



Measure M2 Taxpayer Oversight Committee Teleconference Notice

Committee Members:

Frank Davies: Orange County Auditor-Controller
Douglas P. Gillen
Pauline E. Merry
Harry Sloan
Mark Kizzar
Joseph McCarthy
Tuan Nguyen
Larry A. Lang
Michael Pascual
Jeffrey Kaplan
Douglas Anderson

Teleconference Sites:

Orange County Transportation Authority - Headquarters
550 S. Main Street
Conference Room 07
Orange, CA

Guidance for Public Access to this Taxpayer Oversight Committee (TOC) Meeting:

Governor Gavin Newsom enacted Executive Orders N-25-20 and N-29-20 authorizing a local legislative body to hold public meetings via teleconferencing and make public meetings accessible telephonically or electronically to all members of the public to promote social distancing due to the state and local State of Emergency resulting from the threat of Novel Coronavirus (COVID-19).

In accordance with Executive Order N-29-20, and in order to ensure the safety of the Orange County Transportation Authority (OCTA) TOC Members and staff and for the purposes of limiting the risk of COVID-19, in-person public participation at public meetings of the OCTA will not be allowed during the time period covered by the above-referenced Executive Orders.

Instead, members of the public can view a livestream of the February 9, 2021 5p.m. Taxpayer Oversight Committee meeting by clicking this [link](#).

Public comments may be submitted for the upcoming February 9, 2021 Taxpayer Oversight Committee meeting by emailing them to publiccomments@octa.net. **If you wish to comment on a specific agenda item, please identify the committee name and item number in your email.** All public comments that are timely received will be part of the public record and distributed to the TOC. Public comments will be made available to the public upon request. In order to ensure that staff has the ability to provide comments to the TOC Members in a timely manner, please submit your public comments 30 minutes prior to the start time of the Committee meeting date.

Agenda Descriptions

The Agenda descriptions are intended to give notice to members of the public of a general summary of items of business to be transacted or discussed.

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA at (714) 560-5611, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

AGENDA

- 1. Welcome**
- 2. Pledge of Allegiance**
- 3. Approval of Minutes/Attendance Report for October 13, 2020**
- 4. Action Items**
 - A. M2 Quarterly Revenue & Expenditure Report (December 2020)
Receive and File - Sean Murdock, Director, Finance and Administration
- 5. Presentation Items**
 - A. M2 - Coronavirus Update
Andrew Oftelie, Chief Financial Officer
 - B. M2 Market Conditions Key Indicators Analysis and Forecast
Francesca Ching, Measure M Program Manager
 - C. I-405 (Project K) Funding and Schedule Update
Jeff Mills, Program Manager, Capital Programs
Chris Boucly, Section Manager, Public Outreach
 - D. Measure M2 Quarterly Progress Report (July – Sep. 2020)
Francesca Ching, Measure M Program Manager
- 6. OCTA Staff Updates**
 - A. Measure M2 Community-Based Transit Circulators Program Project V
Ridership Report and Proposed Program Revisions – Joseph Alcock, Section
Manager, M2 Local Programs
 - B. I-405 Improvement Project TIFIA Loan Reset – Sean Murdock, Director,
Finance and Administration
 - C. Measure M2 Environmental Mitigation Program Update – Dan Phu, Program
Manager, Planning
 - D. OC Streetcar Update – Tresa Oliveri, Community Relations Officer, External Affairs
 - E. 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. Adjournment**

The next meeting will be held on April 13, 2021 via teleconference

Agenda Descriptions

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INFORMATION ITEMS

<i>Staff Report Title</i>	<i>Board Meeting Date</i>
1. Regional Traffic Signal Synchronization Program Update	October 26, 2020
2. 2020 Measure M2 Sales Tax Forecast	October 26, 2020
3. Capital Programs Division - First Quarter Fiscal Year 2020-21 Capital Action Plan Performance Metrics Report	November 9, 2020
4. Environmental Mitigation Program Endowment Fund Investment Report for September 30, 2020	December 14, 2020
5. Comprehensive Transportation Funding Programs Semi-Annual Review - September 2020	December 14, 2020
6. Measure M2 Annual Eligibility Review	December 14, 2020
7. Measure M2 Next 10 Delivery Plan: Context and Options	December 14, 2020
8. Interstate 405 Improvement Project Update	January 11, 2021

Measure M Taxpayer Oversight Committee
Teleconference Site
Orange County Transportation Authority
550 S. Main Street, Orange CA, Room 07
October 13, 2020 @ 6:00 p.m.

MEETING MINUTES

Committee Members Present:

Frank Davies, Orange County Auditor-Controller, Chair
Douglas P. Gillen, First District Representative
Dr. Pauline Merry, First District Representative
Mark Kizzar, Second District Representative
Harry Sloan, Second District Representative
Tuan Nguyen, Third District Representative
Joseph McCarthy, Third District Representative
Larry Lang, Fourth District Representative
Michael Pascual, Fourth District Representative
Douglas Anderson, Fifth District Representative
Jeffery Kaplan, Fifth District Representative, Co-Chairman

Orange County Transportation Authority Staff Present:

Joseph Alcock, M2 Local Programs Section Manager
Jim Beil, Capital Projects Executive Director
Christina Byrne, Public Outreach Department Manager
Cleve Cleveland, OC Streetcar Operations Department Manager
Francesca Ching, Measure M Program Manager
Robert Davis, Treasury & Public Finance Department Manager
Kia Mortazavi, Planning Executive Director
Sean Murdock, Finance and Administration Director
Jared Hill, Community Relations Specialist
Tresa Oliveri, Principal Community Relations Specialist
Alice Rogan, Director, Marketing & Public Outreach

1. Welcome

Chair Frank Davies welcomed everyone to the Orange County Transportation Authority (OCTA) Taxpayer Oversight Committee (TOC) meeting.

Alice Rogan, staff liaison, went over protocols and took roll call.

2. Pledge of Allegiance

Chair Frank Davies led the Pledge of Allegiance to the Flag.

3. Approval of Minutes/Attendance Report for August 11, 2020

Chair Frank Davies asked if there are any corrections to the Minutes/Attendance Report for August 11, 2020.

A motion was made by Dr. Pauline Merry, seconded by Douglas Gillen and carried unanimously to approve the August 11, 2020 TOC Minutes and the Attendance Report.

4. Action Items

A. Annual Eligibility Review (AER) Subcommittee Eligibility Report FY 2020-2021
AER Subcommittee Chair Harry Sloan presented the 2020-2021 Eligibility Report. The subcommittee received, reviewed, and approved eligibility components which included Pavement Management Plans and Local Signal Synchronization Plans for all local agencies in Orange County.

A motion was made by Michael Pasqual, seconded by Joseph McCarthy and carried unanimously to affirm that the Taxpayer Oversight Committee has received and reviewed Pavement Management Plans (for applicable local agencies) and Local Signal Synchronization Plans for all local agencies in Orange County.

5. Presentation Items

A. OC Streetcar Report

Jim Beil provided an update on the construction of the OC Streetcar Project. He provided background on the project. Jim outlined the work happening within the Pacific Electric Right-of-Way (PE ROW) and Segments 2 through 5. He showed pictures of work happening in several segments. Jim discussed the challenges the project has encountered and upcoming milestones. He said in the news recently there was the discovery of a Native American archaeological site. He also said the first platform is coming to completion on Fairview Street.

Cleve Cleveland provided information on OC Streetcar car production. He said all eight cars are in some form of production. He showed pictures of the streetcars in various stages of production. Siemens, who produces the streetcars, has noted some delays in parts due to COVID-19.

Tresa Oliveri provided an update on the OC Streetcar outreach. She said the OCTA Board of Directors approved agreements with the Santa Ana Business Council and the Downtown, Inc. In August, OCTA conducted a virtual open house. She said staff continues to hand out information door to door in neighborhoods where work is being done. The full presentation can be found on OCTA.net

Committee Member Comments:

Harry Sloan asked about contingency funds already spent. Jim Biel said OCTA is doing a thorough financial risk assessment. He said the project is down to about 36% of contingency funds. Jim said staff will be reporting to the OCTA Board of Directors once the assessment is done. OCTA will look at potential funding sources in case the contingency money runs out. Harry asked if the TOC would see the risk analysis. Jim said yes, it will be available, but it is a complicated process.

Douglas Gillen asked about the virtual open house attendance. Tresa Oliveri said there was a large amount of outreach prior to the meeting. People may already feel like they have enough information. Tresa said this meeting was primarily focused on Segment 2. The meeting recording is available online as well.

Dr. Pauline Merry said she grew up in St. Louis during a time when there was a streetcar system. She said she is thrilled to hear Orange County will have something like this.

B. Measure M2 Quarterly Progress Report

Francesca Ching presented the Measure M2 Quarterly Report for the quarter ending June 2020. Francesca highlighted key activities and also covered impacts of the pandemic to Measure M2. The Project Management Office (PMO) will continue to monitor pandemic impacts to ensure Measure M2 is delivered as promised to voters. In addition, the annual update to the sales tax forecast and the market conditions cost pressure index is underway. The full presentation can be found on OCTA.net

Committee Member Comments:

Douglas Gillen asked about the Freeway Program and the status of the State Route 241 and State Route 91 Express Lanes Connector Project. Francesca Ching said the project is underway but is not included in the Freeway Program as it is not funded with Measure M2 dollars. Jim Beil said the Transportation Corridor Agencies (TCA) is the lead agency on this project. TCA is funding the design phase which is currently underway, and they are looking to be ready for construction in 2023. He said he does not believe funding for the construction phase has been identified. TCA is working with all local transportation agencies and executing agreements.

C. Investment Policy Update

Robert Davis provided an update on the Investment Policy which is presented to the OCTA Board of Directors on an annual basis. He said the updates this year were relatively minor and primarily consisted of changes to improve clarity and align definitions/reporting requirements to the code. Robert provided information on the three portfolios. He said the majority of the portfolios are invested in securities and will become liquid in three years or less.

Committee Member Comments:

There were no committee comments.

6. OCTA Staff Updates

- A. Measure M2 Sales Tax Forecast Update – Sean Murdock said there has been a reduction in sales tax revenue collection due to COVID-19. He said after receiving updates from three forecasting agencies, the assumption is a total collection of \$11.6 billion in sales tax revenue. He said the sales tax collection from the fiscal year ending in June came in higher than expected – about \$15 million higher. It was still a decrease from the prior year, but better than expected. Sean said our total collection expected did not change due to this, because Muni Services was more conservative in their forecasting. He said they have concerns over unemployment and its effects on sales tax revenue. Sean said staff is conducting a long-term analysis in conjunction with the Measure M2 Next 10 Delivery Plan and OCTA’s Comprehensive Business Plan.

Committee Member Comments:

Harry Sloan asked if there would be a potential benefit if the federal government produced a second relief package. Sean Murdock said yes, in a couple of different ways. If it is like what they did for unemployment, it would directly impact sales tax spending. He said money was also provided through the CARES Act which helped fund transit service.

- B. Safe Transit Stops (Project W) 2020 Project Recommendations – Joseph Alcock provided an overview of the Measure M (M2) Project W program and noted that over \$2 million in M2 funds had previously been programmed to support local agency-initiated bus stop improvements through the program. Joseph also stated that during this year’s call for projects, OCTA received 35 applications from the City of Santa Ana, and noted that the OCTA Board of Directors had awarded \$1.03 million to support all of the applications submitted. Mr. Alcock concluded by stating that with the OCTA Board’s latest programming action, that approximately \$3.0 million dollars had been programmed to support Project W investments since inception of the M2 program.

Committee Member Comments:

There were no committee member comments.

- C. Senior Mobility Program Temporary Guideline Updates – Kia Mortazavi said the Senior Mobility Program is funded through Measure M2. Events related to COVID-19 have hindered some of the cities from delivering services under the program. The OCTA Board of Directors recently granted some flexibility within the program. Kia said it is well known that the senior community is at a higher risk of contracting severe illness from COVID-19. Therefore, many cities have

modified or suspended their Senior Mobility Programs due to the pandemic. Some cities have modified the program to deliver meals to seniors since they are not able to travel to the programs providing the meals. The Measure M2 program was intended to provide mobility, so delivering meals was not within the parameters of the program. Some cities have suspended the program and could have a challenge in the timely use of the money granted by Measure M2. Recently, the OCTA Board of Directors granted an exception to the timely use of funds and granted permission for meal delivery service while under a State of Emergency.

Committee Member Comments:

There were no committee member comments.

- D. Environmental Cleanup Program (Project X) Tier One Grant Funding Allocation— Joseph Alcock provided background on the Tier I component of the Environmental Cleanup Program (also known as Project X). He stated that since the inception of M2, the program had awarded \$55 million in M2 funds. He also noted that to date, the program had removed an estimated 33 million gallons of trash and debris from Orange County's waterways. Mr. Alcock also mentioned that a tenth call for Tier One Project X applications was released in Spring 2020 and OCTA received a total of 13 applications. He also mentioned that projects submitted primarily consisted of connector pipe screens, automatic retractable screens, and a few larger more capital-intensive projects. Mr. Alcock concluded by stating that the OCTA Board of Directors unanimously approved funding for 12 of the project applications, which resulted in a total \$2.8 million dollars being awarded.

Committee Member Comments:

Douglas Gillen said there are many stormwater canals running through Huntington Beach and Fountain Valley. He asked why those cities did not apply for this program. Joseph Alcock said all cities have been awarded money for this program since the inception of Measure M2. This just means they did not apply during this call cycle; and further noted that they have received funding in the past and will likely have an opportunity to apply again in the future. Douglas asked if there has been any effort to identify where the larger amounts of trash go down stream. Joseph said as a part of the application process, there is a quantitative calculation taken into account and points are awarded in the application process pollution reduction benefits and effectiveness at removing the visible forms of pollutants .

- E. I-405 Update – Christina Byrne said Bushard Street bridge opened to traffic on October 12, 2020 and the City of Fountain Valley held a private/invitation only ribbon cutting on October 8, 2020. The McFadden bridge is due to open on October 16, 2020. There was a video created to celebrate this milestone. Christina said there will be a weekend demolition of the Brookhurst bridge where one side of the bridge will come down on October 17 & 24, 2020. The Edinger bridge will

be closed to traffic on October 23, 2020 and will ultimately be demolished on October 31, 2020 and November 7, 2020.

- F. Staff Liaison– Alice Rogan said at this time OCTA is still anticipating all public committees will be held via teleconference through the rest of the year. She said these meetings have been held successfully with greater attendance by committee members. OCTA appreciates committee members flexibility with the new technology. Alice said in the past the TOC has not met in December. Depending on the actions needed to be taken on items, this meeting may or may not happen. She said staff will let committee members know if the next meeting will be cancelled.

Alice Rogan said OCTA is thrilled to announce that it was recently recognized by the leading Association of Governments Finance Professionals for Excellence in Transparency in Financial Reporting and OCTA appreciates the role the TOC played in that achievement.

Chair Frank Davies asked Alice Rogan to convey his congratulations on the award.

7. Annual Eligibility Review (AER) Subcommittee Report

Harry Sloan said most of his report was covered under item 4A. He said the next steps for the subcommittee is a meeting in March of 2021 when the subcommittee will receive and review eligibility expenditure reports.

8. Annual Audit Subcommittee Report

Chair Frank Davies said the committee has not met and there is no report.

9. Environmental Oversight Committee (EOC) Report

Dr. Pauline Merry said the committee has not met since the last TOC meeting. She said in October OCTA kicked-off a restoration project on the Pacific Horizon Preserve in Laguna Beach. The project includes the removal of ice plant, grasses, and other non-native plants on the property to allow the native plants to grow and thrive. This work will continue over the next couple of years.

10. Committee Member Reports

There were no committee comments.

11. Adjournment

Chair Frank Davies adjourned the meeting.

The next meeting will be tentatively held via teleconference on December 8, 2020.

