quarter update on the OC Streetcar project is provided for the Orange County Transportation Authority Board of Directors' review.

Attachment

- A. Letter from Representative Peter DeFazio to Darrell E. Johnson, Chief Executive Officer, Dated August 8, 2019

Prepared by:



Mary Shavali
Program Manager
(714) 560-5856

Approved by:



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



**Committee on Transportation and Infrastructure
U.S. House of Representatives**

Washington, DC 20515

**Peter A. DeFazio
Chairman**

**Sam Graves, MO
Ranking Member**

Katherine W. Dedrick, Staff Director

Paul J. Sass, Republican Staff Director

August 8, 2019

Darrell E. Johnson
Chief Executive Officer
Orange County Transportation Authority
P.O. Box 14184
Orange, CA 92863

Dear Mr. Johnson:

As you may recall, the Committee on Transportation and Infrastructure wrote to you earlier this year requesting information on the Capital Investment Grants (CIG) program (Section 5309 of Title 49), most recently reauthorized in the Fixing America's Surface Transportation Act (FAST Act, P.L. 114-94). The Committee has been conducting oversight to ensure that the Federal Transit Administration is implementing Section 5309 in accordance with congressional intent.

On July 16, 2019, the Subcommittee on Highways and Transit held a hearing entitled "Oversight of the Federal Transit Administration's Capital Investment Grant Program." The committee received testimony from the Federal Transit Administration (FTA) Acting Administrator Jane Williams, the President and CEO of the American Public Transportation Association, the Executive Director of the Kansas City Streetcar Authority, and the President and Chief Executive Officer of Lane Construction Corporation on behalf of the American Road & Transportation Builders Association.

The Committee released a memo at the hearing (see enclosure) that summarizes the results of the data provided by FTA and many transit agencies. Your cooperation in providing the data was instrumental in demonstrating challenges in the implementation of the CIG program. The data shows that CIG project approval times more than doubled for projects approved in 2017 and later. The data also showed FTA's changes in the risk assessment process and delays in approving projects have resulted in at least \$845 million in extra costs for transit agencies. These additional costs were generally covered by local dollars, forcing local governments to scramble to pay for federal inaction.

The Committee has also been made aware that transit agencies have felt pressure from FTA staff to seek lower federal shares in order to be approved for a CIG grant. The data provided

Darrell E. Johnson
August 8, 2019
Page 2

demonstrates the effect of this pressure; the CIG cost share for New Start projects has dropped over 10 percent in the last two years. At the hearing, I sought to provide clarity to transit agencies and pressed FTA to follow the law on cost share. I asked Acting Administrator Williams to confirm she would sign a New Starts Full Funding Grant Agreement above a 40 percent CIG cost share, which she did.

Thank you for your cooperation in this matter. I hope FTA is a better partner in expanding transit going forward.

Sincerely,



PETER A. DeFAZIO
Chairman



**Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515**

Peter A. DeFazio
Chairman

Sam Graves
Ranking Member

Katherine W. Dedrick, Staff Director

Paul J. Sass, Republican Staff Director

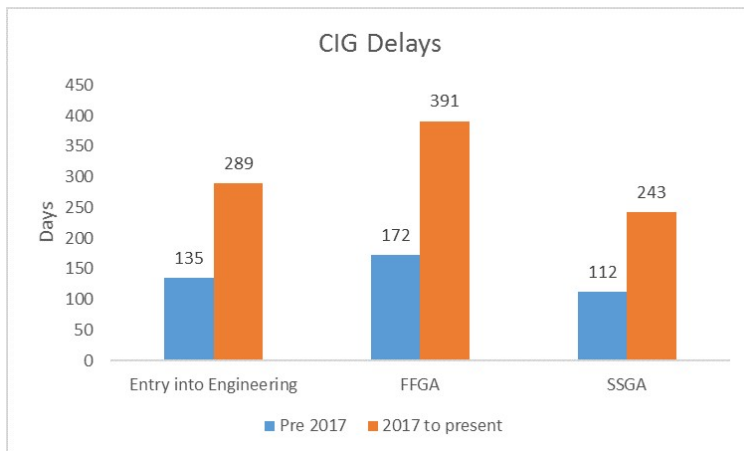
July 16, 2019

TO: Members, Subcommittee on Highways and Transit
FROM: Majority Staff, Subcommittee on Highways and Transit
RE: Oversight of the Federal Transit Administration’s Capital Investment Grant Program

Transit industry stakeholders have raised concerns about the implementation of the Capital Investment Grant Program (CIG) in recent years, including the slow pace of decision-making and new policy guidance leading to costlier projects and a higher required local cost share. In order to further examine concerns raised with the Committee and to ensure compliance with the law, Chairman DeFazio and Ranking Member Graves sent a bipartisan letter to the Federal Transit Administration (FTA) and dozens of transit agencies on March 8, 2019, seeking “data that will allow us to conduct a quantitative analysis of the CIG program and its operations under the FAST Act.”

The findings below are based on a majority staff review of data provided to the Committee. Results have been consolidated to ensure the identity of individual projects or agencies remain confidential. Analysis of certain project data under the CIG program and the findings, detailed below, corroborate the concerns raised by transit agencies.

Finding 1: Transit agencies face significantly longer timeframes for decision-making by FTA under this Administration



Transit agencies have continued to express frustration over the long wait times for project approvals and the lack of clear and timely communication from FTA on the causes of a delay or a timeline for approval. A review of the data confirms significantly longer approval times for decisions under the CIG program by this Administration. The analysis examined the number of days to get approval into Engineering and to execute Full Funding Grant

Agreements (FFGAs) for New Starts projects and Small Starts Grant Agreements (SSGAs) for Small Smarts projects.¹

The number of days for approval more than doubled under this administration, demonstrating a significant delay in project approval. These delays affected projects regardless of their size, indicating that the delays had nothing to do with the complexity of projects.

Finding 2: FTA actions have resulted in at least \$845 million in extra costs for transit agencies

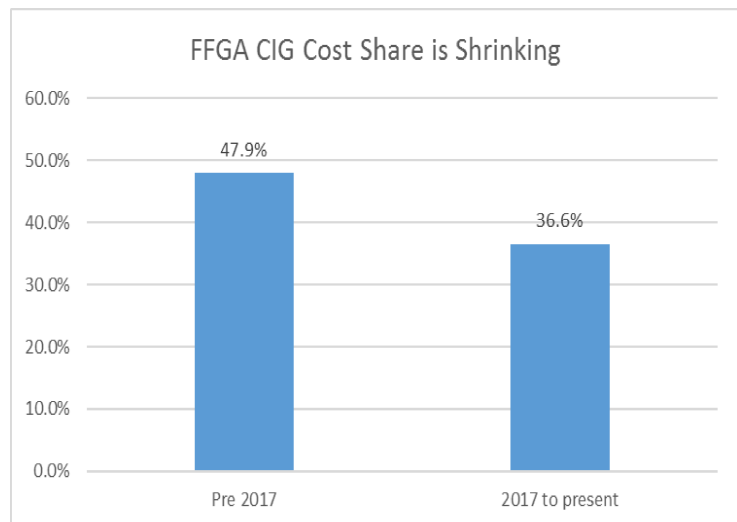
The risk assessment is a third party assessment of the project risks and their effects on the project’s timeline and cost estimate. It also calculates the amount of contingency funding that FTA will require the project sponsor to have in order to cover potential cost overruns.

The Committee requested information from transit agencies documenting higher project costs resulting from changes in the risk assessment process and delays in approving projects, and reviewed aggregated data provided by a subset of transit agencies willing to report data. Changing the probability threshold in the risk assessment process from 50 percent to 65 percent added an additional \$650 million to total project costs for these projects. In addition, the data also revealed \$195 million in additional project costs from delays in the approval process.

In total, the data revealed approximately \$845 million in additional project costs created unnecessarily by FTA actions. These additional costs were generally covered by local dollars, forcing local governments to scramble to pay for federal inaction. The identified cost overruns do not represent costs for all agencies, only a subset from those willing to report them, and therefore is an incomplete figure.

Finding 3: The federal cost share for New Starts projects is shrinking

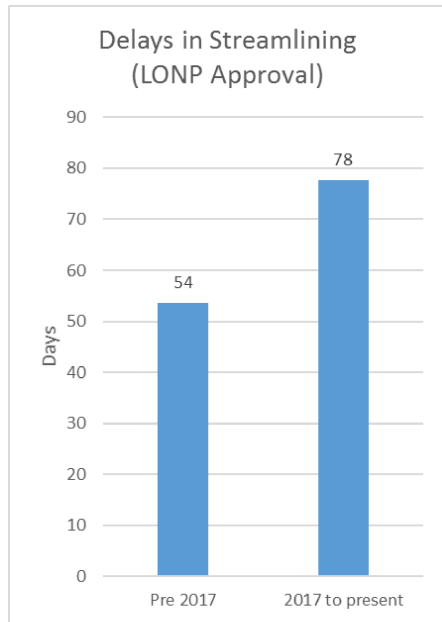
The Committee has also been made aware that transit agencies have felt pressured by FTA staff to seek lower federal shares in order to be approved for a CIG grant. The data provided demonstrates the effect of this pressure; **the CIG cost share for New Start projects has dropped over 10 percent in the last two years.** The data reveals that currently, the average CIG cost share for New Starts projects is 36.6 percent. This is below the arbitrary 40 percent cap that FTA has unofficially communicated to transit agencies should be their cost share goal. This unofficial



¹ Full Funding Grant Agreement, (FFGA) is a multiyear agreement between the federal government and a transit agency that establishes the terms and conditions for federal financial participation, including the maximum amount of federal funding that is committed. A Small Starts Grant Agreement (SSGA), is similar to an FFGA but for a transit project seeking less than \$100 million in a CIG grant and typically commits the funding in a single year.

policy is directly contrary to 49 U.S.C. § 5309(l)(5), which states: “[n]othing in this section [49 U.S.C. § 5309] shall be construed as authorizing the Secretary to require a non-Federal financial commitment for a project that is more than 20 percent of the net capital project cost.”

Finding 4: Project sponsors are waiting longer for approval to use streamlining tools



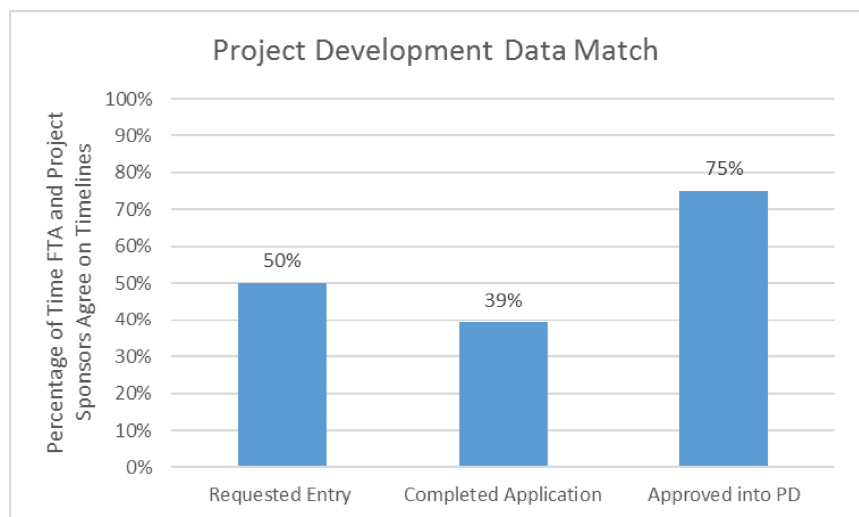
CIG projects move through a lengthy and strenuous process. Upon nearing final project approval, project sponsors may request a Letter of No Prejudice (LONP) to allow them to begin work before final approval on the most time sensitive components of the project. LONPs can lead to significant cost savings and may reduce the potential for schedule delays later in the project.

LONPs are not a commitment of funds, but a cost saving measure and streamlining tool. Given the importance the Administration has placed on streamlining project approvals, expediting LONPs would be logical. **However, committee data shows that the number of days required to approve a LONP rose by 44 percent in the current Administration.**

Finding 5: Transit agencies and FTA are working from different timelines

A comparison of the data FTA submitted and the data transit agencies submitted revealed large disparities in terms of timelines in the Project Development phase. **The dates provided by FTA and transit agencies matched as little as 39 percent of the time.**

The data shows that FTA and project sponsors are frequently not in agreement on the date a project moves from one phase to the next. This finding raises concerns about a lack of coordination, understanding, and bureaucratic complexities in the CIG program. This finding also supports calls for a CIG program dashboard.