Taxpayer Oversight Committee

Fiscal Year 2020-2021

Attendance Record

X = Present

E = Excused Absence

* = Absence Pending Approval

U = Unexcused Absence

-- = Resigned

Meeting Date	July	11-Aug.	Sept.	13-Oct.	Nov.	8-Dec.	Jan.	9-Feb.	March	13-Apr.	May	8-Jun.
Douglas P. Gillen		X		X		M						
						E						
Pauline Merry		X		X		E						
						T						
Joseph McCarthy		X		X		I						
						N						
Mark Kizzar		X		X		G						
Harry Sloan		X		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		X								
Frank Davies		X		X								

Absences Pending Approval

Meeting Date

Name

Reason

Action Items

Measure M2
Schedule of Revenues, Expenditures and Changes in Fund Balance
as of December 31, 2020
(Unaudited)

<i>(\$ in thousands)</i>	Quarter Ended Dec 31, 2020	Year to Date Dec 31, 2020 (A)	Period from Inception to Dec 31, 2020 (B)
Revenues:			
Sales taxes	\$ 80,758	\$ 152,175	\$ 2,883,868
Other agencies' share of Measure M2 costs:			
Project related	17,041	23,731	751,572
Non-project related	-	-	454
Interest:			
Operating:			
Project related	747	1,733	3,893
Non-project related	3,411	8,111	92,631
Bond proceeds	3,675	4,429	78,205
Debt service	-	1	1,062
Commercial paper	-	-	393
Right-of-way leases	55	177	1,321
Proceeds on sale of assets held for resale	-	-	12,201
Donated assets held for resale			
Project related	-	-	2,071
Non-project related	-	-	-
Miscellaneous:			
Project related	-	-	311
Non-project related	-	-	100
Total revenues	<u>105,687</u>	<u>190,357</u>	<u>3,828,082</u>
Expenditures:			
Supplies and services:			
Sales tax administration fees	684	1,408	30,983
Professional services:			
Project related	6,824	8,738	420,090
Non-project related	876	1,408	32,078
Administration costs:			
Project related	2,559	5,119	88,629
Non-project related:			
Salaries and Benefits	700	1,400	29,307
Other	1,451	2,902	50,722
Other:			
Project related	65	71	5,251
Non-project related	15	28	5,047
Payments to local agencies:			
Project related	21,273	36,734	1,076,009
Capital outlay:			
Project related	103,234	124,983	1,412,024
Non-project related	-	-	31
Debt service:			
Principal payments on long-term debt	-	-	59,030
Interest on long-term debt and commercial paper	1	17,888	232,117
Total expenditures	<u>137,682</u>	<u>200,679</u>	<u>3,441,318</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,995)</u>	<u>(10,322)</u>	<u>386,764</u>
Other financing sources (uses):			
Transfers out:			
Project related	(13,468)	(38,753)	(299,937)
Transfers in:			
Project related	1,358	1,920	175,564
Non-project related	-	-	-
Bond proceeds	-	-	804,625
Payment to refunded bond escrow agent	-	-	(45,062)
Total other financing sources (uses)	<u>(12,110)</u>	<u>(36,833)</u>	<u>635,190</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	<u>\$ (44,105)</u>	<u>\$ (47,155)</u>	<u>\$ 1,021,954</u>

Measure M2
Schedule of Revenues and Expenditures Summary
as of December 31, 2020
(Unaudited)

Project	Description	Net Revenues through Dec 31, 2020	Total Net Revenues	Expenditures through Dec 31, 2020	Reimbursements through Dec 31, 2020	Net M2 Cost
(G)	(H)	(I)	(J)	(K)	(L)	
Freeways (43% of Net Revenues)						
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 110,003	\$ 434,952	\$ 10,355	\$ 7,424	\$ 2,931
B	I-5 Santa Ana/SR-55 to El Toro	70,263	277,813	10,549	7,952	2,597
C	I-5 San Diego/South of El Toro	146,749	580,244	197,096	48,267	148,829
D	I-5 Santa Ana/San Diego Interchange Upgrades	60,385	238,761	2,324	527	1,797
E	SR-22 Garden Grove Freeway Access Improvements	28,086	111,052	5	-	5
F	SR-55 Costa Mesa Freeway Improvements	85,662	338,708	39,754	21,301	18,453
G	SR-57 Orange Freeway Improvements	60,549	239,409	51,396	12,429	38,967
H	SR-91 Improvements from I-5 to SR-57	32,767	129,560	34,934	824	34,110
I	SR-91 Improvements from SR-57 to SR-55	97,482	385,442	25,882	24,970	912
J	SR-91 Improvements from SR-55 to County Line	82,432	325,937	7,327	5,897	1,430
K	I-405 Improvements between I-605 to SR-55	251,088	992,802	832,095	129,227	702,868
L	I-405 Improvements between SR-55 to I-5	74,826	295,860	9,195	6,954	2,241
M	I-605 Freeway Access Improvements	4,681	18,509	2,315	16	2,299
N	All Freeway Service Patrol	35,107	138,815	6,021	-	6,021
	Freeway Mitigation	60,004	237,256	55,784	4,728	51,056
Subtotal Projects		1,200,084	4,745,120	1,285,032	270,516	1,014,516
Net (Bond Revenue)/Debt Service		-	-	58,294	-	58,294
Total Freeways		\$ 1,200,084	\$ 4,745,120	\$ 1,343,326	\$ 270,516	\$ 1,072,810
%						43.4%
Street and Roads Projects (32% of Net Revenues)						
O	Regional Capacity Program	\$ 279,092	\$ 1,103,531	\$ 782,336	\$ 506,691	\$ 275,645
P	Regional Traffic Signal Synchronization Program	111,632	441,393	74,742	6,075	68,667
Q	Local Fair Share Program	502,361	1,986,329	480,205	77	480,128
Subtotal Projects		893,085	3,531,253	1,337,283	512,843	824,440
Net (Bond Revenue)/Debt Service		-	-	64,748	-	64,748
Total Street and Roads Projects		\$ 893,085	\$ 3,531,253	\$ 1,402,031	\$ 512,843	\$ 889,188
%						36.0%

Measure M2
Schedule of Revenues and Expenditures Summary
as of December 31, 2020
(Unaudited)

Project	Description	Net Revenues through Dec 31, 2020	Total Net Revenues	Expenditures through Dec 31, 2020	Reimbursements through Dec 31, 2020	Net M2 Cost
(G)		(H)	(I)	(J)	(K)	(L)
<i>(\$ in thousands)</i>						
Transit Projects (25% of Net Revenues)						
R	High Frequency Metrolink Service	\$ 265,762	\$ 1,100,594	\$ 318,149	\$ 98,759	\$ 219,390
S	Transit Extensions to Metrolink	246,371	974,149	117,301	2,133	115,168
T	Metrolink Gateways	32,620	56,403	98,220	60,956	37,264
U	Expand Mobility Choices for Seniors and Persons with Disabilities	91,008	382,646	86,744	88	86,656
V	Community Based Transit/Circulators	55,803	220,645	13,305	1,320	11,985
W	Safe Transit Stops	6,159	24,354	1,118	26	1,092
	Subtotal Projects	697,723	2,758,791	634,837	163,282	471,555
	Net (Bond Revenue)/Debt Service	-	-	36,211	-	36,211
	Total Transit Projects	\$ 697,723	\$ 2,758,791	\$ 671,048	\$ 163,282	\$ 507,766
	%					20.6%
	Measure M2 Program	\$ 2,790,892	\$ 11,035,164	\$ 3,416,405	\$ 946,641	\$ 2,469,764

Project	Description	Revenues through Dec 31, 2020	Total Revenues	Expenditures through Dec 31, 2020	Reimbursements through Dec 31, 2020	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	\$ 59,530	\$ 236,429	\$ 44,788	\$ 292	\$ 44,496
	Net (Bond Revenue)/Debt Service	-	-	-	-	-
	Total Environmental Cleanup	\$ 59,530	\$ 236,429	\$ 44,788	\$ 292	\$ 44,496
	%					1.5%

Taxpayer Safeguards and Audits						
	Collect Sales Taxes (1.5% of Sales Taxes)	\$ 43,258	\$ 174,148	\$ 30,983	\$ -	\$ 30,983
	%					1.1%
	Oversight and Annual Audits (1% of Revenues)	\$ 29,765	\$ 118,214	\$ 29,307	\$ -	\$ 29,307
	%					1.0%

*Presentation
Items*



COMMITTEE TRANSMITTAL

November 9, 2020

To: Members of the Board of Directors
From: *Lu*
Laurena Weinert, Clerk of the Board
Subject: Measure M2 Next 10 Delivery Plan: Market Conditions Key Indicators Analysis and Forecast

Executive Committee Meeting of November 2, 2020

Present: Chairman Jones, Vice Chairman Do, and Directors Davies, Hennessey, M. Murphy, and Shaw
Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendation

Continue to monitor market conditions key indicators and their effects on the Next 10 Delivery Plan and provide updates to the Board of Directors as appropriate.



November 2, 2020

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Measure M2 Next 10 Delivery Plan: Market Conditions Key Indicators Analysis and Forecast

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

Overview

At the request of the Board of Directors, the Orange County Transportation Authority monitors construction market conditions. Annually, a report on Market Conditions Key Indicators Analysis and Forecast is presented to the Board of Directors to provide insight into potential project delivery cost drivers that could affect the Measure M2 Next 10 Delivery Plan. An updated forecast has been prepared. A presentation on the results of this effort is provided.

Recommendation

Continue to monitor market conditions key indicators and their effects on the Next 10 Delivery Plan and provide updates to the Board of Directors as appropriate.

Background

On November 7, 2006, Orange County voters approved the renewal of Measure M (M2), the one-half cent sales tax for transportation improvements. The Orange County Transportation Authority (OCTA) Board of Directors (Board) continues to advance the implementation of M2 commitments by adopting a series of delivery plans. The delivery plans are designed to validate the ability to implement all projects and programs through 2041 as promised to the voters. The delivery plans consider the cost and timing of the transportation improvements, fluctuations in sales tax revenue projections, access to external revenue, and the use of bonding when necessary.

In 2016, the Board directed staff to acquire better insight into the construction market outlook. The intent was to provide insight into near-term construction market conditions in tandem with the revenue outlook to assist with prudent project delivery decisions. OCTA retained the Orange County Business Council (OCBC), led by Dr. Wallace Walrod, Chief Economic Advisor to OCBC,

and Dr. Marlon Boarnet, Professor and Chair of the Department of Urban Planning and Spatial Analysis at the University of Southern California.

The results of the initial analysis were presented to the Board in September 2017. The analysis identified several near-term cost indicators that could influence the construction market and, by extension, the M2 project delivery. These included: the pace of transportation construction programs in the neighboring counties (resulting in the strained supply of materials and workers), construction wage pressures, sustained low statewide unemployment, and residential construction demand. Overall, OCBC's analysis identified a strong potential that during the Next 10 delivery years, OCTA could experience an increasing cost environment.

Following the presentation, the Board directed staff to continue to work with OCBC to monitor and track the indicators and provide the Board with updates to cost risk factors on project delivery. In response, OCBC spent early 2018 analyzing trends and creating an Infrastructure Construction Cost Index (ICCI) model. On September 10, 2018, OCBC presented their ICCI model and their forecast for 2018, 2019, and 2020 cost fluctuation range to the Board.

Discussion

OCBC continues to analyze trends in material costs, labor costs, and general economic conditions and trends. Relevant data for each model component is analyzed to determine a range of potential cost impacts. The fall 2020 update provides a three-year forecast through 2023 and is summarized in Attachment A. The attachment also lists the forecasts from prior years for reference and shows how well the forecasts have held up. The full report on the ICCI model update is included as Attachment B.

The ICCI model is designed to be a forecasting tool, with scores indicating public construction forecast cost fluctuations. Index scores of two and three indicate somewhat normal inflationary environments. A value of four is a high inflation environment. A value of one is a low inflation/deflationary environment. Values of zero and five correspond to the extreme conditions observed in Orange County immediately before and during the Great Recession and the high cost inflation environment that occurred in the building boom years of the early 2000s.

Using the ICCI model, OCBC estimates a score of one in 2021 and 2022, and a score of three in 2023. An ICCI score of one represents a potential range of cost fluctuation of negative two to one percent, and a score of three represents a potential cost increase range of two percent to six percent.

Year	Index Score	Range of Cost Fluctuation
2021	1	-2% to 1%
2022	1	-2% to 1%
2023	3	2% to 6%

The update points to tempering market conditions compared to the spring 2020 forecast as cost pressures have slowed in the most recent data available. For example, a change from a low unemployment economy to that of a high unemployment economy due to the coronavirus (COVID-19) pandemic has lowered the risk for higher labor costs. In addition, building permits in California have slowed down, and building material costs have stabilized. As in prior forecasts and especially with COVID-19, OCBC indicates that OCTA will also need to be aware and ready to respond to cost pressures that cannot be modeled. Examples of such forces include:

- Tariffs and associated effects on the cost of materials from the nation’s changing trade policy;
- Regulatory requirements and changes that create additional hurdles during the bidding process; and
- Future potential economic shutdowns related to COVID-19 spread.

Overall, OCBC’s analysis identifies a potential that during 2021 and 2022, OCTA is likely to experience a low inflation cost environment followed by a more normal inflationary environment in 2023. OCTA is well-positioned to take advantage of the low inflation cost environment, as the M2 State Route 55 Widening Project between Interstate 405 and Interstate 5 and will be seeking construction bids within this timeframe.

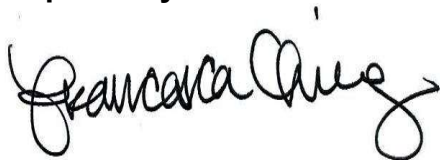
Summary

OCTA has prepared an update on construction market conditions to help with M2 project delivery planning. The update considers fluctuations in material costs, labor costs, and general economic conditions and trends. The Market Conditions Key Indicators Analysis and Forecast concludes that OCTA may experience a tempering cost environment in 2021 and 2022, with potential cost increase ranging from two to six percent in 2023.

Attachments

- A. Orange County Business Council, Orange County Transportation Infrastructure Construction Cost Index Score, Fall 2018 through Fall 2020 Forecasts
- B. Orange County Business Council, Orange County Transportation Infrastructure Construction Cost Pressure Index, Fall 2020, Prepared for the Orange County Transportation Authority

Prepared by:



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Approved by:



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**Orange County Business Council
Orange County Transportation Infrastructure Construction
Cost Index Score
Fall 2018 through Fall 2020 Forecasts**

Fall 2018

OCBC Orange County Transportation ICCI Score, 2018-2020		
Year	Index	Cost Increase Range (annual)
2018	4	6% - 11%
2019	3	2% - 6%
2020	3	2% - 6%

Spring 2019

OCBC Orange County Transportation ICCI Score, 2019-2021		
Year	Index	Cost Increase Range (annual)
2019	4	6% - 11%
2020	3	2% - 6%
2021	3	2% - 6%

Fall 2019

OCBC Orange County Transportation ICCI Score, 2020-2022		
Year	Index	Cost Increase Range (annual)
2020	3	2% - 6%
2021	3	2% - 6%
2022	3	2% - 6%

Spring 2020

OCBC Orange County Transportation ICCI Score, 2020-2022		
Year	Index	Cost Increase Range (annual)
2020	3	2% - 6%
2021	2	1% - 2%
2022	2	1% - 2%

Fall 2020

OCBC Orange County Transportation ICCI Score, 2021-2023		
Year	Index	Cost Increase Range (annual)
2021	1	-2% - 1%
2022	1	-2% - 1%
2023	3	2% - 6%

**Orange County Business Council
Orange County Transportation Infrastructure Construction Cost Pressure Index
Fall 2020
Prepared for the Orange County Transportation Authority**

OCBC Research Team

Dr. Wallace Walrod – Chief Economic Advisor, Orange County Business Council.

Dr. Marlon Boarnet – Professor and Chair, Department of Urban Planning and Spatial Analysis, University of Southern California.

Benjamin Palmer – Research Associate, Orange County Business Council.

Background and Purpose

As a supplementary examination to the Next 10: Market Conditions Forecast and Risk Analysis study delivered by Orange County Business Council (OCBC) in September 2017, the Orange County Transportation Authority (OCTA) Board of Directors (Board) requested further study and exploration of potential cost fluctuations beyond existing cost analysis from the California Department of Transportation’s (Caltrans) Construction Cost Index (CCI) and internal OCTA analysis. The OCTA Board requested an ongoing analysis of construction cost factors, with periodic updates. In response, the OCBC team developed the Orange County Transportation Infrastructure Construction Cost Pressure Index, which is updated every six months.