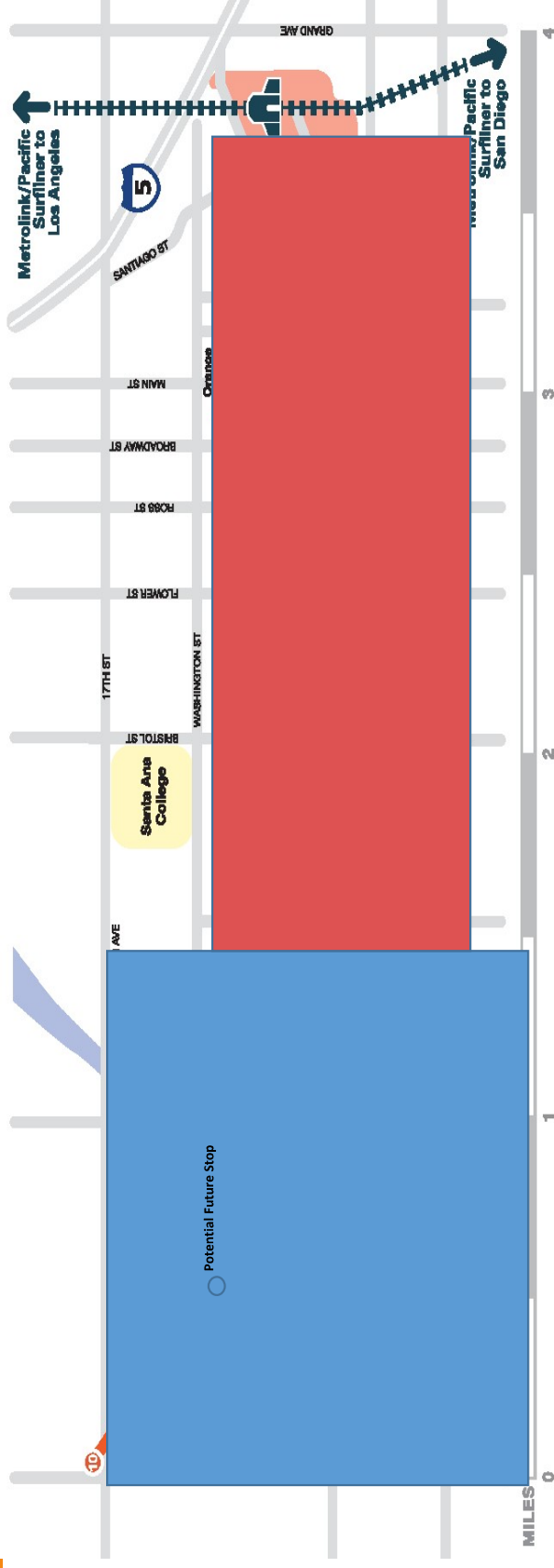
OC Streetcar Project Quarterly Update

Background

- Measure M2 Project S – Transit Extensions to Metrolink approved by the Orange County voters in November 2006
- Key Project implementation dates:

Key Milestone	Date	Contract Execution Amount (in Millions)
Vehicle Contract Award	March 2018	\$51.52
Construction Contract Award	September 2018	\$220.53
Full Funding Grant Agreement Executed	November 2018	\$148.96

OC Streetcar Features



Pacific Electric Right-of-Way (ROW)

- Dedicated ROW owned by the Orange County Transportation Authority (OCTA)
- Double-Track, Ties, and Ballast
- Two Bridges-Westminster and Santa Ana River
- Two Gated Crossings-Fairview and 5th Street
- Maintenance facility for eight cars west of Raitt Street
- Center Platforms
- Two-Wire Overhead Catenary System (OCS)

STREET RUNNING

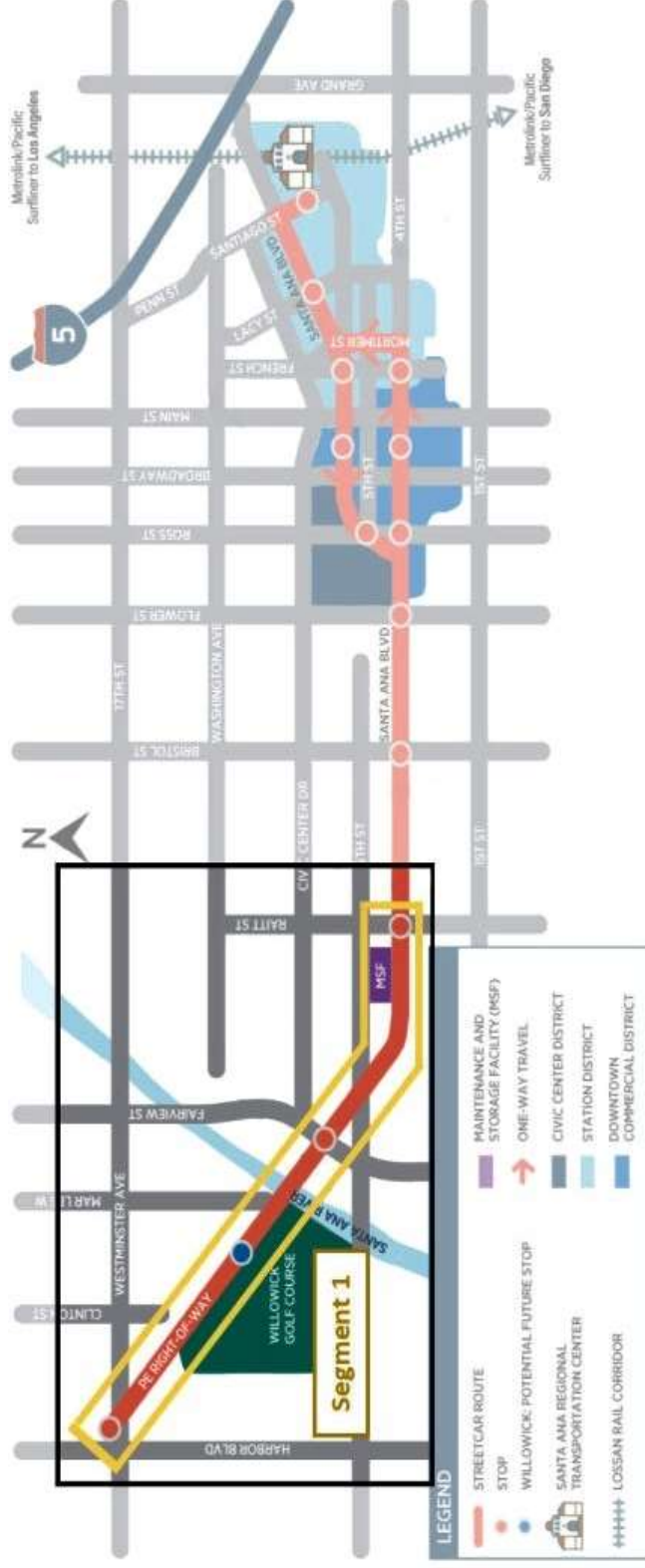
- Traffic Signal Priority
- One-way couplet downtown
 - 4th Street Eastbound, Santa Ana Boulevard Westbound
- Embedded Track (Block Rail)
- Side Platforms (except Santa Ana Regional Transportation Center)
- Protected bike lane on Santa Ana Boulevard
- One-Wire OCS with underground feeder

Santa Ana River Bridge



- Foundations and pier walls for the new bridge across the Santa Ana River were completed

Construction—Segment 1



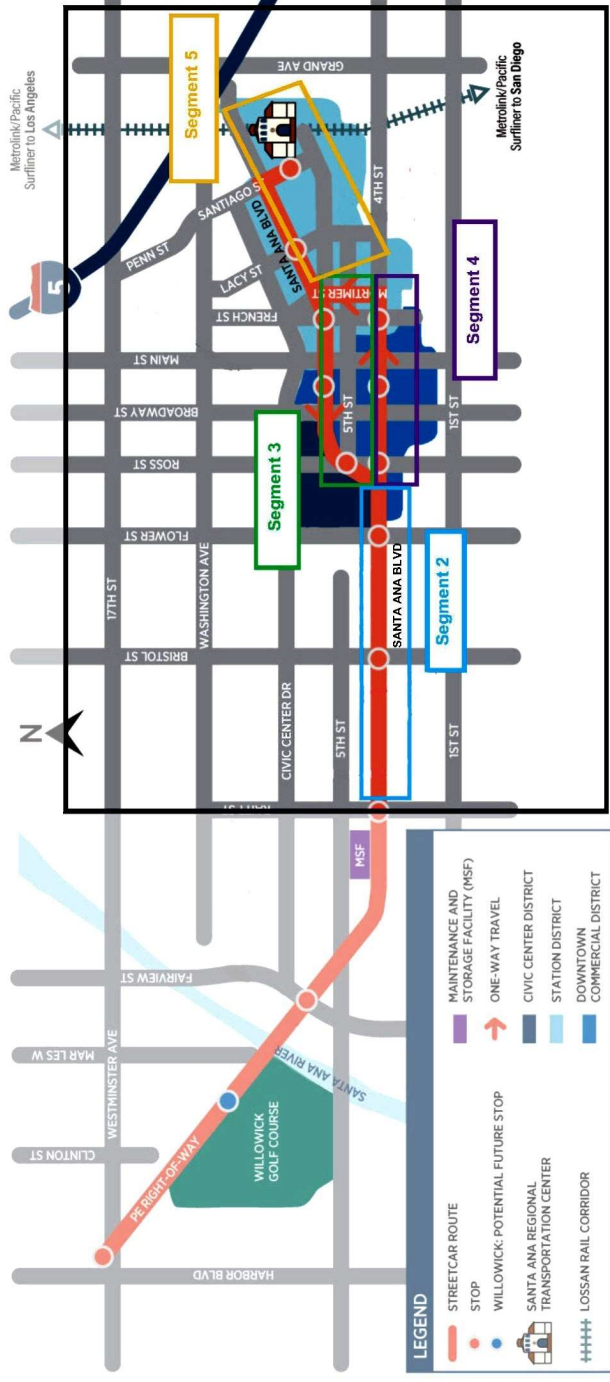
- Foundations for the bridge abutments for the bridge over Westminister Avenue have been installed
- Drainage systems are being installed in preparation for the installation of ballasted track in the Pacific Electric Right-of-Way (PE ROW)
- Removal and disposal of contaminated materials within the PE ROW is underway

Maintenance and Storage Facility (MSF)



- Grading for the MSF building foundation is ongoing, foundations are being poured, and utility duct work for the plumbing, drainage, and electrical systems is being installed

Construction—Segments 2 through 5

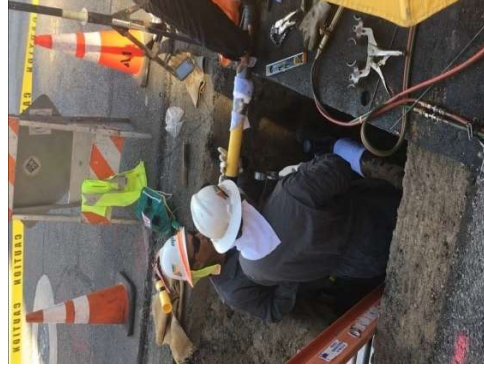


• Wet utilities are being relocated by the streetcar construction contractor: water, sewer, and storm drain

- Sewer relocation on Santa Ana Boulevard from Raitt Street to Bristol Street is complete
- Trenchless sewer replacement work on 4th Street is complete
- Installing sewer lines, waterlines, and storm drains in preparation for track installation late this year

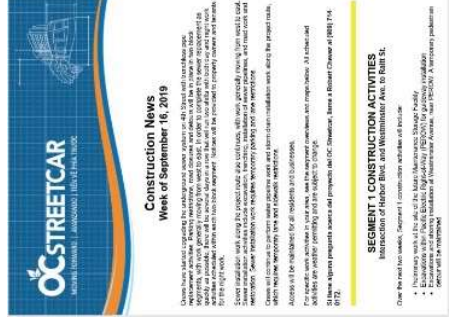
Third-Party Utility Relocations

- Most third-party utility relocations are complete
- Remaining work includes:
 - Southern California Gas working downtown and east of downtown on Santa Ana Boulevard
 - A few communications facilities requiring relocation
 - Southern California Edison removal of underground vaults on Santa Ana Boulevard
 - AT&T has one final relocation to be scheduled in January 2020 after a sewer line has been relocated