To develop the cost pressure index, the OCBC team analyzed annual trends in material costs, labor costs and general economic conditions to determine a range of potential cost increases with a time horizon that is typically three years into the future. The index updates begin by collecting relevant market data and indicators and then performing data analytics on to assess current cost pressure and forecast future cost pressure. In doing so, and providing these findings to the OCTA’s Board, more accurate budgets can be determined reducing the potential risk of cost pressure and project delivery slowdowns due to financial constraints. This memo describes the September 2020 update, with annual cost pressure index forecasts to 2023.

Findings and Discussion

OCBC has updated the Orange County Transportation Infrastructure Construction Cost Pressure Index forecast for the remainder of 2020 and for 2021, 2022 and 2023. Results, and a comparison to the previous February 2020 forecasts, are shown below.

Year	Index	Cost Increase Range (annual)	Index (Feb. 2020) with annual cost increase range
2020	0	-17% to -2%	3 (2% to 6%)
2021	1	-2% to 1%	2 (1% to 2%)
2022	1	-2% to 1%	2 (1% to 2%)
2023	3	2% to 6%	not estimated

Orange County Business Council
Orange County Transportation Infrastructure Construction Cost Pressure Index
Fall 2020
Prepared for the Orange County Transportation Authority

The cost pressure index value for 2020 has dropped precipitously, from a 3 (2% to 6% annual cost increases) in February to a 0 (a deflationary cost environment, -2% to -17% annual cost changes) in the current update. Note that an index of zero corresponds to the most extreme deflationary time periods observed in the infrastructure construction environment in California in the past 30 years. For the balance of 2020, the cost pressure index predicts a deflationary environment. Following that, the index rises to a 1 for the next two years (annual cost changes from -2% to 1%) and then recovers to a more normal value of 3 (2% to 6% annual cost increases) in 2023.

The key model inputs for this update are being driven by the 2nd quarter (Q2) of 2020. Key data items, including the unemployment rate in California and the cost of infrastructure building materials, are based on the most recent data which compares Q2 2020 with Q2 2019. Those data reflect the pandemic-related recession during Q2 but do not reflect any economic recovery after June 2020.

All key index values, but especially California's unemployment rate and building materials cost values, dropped on an annualized basis based on changes from Q2 2019 to Q2 2020. Orange County construction wage data post-pandemic are not yet available – the most recent wage data are for the 1st quarter (Q1) of 2020.

The cost pressure index model shows clear declining cost pressure, with a predicted deflationary cost environment for the balance of 2020. Note the quadrupling of the California unemployment rate (Table 1), which is based on changes in Q2 of 2020. Moving forward, the unemployment rate in the state could decline as the economy recovers. The model is built to be robust to large movements in the input data, but we recommend continued monitoring to assess the effect of future changes in the economic environment. If the Q2 2020 data which are currently driving the model improve as the economy reopens, the construction cost environment may continue to change.

The key structural change in the past six months is the shift from a low unemployment to a high unemployment economy. Housing production continues to slow statewide. Materials costs, as of Q2 2020, were down (see the appendix.) The key question is whether the unemployment rate changes will persist and how economic factors will translate into construction wages.

Overall, the model suggests the county is currently in, on average, a deflationary environment for infrastructure costs, with a near-zero inflation environment forecast for 2021 and 2022, with modest deflation possible in those years. There is no sign of upward cost pressure as of the most recent data. Given the rapid changes in economic conditions, frequent updates to the model are recommended.

Orange County Business Council
Orange County Transportation Infrastructure Construction Cost Pressure Index
Fall 2020

Prepared for the Orange County Transportation Authority

Recent Data Trends

Table 1 shows the values for 2016 through 2019 and the 2020 values based on projections from quarterly data. The construction wage data for 2020 are based on projections from the 1st quarter of 2020, with other 2020 values are based on Q2 2020 data. Building permitting in California is slowing and the unemployment rate quadrupled on an annual basis from Q2 2019 to Q2 2020. Building materials costs have fallen for all tracked materials with the exception of Portland Cement Concrete (pavement).

Table 1: Infrastructure Cost Correlates, Annual Percentage Changes, 2016-2020

Year	California Building Permits	% change year-on-year	California Unemployment Rate	% change year-on-year	OC Construction Labor Costs (average annual wage)	% change year-on-year
2016	102,350	4.2%	5.5%	-11.6%	\$67,179	3.8%
2017	114,780	12.1%	4.8%	-12.9%	\$71,474	6.4%
2018	113,502	-1.1%	4.2%	-12.1%	\$74,669	4.5%
2019	109,904	-3.2%	4.0%	-4.8%	\$77,289	4.5%
2020*	84,707	-23%	16.6%	315%	\$80,743 **	3.7%

* 2020 values projected from year-on-year changes in quarterly data, Q2 of 2019 to Q2 of 2020.

** Based on Q1 2020 data.

The Caltrans Construction Cost Index (CCI) dropped 25% from Q1 to Q2 of 2020 – a large decline but not unprecedented. The Caltrans CCI dropped by 20% quarter to quarter in Q2 2014, Q2 2015, and Q4 2019.

Forecasting Method

OCBC used a series of regression analyses and forward-looking projections to create the Infrastructure Construction Cost Pressure Index. This Index provides a ranking from 0 to 5, with each rank corresponding to a range of percent changes in overall construction costs. Table 2 below highlights each Index ranking and the proposed range of cost fluctuations which have been provided on a low, midpoint, and high scale.

Orange County Business Council
Orange County Transportation Infrastructure Construction Cost Pressure Index
Fall 2020
Prepared for the Orange County Transportation Authority

Table 2: OCBC OC Transportation Infrastructure Construction Cost Pressure Index Score Ranking

Implied Range of Construction Cost Change

Index Score	Low	Midpoint	High
0	-17%	-9.5%	-2%
1	-2%	-0.5%	1%
2	1%	1.5%	2%
3	2%	4%	6%
4	6%	8.5%	11%
5	11%	25.5%	40%

These ranges are built to be forecasting tools, with scores indicating public construction forecast cost increase. Values of 2 and 3 indicate somewhat normal inflationary environments. A value of 4 is a high inflation environment. A value of 1 is a low inflation/deflationary environment. Values of 0 and 5 correspond to the most extreme conditions observed in Orange County over the past three decades, and hence the ranges for those values are wide due to the unusual nature of the highly deflationary environment that occurred immediately prior to and during the Great Recession and the high cost inflation environment that occurred in the building boom years of the early 2000s.

Methodology

To determine the Transportation Infrastructure Construction Cost Pressure Index, the OCBC team started by aggregating several datasets, measures, and indicators on an annual basis as far back as 1972. Among others, these measures included the Caltrans CCI, state-level building permits and unemployment rates, material costs, and construction labor costs.

The OCBC team examined how the various measures and indicators of construction costs varied with changes in (1) building permitting activity, (2) unemployment rates, (3) materials costs, (4) labor costs, and recent past trends in construction inflation. Using statistical analyses, the research team has built a forecasting model that projects forward cost increases and predicted cost increases are grouped into the categorical ranges shown above.

Orange County Business Council
Orange County Transportation Infrastructure Construction Cost Pressure Index
Fall 2020

Prepared for the Orange County Transportation Authority

Appendix: Changes in Infrastructure Materials Costs 2016-2020 (all values are percent year-on-year changes)

Year	Aggregate	PPC Pavement	PCC Structure	Steel Structure	Steel Bar
2016	9.4%	8.5%	7.6%	26.3%	35%
2017	24.2%	106.8%	26.9%	-51.0%	-21%
2018	18.9%	25.9%	17.2%	-58.8%	9.4%
2019	4.6%	-11%	-4.2%	0.8%	53.4%
2020*	-15.9%	58.8%	-24.5%	-51.9%	-75.2%

* 2020 values projected from year-on-year changes in quarterly data, Q2 2019 to Q2 2020.



Measure M2 Next 10 Delivery Plan: Market Conditions Key Indicators Analysis and Forecast

Orange County Transportation Infrastructure Construction Cost Pressure Index, Fall 2020

Orange County Business Council

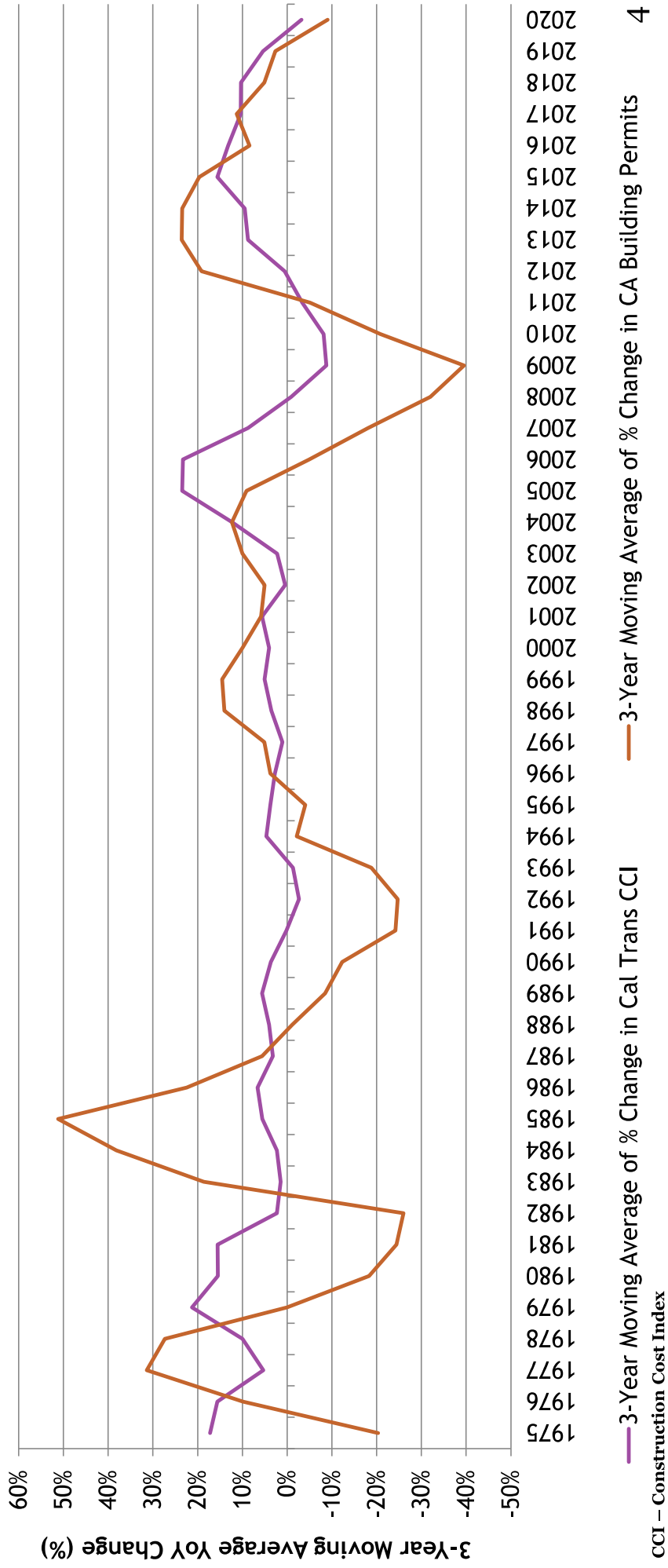
September 2020



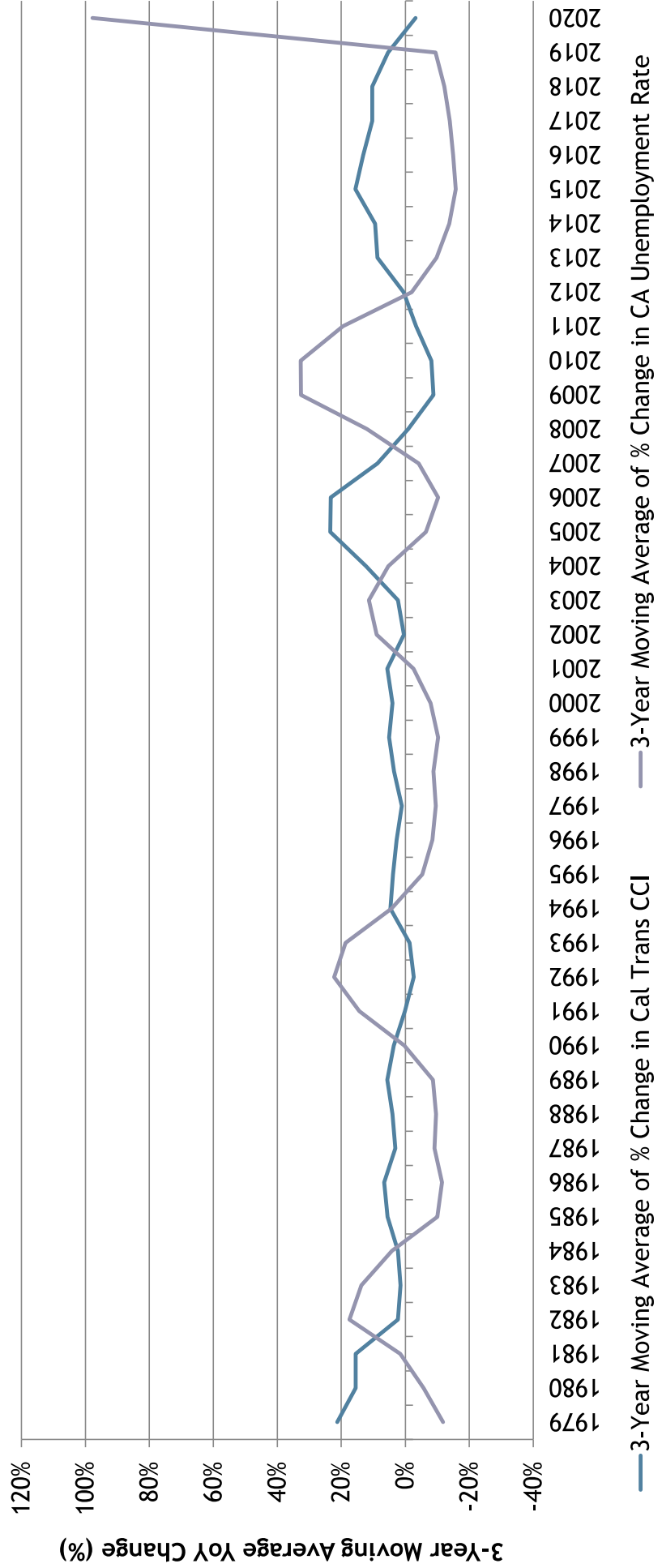
Orange County Transportation Infrastructure Construction Cost Pressure Index Model Components

- Economic Trends - State-level building permits and unemployment rate (Census and California Employment Development Department (EDD));
- Material Costs - Construction Aggregate, PCC Pavement, PCC Structural Concrete, Structural Steel and Bar Steel (Caltrans).
- Labor Costs - Localized construction wages of NAICS defined sectors provided by Bureau of Labor Statistics (BLS).
- Economic Conditions - Tight economy in 2002-2005 and slack economy in 2007-2011.

3-Year Moving Average of Year-Over-Year Percent Change in Caltrans CCI and Building Permits



3-Year Moving Average of Year-Over-Year Percent Change in Caltrans CCI and CA Unemployment Rates



Forecast and Range of Orange County Transportation Infrastructure Cost Increases by Index Value

- 2020 - Forecasted Index Value: 0
- 2021 - Forecasted Index Value: 1
- 2022 - Forecasted Index Value: 1
- 2023 - Forecasted Index Value: 3

Index	Range of Cost Fluctuations by Index Score			High
	Low	Medium	High	
0	-17%	-9.5%	-2%	
1	-2%	-0.5%	1%	
2	1%	1.5%	2%	
3	2%	4%	6%	
4	6%	8.5%	11%	
5	11%	25.5%	40%	

Cost Pressures Have Shifted, Both Structurally and Due to COVID-19

- Statewide building permit issuance continues to decline;
- California unemployment rate quadrupled in Q2 2020 relative to Q2 2019 (4% to 16.6%);
- Increasing, yet uncertain Orange County construction labor costs; and
- Building material costs have nearly all declined.

Year-over-Year Changes in California Building Permits, California Unemployment Rate and Orange County Construction Labor Costs, 2016-2019

Year	California Building Permits	% change year-on-year	California Unemployment Rate	% change year-on-year	OC Construction Labor Costs (avg. annual wage)	% change year-on-year
2016	102,350	4.2%	5.5%	-11.6%	\$67,179	3.8%
2017	114,780	12.1%	4.8%	-12.9%	\$71,474	6.4%
2018	113,502	-1.1%	4.2%	-12.1%	\$74,669	4.5%
2019	109,904	-3.2%	4.0%	-4.8%	\$77,289	4.5%
2020*	84,707	-23%	16.6%	315%	\$80,743 **	3.7%

* 2020 values projected from year-on-year changes in quarterly data, 2nd quarter 2019 to 2nd quarter 2020.