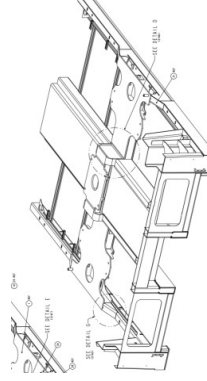
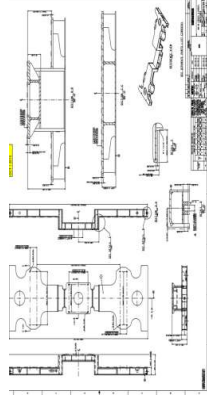
Outreach

- OCTA installed 20 A-frame posters alerting the public that businesses are open during construction
- Biweekly Construction News emails
 - Segment by Segment details of construction activities
 - Distributed 2,000+ recipients
- Trenchless Sewer Replacement on 4th Street
 - Bilingual door hanger
 - Outreach staff on-site during initial hours of pipe installation to answer questions and concerns
- OCTA outreach staff works proactively with City of Santa Ana representatives to monitor community events in the downtown area to assure the contractor is aware and can coordinate activities accordingly



Vehicles

- Final design review commenced for the vehicles
- Vehicle production began in September 2019
 - The vehicle girder and car shell are the first components to be fabricated for the streetcars and will be completed for the first vehicle in December 2019
- Coordination was initiated between Conduent, OCTA, and Siemens in identifying the space requirements of the Computer Aided Dispatch and Automated Vehicle Location equipment on the vehicle
- Coordination continues between OCTA, Siemens, and Walsh Construction Company II, LLC in the development of the Wheel to Rail Interface Plan that details the integration of the vehicle with the project infrastructure and track tolerance



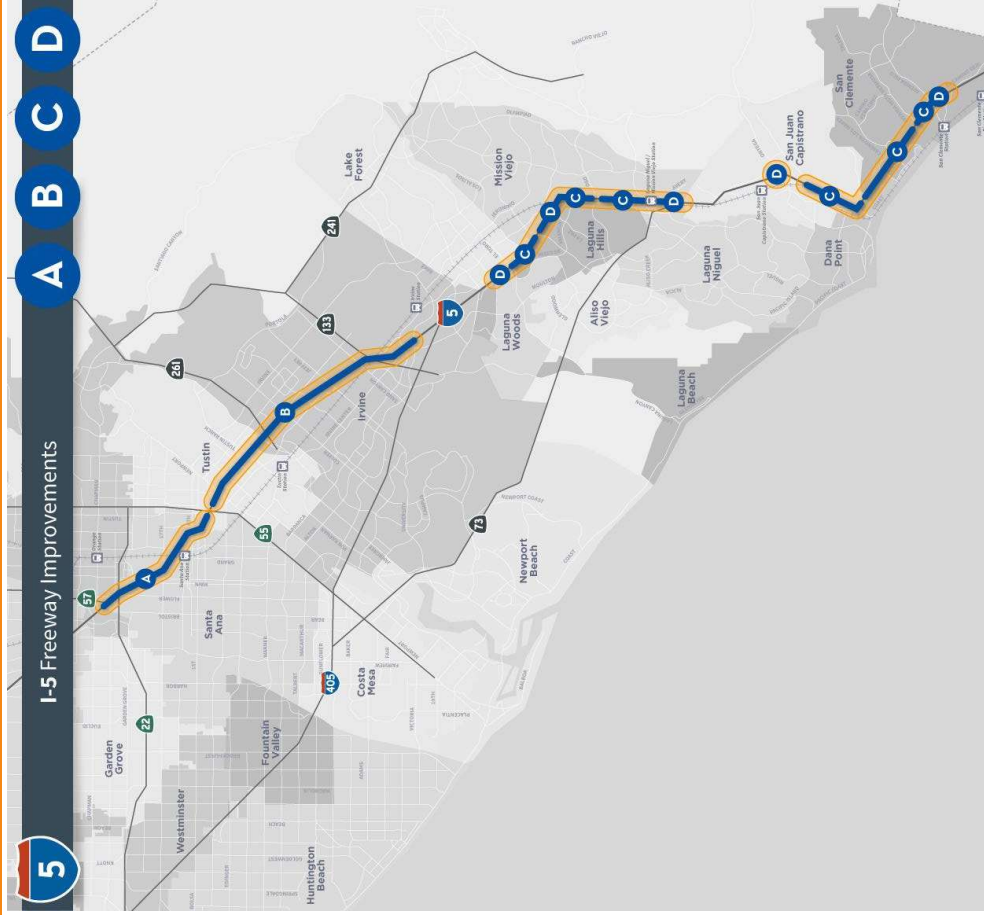
Other key OC Streetcar updates

- Receipt of letter from Representative Peter DeFazio (D-OR), Chairman of the House Transportation and Infrastructure Committee (Committee) regarding implementation of Capital Investment Grant Program
- Operations and Maintenance (O&M) request for proposals. Proposals received July 24, 2019 and currently under review
- Award of O&M contract is anticipated for first quarter 2020
- Ongoing coordination with the Federal Transit Administration, City of Santa Ana, City of Garden Grove, Orange County Fire Authority, Orange County Flood Control District, and OC Parks



Measure M2 Interstate 5 Corridor Improvements

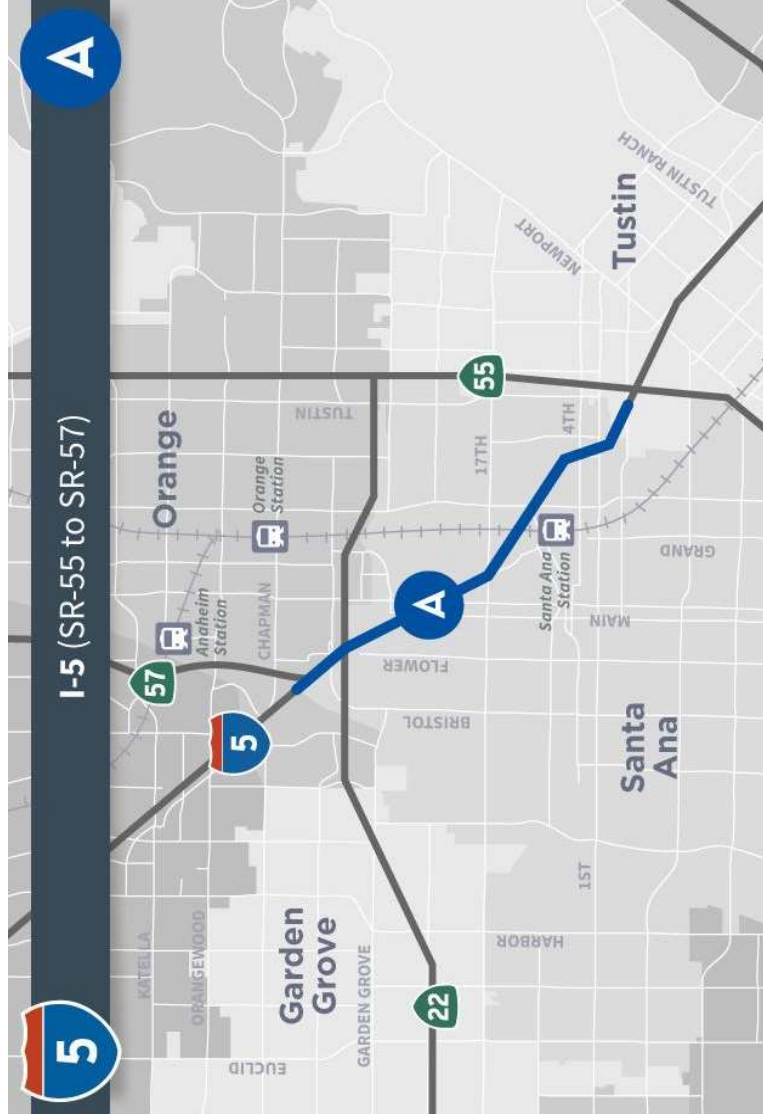
I-5 Comprehensive Improvements



- Approved by the voters in the M2 Transportation Investment Plan
- Comprehensive I-5 Improvement Program covering 25 miles
- Nearly \$1.5 billion in highway improvements

I-5 – Interstate 5 / SR-57 – State Route 57 / SR-55 – State Route 55 / SR-22 – State Route 22 / SR-133 – State Route 133 / SR-241 – State Route 241 / I-405 – Interstate 405 / SR-73 – State Route 73 / M2 – Measure M2

M2 I-5 - Project A



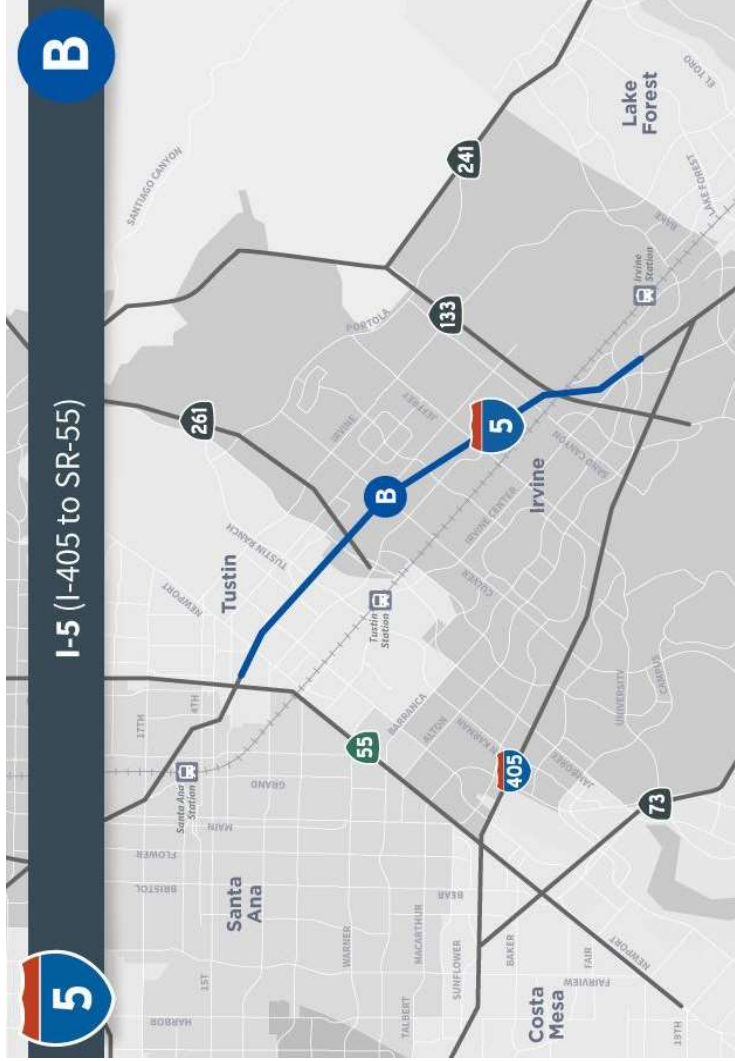
Complete Environmental	Complete Design	ROW Certification/ Construction Ready	Advertise Construction	Award Contract	Complete Construction
Apr-15	Jun-17	Sep-17	Mar-18	Nov-18	Apr-21

- Adds carpool lanes and reconfigures freeway lanes – 3 miles
- \$41.5 million (federal, state, and M2 funds)
- Project under construction
- Caltrans studying conversion to HOT lanes (*recommended for environmental phase by Caltrans*)



Caltrans – California Department of Transportation
HOT – High Occupancy Toll
ROW – Right-of-Way

M2 I-5 - Project B



- Adds general-purpose lanes and improves operations – 9 miles
- \$439 million (federal, state, and M2 funds)
- Project in final stages of environmental approval
- Proposed for final design phase as part of Next 10 Delivery Plan update

Complete Environmental	Complete Design	ROW Certification/ Construction Ready	Advertise Construction	Award Contract	Complete Construction
Feb-20	-	-	-	-	-

M2 I-5 - Projects C/D

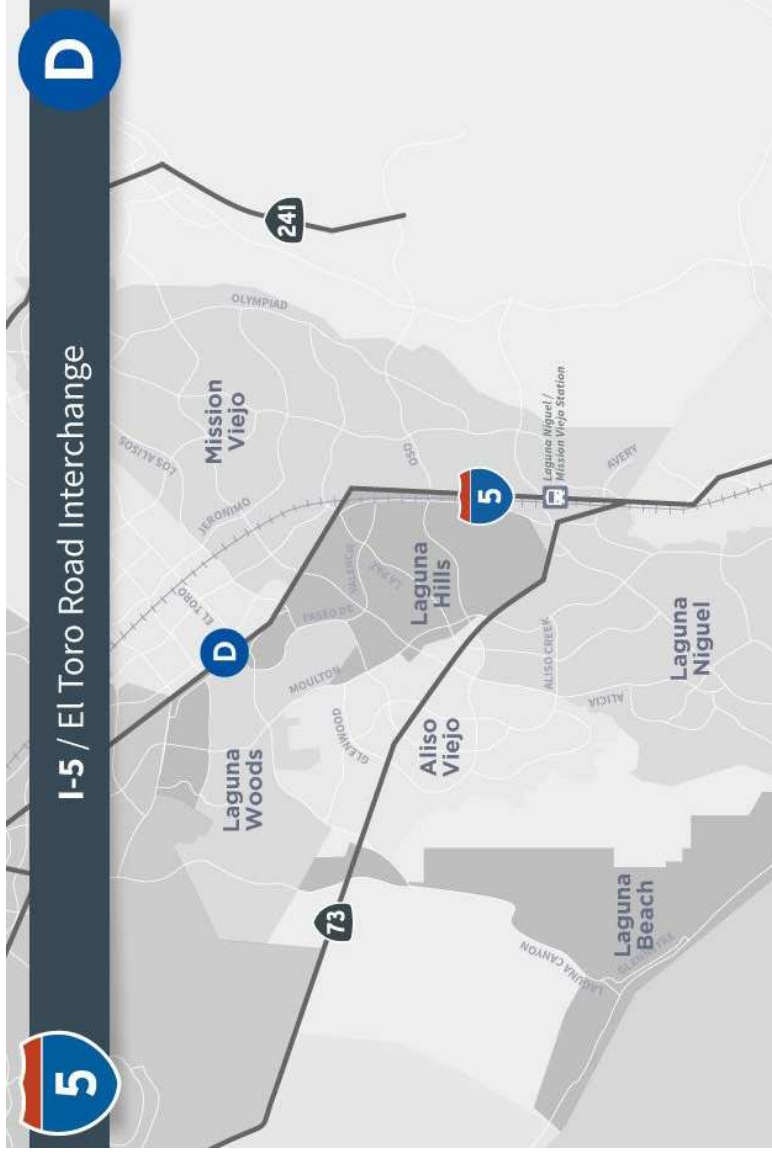


- Adds general-purpose lanes, extends carpool lanes, reconstructs major interchanges and replaces undercrossing - 6.5 miles
- \$593 million (federal, state, and M2 funds)
- Project delivered in three segments with two currently under construction
- Caltrans and Transportation Corridor Agencies proposing additional widening in same segments and HOT lanes conversion



Complete Environmental	Complete Design	ROW Certification/ Construction Ready	Advertise Construction	Award Contract	Complete Construction
May-14	May-19	Feb-20	Jun-20	Sep-20	Oct-24
	Dec-17	May-18	Nov-18	Mar-19	Nov-23
	Aug-18	May-19	Aug-19	Dec-19	Feb-25

M2 I-5 - Project D

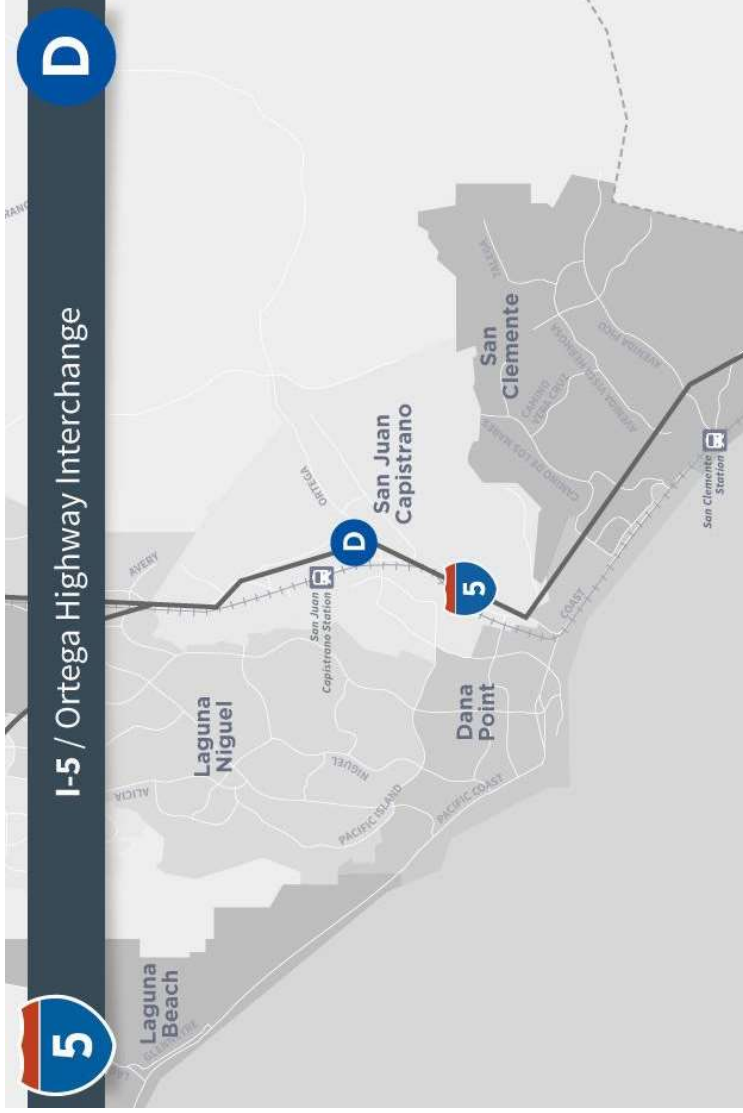


- Reconstructs I-5/El Toro Road interchange to increase capacity
- Cost TBD
- Project in environmental stage and under review by cities of Laguna Hills, Lake Forest, and Laguna Woods
- Consensus required in order to move project forward to final design

Complete Environmental	Complete Design	ROW Certification/ Construction Ready	Advertise Construction	Award Contract	Complete Construction
Apr-20	-	-	-	-	-

TBD – To be determined

M2 I-5 - Project D



- Reconstructed interchange
- \$79.7 million (state, local, and M2 funds)
- Completed in 2016
- Completed project allows separate Ortega Highway widening project to move forward
- Separate Ortega Highway widening project in final environmental phase and proposed for final design



Complete Environmental	Complete Design	ROW Certification/ Construction Ready	Advertise Construction	Award Contract	Complete Construction
Jun-09	Dec-11	Apr-12	Jun-12	Aug-12	Jan-16

M2 I-5 - Projects C/D



- Added carpool lane and reconstructed Avenida Pico interchange – 6 miles
- \$235 million (federal, state, and M2 funds)
- Constructed in three segments and completed in 2018
- Regional Transportation Plan includes three-mile carpool extension to San Diego county line area
- Caltrans and Transportation Corridor Agencies proposing conversion to HOT lanes

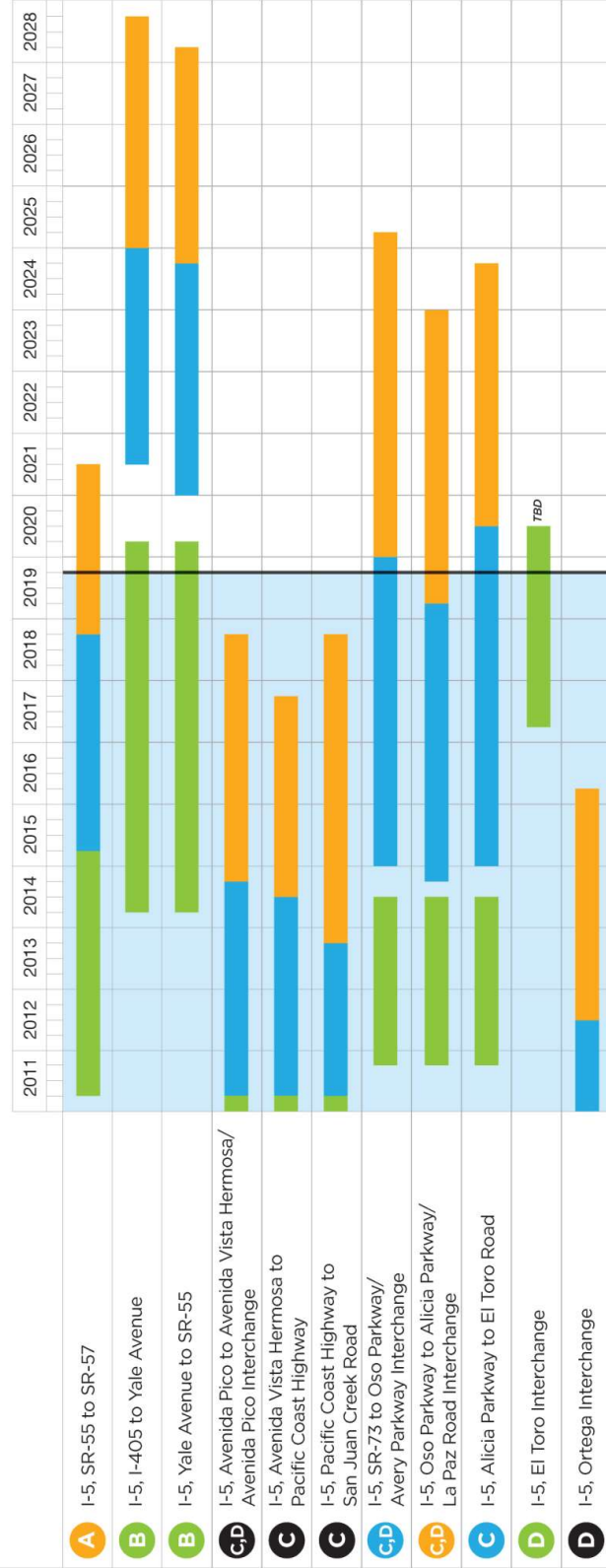
Complete Environmental	Complete Design	ROW Certification/ Construction Ready	Advertise Construction	Award Contract	Begin Advertise & Award	Complete Construction
Oct-11	Oct-13 May-13 Jan-13	Jan-14 Feb-13 Feb-13	Sep-14 Feb-14 Aug-13	Nov-14 Jun-14 Dec-13	Sep-14 Feb-14 Aug-13	Aug-18 Jul-17 Jul-18



M2 I-5 Schedule

Environmental Design/Advertise & Award Construction Completed

Measure M2 Interstate 5 Projects



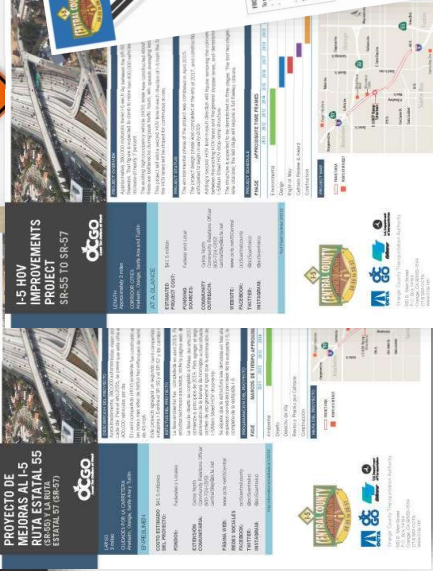
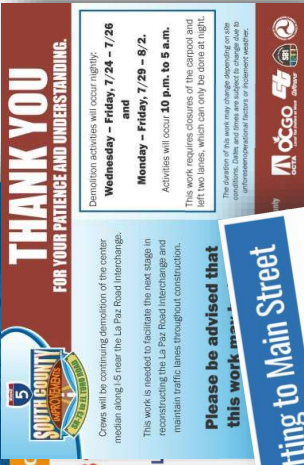
Please note that schedules for projects in design and construction are updated as of June 30, 2019. Schedules for projects in environmental are preliminary. Shown schedules are subject to further refinement.

Public Outreach

- Weekly Email Blasts
- Social Media
- Direct Mail
- Canvassing Fliers
- Business Outreach
- Neighborhood Meetings
- One-on-one Briefings
- Speakers Bureau Presentations



(800) 724-0353



Summary

- Comprehensive I-5 Improvement Program covering 25 miles
- Nearly \$1.5 billion in highway improvements
 - Added lane miles
 - Improved interchanges
 - Updated safety features
- Improves highway and arterial mobility through 2040
- Delivery of improvements completed or in progress
- Projects approved by voters - M2 Transportation Investment Plan
- Caltrans studying conversion to HOT lanes





December 2, 2019

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Measure M2 Quarterly Progress Report for the Period of July 2019 Through September 2019

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

Overview

Staff has prepared a Measure M2 quarterly progress report for the period of July 2019 through September 2019, for review by the Orange County Transportation Authority Board of Directors. This report highlights progress on Measure M2 projects and programs and will be available to the public via the Orange County Transportation Authority website.