** Based on 1st quarter 2020 data.

OCBC Infrastructure Construction Cost Forecast

- Systematic Risks - currently experiencing large fluctuations due to COVID-19
 - Construction/building environment
 - State's economy influencing demand and cost
 - Direct measures of labor and materials cost

OCBC OC Transportation Infrastructure Construction Cost Index Score, 2020-2023		
Year	Index Score	Range of Cost Fluctuation
2020	0	-17% to 2%
2021	1	-2% to 1%
2022	1	-2% to 1%
2023	3	2% to 6%

- Idiosyncratic Risks - not predictable and therefore not in model
 - Tariffs and associated effects on cost of materials, from changing trade policy
 - Regulatory requirements/changes creating additional hurdles to the bidding process
 - Future potential economic shutdowns related to COVID-19 spread/second wave

Questions



COMMITTEE TRANSMITTAL

December 14, 2020

To: Members of the Board of Directors
From: Andrea West, Interim Clerk of the Board *Andrea West*
Subject: Interstate 405 Improvement Project Funding Update

Regional Planning and Highways Committee Meeting of December 7, 2020

Present: Directors Bartlett, Chaffee, Delgleize, Muller, M. Murphy, and R. Murphy
Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendations

- A. Authorize the use of an additional \$180,234,000 in Measure M2 funds for the Interstate 405 Improvement Project to increase the overall project budget from \$1,900,000,000 to \$ 2,080,234,000.
- B. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program and execute or amend all necessary agreements to facilitate the above action.
- C. Pursuant to the Public Contract Code, find that satisfactory progress is being made on the project and authorize the Chief Executive Officer to negotiate and execute a contract change order to reduce retention withholding from five percent to three percent on future invoices from OC 405 Partners, and authorize the Chief Executive Officer to release retention to OC 405 Partners, in an amount not to exceed \$10,000,000, at 75 percent of substantial completion of the project, and to release retention to OC 405 Partners, in an amount not to exceed \$5,000,000, at 90 percent of substantial completion of the project.



December 7, 2020

To: Regional Planning and Highways Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Interstate 405 Improvement Project Funding Update

Overview

The Orange County Transportation Authority is currently underway with the implementation of the Interstate 405 Improvement Project. Board of Directors' approval is requested to provide additional funding for the project.

Recommendations

- A. Authorize the use of an additional \$180,234,000 in Measure M2 funds for the Interstate 405 Improvement Project to increase the overall project budget from \$1,900,000,000 to \$2,080,234,000.
- B. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program and execute or amend all necessary agreements to facilitate the above action.
- C. Pursuant to the Public Contract Code, find that satisfactory progress is being made on the project and authorize the Chief Executive Officer to negotiate and execute a contract change order to reduce retention withholding from five percent to three percent on future invoices from OC 405 Partners, and authorize the Chief Executive Officer to release retention to OC 405 Partners, in an amount not to exceed \$10,000,000, at 75 percent of substantial completion of the project, and to release retention to OC 405 Partners, in an amount not to exceed \$5,000,000, at 90 percent of substantial completion of the project.

Background

The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation (Caltrans) 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 (GP) lane in each direction from Euclid Street to I-605, consistent with Measure M2 (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.

As part of the preliminary finance plan approved by the OCTA Board of Directors (Board) on May 23, 2016, the current Project cost estimate is \$1,900,000,000. At that time, it was noted that the finance plan should be viewed as preliminary and could be subject to change as the Project advances.

Discussion

The Project is progressing well with a number of construction and other activities continuing to advance. Several major milestones have been accomplished in 2020, including the following:

- Design portion of this design-build (DB) project was substantially completed, which retires a project risk
- OCTA has possession of the required property rights needed for all 288 property impacts, which retires a significant risk to OCTA
- Board approved the award of a construction contract to improve a small portion of the Santa Ana Bus Base that will house the 405 Express Lanes Traffic Operations Center
- Board approved the release of a request for proposals for the back-office support and customer service center contract for the 405 Express Lanes
- Over 80 walls are under construction or complete
- Three of the 18 overcrossing bridge replacements are complete and open to traffic (Slater Avenue, Bushard Street, and McFadden Avenue)
- Construction approaching halfway complete by the end of 2020

Additionally, several other major milestones are anticipated to be completed in 2021, including the following:

- Request Board approval to award the back-office support and customer service center contract for the 405 Express Lanes
- A majority of the wall construction will be complete
- Nine of the 18 overcrossing bridge replacements will be complete and open to traffic
- All four bridge widenings will be complete
- Three of the four new bridges will be complete and open to traffic
- Construction approximately two-thirds complete by the end of 2021

The overall DB Project, which includes both design and construction, is over 50 percent complete. However, during the first half of the Project, many

challenges have been encountered. Some examples of those challenges include the following:

- Successful bid was more than the engineer’s estimate
- Legal settlements with the cities of Long Beach and Seal Beach
- Complex construction of Oceanview Channel improvements under the freeway
- Right-of-way (ROW) constraints at the Goldenwest Street overcrossing bridge
- Caltrans and Federal Highway Administration safety-related changes, including required bridge depths, steel plates no longer permitted for use in median, guard rail requirements, and concrete paving widening requirements
- ROW and utility risks have materialized, such as acquisition of property and relocation of tenants at the former Big 5 and Sit ‘n Sleep locations
- Hazardous materials in soil and in utility pipes
- Changes to cooperative agreements with the corridor cities due to need for additional city reviews and pavement rehabilitation

Additionally, in September 2019, there was a discovery of archaeological resources within the Project site. OCTA is following established State procedures for this type of discovery, and is working with the responsible parties to ensure appropriate and respectful procedures are followed. This discovery impacted construction at a specific bridge that was on the critical path for construction and had significant cost and schedule impacts.

As a result of these and other Project challenges, OCTA staff has recently performed a comprehensive analysis of actual and estimated remaining costs for each component of the Project and has developed updated estimated costs to complete the Project. Results of this analysis indicate that the estimated cost to complete the Project is \$2,080,234,000, which is \$180,234,000 (9.5 percent) over the current available funding of \$1,900,000,000.

The additional \$180,234,000 is proposed to be funded using M2 freeway program funds. The original, current, and proposed funding is shown below:

Funding/Financing Source	Original Funding (without TIFIA)	Current Funding (with TIFIA)	Proposed Funding:
M2	\$1,289,581,000	\$1,135,651,000	\$1,315,885,000
Toll Revenue Bonds	\$ 475,000,000		
TIFIA*		\$ 628,930,000	\$ 628,930,000
State	\$ 89,771,000	\$ 89,771,000	\$ 89,771,000
Federal	\$ 45,648,000	\$ 45,648,000	\$ 45,648,000
Total	\$1,900,000,000	\$1,900,000,000	\$2,080,234,000

* TIFIA - Transportation Infrastructure Finance and Innovation Act

The original funding plan for the \$1,900,000,000 Project assumed approximately \$1,300,000,000 in M2, approximately \$135,000,000 in federal and state grants, and \$475,000,000 in toll revenue bonds. This funding plan aligned the M2 funds with the estimated cost for the M2 GP lane project, Project K (\$1,315,000,000) and the toll revenue funds with the added express lanes component (\$475,000,000). In 2017, a TIFIA loan was secured as an alternative to issuing toll revenue bonds. In addition to providing lower financing costs and more flexible repayment terms, the TIFIA loan size was set at the maximum amount available of 33 percent of Project costs, or approximately \$629,000,000. Since the TIFIA loan amount of approximately \$629,000,000 was greater than the \$475,000,000 needed for the express lanes portion of the Project, the excess was applied to the GP lanes portion of the Project and reduced the overall M2 contribution to just over \$1,100,000,000.

Both the TIFIA loan amount of approximately \$629,000,000 and the federal and state grants amount of approximately \$135,000,000 are currently fixed. Therefore, the M2 contribution is recommended to be adjusted by \$180,234,000, to just over \$1,300,000,000, to accommodate the increased costs described in this staff report and is considered close to the M2 contribution assumed in the original funding plan.

When OCTA approves a programming change for a project, a Capital Funding Plan is provided to enable the Board to consider this change while looking at the overall funding for the freeway program in general. Once approved, the changes noted above will be added into the Capital Funding Program Report for the freeway program which is provided in Attachment A.

Pursuant to the Project's contract and the California Public Contract Code (PCC), staff is requesting Board approval to reduce the retention withholding from five percent to three percent for future invoices from OC 405 Partners (OC405). Section 9203 of the PCC requires OCTA to withhold five percent of the contract price until final completion of the Project. Pursuant to Section 9203, OCTA has been withholding five percent from each invoice submitted by OC405, currently holding over \$24,000,000 in retention. Section 9203 permits OCTA to either reduce or stop withholding retention altogether, once 50 percent of the work has been completed, provided the Board finds that satisfactory progress is being made on the Project. The Project is over 50 percent complete at this time. While the Project will not be completed by the original date contemplated under the contract, a significant portion of this can be attributed to events and circumstances beyond the control of either OCTA or OC405, such as the archaeological discovery noted previously. OC405 has been able to continue the progress of the work in the current coronavirus environment. In staff's view, OC405 is making satisfactory progress to justify the reduction in retention.

The recommended action would also authorize the Chief Executive Officer to release up to \$10,000,000 in retention at 75 percent of substantial completion of the Project, and \$5,000,000 at 90 percent of substantial completion of the Project. Retention would only be released upon OCTA's written certification that these milestones have been reached. With the amount of retention currently held, future retention to be held, funds that OCTA has not yet paid, and performance and payment bonds of approximately \$600,000,000, the action will not affect the overall security needed to ensure completion of the Project.

Fiscal Impact

Funds are included in OCTA's Fiscal Year 2020-21 Budget, Capital Programs Division, accounts 0017-9084-FK101-0GM and 0037-9017-A9510-0GM, and is funded with a combination of federal, state, and local funds. M2 funds will be used for improvements specific to M2 Project K, and non-M2 funds will be used for improvements specific to the 405 Express Lanes. Necessary budget adjustments will be made as outlined in this staff report.

Summary

The currently approved budget for the Project is not sufficient to complete the Project. Additional M2 sales tax funds will be required. Staff recommends approval of the recommendations included in this staff report.

Attachment

- A. Capital Funding Program Report

Prepared by:



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Approved by:



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



Capital Funding Program Report

Pending Board of Directors (Board) Approval - December 14, 2020

State Highway Project

Project Title	M Code	Total Funding	Federal Funds				State Funds				Local Funds			
			STBG/CMAQ	FTA	Other Fed.	STIP	SB1	Other State	M1	M2	Other Local			
I-5 from SR-55 to SR-57, add one HOV lane each direction	A	\$41,500	\$36,191										\$5,309	
I-5 widening, I-405 to Yale Avenue (Segment 1)	B	\$219,903	\$52,357				\$95,338	\$44,791					\$27,417	
I-5 widening, Yale Avenue to SR-55 (segment 2)	B	\$17,425	\$15,027										\$2,398	
I-5 widening, Alicia Parkway to El Toro Road (Segment 3)	C	\$181,327	\$49,897		\$4,728			\$9,388					\$117,314	
I-5 widening, Oso Parkway to Alicia Parkway (Segment 2)	C	\$205,695	\$47,676		\$7,921								\$150,098	
I-5 widening, SR-73 to Oso Parkway (Segment 1)	C	\$213,267	\$28,167		\$6,433		\$91,977		\$29,832				\$56,858	
I-5, SR-73 to El Toro Road landscaping/replacement planting	C	\$12,365					\$6,000						\$6,365	
I-5/El Toro Interchange	D	\$4,400												
SR-55 (I-5 to SR-91)	F	\$13,921											\$8,921	
SR-55 widening between I-405 and I-5	F	\$410,932	\$103,805		\$46,800		\$80,000	\$70,000					\$110,327	
SR-57 Orangewood Avenue to Katella Avenue	G	\$7,277											\$4,777	
SR-91, Acacia Avenue to La Palma Avenue (Segment 3)	I	\$16,201	\$1,770										\$30	\$14,401
SR-91, La Palma Avenue to SR-55 (Segment 2)	I	\$46,314	\$3,460										\$40	\$42,814
SR-91, SR-55 to Lakeview Avenue (Segment 1)	I	\$15,779	\$1,770										\$30	\$13,979
SR-91, SR-241 to I-15	J	\$41,800												\$41,800
I-405 improvements, SR-73 to I-605+	K	\$2,080,234	\$35,000		\$10,648				\$89,771				\$1,315,885	\$628,930
I-405 (I-5 to SR-55)	L	\$8,000	\$8,000											
I-405 s/b aux lane - University to Sand Canyon and Sand Canyon to SR-133	L	\$2,328					\$2,328							
I-605/ Katella Avenue interchange	M	\$4,824											\$4,824	
241/91 Express Lanes (HOT) Connector		\$182,298	\$50											\$182,248
I-5 HOV Lane Extension from Avenida Pico to San Diego County Line (PSR/PDS)		\$6,071	\$6,071											\$400
SR-74 widening, Calle Entradero-City/County line		\$16,653					\$14,053		\$250				\$1,950	\$400
SR-74 widening, City/County line to Antonio Parkway		\$40,905	\$5,285				\$10,000						\$25,620	
State Highway Project Totals		\$3,789,419	\$406,426		\$76,530		\$299,696	\$124,179	\$119,853				\$1,812,543	\$950,192

Federal Funding Total	\$482,956
State Funding Total	\$543,728
Local Funding Total	\$2,762,735
Total Funding (000's)	\$3,789,419

State Highway Project Completed

Project Title	M Code	Total Funding	Federal Funds				State Funds				Local Funds			
			STBG/CMAQ	FTA	Other Fed.	STIP	SB1	Other State	M1	M2	Other Local			
I-5 HOV lane each direction s/o PCH to San Juan Creek Road	C	\$74,300	\$11,326						\$20,789				\$42,185	
I-5 HOV lanes from s/o Avenida Vista Hermosa to s/o PCH	C	\$75,300	\$12,065				\$46,779						\$16,456	
I-5 HOV lanes: s/o Avenida Pico to s/o Vista Hermosa	C	\$83,500	\$26,867		\$1,600		\$43,735						\$11,298	
I-5/SR-74 interchange improvements	D	\$80,300					\$48,683		\$24,109		\$2,500			\$5,008



Capital Funding Program Report

Pending Board of Directors (Board) Approval - December 14, 2020

State Highway Project Completed

Project Title	M Code	Total Funding	Federal Funds				State Funds				Local Funds			
			STBG/CMAQ	FTA	Other Fed.	STIP	SB1	Other State	M1	M2	Other Local			
I-5/SR-74 interchange landscaping/replacement planting	D	\$1,440			\$752	\$688								
SR- 57 n/b widening, Katella Avenue to Lincoln Avenue - landscaping	G	\$2,172										\$2,172		
SR- 57 n/b widening, SR-91 to Yorba Linda Boulevard - landscaping	G	\$946										\$946		
SR-57 n/b widening, Katella Avenue to Lincoln Avenue	G	\$35,827									\$24,127	\$11,700		
SR-57 n/b widening, SR-91 to Yorba Linda Boulevard	G	\$51,354									\$39,475	\$11,879		
SR-57 n/b widening, Yorba Linda to Lambert Road	G	\$52,871									\$41,250	\$11,621		
SR-57 n/b widening, Yorba Linda to Lambert Road - landscaping	G	\$1,193										\$1,193		
SR-91 w/b connect existing aux lanes, I-5 to SR-57	H	\$62,977									\$27,227	\$35,750		
SR-91 w/b connecting existing aux lanes, I-5 to SR-57 - landscaping	H	\$2,290										\$2,290		
SR-91 w/b (SR-55 - Tustin interchange) improvements	I	\$43,753				\$15,753					\$14,000	\$14,000		
SR-91 e/b widening, SR-241 to SR-71	J	\$57,773			\$45,911							\$6,942	\$4,920	
SR-91 w/b Routes 91/55 - e/o Weir replacement planting	J	\$2,898				\$2,898								
SR-91 widening, SR-55 to Gypsum Canyon (Weir/SR-241)	J	\$76,993				\$22,250					\$54,045	\$698		
I-405/SR-22/I-605 HOV connector - landscaping		\$4,600	\$4,600											
HOV connectors from I-405 and I-605	M1	\$173,091	\$14,787								\$135,430	\$16,200		\$6,674
HOV connectors from SR-22 to I-405	M1	\$115,878	\$64,375		\$49,625						\$1,878			
State Highway Project Completed Totals		\$999,456	\$134,020		\$97,888	\$180,786			\$380,452		\$20,578	\$169,130		\$16,602

Federal Funding Total	\$231,908
State Funding Total	\$561,238
Local Funding Total	\$206,310
Total Funding (000's)	\$999,456



Capital Funding Program Report

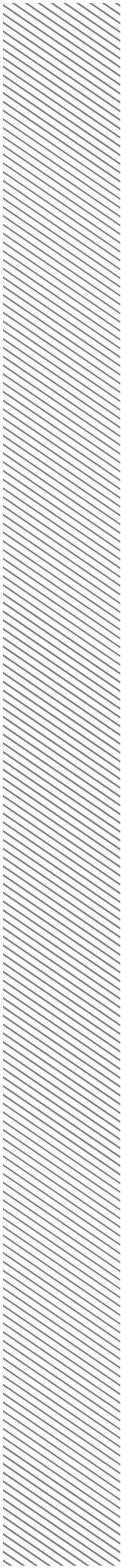
Pending Board of Directors (Board) Approval - December 14, 2020

Board Actions:

1. Authorize the use of an additional \$180 million in Measure M2 for the Interstate 405 Improvement Project to increase the overall project budget from \$1.9 billion to \$2.08 billion.