Recommendation

Receive and file as an information item.

Background

On November 7, 2006, Orange County voters, by a margin of 69.7 percent, approved the Renewed Measure M Transportation Investment Plan (Plan) for the Measure M2 (M2) one half-cent sales tax for transportation improvements. The Plan provides a 30-year revenue stream for a broad range of transportation and environmental improvements, as well as a governing ordinance, which defines the requirements for implementing the Plan. Ordinance No. 3 designates the Orange County Transportation Authority (OCTA) as responsible for administering the Plan and ensuring that OCTA's contract with the voters is followed.

OCTA is committed to fulfilling the promises made in M2. This means not only completing the projects described in the Plan, but adhering to numerous specific requirements and high standards of quality called for in the measure, as identified in the ordinance. Ordinance No. 3 requires that quarterly status reports regarding the major projects detailed in the Plan be brought to the

OCTA Board of Directors (Board). On September 25, 2017, the Board approved rebranding M2 externally to OC Go to promote OCTA's Measure M awareness and public perception, as well as to avoid confusion with the recently approved, similarly named, Los Angeles County Metropolitan Transportation Authority's "Measure M." M2 progress is summarized in these quarterly progress reports, which are posted online for public review.

Discussion

This quarterly report reflects current activities and progress across all M2 programs for the period of July 1, 2019 through September 30, 2019 (Attachment A).

The quarterly report is designed to be easy to navigate and public friendly, reflecting OCTA's Strategic Plan transparency goals. The report includes budget and schedule information provided from the Capital Action Plan, and Local Fair Share and Senior Mobility Program payments made to cities during the quarter, as well as total distributions from M2 inception through September 2019.

Additionally, Attachment A includes a summary of the Program Management Office activities that have taken place during the quarter. Two areas in particular are highlighted below.

Future Outlook

At the Boards' direction, OCTA contracts with two local economists to monitor and analyze key early warning indicators affecting the construction market. The information is incorporated in a cost pressure index model to provide insight on OCTA's delivery of the Next 10 Delivery Plan. The results of the analysis were presented to the Board on October 28, 2019, and identified a potential that OCTA will experience a moderate cost environment of two to six percent inflation during 2020 through 2022. The consultant's analysis on measurable cost pressures has tempered compared to the 2018 analysis. Staff will continue to monitor market conditions and effects on the advancement of the Next 10 Delivery Plan and provide updates to the Board as appropriate.

Next 10 Delivery Plan

As part of the annual review, staff reviewed the Board-adopted commitments included in the Next 10 Delivery Plan, and incorporated changes in revenues and project costs to ensure the plan remains deliverable. The 2019 review was completed in November and the updated Next 10 Delivery Plan was presented

to the Board on November 11, 2019. The review incorporates the revised 2019 sales tax revenue forecast of \$13.4 billion (presented to the Board on October 28, 2019), updated project and program cash flows, and incorporated information provided through the updated construction cost pressure index (presented to the Board on October 28, 2019).

Progress Update

The following provides an overview of M2 accomplishments to date by mode, as well as highlights of activities that occurred during the first quarter of fiscal year (FY) 2020.

Freeway Program

The M2 Freeway Program consists of 30 projects or project segments to be delivered by 2041. Currently, while in year nine of the 30-year program, 12 segments are complete, three are in construction, and another three are readying for construction. The remaining 12 segments are in various stages of project development, with eight (included in the 2019 updated Next 10 Delivery Plan) of those slated to go into construction and be complete or nearing completion by 2026.

Key freeway project activities taking place this quarter, along with updates, are highlighted below.

- Construction activities continued on Interstate 5 (I-5) between State Route 55 (SR-55) and State Route 57 (SR-57) Project. The I-5/Main Street carpool bridge was demolished on August 2 and August 3, 2019. The demolished bridge will make room for a second carpool lane on the I-5. (Project A)
- The I-5 Project between State Route 73 (SR-73) and Oso Parkway, which includes the Avery Parkway interchange, was advertised for construction bids in late August 2019. This is the southernmost of three segments of the I-5 widening between SR-73 and El Toro Road. The California Department of Transportation (Caltrans) opened bids on October 15, 2019, with the apparent low bid at 3.27 percent below the engineer's estimate. Caltrans is currently reviewing the bid for responsiveness and determination to award the contract. (Project C and Project D)

- An update was provided to the Regional Planning and Highways Committee on September 5, 2019, and to the Board on September 9, 2019, for the SR-55 between I-5 and State Route 91 (SR-91) Project, sharing proposed project improvements and that the draft environmental document was circulated for public input. (Project F)
- A consultant was selected by the Board to prepare the plans, specifications, and estimates for the SR-91 Project between SR-55 and Lakeview Avenue on September 9, 2019. This is the easternmost of three segments of the SR-91 Project between SR-57 and SR-55. Contract negotiations are underway and design is expected to begin in early 2020. (Project I)
- The Board approved the release of request for proposals for consultant services for the preparation of plans, specifications, and estimates for the SR-91 between La Palma Avenue and SR-55 Project on September 23, 2019. This is the middle of three segments of the SR-91 between SR-57 and SR-55 Project. Design work is anticipated to begin in mid-2020. (Project I)
- An update was provided to the Board on September 9, 2019, for the Interstate 405 (I-405) between SR-73 and Interstate 605 Project, sharing the August 30, 2019, completion date of the Slater Avenue bridge. With a total of 11 bridges currently under construction, the completion of the Slater Avenue bridge marks the first of 18 bridges to be replaced as part of this project. (Project K)

Streets and Roads

Since 2011, approximately \$787 million¹ has been allocated to local jurisdictions for transportation improvements through the streets and roads competitive and formula funding programs. Additionally, M2 provided a portion of the \$664 million to grade separate seven street and rail crossings, leveraging the majority of the funds (\$520 million) from local, state, and federal sources.

- The 2020 annual call for projects (call) for the Regional Capacity Program and the Regional Traffic Signal Synchronization Program were authorized by the Board and issued on August 12, 2019, providing up to \$40 million.

¹ Excludes suspended funds. On May 13, 2019, the Board determined the City of Santa Ana and City of Stanton ineligible to receive all net M2 revenues.

Funding applications were due on October 24, 2019. Staff is reviewing applications and will present final programming recommendations in mid-2020.

Transit

The M2 transit mode includes a number of programs designed to provide additional transportation options. M2 is the main funding source for Metrolink commuter rail service in Orange County and provides funding for rail station improvements and transit connections to extend the reach of the services.

Since 2011, M2 has provided competitive funding commitments for bus and station van extension projects to Metrolink (\$483,133 to date), local community-based transit circulators and planning studies (\$31 million to date), bus stop improvements (\$1.8 million to date), and funding to support specific programs to meet the needs of seniors and persons with disabilities (\$71.7 million² to date). Key transit project activities taking place this quarter are highlighted below.

- On October 14, 2019, OCTA, along with other Southern California Regional Rail Authority member agencies, implemented service improvements to provide new weekday service between Orange County and the City of Los Angeles (Los Angeles) on the Orange County (OC) and 91/Perris Valley lines. Three midday intracounty roundtrips between the cities of Laguna Niguel/Mission Viejo and Fullerton were replaced with two midday round trips from the cities of Laguna Niguel/Mission Viejo to Los Angeles on the OC Line. These extensions are for later morning trips to Los Angeles and later evening trips from Los Angeles and will only affect weekday service. In addition, on the 91/Perris Valley Line, three intracounty trips from Perris-South to Riverside-Downtown were replaced with one roundtrip from Perris-South to Los Angeles Union Station, with stops in the cities of Buena Park and Fullerton. This will give riders another option to get to Los Angeles and will only affect weekday service. The next phase of service improvements is planned to be implemented in April 2020. (Project R)

² Excludes suspended funds. On May 13, 2019, the Board determined the City of Santa Ana and the City of Stanton ineligible to receive all net M2 revenues. Disbursement of M2 funds have been suspended until the cities achieve compliance and the Board reconsiders the matter by May 2020.

- A quarterly update was provided to the Transit Committee on July 11, 2019, and to the Board on July 22, 2019, for the OC Streetcar Project. (Project S)
- A ridership report for transit community circulators was provided to the Board on August 12, 2019. At the same meeting, staff provided a report on local agencies' interest to the Board, along with consideration of issuing a fourth call. On October 14, 2019, the fourth call, for \$9 million, was authorized by the Board. (Project V)

Environmental Programs

The M2 Program includes two innovative programs, the Environmental Cleanup Program (ECP) with specific activity, and the Environmental Mitigation Program (EMP) with funding from the freeway program. The ECP improves water quality by addressing transportation related pollutants, while the EMP off-sets biological impacts of freeway projects.

Since 2011, the ECP has awarded \$48.1 million to local jurisdictions through a competitive process, which funded 170 projects for trash removal devices (Tier 1), and 20 projects for large scale water quality best management practices projects (Tier 2). More than 6.2 million cubic feet of trash (or over 2,600 40-foot shipping containers) have been captured so far.

Additionally, the Board has authorized \$55 million for the EMP to acquire conservation lands, fund habitat restoration projects, and to develop the Conservation Plan. OCTA has acquired more than 1,300 acres and funded 12 restoration projects across Orange County. The wildlife and habitat on the acquired lands are protected in perpetuity, and long-term management of the properties will be funded by an established endowment. It is estimated that it will take 12 years to fully fund the endowment with annual deposits, or until the fund totals approximately \$46.2 million. As of June 30, 2019, the balance of the endowment was \$9,534,374. The fourth deposit, of approximately \$2.9 million, took place on July 3, 2019.

- Final programming recommendations for the ninth Tier 1 call were approved by the Board on September 9, 2019, which included 11 projects, totaling \$2 million. (Project X)
- An update and annual report for the M2 EMP was provided to the Board on August 12, 2019.

Challenges

As with all major programs, challenges arise and need to be monitored and addressed. A few key challenges are highlighted below.

The May 13, 2019, Board action finding the City of Santa Ana and City of Stanton ineligible (first time in the life of Measure M1 and M2), suspended M2 funding allocations until confirmation by audit of compliance and subsequent Board action. As of October 22, 2019, both the cities of Santa Ana and Stanton have executed settlement agreements with OCTA to correct and remedy the FY 2017-18 audit issues. Upon notification in writing to OCTA of the cities finalized Comprehensive Annual Financial Report, reflecting an unmodified opinion and receipt by OCTA of the FY 2018-19 Expenditure Report, OCTA staff will expedite, as feasible, the required audit. The audit will review each city's FY 2018-19 Expenditure Report and FY 2018-19 maintenance of effort. The Board will revisit the status of compliance by May 2020 or sooner, as appropriate.

On all M2 projects, staff is committed to develop and implement the most cost-effective design that provides the highest congestion relief with the least impact to businesses and communities. Four projects are facing challenges, which are detailed below.

- The I-5 between I-405 and SR-55 Project (Project B) is nearing completion of the environmental phase. OCTA has submitted fact sheets to Caltrans for review and approval of exceptions to mandatory and advisory design standards and is awaiting Caltrans approval in order to complete environmental and proceed into design.
- The SR-91 between SR-57 and SR-55 is also nearing completion of the environmental phase and facing some difficulties. The finalization of the document has been delayed due to a requirement by Caltrans that OCTA provide additional information prior to consideration of approval of design exceptions. The design exceptions will limit right-of-way needs at a recycling facility located adjacent to the project area. This effort includes a site investigation in the landscape area of a former landfill that is currently operating as a metals recycling facility. This requires a lengthy process and presents risk to the project.

-
- On October 2, 2019, OCTA met with the cities of Laguna Hills, Laguna Woods, and Lake Forest to discuss the lack of consensus on alternatives under consideration in the environmental phase for the I-5/El Toro Road Interchange Project. As a result of the meeting, the stakeholder cities have been tasked with determining a mutually acceptable and viable alternative. Built into M2 is a promise that projects would be delivered in cooperation with local jurisdictions. As such, OCTA will not support finalization of the environmental document without consensus. The environmental phase was originally anticipated to be complete by the end of 2019, but will extend beyond. (Project D)
 - Another M2 freeway project facing challenges is the SR-55 between I-405 and I-5 project (Project F), which is nearing final design. Caltrans recently informed OCTA that they will not prepare the required fact sheets for design variations (design standard decision document) as documented in the executed design phase cooperative agreement. This task was included as a Caltrans responsibility in the work sharing commitments in the cooperative agreement and was to be funded by Caltrans' State Highway Operation and Protection Program contribution. OCTA's design consultant will take over this effort, which poses risks as Caltrans approval is still required.

In addition, the Placentia Metrolink Station and Parking Structure Project (Project R) design has been completed and is construction ready, but the project cannot be advertised until Metrolink and Burlington Northern Santa Fe Railway (BNSF) successfully negotiate a memorandum of understanding for the Shared Use Agreement terms and conditions. The Shared Use Agreement will provide the required BNSF approvals for construction of the station. This external agency dependency is a challenge for forecasting project cost estimates, funding, and schedule.

M2 project delivery is monitored closely, and progress, as well as challenges, are presented to the Board through these quarterly staff reports, individual project staff reports, as well as through the Capital Action Plan quarterly performance metrics reports from the Capital Programs Division.

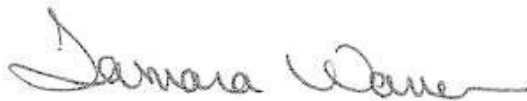
Summary

As required by M2 Ordinance No. 3, a quarterly report covering activities from July 2019 through September 2019 is provided to update progress in implementing the Plan. The above information and the attached details indicate significant progress on the overall M2 Program. To be cost-effective and to facilitate accessibility and transparency of information available to stakeholders and the public, the M2 Quarterly Progress Report is made available through the OCTA website. Hard copies are available by mail upon request.

Attachment

- A. Measure M2 Progress Report, First Quarter Fiscal Year 2019-20, July 1, 2019 through September 30, 2019

Prepared by:



Tamara Warren
Manager, Program Management Office
(714) 560-5590

Approved by:



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



December 2, 2019

To: Regional Planning and Highways Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Fiscal Year 2019-20 Measure M2 Annual Eligibility Review

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

Overview

Measure M2 requires all local agencies in Orange County to annually satisfy eligibility requirements in order to receive Measure M2 net revenues. Required documentation for this review period has been received and reviewed by the Taxpayer Oversight Committee and Orange County Transportation Authority staff. Findings and recommendations are presented for Board of Directors' review and approval.

Recommendations

- A. Approve 33 currently eligible local agencies as eligible to continue to receive Measure M2 net revenues.
- B. Receive and file the Measure M2 eligibility verification documents submitted by the cities of Santa Ana and Stanton.

Background

Local agencies are required to meet Measure M2 (M2) eligibility requirements and submit eligibility verification packages to the Orange County Transportation Authority (OCTA) annually in order to remain eligible to receive M2 net revenues. There are 13 eligibility requirements which local agencies must either meet and/or adhere to. However, not all 13 eligibility components require verification each eligibility cycle. For reference, a summary of M2 eligibility requirements and their respective due dates is provided in Attachment A.

Per the M2 Ordinance, the Taxpayer Oversight Committee (TOC) is responsible for the review of five of the 13 eligibility requirements. These include the Congestion Management Program (CMP), Mitigation Fee Programs (MFPs),

Local Signal Synchronization Plans (LSSPs), Pavement Management Plans (PMP), and Expenditure Reports (ERs)¹. The CMP, MFPs, LSSPs, and PMPs are due on June 30 and are reviewed in the fall. ERs are due on December 31, six months after the close of the fiscal year and are reviewed in the spring².

To assist with its eligibility review responsibilities, the TOC has designated an Annual Eligibility Review (AER) Subcommittee to initially receive and review required M2 Eligibility submittals prior to review by the TOC. Both the AER Subcommittee and TOC convened earlier this year and have completed their respective reviews. Their findings are discussed below.

Discussion

During this past summer, all 35 local agencies (34 cities and the County of Orange) submitted all required M2 eligibility verification documents, prior to OCTA's June 30, 2019 deadline. Through late summer and early fall, OCTA reviewed all local agencies' eligibility verification documents to ensure completion, accuracy, and consistency with M2 Ordinance requirements. Once OCTA's review was complete, the AER Subcommittee was convened with the goal of reviewing and discussing the three required eligibility components that were due and were also under the purview of the subcommittee. These included the CMP, MFPs, and 14 PMP submittals³.

At this meeting, the AER Subcommittee reviewed and confirmed that all 35 local agencies had submitted appropriate required documentation in order to satisfy M2 eligibility submittal requirements and recommended that these findings be communicated to the TOC for its review and consideration. On October 8, 2019, the TOC reviewed the AER Subcommittee's findings and recommendations, and concurred that all local agencies' CMP, MFPs, and 14 PMP submittals were sufficient and recommended that these findings be submitted to the OCTA Board of Directors (Board) for final review and approval.

The TOC's findings on the CMP, MFPs, and 14 PMPs are presented for Board consideration. In addition to these findings, OCTA staff's findings for the other eight M2 eligibility components, which OCTA is responsible for reviewing, are also provided in Attachment B. Based upon the findings identified in Attachment B, staff is recommending that 33 currently eligible Orange County local agencies be found eligible to continue to receive net M2 revenues. The cities of Santa Ana and Stanton submitted the required documentation to satisfy M2 eligibility submittal requirements this cycle; however, these cities are currently ineligible to receive net M2 revenues due to a previous and separate Board action.

¹ Note: The other eight required M2 eligibility components are reviewed by OCTA.

² Note: 14 agencies update their PMPs on odd-numbered fiscal years, while 21 agencies update their PMPs on even-numbered fiscal years.

³ Note: LSSPs were not required to be submitted for this eligibility review cycle.

Although the M2 eligibility verification documents submitted by these two local agencies fulfill the respective requirements, this review will not modify their existing M2 ineligible status. The review of these materials will be helpful in ensuring and maintaining timely M2 compliance should the Board find these cities eligible for M2 funds upon resolution of prior maintenance of effort shortcomings.

Summary

All local agencies in Orange County have submitted all required M2 documentation due at this time. The TOC and OCTA have reviewed all required documentation, and a finding of eligibility is requested for 33 currently eligible Orange County local agencies, and a receive and file action of the submitted M2 eligibility verification documents is requested for the two currently ineligible local agencies.

Attachments

- A. Measure M2 Eligibility Requirements and Submittal Schedule Summary, Fiscal Year 2019-20
- B. Fiscal Year 2019-20, Measure M2 Eligibility Review Summary

Prepared by:



Kelsey Imler
Associate Transportation Funding Analyst
(714) 560-5397

Approved by:



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

**Measure M2 Eligibility Requirements and Submittal Schedule Summary
Fiscal Year 2019-20**

Compliance Category	Frequency	Required
Capital Improvement Program	Annual (June 30)	✓
Circulation Element/Master Plan of Arterial Highways Consistency	Biennial (June 30)	✓
Congestion Management Program	Biennial (June 30)	✓
Expenditure Report	Annual (December 31)	✓
Local Signal Synchronization Plan	Every Three Years (i.e. June 30, 2020)	
Maintenance of Effort	Annual (June 30)	✓
Mitigation Fee Program (MFP)	Biennial (June 30) ¹	✓
No Supplanting of Developer Fees	Annual (June 30)	✓
Pavement Management Plan (PMP)	Biennial (June 30) ²	✓
Timely Submittal of Project Final Reports	Within Six Months of Project Completion	✓
Timely Use of Net Revenues	Annual (June 30)	✓
Traffic Forum Participation	Annual (June 30)	✓
Transit and Non-Motorized Transportation Land-Use Planning Strategies	Annual (June 30)	✓

¹ A jurisdiction must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their MFP and/or nexus study.

² 14 agencies update their PMPs on odd-numbered fiscal years, while 21 agencies update their PMPs on even-numbered fiscal years.

Fiscal Year 2019-20
Measure M2 Eligibility Review Summary

Agency	Capital Improvement Program	Circulation Element/MPAH Consistency	Congestion Management Program	Expenditure Report	Land-Use Planning Strategies	Maintenance of Effort	Mitigation Fee Program	No Supplementing of Developer Fees	¹ Pavement Management Plan	Timely Submittal of Final Reports	Timely Use of Net Revenues	Traffic Forum
Aliso Viejo	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Anaheim	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Brea	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Buena Park	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Costa Mesa	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
County of Orange	Satisfactory	Pending ²	Satisfactory	Pending	Satisfactory	N/A ³	Pending ²	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Cypress	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Dana Point	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Fountain Valley	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Fullerton	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Garden Grove	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Huntington Beach	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Irvine	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
La Habra	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
La Palma	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Laguna Beach	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Laguna Hills	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Laguna Niguel	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Laguna Woods	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Lake Forest	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Los Alamitos	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Mission Viejo	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Newport Beach	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Orange	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Piercentia	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Rancho Santa Margarita	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
San Clemente	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
San Juan Capistrano	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Santa Ana ⁴	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Seal Beach	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Slanton ⁴	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Tustin	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Villa Park	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Westminster	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Yorba Linda	Satisfactory	Satisfactory	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Totals	35	35	35	-	35	35	35	35	14	35	35	35

Acronyms:
MPAH - Master Plan of Arterial Highways
PMP - Pavement Management Plan
MFP - Mitigation Fee Program
N/A - Not applicable

County - County of Orange
M2 - Measure M2
HUTA - Highway Users Tax Account
Board - Board of Directors

¹ 14 agencies update their PMPs on odd-numbered fiscal years, while 21 agencies update their PMPs on even-numbered fiscal years.

² OCTA staff requested revision to the County's MPAH and MFP resolution. The County is anticipated to secure approval of a revised resolution in November. These submittals are noted as pending due to the fact that the County's approval is anticipated to occur after this report has been finalized.

³ Maintenance of effort is based on a three-year average of discretionary fund expenditures for transportation purposes prior to 1990, plus adjustments permitted by the M2 Ordinance. However, Orange County Public Works and their predecessor agencies did not and do not use discretionary funds for transportation purposes. The sources of their transportation funds have been various restricted or partially restricted funds e.g., HUTA, federal grants, assessment districts, developer impact fees, community facilities districts, Subdivision Map Act Highway, and bridge fees etc. It should be noted that about 40 percent of the HUTA revenues that come to Orange County local agencies go to the County.

⁴ The cities of Stanton and Santa Ana submitted the required documentation to satisfy M2 eligibility submittal requirements this cycle, however, they are currently ineligible to receive net M2 revenues due to a previous and separate Board action. Staff is recommending the acceptance of the M2 eligibility verification documents submitted by these two local agencies as a receive and file action. This will not modify their existing M2 ineligible status but will be helpful in ensuring and maintaining timely M2 compliance once the Board ultimately approves to return them to an eligible status.

Note: Local Signal Synchronization Plans are not shown on the table due to these submittals not being required during this eligibility cycle.



December 2, 2019

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

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

Subject: Comprehensive Transportation Funding Programs Semi-Annual Review – September 2019

Overview

The Orange County Transportation Authority has completed the September 2019 semi-annual review of projects funded through the Comprehensive Transportation Funding Programs. This process regularly reviews the status of Measure M2 grant-funded projects and provides an opportunity for local agencies to update project information and request project modifications, as well as a mechanism for the Orange County Transportation Authority to ensure timely progress on grant-funded projects. Recommended project adjustments are presented for review and approval.

Recommendation

Approve the requested adjustments to Comprehensive Transportation Funding Programs projects and Local Fair Share Program funds.

Background

The Comprehensive Transportation Funding Programs (CTFP) is the mechanism which the Orange County Transportation Authority (OCTA) uses to administer funding for street, road, signal, transit, and water quality projects. The CTFP contains a variety of funding programs and sources, including Measure M2 (M2) revenues, State-Local Partnership Program funds, and Local Partnership Program funds. The CTFP provides local agencies with a comprehensive set of guidelines for administration and delivery of various transportation funding grants.

Since the inception of M2, OCTA has made \$501 million (including approximately \$38 million in state and federal funds) competitively available to support 668 project phases. Previous changes to this original allocation amount reflect an estimated reduction in programming of approximately \$4.5 million, resulting in a total revised allocation of approximately \$497 million.

As of the publishing of this report, 341 project phases have been completed (including four phases during this semi-annual review period), 211 project phases are considered currently active, including approximately 86 project phases which are pending (meaning that work is completed, and final submittals are pending and/or need to be finalized), and 66 are planned, which means the local agency has not awarded a contract or started work. For reference, the table below provides a snapshot summary of the current status of all 668 project phases, including cancelled phases.