Acronyms:

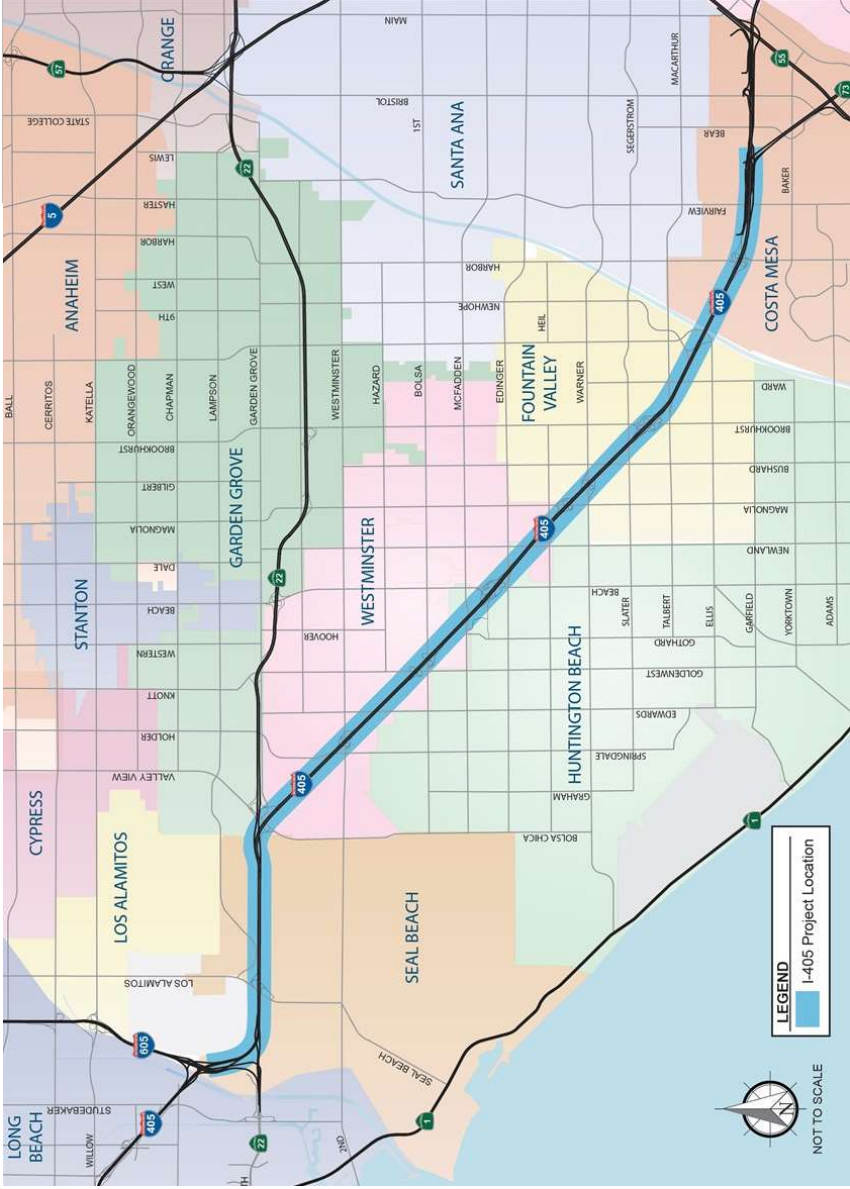
- Aux - Auxiliary
- CMAAQ - Congestion Mitigation Air Quality Improvement Program
- FTA - Federal Transit Administration
- FY - Fiscal Year
- HOT - High-Occupancy Toll
- HOV - High-Occupancy Vehicle
- Hwy - Highway
- I-405 - Interstate 405
- I-5 - Interstate 5
- I-605 - Interstate 605
- LA - Los Angeles
- M Code - Project Codes in Measure M1 and M2
- M1 - Measure M1
- M2 - Measure M2
- N/B - Northbound
- OC - Orange County
- OCTA - Orange County Transportation Authority
- PCH - Pacific Coast Highway
- RSTP - Regional Surface Transportation Program
- S/B - Southbound
- S/O - South of
- SR-133 - State Route 133
- SR-241 - State Route 241
- SR-55 - State Route 55
- SR-57 - State Route 57
- SR-71 - State Route 71
- SR-73 - State Route 73
- SR-90 - State Route 90
- SR-91 - State Route 91
- SS - Southside
- STBG - Surface Transportation Block Grant
- STIP - State Transportation Improvement Program
- W/B - Westbound



Interstate 405 Improvement Project

Funding Update

Project Location and Key Features



Current Project Status



Design-build (DB) progress is 56 percent complete vs 60 percent time elapsed

- \$704 million invoiced of \$1.247 billion total
- 2.65 million person-hours to date
- \$189 million in Disadvantaged Business Enterprise subcontracts committed to date

Design is substantially complete

- All roadway segments and bridges have achieved Release for Construction
- Future design refinements allowed in DB process

Right-of-way (ROW) possession is substantially complete

- Expended \$76.5 million
- Remaining acquisition, condemnation, and loss of business goodwill

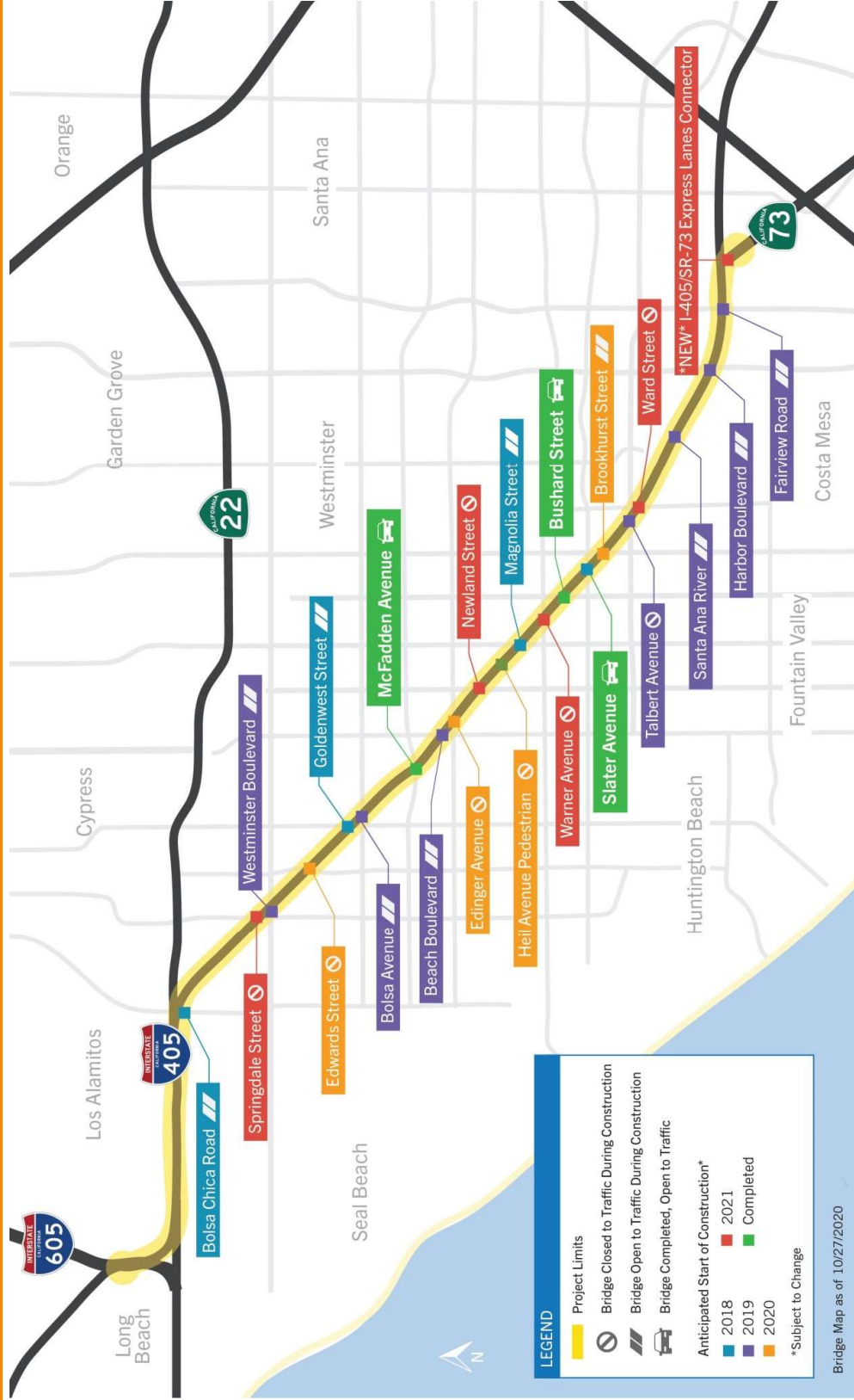
Agreement reached with 84 percent of utilities for relocation

- Utility agreements valued at \$67 million
- Relocations are 62 percent complete

Construction

- 3 bridges complete
- 18 bridges under construction
- Over 80 walls under construction or complete

Project Bridge Map



LEGEND

- Project Limits
- Bridge Closed to Traffic During Construction
- Bridge Open to Traffic During Construction
- Bridge Completed, Open to Traffic

Anticipated Start of Construction*

- 2018
- 2019
- 2020

*Subject to Change

Bridge Map as of 10/27/2020

Risks Materialized to Date



Design Risks

- Oceanview Channel
- Goldenwest Street bridge
- Bridge depth
- Steel plates in barrier

OCTA Project Support Risks

- Seal Beach and Long Beach legal settlements
- Program management consultant amendments
- City cooperative agreements for city reviews and pavement rehabilitation

ROW/Utility Risks

- Big 5 and Sit 'n Sleep property acquisitions
- Hazardous materials related to pipes

Construction Risks

- Bid amount higher than anticipated
- Archaeological discovery

Estimate at Completion



Category	Original Budget (w/ Contingency)	Estimate at Completion	Variance	Comments
DB Contract Costs				
DB contract, including Contract Change Orders	\$1,316,130,000	\$1,448,214,728	\$132,084,728 (10.0%)	- Includes amount for current and future risks - Winning bid was \$31 million over the estimate (taken out of contingency)
Other OCTA and Support Costs				
ROW and Utilities	\$211,816,901	\$222,446,424	\$10,629,523 (5.0%)	Includes amount for current and future risks
Project Support (Project Management, Construction Management, Outreach, Legal, California Department of Transportation, OCTA)	\$305,707,598	\$337,211,118	\$31,503,520 (10.3%)	Additional program management support, outreach, and claims support
Construction Related Elements (Tolling, third-party agreements)	\$66,345,501	\$69,872,252	\$3,526,751 (5.3%)	City cooperative agreement amendments
Approved Costs Outside of Budget	\$0	\$13,289,802	\$13,289,802	Legal settlements with the cities of Long Beach and Seal Beach
Revenue				
OC Public Works (OCPW) and Fountain Valley (FV) contributions	\$0	(\$10,810,000)	(\$10,810,000)	- Oceanview Channel (\$10.06M - OCPW) - Waterlines (\$0.75M - FV)
Total	\$1.9 billion	\$2.080 billion	\$180 million (9.5%)	- Rounded and includes contingency

Potential Funding/Financing Plan



Funding/Financing Source	Original (without TIFIA)	Current (with TIFIA)	Estimate at Completion
Measure M2 (M2)	\$1,289,581,000	\$1,135,651,000*	\$1,315,885,000**
Toll Revenue Bonds	\$ 475,000,000	-	-
TIFIA***	-	\$ 628,930,000	\$ 628,930,000
State	\$ 89,771,000	\$ 89,771,000	\$ 89,771,000
Federal	\$ 45,648,000	\$ 45,648,000	\$ 45,648,000
Total	\$1,900,000,000	\$1,900,000,000	\$2,080,234,000

* The M2 contribution was reduced by approximately \$154 million based on the 2017 TIFIA loan execution

** The M2 contribution for the Estimate at Completion funding plan is similar to the original (without TIFIA) funding plan

*** Transportation Infrastructure Finance and Innovation Act

Recommendations



- Authorize the use of an additional \$180,234,000 in Measure M2 funds for the Interstate 405 Improvement Project to increase the overall project budget from \$1,900,000,000 to \$2,080,234,000.
- Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program and execute or amend all necessary agreements to facilitate the above action.
- Pursuant to the Public Contract Code, find that satisfactory progress is being made on the project and authorize the Chief Executive Officer to negotiate and execute a contract change order to reduce retention withholding from five percent to three percent on future invoices from OC 405 Partners, and authorize the Chief Executive Officer to release retention to OC 405 Partners, in an amount not exceed \$10,000,000, at 75 percent of substantial completion of the project, and to release retention to OC 405 Partners, in an amount not to exceed \$5,000,000, at 90 percent of substantial completion of the project.



January 11, 2021

To: Members of the Board of Directors

From: Darrell E. Johnson, Chief Executive Officer

Subject: Measure M2 Quarterly Progress Report for the Period of July 2020 Through September 2020

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

Overview

Staff has prepared the Measure M2 quarterly progress report for the first quarter of fiscal year 2020-21, covering July 2020 through September 2020, for consideration 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 also 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). The Board also is provided with individual project staff reports and overall reports on the status of the capital programs by the Capital Programs Division.

Discussion

This quarterly report reflects current activities and progress across all M2 programs for the period of July 1, 2020 through September 30, 2020 (Attachment A). The report includes project budget and schedule information as provided and reported in the Capital Action Plan, as well as the Local Fair Share, and Senior Mobility Program payments made to cities during the quarter, as well as total distributions from M2 inception through September 2020.

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

Market Conditions Forecast and Risk Analysis

At the Board's 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 identify potential cost risk factors on M2 project delivery. The results of the analysis were presented to the Board on November 9, 2020. The report identified that OCTA may experience a low inflation cost environment (ranging negative two percent to one percent) during 2021 and 2022, followed by a more normal inflation cost environment in 2023 (ranging two to six percent).

Compared to the previous report presented to the Board in October 2019, cost pressures have tempered in the most recent data available and are primarily attributed to the coronavirus (COVID-19) pandemic. For example, a change from a low unemployment economy to that of a high one lowered the risk for higher labor costs. In addition, building permits in California have slowed down, and building material costs have stabilized. Staff will continue to monitor market conditions and effects on the Next 10 Delivery Plan (Next 10 Plan) and provide updates to the Board as appropriate.