M2 CTFP Summary Table				
Project Status	March 2019 Semi-Annual Review		September 2019 Semi-Annual Review	
	Project Phases	Allocation (after adjustments)	Project Phases	Allocations (after adjustments) ¹
Planned ²	69	\$ 64.2	66	\$ 33.7
Started ³	128	\$183.4	125	\$204.2
Pending ⁴	73	\$ 60.4	86	\$ 54.1
Completed ⁵	337	\$154.8	341	\$166.9
Cancelled ⁶	39	\$ 22.7	50	\$ 37.9
Total	646	\$485.5	668	\$496.8

1. Subject to change pending final reconciliation.
2. Planned - indicates that funds have not been obligated and/or are pending contract award.
3. Started - indicates that the phase is underway, and funds are obligated.
4. Pending - indicates that phase work is completed, and final report submittal/approval is pending.
5. Completed - indicates that phase work is complete, final report is approved, and final payment has been made.
6. Cancelled - indicates that the phase work will not be completed, and project savings will be returned to the program

* Note: the project phase and allocations listed above are subject to frequent and regular changes due primarily to project status updates, final reconciliations, and project closeout processes.

Twice annually, OCTA meets with representatives from local agencies, as needed, to review the status of all active and pending project phases to review any local agency proposed changes. This process is known as the M2 semi-annual review process. Its goals are to review project status, determine the continued viability of projects, address local agency concerns, confirm availability of local match funds, and ensure timely closeout of all projects funded through the CTFP.

Discussion

As part of the semi-annual review process, local agencies can request any of the following five types of project adjustments:

- Delays – local agencies can request a one-time delay of up to 24 months to obligate funds,
- Timely use of funds extensions – once obligated, funds expire 36 months from the contract award date. Local agencies can request a one-time extension of up to 24 months,

- Scope changes – local agencies may request minor scope changes to projects if they can assure OCTA that the project benefits as committed to in the initial application can still be delivered,
- Transfers – local agencies may request to transfer up to 100 percent of project savings to subsequent project phases within a project as long as the subsequent phase has been awarded M2 competitive funds,
- Cancellation – local agencies may request to cancel projects for any reason. Cancelled projects are eligible to reapply for M2 funds upon resolution of the issues that led to the original project cancellation.

During the September 2019 semi-annual review, proposed adjustments included two timely-use of funds extensions for CTFP projects, nine timely-use of funds extensions for the Local Fair Share Program, four scope changes, and one project transfer. Adjustments are itemized in Attachment A and are described further in Attachment B.

Local agencies identified several reasons for this semi-annual review cycle's requested project adjustments, which included the following:

- Extensions (delays in obtaining permits/project complexities and contract phasing coordination),
- Scope changes (enhanced project benefits, equipment changes to better facilitate project delivery, inability to secure timely approvals/permits, and route modifications to enhance efficiency and ridership), and
- Transfers (project savings from an earlier project phase).

Based upon staff review of the September 2019 semi-annual review proposed project adjustments, the proposed changes are consistent with prior semi-annual review requests and are also appropriate from a CTFP administration perspective. These changes have also been reviewed and approved by the OCTA Technical Advisory Committee. As such, Board of Directors (Board) approval of these proposed adjustments is recommended. Upon Board approval, staff will monitor the implementation of these proposed changes through both its normal project administration and future semi-annual reviews, which are conducted and reported to the Board biannually.

Summary

During the September 2019 semi-annual review process, OCTA reviewed the status of all active project phases funded through the M2 CTFP, and staff is recommending approval of all project adjustments requested by local agencies for this semi-annual review cycle. The next semi-annual review is scheduled for March 2020.

Attachments

- A. Comprehensive Transportation Funding Programs, September 2019 Semi-Annual Review Adjustment Requests
- B. Comprehensive Transportation Funding Programs, September 2019 Semi-Annual Review Adjustment Request Descriptions

Prepared By:



Joseph Alcock
Section Manger,
Measure M2 Local Programs
(714) 560-5372

Approved By:



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

Comprehensive Transportation Funding Programs
September 2019 Semi-Annual Review Adjustment Requests

Timely-Use of Funds Extension Requests - Comprehensive Transportation Funding Programs*								
Agency	Project Number	Project	Project Title	Phase	Current Allocation	Proposed Time Extension (Months)	Project Start Date	Proposed Expenditure Deadline
Santa Ana	13-SNTA-ECP-3680 ¹	X	Santa Ana Delhi Channel Diversion	CON	\$ 2,572,875	12	12/6/2016	12/6/20
Santa Ana	16-SNTA-ICE-3815 ²	O	Bristol Street and Memory Lane Intersection Widening	ENG	\$ 67,500	24	2/25/2017	2/25/22
Comprehensive Transportation Funding Programs Timely-Use of Funds Extensions (2) - Total Phase Allocations					\$ 2,640,375			

Reasons for Project Adjustments

- Delays in obtaining necessary permits and project complexities
- Project phasing coordination

Acronyms

- FY - Fiscal Year
- CON - Construction
- ENG - Engineering

*Once obligated Comprehensive Transportation Funding Programs funds expire 36 months from the contract award date. Local agencies may request a one-time extension of up to 24 months.

Comprehensive Transportation Funding Programs
 September 2019 Semi-Annual Review Adjustment Requests

Timely-Use of Funds Extension Requests - LFS*						
Agency	FY	Disbursement Date	Disbursement Amount	Proposed Extension Amount	Extension Deadline	
Brea	16/17	11/15/2016	\$ 148,772	\$ 148,772	11/15/2021	
		1/10/2017	\$ 180,151	\$ 180,151	1/10/2022	
		3/14/2017	\$ 157,185	\$ 157,185	3/14/2022	
	17/18	5/23/2017	\$ 138,338	\$ 138,338	5/23/2022	
		6/30/2017	\$ 166,743	\$ 166,743	6/30/2022	
		9/12/2017	\$ 145,797	\$ 145,797	9/12/2022	
Yorba Linda	16/17	11/15/2016	\$ 157,784	\$ 157,784	11/15/2021	
		1/10/2017	\$ 188,632	\$ 188,632	1/10/2022	
	3/14/2017	\$ 165,905	\$ 165,905	3/14/2022		
LFS Timely-Use of Funds Extensions (14) - Total \$					1,449,307	

*Net revenues received by local jurisdictions through the LFS Program shall be expended or encumbered within three years. An extension may be granted but is limited to a total of five years from the date of receipt of funds. The Orange County Transportation Authority uses the check disbursement date as the date of receipt of funds. Requests for extensions must be submitted as part of the semi-annual review.

Acronyms
 FY - Fiscal Year
 LFS - Local Fair Share

Comprehensive Transportation Funding Programs
September 2019 Semi-Annual Review Adjustment Requests

Scope Change Requests							
Agency	Project Number	Project	Project Title	Phase	Current FY	Current Allocation	Proposed Allocation
Costa Mesa	17-CMSA-TSP-3873 ¹	P	Bear Street Signal Synchronization	IMP	17/18	\$ 467,872	\$ 467,872
OCTA	15-OCTA-TSP-3774 ²	P	Alicia Parkway Traffic Signal Synchronization Project	IMP	15/16	\$ 1,754,400	\$ 1,754,400
OCTA	15-OCTA-TSP-3778 ³	P	Coast Highway Traffic Signal Synchronization Project	IMP	16/17	\$ 1,713,770	\$ 1,713,770
Dana Point	14-DPNT-CBT-3742 ⁴	V	Summer Weekend Trolley/Harbor Shuttle	O&M	14/15	\$ 2,342,591	\$ 2,342,591
Scope Changes (4) - Total Phase Allocations						\$ 6,278,633	\$ 6,278,633

Reasons for Project Adjustments

- Enhanced project benefits - design modifications, enhanced communications system, and system modernization.
- Equipment change to accommodate on-site conditions and better facilitate traffic signal coordination and communication.
- Cost and challenges in securing appropriate approvals.
- Discontinue Harbor Shuttle Program and modify Dana Point Trolley routing to support greater efficiency and enhanced ridership.

Acronyms

- FY - Fiscal Year
- IMP - Implementation
- O&M - Operations and Maintenance
- OCTA - Orange County Transportation Authority

Comprehensive Transportation Funding Programs
September 2019 Semi-Annual Review Adjustment Requests

Transfer Requests									
Agency	Project Number	Project	Project Title	Phase	Current FY	Current Allocation	Transfer Amount	Proposed Allocation	
Anaheim	14-ANAH-ICE-3713 ¹	O	Ball Road and Anaheim Boulevard Intersection	ROW	14/15	\$ 1,168,127	\$ (726,346.87)	\$ 441,780.13	
	CON			16/17	\$ 2,886,658	\$ 726,346.87	\$ 3,613,004.87		
Transfer Requests (1) - Total Project Allocations						\$ 4,054,785	\$ -	\$ 4,054,785	

Reasons for Project Adjustment

1. Project savings in earlier phases/years can support work in later awarded phases/years

Acronyms

FY - Fiscal Year
CON - Construction
ROW - Right-of-Way

**Comprehensive Transportation Funding Programs
September 2019 Semi-Annual Review Adjustment Request Descriptions**

Comprehensive Transportation Funding Programs (CTFP) Timely Use of Funds Extensions

Once obligated, CTFP funds expire 36 months from the contract award date. Local agencies may request a one-time extension of up to 24-months. During this semi-annual review cycle, the following timely use of funds extension requests were submitted.

The City of Santa Ana (Santa Ana) is requesting a 12-month timely use of funds extension for the construction phase of the Santa Ana Delhi Channel Diversion Project (13-SNTA-ECP-3680), from December 2019 to December 2020. Additional time is required due to delays in obtaining necessary permits and project complexities.

Santa Ana is requesting a 24-month timely use of funds extension for the Engineering phase of the Bristol Street and Memory Lane Intersection Widening Project (16-SNTA-ICE-3815), from February 2020 to February 2022. The extension request will provide additional time for project phasing coordination.

Local Fair Share (LFS) Timely Use of Funds Extensions

Net revenues received by local jurisdictions through the LFS Program shall be expended or encumbered within three years. An extension may be granted but is limited to a total of five years from the date of receipt of funds. The Orange County Transportation Authority (OCTA) uses the check disbursement date as the date of receipt of funds. Requests for extensions must be submitted as part of the semi-annual review process prior to the end of the third year from the date of receipt of funds and must include a plan of expenditure for the funds.

The City of Brea (Brea) is requesting a 24-month timely use of funds extension of \$936,986. The funds being considered for extension were disbursed in six separate installments and must be expended by the extension deadlines shown in Attachment A. Brea is proposing to use these funds primarily on future slurry/seal program and alley work.

The City of Yorba Linda (Yorba Linda) is requesting a 24-month timely use of funds extension of \$512,321. The funds being considered for extension were disbursed in three separate installments and must be expended by the extension deadlines shown in Attachment A. Yorba Linda is proposing to use these funds for various improvements including drainage, intersections, traffic signal timing and synchronization, traffic calming, and various other local improvements.

Comprehensive Transportation Funding Programs September 2019 Semi-Annual Review Adjustment Request Descriptions

Scope Changes

Agencies may request minor scope changes for CTFP projects if they can assure that the project benefits as committed to in the initial application can still be delivered. During this semi-annual review cycle, the following scope change requests were submitted.

The City of Costa Mesa (Costa Mesa) is requesting a scope change for the implementation phase of the Bear Street Signal Synchronization Project (17-CMSA-TSP-3873). The scope change involves providing enhanced project benefits to better facilitate traffic flow, which were identified during the design phase, installation/replacement of old and damaged fiber optic conduit and cables to better facilitate connections to Costa Mesa's communications backbone, and minor field system modernization.

OCTA, as administrative lead, is requesting scope changes for the implementation phases for the following two projects.

- Alicia Parkway Regional Traffic Signal Synchronization Project (15-OCTA-TSP-3774). This scope change is comprised of installing new conduit, fiber optic cable, and controllers. These changes will facilitate better communication and connectivity with local agencies' traffic management centers (TMC) and peer-to-peer operations.
- Coast Highway Regional Traffic Signal Synchronization Project (15-OCTA-TSP-3778). The scope change involves removing installation of fiber optic cable for intelligent transportation services communications between the City of Laguna Niguel's TMC and City Hall. Installation alternatives were evaluated but proved to be too costly and challenging in terms of securing appropriate approvals.

The City of Dana Point (Dana Point) is requesting a scope change for the operations and maintenance phase of the Summer Weekend Trolley/Harbor Shuttle Project (14-DPNT-CBT-3742). The scope change is comprised of cancellation of the Harbor Shuttle component of the grant, due primarily to ridership concerns. Dana Point is proposing to use savings (and the vehicle) from the cancelled Harbor Shuttle to support route restructuring, which would allow the Dana Point Trolley to expand from one route to two (i.e. north and south) routes, which Dana Point believes will support greater efficiency and increased ridership.

Comprehensive Transportation Funding Programs September 2019 Semi-Annual Review Adjustment Request Descriptions

Transfers

The CTFP Guidelines allow agencies to request to transfer 100 percent of savings of funds between subsequent phases within a project. Funds can only be transferred to a phase that has already been awarded competitive funds. Such requests must be made prior to the acceptance of a final report and submitted as part of the semi-annual review process. During this review cycle, the following transfer request was submitted.

The City of Anaheim is requesting to transfer unused project savings from the Ball Road and Anaheim Boulevard Intersection Project (14-ANAH-ICE-3713) right-of-way phase to the Ball Road and Anaheim Boulevard Intersection Project (15-ANAH-ICE-3764) construction phase.



January 9, 2020

To: Transit Committee

A handwritten signature in black ink, appearing to read "Darrell E. Johnson for", is written over a light blue rectangular background.

From: Darrell E. Johnson, Chief Executive Officer

Subject: Measure M2 Community-Based Transit Circulators Program
Project V Ridership Report

Overview

Measure M2 establishes a competitive program through Project V to fund community-based local transit circulators, designed to complement regional transit services. A ridership report on 20 active Project V services operating through the fourth quarter of fiscal year 2018-19 and first quarter of 2019-20 is provided for Board of Director's information.

Recommendations

- A. Receive and file Project V Ridership Report as an information item.
- B. Authorize amendments to the City of Irvine's iShuttle Project V-funded services to enhance route productivity, and also authorize a six-month delay in achieving minimum required performance standard for year one of service.

Background

The Community-Based Transit Circulators Program (Project V) is a competitive program under Measure M2 (M2), which provides funding to develop, implement, and operate local transit services. Services eligible under the program include community-based circulators, shuttles, trolleys, and demand-responsive services intended to complement regional transit, while also better suiting local needs in areas not adequately served by regional transit.

M2 Project V services are required to adhere to performance standards. If services are not meeting standards, or are trending toward not meeting minimum standards, Orange County Transportation Authority (OCTA) staff will

meet with the local agency and suggest adjustments, with an overall goal of attempting to improve ridership (i.e. boardings per revenue vehicle hour [B/RVH]). If a service continues to perform below minimum performance standards, M2 Project V funds will be cancelled, consistent with Board of Directors (Board)-approved program guidelines. If M2 Project V funds are cancelled, local agencies can still participate in future funding cycles with new service concepts that are anticipated to be more productive.

Project V-funded service performance is reported to the OCTA Board semi-annually. This reporting period includes ridership information for the fourth quarter of fiscal year 2018-19 and first quarter of fiscal year 2019-20, (i.e. April 1, 2019 through September 30, 2019), and reports on 20 active services.

Discussion

Current Project V services include a combination of seasonal, special event, commuter, fixed-route, and demand-response projects, which meet a variety of community needs. The prior ridership report reflected 19 services in operation. Since that time, the City of Dana Point initiated its Continuity and Expansion and Weekend Service, which was approved by the Board during the 2018 Project V call for projects (call). As such, this ridership report reflects 20 active services.

All active services must achieve or exceed six B/RVH by the end of year one of service and ten B/RVH by the end of year two of service. After the second year of service, ten B/RVH must be maintained (or exceeded) through the remainder of the Project V grant period.

Active Project V services are identified below. Ridership details and performance standards are provided in Attachment A.

The La Habra – Special Event Service did not operate during this reporting period. Therefore, no information is provided in this report for that service.

Services meeting or exceeding their respective minimum performance standards included the following:

- County of Orange - Local Circulator and Special Event Service (OC Ranch Ride),
- Dana Point - Summer Trolley and Seasonal Shuttle,
- Dana Point - Pacific Coast Highway and Special Event Trolley,
- Huntington Beach - Holiday and Event Shuttle,
- Laguna Beach - Summer/Weekend Trolley and Seasonal Service,
- Laguna Beach - Summer Breeze Bus Service,

-
- Lake Forest - Commuter Vanpool Service Irvine Station and Ossur,
 - Lake Forest - Commuter Shuttle Service Irvine Station and Panasonic,
 - Newport Beach - Balboa Peninsula Seasonal Trolley,
 - Newport Beach - Balboa Peninsula Seasonal Trolley Expansion,
 - San Clemente - Summer Weekend Trolley and Seasonal Service,
 - San Clemente - Summer Weekday Trolley and Seasonal Service Expansion,
 - San Juan Capistrano - Special Event and Weekend Summer Trolley, and
 - San Clemente - Demand-Response Service¹.

Services not at their respective minimum performance standard requirement included the following:

- Laguna Beach – Weekend Residential Trolley Service, and
- Mission Viejo - Local Community Circulator.

The Laguna Beach Weekend Residential Trolley Service² did not meet the minimum performance target in the timeframe required. OCTA notified the City of Laguna Beach (Laguna Beach) of this finding on July 31, 2019, and Laguna Beach cancelled the service effective September 30, 2019. It should be noted that as part of the 2020 Project V call, Laguna Beach is exploring implementation of other service concepts and options for some of its other more productive routes.

The City of Mission Viejo's (Mission Viejo) service began in October 2016, and is currently reporting seven B/RVH, which is below the ten B/RVH performance threshold required for year two (and the subsequent remaining years) of the grant. However, on May 13, 2019, the Board, in recognition of several complex issues and challenges confronting this service, authorized a policy exception to the minimum performance standard in order to give Mission Viejo an additional year to modify the service and meet minimum performance targets. The Board's action was conditioned upon Mission Viejo taking over responsibility to operate the service. Mission Viejo began operating the service in October, and has until the end of June 2020, to achieve ten B/RVH. If by that time, the performance

¹ The City of San Clemente's minimum performance standard was modified in early 2019 in order to better reflect the dynamics of this unique program. As such, its performance standard is reported as boardings per hour of service (no minimum), so long as the cost per boarding remains under OCTA's specified \$9.00 per boarding. Based upon the last invoicing received from 2018, the service's cost was approximately \$5.73 per boarding.

² This service's performance difficulties were reported to the Board in the last three M2 Community-Based Transit Circulators Program Project V ridership reports, which were presented in July 2018, April 2019, and August 2019.

requirement (of ten B/RVH) has not been met, Project V funding for the service will be discontinued.

Services in Start-Up Period:

- Dana Point - Trolley Continuity and Expansion and Weekend Service,
- Irvine - Irvine iShuttle Route E - Irvine Metrolink Station Service - East, and
- Irvine - Irvine iShuttle Route F - Tustin Metrolink Station/Irvine Business Complex West.

During this reporting period, the City of Dana Point initiated its Continuity and Expansion and Weekend Service, which was authorized by the Board during the 2018 Project V call. In its initial month of service, the first-year minimum performance requirement of six B/RVH was achieved.

The City of Irvine's (Irvine) two new iShuttle routes (listed above) were launched in February 2019, and are still in the initial start-up period. During this reporting period, the Irvine iShuttle Route E performed at three B/RVH and the Irvine iShuttle Route F performed at five B/RVH. Irvine has until January 2020 to achieve its six B/RVH requirement for the first year of service. Irvine is also currently working with OCTA on a route modification concept(s), which may improve productivity. However, given the amount of time it may take to implement the requested route modifications, a six-month delay in achieving the year one minimum performance standard for iShuttle services is requested.

OCTA staff will continue to closely monitor services that are at or below minimum performance standards and will meet with local agency staff on ideas and concepts to improve service productivity and ridership, when appropriate. Staff will also continue to provide twice yearly updates to the Board on overall Project V status and performance.

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. The next M2 Community-Based Transit Circulators Program Project V Ridership Report is scheduled for July 2020.

Attachment

A. Project V Services – Ridership Report

Prepared by:



Alfonso Hernandez
Senior Transportation Funding Analyst,
Local Programs
(714) 560-5363

Approved by:



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

Project V Services - Ridership Report

Reporting Period: Q4 of FY 2018-19 and Q1 of FY 2019-20

Agency	Service Description	Measure M2 Project V Funds	Service Type	Service Start Month/Year	Boardings Per Revenue Vehicle Hour (B/RVH) ¹	Notes
County of Orange	Local Circulator and Special Event Service	\$ 2,041,547	Fixed-Route and Special Event	June 2017	11	
Dana Point	Summer Trolley and Seasonal Shuttle	\$ 2,456,511	Seasonal Fixed-Route and Special Event	June 2015	14	
Dana Point	Pacific Coast Highway and Special Event Trolley	\$ 905,968	Seasonal Fixed-Route	June 2017	13	
Huntington Beach	Holiday and Event Shuttle	\$ 93,287	Special Event	July 2015	22	
Irvine	Irvine iShuttle Route E - Irvine Station - East	\$ 2,705,984	Fixed-Route	February 2019	3	Service recently initiated and productivity is expected to increase.
Irvine	Irvine iShuttle Route F - Tustin Station - Irvine Business Complex	\$ 2,712,258	Fixed-Route	February 2019	5	Service recently initiated and productivity is expected to increase.
La Habra	Special Event Service	\$ 96,810	Special Event	November 2016	N/A ²	No special event service provided during reporting period.
Laguna Beach	Summer/Weekend Trolley and Seasonal Service	\$ 3,559,860	Fixed-Route and Special Event	March 2015	23	
Laguna Beach	Weekend Residential Trolley Service	\$ 1,967,400	Fixed-Route	July 2017	6	City canceled service on September 30, 2019.
Laguna Beach	Summer Breeze Bus Service	\$ 634,357	Seasonal Fixed-Route	July 2018	29	
Lake Forest	Commuter Vanpool Service Irvine Station and Ossur	\$ 148,855	Vanpool/Commuter	July 2015	24	
Lake Forest	Commuter Shuttle Service Irvine Station and Panasonic	\$ 1,226,862	Vanpool/Commuter	June 2017	10	Advisory letter issued to City regarding maintaining the minimum performance standard for service (10 B/RVH).
Mission Viejo	Local Community Circulator	\$ 3,332,879	Fixed-Route	October 2016	7	The Board of Directors authorized a one year extension to June 2020 to allow Mission Viejo time to achieve the Project V minimum performance standard of ten B/RVH, subject to Mission Viejo taking over administration of the service. As of October 14, 2019, Mission Viejo has taken over administration of the service.
Newport Beach	Balboa Peninsula Seasonal Trolley	\$ 685,454	Seasonal Fixed-Route and Special Event	June 2017	14	
Newport Beach	Balboa Peninsula Seasonal Trolley Expansion	\$ 278,400	Seasonal Fixed-Route	July 2018	20	
San Clemente	Summer Weekend Trolley and Seasonal Service	\$ 1,181,393	Seasonal Fixed-Route and Special Event	May 2017	41	
San Clemente	Summer Weekday Trolley and Seasonal Service Expansion	\$ 1,537,200	Seasonal Fixed-Route	July 2018	13	
San Juan Capistrano	Special Event and Weekend Summer Trolley Service	\$ 958,642	Seasonal Fixed-Route and Special Event	July 2018	26	
Dana Point	Dana Point Trolley Continuity and Expansion and Weekend Service	\$ 1,745,065	Seasonal Fixed-Route	September 2019	10	Service recently initiated

Agency	Service Description	Measure M2 Project V Funds	Service Type	Service Start Month/Year	Boardings Per Hour of Service (B/HOS) ¹	Notes
San Clemente	On-Demand	\$ 914,400	Ride Hailing	October 2016	8	-

1. Rounded to the next whole number.

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

ACRONYMS

Q4 - Quarter 4 (April - June)

Q1 - Quarter 1 (July - September)

FY - Fiscal year

N/A - Not applicable

NOTE: Services below the minimum performance standard are shaded

Minimum Performance Standards for B/RVH

- Six passenger B/RVH by 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 then be maintained every year thereafter.

Minimum Performance Standards for B/HOS

- Staff will continue to monitor and measure service performance and assess appropriate next steps for this program which will include evaluation of all project related efforts and existing policies in order to determine how best to support and administer this emerging transit delivery model.