Next 10 Plan/Sales Tax Revenue Forecast

Annually, staff reviews the Board-adopted commitments in the Next 10 Plan to ensure it remains deliverable with updated revenues and project costs. With the uncertainties of the economic impacts of COVID-19, staff presented a preliminary \$11.6 billion M2 sales tax revenue forecast on August 24, 2020. With tax receipts for quarter four of fiscal year (FY) 2019-20 received in September 2020, the final M2 sales tax forecast was presented to the Board on October 26, 2020. Despite sales tax receipts being higher than anticipated for

FY 2019-20, the total anticipated sales tax to support the M2 Program remained at \$11.6 billion due to a more conservative short-term forecast provided by MuniServices. This represents a year-over-year decline of \$1.8 billion and the lowest forecast since M2 inception.

On December 14, 2020, options were presented to the Board for discussion and feedback on how to manage the impacts of the decreased M2 sales tax revenue forecast and revised project cost estimates. The Board suggested that staff pursue a financially prudent course of action with a proactive stance on project delivery while remaining flexible, given the fluidity of current events. In addition, staff will be reviewing FY 2020-21 second quarter financial information prior to presenting a revised M2 Next 10 Plan, which is anticipated in early 2021.

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 FY 2020-21.

Freeway Program

The M2 Freeway Program consists of 30 project segments to be delivered by 2041. Currently, while in year ten of the 30-year program, 12 project segments are complete, five are in construction, and another four are readying for construction. The remaining nine project segments are in various stages of project development.

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

- Interstate 5 (I-5) between State Route 55 (SR-55) and State Route 57 (SR-57) - In August 2020, the second of two high-occupancy vehicle lanes in the north and southbound directions were opened. The project team continues to work on final inspections and punch list items, which are anticipated to be completed by the end of the year. (Project A)
- I-5 between Alicia Parkway and El Toro Road - On September 23, 2020, the California Department of Transportation awarded the construction contract to the lowest bidder, which was 11.7 percent below the engineer's estimate. This is the northernmost of three segments of the I-5 between State Route 73 (SR-73) and El Toro Road Project. All three segments are now under construction. (Project C)

- State Route 91 between SR-55 to SR-57 - This project was split into three segments for the design phase. Design work on segment one, between SR-55 and Lakeview Avenue, and segment two, between La Palma Avenue and SR-55 are underway. A consultant to provide design work on segment three, between Acacia Street to La Palma Avenue was approved by the Board on July 13, 2020. As of November 30, 2020, all three segments are now in the design phase. (Project I)
- Interstate 405 between SR-73 and Interstate 605 - Construction on the project is proceeding and a full project update was provided to the Regional Planning and Highways Committee on September 3, 2020, and to the Board on September 28, 2020. In October 2020, the Bushard Street and McFadden Street bridges were completed and opened to traffic. (Project K)

Streets and Roads

Since 2011, approximately \$893.5 million has been allocated to local jurisdictions for transportation improvements through the streets and roads competitive and formula funding programs. Additionally, M2 provided \$149 million, a portion of the \$667 million total project cost, to grade separate seven street and rail crossings, leveraging the majority of the funds (\$518 million) from local, state, and federal sources.

On August 10, 2020, the Board approved revisions to the Comprehensive Transportation Funding Programs Guidelines. Board action included the release of the 2021 annual call for projects (call) for arterial and intersection capacity enhancement and signal synchronization projects up to \$30 million. Applications for the call were due on October 22, 2020, with programming recommendations anticipated in spring of 2021. (Project O and Project P)

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 multi-year transit funding commitments for bus and station van extension services connecting to Metrolink (\$483,133 to date), local community-based transit circulators and planning studies (\$41.8 million to date), and bus stop improvements (\$3 million to date). In parallel, M2 provides a set amount of annual funding to support three programs intended to meet the needs of seniors and persons with disabilities (\$82.5 million to date). Key transit project activities taking place this quarter are highlighted below.

- OC Streetcar - A quarterly update was provided to the Transit Committee on September 10, 2020, and to the Board on September 14, 2020. The update included information on the status of construction activities, vehicle manufacturing, and delivery. (Project S)
- Senior Mobility Program (SMP) - OCTA continues efforts to expand senior transportation services through the SMP. On August 24, 2020, the Board approved a cooperative agreement with the City of Laguna Beach to participate and receive SMP funding. In total, there are 32 out of 34 cities in Orange County participating in the SMP. (Project U)
- Safe Transit Stops - Programming recommendations for 35 bus stop improvements totaling \$1.03 million were approved by the Board on September 14, 2020. (Project W)

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 M2 Freeway Program. The ECP improves water quality by addressing transportation-related pollutants, while the EMP offsets biological impacts of freeway projects.

Since 2011, the ECP has allocated approximately \$48.6 million to local jurisdictions for 167 projects for trash removal devices (Tier 1), and 18 projects for large scale water quality best management practices projects (Tier 2). It is estimated that nearly 33 million gallons of trash have been captured since inception of the program, which is the equivalent of filling nearly 78 football fields with one-foot deep of trash.

Additionally, the Board previously 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 to restore habitat on 350 acres of open space across Orange County to fulfill the necessary freeway program mitigation needs.

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. Prior to COVID-19, it was estimated that it would take approximately 12 years to fully fund the endowment with annual deposits, or until the fund totals \$46.2 million. The level of annual deposits will be reassessed based on availability of M2 funds. Any changes may affect the timeframe for the full funding of the endowment. In July 2020, OCTA made the annual deposit of approximately \$2.9 million into the EMP endowment. As of September 30, 2020, the balance of the endowment was just over \$16 million.

Challenges

COVID-19 Pandemic

On February 27, 2020, OCTA activated its Emergency Operations Center and implemented its Emergency Operations Plan in response to COVID-19. On March 19, 2020, Governor Newsom issued a stay-at-home order to protect the health and well-being of all residents of California and slow the spread of COVID-19.

As stay-at-home orders were gradually lifted, cases started to increase, which resulted in the Governor issuing new stay-at-home orders on November 21, 2020 (limited) and again on December 3, 2020 (regional). Public transportation and infrastructure projects are designated by the state and federal governments as essential. OCTA has continued operations while following best practices and health guidance from local, state, and federal officials to help ensure the health of the public and OCTA employees. The PMO continues to monitor COVID-19 impacts to M2 to ensure projects and programs remain deliverable as promised to voters. Pandemic implications on the individual M2 Program areas are discussed further below.

Freeways

Risks for schedule-critical right-of-way (ROW) acquisition processes continue to be impacted by COVID-19. ROW acquisition offers to owners, associated discussions, negotiations, and meetings are being impacted by business closures and availability of owners and attorneys. There are also additional COVID-19-related ROW impacts due to court closures, filing and service delays, potential temporary easement timeline expirations, land and business valuation challenges, and appraisal and site inspection issues.

In addition, the California Department of Industrial Relations Division of Occupational Safety and Health issued new emergency temporary standards, which were effective November 30, 2020. Staff will continue to monitor contractor COVID-19 cases to ensure essential operations are not impacted.

Streets and Roads

OCTA completed the September 2020 semi-annual review of projects funded through the Comprehensive Transportation Funding Programs. This process reviews the status of M2 grant-funded projects and provides an opportunity for local agencies to update project information and to request project modifications. Of the total 64 project adjustment requests, 40 were attributed to COVID-19-related impacts. These adjustments were subsequently approved by the Board on December 14, 2020.

Transit

Travel pattern changes due to stay-at-home orders have affected Metrolink ridership, which is down by 79 percent as of September 2020 when compared to September 2019. Since March 26, 2020, Metrolink has reduced service levels by 30 percent. Metrolink's Board adopted a Recovery Plan Framework designed to position Metrolink operations as a smart, better, and essential service post-COVID-19 pandemic. With the decline in ridership and its compounding effects on the level of revenues from fares, Metrolink's Board adopted new fare policy goals to guide future fare discussions and decisions. The availability of the federal Coronavirus Aid, Relief, and Economic Security Act funding will mitigate this impact in the near-term.

Through the SMP, M2 provides funding to cities for programs that meet the needs of seniors in their communities. Due to COVID-19, some jurisdictions have suspended operation of their SMP or modified services, such as providing home delivered meals in lieu of transporting the seniors to their nutrition programs. To provide flexibility in serving their senior communities and relief to jurisdictions from timely-use of funds provisions, on October 12, 2020, the Board approved temporary exceptions to the SMP Guidelines. For cities with modified services, the exceptions will allow for meal delivery in lieu of transportation to the senior center until the Governor lifts the State of Emergency. For cities with suspended services, OCTA will suspend the distribution of SMP funds and hold them in reserve for jurisdictions until the Governor lifts the State of Emergency, or when the agency notifies OCTA that they have reinitiated SMP services, whichever occurs first.

The Community-Based Transit Circulator Program continues to be affected by COVID-19 as 21 services have been suspended since March 2020. Per Board direction, OCTA evaluated options for modifying the cooperative agreements to extend the terms to accommodate the suspended services.

On December 14, 2020, the Board approved cooperative agreement amendments for all active Project V services to incorporate proposed COVID-19-related grant term adjustments, up to 24 months. OCTA continues to communicate with local agencies to assess future service resumption.

Orange County Fires

On October 26, 2020, two wind-driven fires (Silverado and Blue Ridge) started in Orange County. Following that, on December 2, 2020, another fire (Bond) broke out in Silverado Canyon. Since then, all fires have been fully contained. The fires did not impact any OCTA mitigation properties but did affect some OCTA-funded restoration projects. OCTA is working closely with restoration project managers to fully assess the damage and will coordinate with Wildlife Agencies to discuss next steps.

Staff will continue to closely monitor these challenges to ensure M2 remains deliverable as promised to voters and provide updates to the Board as appropriate.

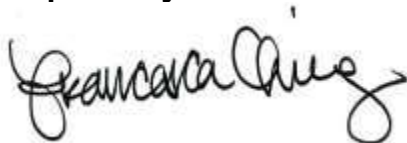
Summary

As required by Ordinance No. 3, a quarterly report covering activities from July 2020 through September 2020, is provided to update progress in implementing the Plan. The above information and the attached details indicate significant progress on the overall M2 Program despite facing challenges. 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 Quarterly Progress Report, First Quarter of Fiscal Year 2020-21, July 1, 2020 through September 30, 2020

Prepared by:



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Approved by:



Kia Mortazavi
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MEASURE M2 QUARTERLY PROGRESS REPORT

First Quarter of Fiscal Year 2020 – 21
July 1, 2020 through September 30, 2020

First Quarter Highlights:

- Freeway Projects
- Streets and Roads
- Environmental Cleanup & Water Quality
- Freeway Mitigation Program
- Finance Matters
- Program Management Office
- Summary





OCGO
Local Tax Dollars at Work

MEASURE M2 PROGRESS REPORT

SUMMARY

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. Voters originally endorsed Measure M in 1990 with a sunset in 2011. The renewal of Measure M continues the investment of local tax dollars in Orange County's transportation infrastructure for another 30 years to 2041.

As required by the M2 Ordinance No. 3, a quarterly report covering activities from July 1, 2020, through September 30, 2020, is provided to update progress in implementing the Measure M2 Transportation Investment Plan. On September 25, 2017, the Board of Directors (Board) approved externally rebranding M2 as OC Go to promote OCTA's Measure M awareness and public perception and to avoid confusion with Measure M in Los Angeles County.

To be cost-effective and to facilitate accessibility and transparency of information available to stakeholders and the public, Measure M2 progress reports are presented on the Orange County Transportation Authority (OCTA) website. Hard copies are mailed upon request.



The cover photo shows the opening of all HOV lanes on I-5, SR-55 to SR-57. This project increased HOV capacity by adding a second HOV lane in both directions. Both northbound and southbound lanes opened to traffic in August 2020. *(Photo credit: Brooke Duthie)*



MEASURE M2 PROGRESS REPORT

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COMMON ABBREVIATIONS

Americans with Disabilities Act	ADA
Annual Eligibility Review	AER
Board of Directors	Board
Burlington Northern Santa Fe	BNSF
California Department of Fish and Wildlife	CDFW
California Department of Tax and Fee Administration	CDTFA
California Department of Transportation	Caltrans
California Transportation Commission	CTC
Capital Action Plan	CAP
Capital Investment Grant	CIG
Chief Executive Officer	CEO
Cost Estimate Review	CER
Congestion Mitigation and Air Quality	CMAQ
Draft Environmental Document	DED
Draft Project Report	DPR
Environmental Cleanup Allocation Committee	ECAC
Environmental Cleanup Program	ECP
Environmental Document	ED
Environmental Impact Report	EIR
Environmental Impact Statement	EIS
Environmental Mitigation Program	EMP
Environmental Oversight Committee	EOC
Federal Highway Administration	FHWA
Federal Transit Administration	FTA
Federal Transportation Improvement Program	FTIP
Freeway Service Patrol	FSP
Full Funding Grant Agreement	FFGA
High Occupancy Vehicle	HOV
Interstate 15	I-15
Interstate 405	I-405
Interstate 5	I-5
Interstate 605	I-605
Invitation for Bids	IFB
Local Faire Share Program	LFSP
Los Angeles – San Diego – San Luis Obispo	LOSSAN
Los Angeles County Metropolitan Transportation Authority	LA Metro
Measure M2 or Renewed Measure M	M2
Memorandum of Understanding	MOU
Metrolink Service Expansion Program	MSEP



COMMON ABBREVIATIONS

Next 10 Delivery Plan	Next 10 Plan
Natural Community Conservation Plan/Habitat Conservation Plan	Conservation Plan
Orange County Transportation Authority	OCTA
Orange County Unified Transportation Trust	OCUTT
Pacific Coast Highway	PCH
Plans, Specifications and Estimates	PS&E
Program Management Office	PMO
Project Development Team	PDT
Project Study Report	PSR
Ready to List	RTL
Request for Proposals	RFP
Resource Management Plan	RMP
Right-of-Way	ROW
Riverside County Transportation Commission	RCTC
Santa Ana Regional Transportation Center	SARTC
Senate Bill 1	SB 1
Senior Mobility Program	SMP
Senior Non-Emergency Medical Transportation	SNEMT
Southern California Association of Governments	SCAG
State Route 133	SR-133
State Route 22	SR-22
State Route 241	SR-241
State Route 55	SR-55
State Route 57	SR-57
State Route 71	SR-71
State Route 74	SR-74
State Route 91	SR-91
State Transportation Improvement Program	STIP
State Water Resources Control Board	SWRCB
Southern California Regional Rail Authority	SCRRA
Taxpayer Oversight Committee	TOC
To Be Determined	TBD
Trade Corridors Improvement Funds	TCIF
Transportation Infrastructure Finance and Innovation Act	TIFIA
United States Army Corps of Engineers	ACOE
United States Fish and Wildlife Service	USFWS
United States Department of Transportation	USDOT




MEASURE M2 PROJECT SCHEDULES

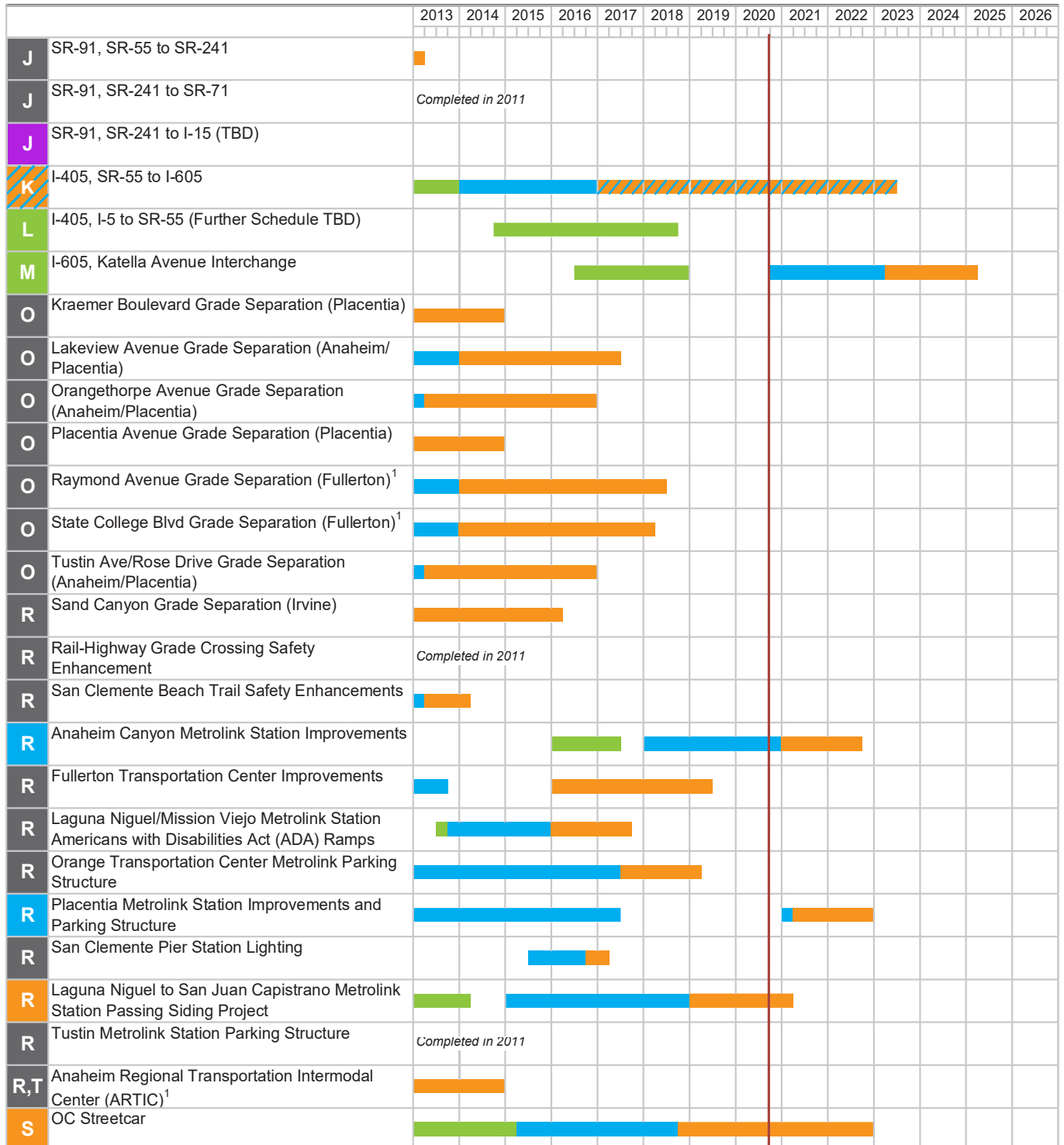
					
Conceptual	Environmental	Design, Advertise, & Award	Design-Build	Construction	Complete

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
A	I-5, SR-55 to SR-57															
B	I-5, I-405 to Yale Avenue															
B	I-5, Yale Avenue to SR-55															
C,D	I-5, Avenida Pico to Avenida Vista Hermosa/Avenida Pico Interchange															
C	I-5, Avenida Vista Hermosa to Pacific Coast Highway															
C	I-5, Pacific Coast Highway to San Juan Creek Road															
C,D	I-5, SR-73 to Oso Parkway/Avery Parkway Interchange															
C,D	I-5, Oso Parkway to Alicia Parkway/La Paz Road Interchange															
C	I-5, Alicia Parkway to El Toro Road															
D	I-5, El Toro Interchange (Further Schedule TBD)															
D	I-5, Ortega Interchange															
E	SR-22, Access Improvements	<i>Completed in 2008</i>														
F	SR-55, I-405 to I-5															
F	SR-55, I-5 to SR-91 (Further Schedule TBD)															
G	SR-57 NB, Katella Avenue to Lincoln Avenue															
G	SR-57 NB, Orangethorpe Avenue to Yorba Linda Boulevard															
G	SR-57 NB, Yorba Linda Boulevard to Lambert Road															
G	SR-57 NB, Lambert Road to Tonner Canyon Road (TBD)															
G	SR-57, Orangewood Avenue to Katella Avenue (Further Schedule TBD)															
H	SR-91 WB, I-5 to SR-57															
I	SR-91 WB, SR-55 to Tustin Avenue Interchange															
I	SR-91, SR-55 to Lakeview Avenue															
I	SR-91, La Palma to SR-55															
I	SR-91, Acacia Street to La Palma															

Project schedules are based on phase start dates. Shown schedules are subject to change.



MEASURE M2 PROJECT SCHEDULES



Project schedules are based on phase start dates. Shown schedules are subject to change.

¹ Projects managed by local agencies



MEASURE M2 PROGRESS REPORT

M2 DELIVERY RISK UPDATE ▼

This section discusses the risks and challenges related to Measure M2 and the Updated Next 10 Delivery Plan (Next 10 Plan) that the Measure M2 Program Management Office (PMO) is monitoring with associated explanations and proposed actions.

Delivery Risk	Explanation	Proposed Action
Financial		
1	The 2020 preliminary M2 revenue forecast of \$11.6 billion was presented in August 2020. This decrease is a result of the unprecedented coronavirus (COVID-19) pandemic. The timing of projects and funding program allocations may need to be reevaluated.	COVID-19 has introduced a new risk to the program. The extent of the economic impacts of COVID-19 will require a review of capital project and competitive funding program cash flows as updated revenue forecasts become available.
2	Inability to scale the Freeway Program to available revenue and still deliver the M2 commitments.	A preliminary sales tax forecast of \$11.6 billion was presented to the Board in August 2020. The final 2020 M2 revenue forecast is anticipated to be presented to the Board in October 2020. Staff will incorporate the final forecasted number along with updated project costs and external funding into the M2 cash flow and present the Board options to address any impacts.
3	Schedule and scope changes on critical capital projects impacting delivery and project costs.	OCTA will work closely with Caltrans to apply value engineering strategies on projects to manage costs.
4	Sustain Metrolink train service as an attractive alternative to driving in Orange County within the limits of available revenue.	Changes as a result of updated highway standards or issues identified in the field regularly impact scope and schedule and ultimate costs.
		Work closely with Caltrans and project contractors to limit changes in scope and schedule to a minimum. Work with Caltrans to approve additional lane closures and longer work windows where possible.
		Operational cost of Metrolink service continue to grow as the system ages, track-sharing arrangements with BNSF are revised, and new air quality requirements are implemented. COVID-19 has introduced new risks as ridership and revenue has been greatly impacted in Orange County.
		Metrolink is working with member agencies on a “new normal” campaign to develop a phased recovery plan framework and ridership recovery scenarios. Staff will work closely with Metrolink and OCTA partners to ensure cost increases are minimized, while seeking external revenue. Metrolink received \$65 million in one-time federal funds through the Coronavirus Aid, Relief and Economic Security (CARES) Act, which alleviates some concerns in the short-term.



MEASURE M2 PROGRESS REPORT

Delivery Risk	Explanation	Proposed Action
<p>5 The Next 10 Plan Market Conditions Forecast and Risk Analysis showed a cooling of the prior increasing cost environment. Current events may cause this to further change during the Next 10 Plan delivery years.</p>	<p>OCTA's economic consultants forecasted a cooling of cost pressures over the next two fiscal years. The economic impacts from COVID-19 may further affect cost pressures.</p>	<p>OCTA will continue to monitor market conditions affecting project costs. A fall update is anticipated to be presented to the Board in November 2020. If cost pressures significantly decline, this could provide an opportunity to address potential COVID-19 related revenue impacts.</p>
Resource		
<p>6 Substantial work underway in the region has resulted in significant demand for professional and skilled labor which can impact delivery given the volume of the M2 capital program.</p>	<p>The economic impacts of COVID-19 and changes in unemployment may change the availability of key talent. If shortages continue, project delivery costs could rise but if addition labor resources are available it may temper costs and reduce delivery risk.</p>	<p>OCTA will monitor impacts of COVID-19 on the labor market. Expert and timely coordination between OCTA and Caltrans are imperative to manage this risk. Staff is currently working with Caltrans to ensure resource needs are met.</p>
<p>7 New operational responsibilities with the OC Streetcar.</p>	<p>With the implementation of the OC Streetcar service, OCTA will be increasing its overall role in operations. OCTA holds a successful track record in operating various transportation systems including both a fixed and demand-based bus network.</p>	<p>To ensure success of the OC Streetcar, OCTA hired a streetcar operations manager with proven start-up experience to oversee start-up and daily operations. A contractor with extensive experience in operations of rail systems was selected to handle the startup and revenue operation phases of the OC Streetcar.</p>
Regulatory		
<p>8 New federal and statewide directives create additional limitations for use of transportation dollars which could affect freeway projects.</p>	<p>New directives with greenhouse gas reductions and managed lane corridors focus, as well as an emphasis on transit, provides new hurdles that eliminate some sources of funding for M2 freeway improvements.</p>	<p>OCTA is tracking the new directives to ensure that M2 projects stay true to the voter commitment and compete for funding as appropriate.</p>



MEASURE M2 PROGRESS REPORT

Next 10 Delivery Plan ▼

Contact: Francesca Ching, PMO Manager • (714) 560-5625

On November 14, 2016, the Board approved the Next 10 Delivery Plan (Next 10 Plan), providing guidance to staff on delivery of M2 projects and programs between 2017 and 2026. On August 24, 2020, the 2020 preliminary M2 sales tax revenue forecast of \$11.6 billion was presented to the Board. This represents a \$1.8 billion reduction from the sales tax forecast of \$13.4 billion assumed in the 2019 Next 10 Plan. The decrease in taxable sales is due to the cascading effects of the COVID-19 pandemic on the economy. OCTA’s conservative approach to financial planning has allowed for all M2 projects that are currently underway to continue as planned in FY 2020-21. The final 2020 M2 revenue forecast is anticipated to be presented to the Board in October 2020. The final forecasted number along with updated schedules, project estimates and assumptions will be incorporated into the 2020 Next 10 Plan which is anticipated to be presented to the Board in early 2021.

Next 10 Plan Deliverables

The Next 10 Plan is based on ten deliverables intended to provide guidance on program and project delivery during the ten-year period. With four years of the ten-year plan complete, progress on the ten deliverables and accomplishments to date is provided. Significant progress has been made, with projects completing construction, projects in and advancing towards construction, as well as regular funding allocations to local jurisdictions through local programs. Staff is monitoring the impacts of the COVID-19 pandemic on the Next 10 Plan delivery commitments and will report to the Board as appropriate.

1. Deliver \$3.5 billion of freeway improvements approved through construction (Projects A-M).

The M2 freeway program is currently made up of 30 projects or project segments (projects). At the point of Next 10 Plan adoption, nine of the 30 total projects were completed for a total cost of \$463 million. Deliverable 1 includes 12 of the 30 projects to be delivered (or underway) within the Next 10 Plan timeframe including SR-91 between SR-57 to SR-55 (Project I), which is funded with 91 Express Lanes excess revenue. Together, the projects designated for completion (or near completion) by 2026 currently make up a \$3.1 billion delivery promise. The \$3.5 billion deliverable commitment includes prior completed projects. To date, three projects on I-5 between Avenida Pico and San Juan Creek Road opened to traffic, adding six miles of carpool lanes. The remaining nine segments are in design or construction. For more details, see [pages iii-iv](#) (Project Schedules) and the project updates contained in the following pages.

2. Invest approximately \$715 million more in revenues, bringing the completed Freeway Program improvements to \$4.3 billion (Projects A-M).

The final nine remaining project segments (of the 30 total) are environmentally cleared or on track to be environmentally cleared by 2026, making them shelf-ready for further advancement. Using Board-adopted guiding principles, the 2019 updated Next 10 Plan identified five projects to be advanced through construction:



MEASURE M2 PROGRESS REPORT

I-5 between I-405 and Yale Avenue (Project B), I-5 between Yale Avenue and SR-55 (Project B), SR-55 between I-5 and SR-91 (Project F), SR-57 Northbound from Orangewood Avenue to Katella Avenue (Project G), and I-605/ Katella Interchange (Project M). The remaining four projects have specific reasons related to the application of the guiding principles that require additional time prior to being advanced. In all, during the Next 10 Plan time period, approximately \$4.3 billion in freeway improvements promised to the voters in M2 will be completed or underway by 2026. For more details, see [pages iii-iv](#) (Project Schedules) and the project updates contained in the following pages.

3. Allocate nearly \$1 billion, with up to \$400 million in competitive funding to local jurisdictions to expand roadway capacity and synchronize signals (Project O and P) and up to \$600 million in flexible funding to local jurisdictions to help maintain aging streets or for use on other transportation needs, as appropriate (Project Q).

Since the adoption of the Next 10 Plan in November 2016, OCTA has awarded approximately \$126 million in competitive funding through the Regional Capacity Program (Project O) and Regional Traffic Signal Synchronization Program (Project P). Additionally, \$228.5 million in Local Fair Share (Project Q) funds have been distributed to local agencies. This brings the total allocation to date to \$355 million.

On August 10, 2020, the Board authorized the 2021 call for projects (call), providing up to \$30 million for both Project O (\$22 million) and Project P (\$8 million) in available M2 funds to support local streets and roads improvement projects throughout Orange County. Applications are due on October 22, 2020 and based upon project selection criteria as specified in the Comprehensive Transportation Funding Programs (CTFP) Guidelines, projects will be prioritized for Board consideration in spring 2021. Additionally, all seven bridges included in the OC Bridges program are complete. For more details, see the project updates on [page 18](#).

4. Extend Metrolink service from Orange County into Los Angeles County, contingent upon cooperation and funding participation from route partners; complete six rail station improvements (Project R).

In October 2019, three weekday intracounty round trips operating between Laguna Niguel/Mission Viejo and Fullerton were replaced with two round trips between Laguna Niguel/Mission Viejo (extended from Fullerton) into Los Angeles. Schedules for the extended service were developed consistent with existing schedules. Additional service changes were scheduled to be implemented in April 2020, however, due to the COVID-19 pandemic, it has now been postponed until full service is reinstated.

Within this program, funding is provided for rail corridor and station improvements to accommodate increased passenger train service - including station upgrades, parking expansions, and safety enhancements. The Next 10 Plan identified six projects to be completed by 2026: 1) Laguna Niguel/ Mission Viejo Metrolink Station Americans with Disabilities Act (ADA) ramps (completed September 2017), 2) Orange Metrolink Station Parking Structure (completed February 2019), 3) Placentia Metrolink Station (is ready to begin construction, however, it is contingent on a BNSF construction and maintenance agreement being in place), 4) Anaheim Canyon Metrolink Station Improvement Project (construction to begin in February 2021 with completion anticipated in mid-2022), 5) Fullerton Transportation Center elevators (completed May 2019), and 6) San Clemente Pier Metrolink/Amtrak Station Lighting Project (completed March 2017). For more details, see the project updates on [page 23](#).



5. Complete design and construction, secure vehicles, begin operating the OC Streetcar and work with local agencies to consider recommendations from planning studies to guide development of future transit connections (Project S).

OC Streetcar

With strong FTA support for the project, a FFGA was executed in November 2018. The streetcar construction contract has been executed and Notice to Proceed was issued on March 4, 2019, and construction activities are underway. The streetcar vehicle manufacturing contract has been executed and the notice to proceed has been issued. Activities this quarter included coordination with third parties on utility relocation, deck pour on the Westminster and Santa Ana River bridges, hand digging and surveying of the Overhead Contact System (OCS) pole foundations, welding of rail sticks into rail strings, inspection of the first article for the vehicle truck assembly, reviewed final design of the remaining vehicle components and continued coordination with the FTA. Construction is anticipated to be complete in 2022. See [page 28](#) for more information.

Bristol Street Transit Corridor Study

The study is focused on Bristol Street between West 17th Street and Sunflower Avenue (South Coast Metro); and connections to the John Wayne Airport and the Santa Ana Regional Transportation Center. In prior quarters, the study analyzed existing conditions and future demand and developed six conceptual transit alternatives for the Bristol Street Corridor. In October 2019, the OCTA Board requested that further evaluation of the two streetcar alternatives be put on hold until the Board has an opportunity to review the Transit Master Plan short-term action plan. Therefore, no further analysis of streetcar alternatives has been done. This quarter, the team focused on completing the transportation forecast model for the four bus alternatives.

6. Provide up to \$115 million in funding to expand mobility choices for seniors and persons with disabilities (Project U).

Approximately \$43.8 million has been provided for the SMP, the Senior Non- Emergency Medical Transportation (SNEMT) Program, and the Fare Stabilization Program since the Next 10 Plan adoption. See [page 30](#) for more information.

7. Work with local agencies to develop a plan for the next community circulator projects to provide grant opportunities for local agencies to implement effective local transit services (Project V).

The Board has authorized four calls in total since Measure M2 inception, with two occurring since the adoption of the Next 10 Plan in November 2016. During the Next 10 Plan period, the Board awarded 15 projects for a total of \$15.3 million. This includes the fourth Project V call which was programmed by the OCTA Board on April 13, 2020. The Board programmed six local agency projects under the capital and operating reserve category and three local agency projects under the planning category for a combined total of approximately \$9.2 million.

Staff continues to work with local jurisdictions through letters of interest requests, workshops, CTFP Guidelines revisions, workshops, and calls to fine-tune this program and facilitate successful project implementation, especially in light of the COVID-19 pandemic. For additional details and information on current project program performance and service, see [page 31](#).



MEASURE M2 PROGRESS REPORT

8. Allocate up to \$7 million in funding to improve the top 100 busiest bus stops and support the modernization of the bus system to enhance the customer experience (Project W).

Through three calls, the Board has approved Project W funds to support implementation of amenity improvements at busy transit stop locations on the OCTA system. Since Next 10 Plan adoption, the Board has programmed \$1.9 million in Project W funds. The program is designed to ease transfers between public transit lines and provide passenger amenities such as installation of benches or seating, shelters, improved lighting, and other passenger related amenities. See [page 32](#) for more information.

9. Ensure the ongoing preservation of purchased open space (Preserves) which provides comprehensive mitigation of the environmental impacts of freeway improvements and higher-value environmental benefits in exchange for streamlined project approvals (Projects A-M).

The Freeway Mitigation Program Preserves includes seven properties (1,300 acres), and 12 restoration projects (350 acres). In 2017, OCTA received biological resource permits after completing a state and federal Natural Community Conservation Plan/Habitat Conservation Plan (Conservation Plan) for the Environmental Mitigation Program, allowing streamlined project approvals for the freeway improvement projects. The Conservation Plan also includes a streamlined process for coordination of streambed alternation agreements. In 2018, OCTA secured programmatic permits and assurances for federal and state clean water permitting requirements. Receipt of these permits represent the culmination of years of collaboration and support by the Board, environmental community, and regulatory agencies.

To ensure ongoing preservation of the open space, an endowment was established to pay for the long-term management of the Preserves with annual deposits of approximately \$2.9 million. In July 2020, OCTA made the fifth endowment deposit. Quarterly investment reports are provided to the Board, with the most recent one in September 2020. The next report is anticipated to be presented to the Board in December 2020. As of September 30, 2020, the endowment balance is \$16,046,435. A reassessment of the M2 revenue stream, as well as the current Conservation Plan endowment balance, will need to be completed due to the COVID-19 pandemic. For more details, see the project updates on [page 34](#).

10. Work with the Environmental Cleanup Allocation Committee (ECAC) to develop the next tiers of water quality programs, with a goal of providing \$40 million in grants to prevent the flow of trash, pollutants, and debris into waterways from transportation facilities. In addition, focus on improving water quality on a regional scale that encourages partnerships among the local agencies as part of the Environmental Cleanup Program (ECP) (Project X).

Since adoption of the Next 10 Plan in November 2016, OCTA has issued four calls for Tier 1 ECP projects. With three calls complete, the Board has awarded approximately \$7.6 million funding 39 projects. Programming recommendations for the fourth call will go to the Board in October 2020.

Due to the COVID-19 pandemic, staff is analyzing M2 revenue projections to determine if there is sufficient revenue to continue with annual Tier 1 calls of \$2.8 million moving forward. Staff will also be determining the timing of a future Tier 2 call. It was anticipated, prior to the most recent events, that a Tier 2 call could take place in FY 2021 or 2022. For more details, see the project updates on [page 33](#).



FREEWAYS

INTERSTATE 5 (I-5) PROJECTS ▼

Segment: I-5, SR-55 to SR-57

PROJECT A

Status: Construction Underway – 97% complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will increase HOV capacity by adding a second HOV lane in both directions along I-5 between SR-55 and SR-57 for approximately three miles in the City of Santa Ana. Construction began on February 20, 2019. During the quarter, construction activities included electrical work, signage installation, and construction of the median barrier. This work culminated in the opening of the second northbound HOV lane in July and the second southbound HOV lane in August. The project is anticipated to be completed in late 2020. The project team continues to work on final inspections and completing punch list items.

I-5, I-405 to SR-55 is one project broken into two segments in early 2020. The Final Environmental Document (ED) was approved on January 7, 2020. The Design Standard Decision Document was approved on February 19, 2020 and the Final Project Report was approved on February 28, 2020. This project was approved by the Board in the 2019 updated Next 10 Plan to advance through construction.

Segment: I-5, I-405 to Yale Avenue

PROJECT B

Status: Environmental Phase Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: The I-5, I-405 to Yale Avenue (Segment 1) project will add an additional general-purpose lane in both directions, improve interchanges, and replace and add new auxiliary lanes, where needed, in the City of Irvine. On June 8, 2020, the Board approved the Final Design Cooperative Agreement between OCTA and Caltrans for the I-5, I-405 to SR-55 Project. The Request for Proposals (RFP) for consultant final design services is anticipated to be released in late 2020. Final design services are anticipated to begin in mid to late 2021.

Segment: I-5, Yale Avenue to SR-55

Status: Environmental Phase Complete; Design Proposals Under Review

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: The I-5, Yale Avenue to SR-55 (Segment 2) project will add an additional general-purpose lane in both directions, improve interchanges, and replace and add new auxiliary lanes, where needed, in the cities of Irvine and Tustin. On June 22, 2020, the Board approved the RFP release for consultant final design services. This quarter, staff reviewed proposals. The recommendation for consultant selection is anticipated to be presented to the Board in November 2020. Final design services are anticipated to begin in Spring 2021.

FREEWAYS

PROJECT C AND PART OF PROJECT D

I-5, Avenida Pico to San Juan Creek Road is one project broken into three segments.

Segment: I-5, Avenida Pico to Avenida Vista Hermosa/Avenida Pico Interchange

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: This segment added a carpool lane in each direction on I-5 between Avenida Pico and Avenida Vista Hermosa for approximately 0.7 miles in the City of San Clemente and included major improvements through reconstruction of the Avenida Pico Interchange (part of Project D). The project also added bicycle lanes in both directions on Avenida Pico. Construction began in February 2015 and all three segments of the I-5 between Avenida Pico to San Juan Creek Road were opened to traffic on March 13, 2018. The project was officially completed on August 23, 2018, and the one-year plant establishment period for this segment was completed in May 2019.

Segment: I-5, Avenida Vista Hermosa to Pacific Coast Highway

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: This segment added a carpool lane in each direction of I-5 between Avenida Vista Hermosa and Pacific Coast Highway (PCH) for approximately 2.5 miles in the City of San Clemente, and reconstructed on- and off-ramps at Avenida Vista Hermosa and Camino de Estrella. Construction began in September 2014 and all three segments of the I-5 between Avenida Pico to San Juan Creek Road were opened to traffic on March 13, 2018. The project was officially completed on July 31, 2017, and the one-year plant establishment period for this segment was completed in May 2018.

Segment: I-5, Pacific Coast Highway to San Juan Creek Road

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: This segment added one carpool lane in each direction of the I-5 between PCH and San Juan Creek Road for approximately 2.5 miles in the cities of Dana Point, San Clemente, and San Juan Capistrano. Project improvements also reconstructed the on- and off-ramps at PCH/Camino Las Ramblas. Construction began in March 2014 and all three segments of the I-5 between Avenida Pico to San Juan Creek Road were opened to traffic on March 13, 2018. The project was officially completed on July 3, 2018, and the one-year plant establishment period for this segment was completed in March 2019.



F R E E W A Y S

I-5, SR-73 to El Toro Road is one project broken into three segments in early 2018. With a cost estimate for this project of \$557.11 million, the project was above the \$500 million threshold for a “Major Project” designation, as determined by the Federal Highway Administration (FHWA). Major projects require a Cost Estimate Review (CER) workshop. A CER was conducted by the FHWA, Caltrans, and OCTA in February 2018 and resulted in an estimated project cost of \$612.6 million. The OCTA cost estimate for the three segments is currently \$577.1 million.

Segment: I-5, SR-73 to Oso Parkway/Avery Parkway Interchange

Status: Construction Underway - 11%

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will make improvements along I-5 between SR-73 and Oso Parkway in the cities of Laguna Hills, Laguna Niguel, and Mission Viejo. The improvements include the addition of a 2.2-mile general-purpose lane in each direction and reconstruction of the Avery Parkway Interchange (part of Project D). The project was awarded on December 19, 2019, and the first working day was March 10, 2020. During the quarter, the contractor completed clearing and grubbing activities and continued work on seven southbound and three northbound retaining walls. In addition, Caltrans and OCTA have continued coordinating utility work with San Diego Gas and Electric.

Segment: I-5, Oso Parkway to Alicia Parkway/La Paz Road Interchange

Status: Construction Underway – 30% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will make improvements along I-5 between Oso Parkway and Alicia Parkway in the cities of Mission Viejo, Laguna Hills, and Lake Forest. The proposed improvements include the addition of a 2.6-mile general-purpose lane in each direction and the reconstruction of the La Paz Road Interchange (part of Project D). The construction contract was awarded on April 4, 2019 and the first working day was May 29, 2019. Activities this quarter include the completion of two retaining walls, continued construction on six other retaining walls, grading of slopes on northbound I-5, and the completion of pile driving for the northbound off-ramp bridge. Staff continued coordination of the service contract with Southern California Regional Rail Authority/Metrolink, and with Caltrans on ROW and utility relocations.

Segment: I-5, Alicia Parkway to El Toro Road

Status: Design Complete. Construction Contract Awarded

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will make improvements along I-5 between Alicia Parkway to El Toro Road in the cities of Laguna Hills, Laguna Woods, and Lake Forest. The proposed improvements include the extension of the second HOV lane between El Toro Road and Alicia Parkway in both northbound and southbound directions. The construction contract was awarded on September 23, 2020 with contract approval expected in October 2020. Negotiations for construction management services were completed and will be finalized next quarter.

FREEWAYS

This project will update and improve key I-5 interchanges at Avenida Pico, Ortega Highway, Avery Parkway, La Paz and El Toro Road. Three interchange improvements at La Paz, Avery Parkway and Avenida Pico are included and discussed as part of the respective segments in Project C.

Segment: I-5, Ortega Highway Interchange

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



PROJECT D

Summary: Construction began in February 2013 to reconstruct the SR-74 Ortega Highway Bridge over I-5 and improve local traffic flow along SR-74 and Del Obispo Street in the City of San Juan Capistrano. All lanes on the new bridge were opened to traffic on September 4, 2015. A dedication ceremony was held on October 1, 2015. The project was officially completed on January 15, 2016.

Segment: I-5, El Toro Interchange

Status: Environmental Phase In Review

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: Caltrans is the lead in the environmental phase of this project, which includes the study of four build alternatives that consider modifications to the existing interchange, ranging from an I-5 southbound direct connector to El Toro Road to modifications in how existing on- and off-ramp intersections operate. The project area includes the cities of Laguna Hills, Laguna Woods and Lake Forest who are direct stakeholders of the project improvements. The study began in April 2017 and the Draft Initial Study/Environmental Assessment was completed in March 2019. The three stakeholder cities are not in consensus on a preferred alternative and costs identified for the remaining alternatives are significantly higher than the assumed cost in the Next 10 Plan, which creates additional challenges. The environmental phase was anticipated to be completed in late 2019, however without the cities' consensus, OCTA does not support finalization of the document. OCTA has requested Caltrans put completion of the ED on hold while a consultant is retained by OCTA to provide further assessment of the alternatives to help facilitate reaching agreement. Major activities this quarter included the selection of the consultant to provide the alternatives assessment study. The project kick-off meeting was held on September 16, 2020. The study is anticipated to be completed by March 2021.

STATE ROUTE 22 (SR-22) PROJECTS ▼

Segment: SR-22 Access Improvements

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



PROJECT E

Summary: Completed in 2008, Project E made improvements at three key SR-22 interchanges (Brookhurst Street, Euclid Street, and Harbor Boulevard) in the City of Garden Grove to reduce freeway and street congestion in the area. This M2 project was completed early as a "bonus project" provided by the original Measure M (M1).



FREeways

STATE ROUTE 55 (SR-55) PROJECTS ▾

PROJECT F

Segment: SR-55, I-405 to I-5

Status: Design Phase Underway - 95% Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will widen SR-55 between I-405 and I-5 in the cities of Irvine, Santa Ana and Tustin. The improvements will include a four-mile general-purpose lane and a second HOV lane in both directions between the I-405 and I-5. Auxiliary lanes will be added and extended in some segments within the project limits. Through a cooperative agreement, Caltrans and OCTA's consultant initiated the design together and on July 19, 2019, the 95 percent design was completed. The cooperative agreement was subsequently revised to transfer the Supplemental Fact Sheet task from Caltrans to OCTA. The Final Supplemental Fact Sheet was submitted on July 24, 2020 and the final design submittal is anticipated in early 2021. Due to complex ROW challenges, ROW certification is anticipated to be completed by spring 2021 with construction beginning in early 2022. The first set of two resolutions of necessity were approved by the Board on September 14, 2020. The Board has approved \$103 million in federal funds and OCTA has received \$80 million in state funds through the 2018 State Transportation Improvement Plan (STIP). Caltrans has committed \$46.8 million in SHOPP funds and OCTA will seek to capture another \$70 million in future SB1 (Chapter 5, Statutes of 2017) funding to fully fund the project.

Segment: SR-55, I-5 to SR-91

Status: Environmental Phase Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project is studying approximately 7.5 miles of SR-55 between I-5 and SR-91 in the cities of Anaheim, Orange, Santa Ana, and Tustin. The environmental study looked at the addition of one general-purpose lane in each direction between SR-22 and the I-5 and operational improvements between SR-22 and SR-91. The environment phase of the project was completed with the approval of the Design Standard Decision Document, the Final ED, and the Final Project Report documents on March 30, 2020. This project was approved by the Board in the 2019 updated Next 10 Plan to advance through construction. Funding availability to initiate design will be assessed as part of the 2020 update of the Next 10 Plan.

STATE ROUTE 57 (SR-57) PROJECTS ▾

PROJECT G

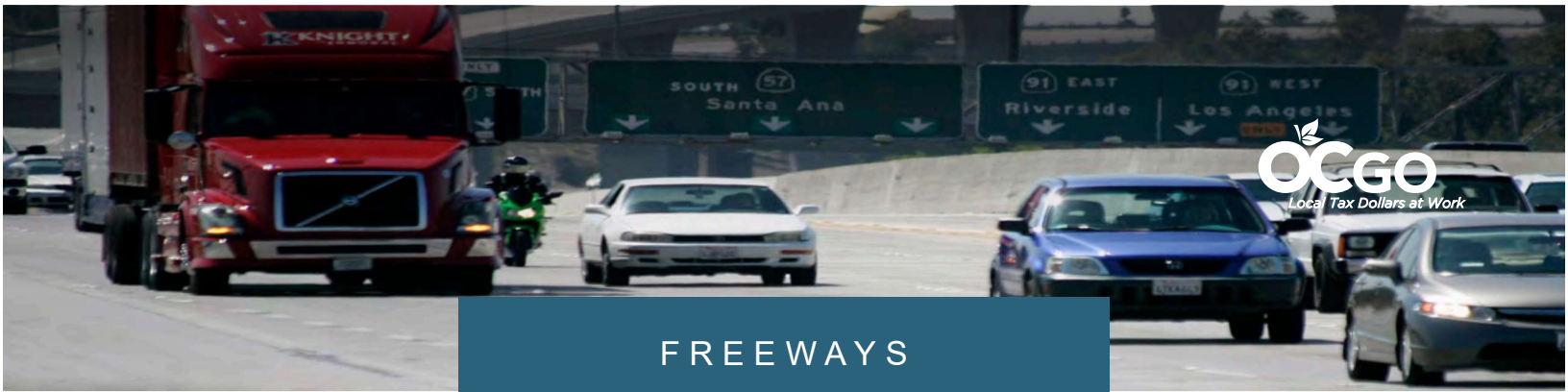
Segment: SR-57 Northbound, Katella Avenue to Lincoln Avenue

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: This project increased capacity and improved operations on northbound SR-57 between Katella Avenue and Lincoln Avenue in the City of Anaheim with the addition of a new three-mile general-purpose lane, on- and off-ramp improvements, and soundwalls. Bridges at Katella Avenue and Douglas Road were widened in the northbound direction. The project opened to traffic on November 19, 2014 and was completed on April 21, 2015.



FREEWAYS

Segment: SR-57 Northbound, Orangethorpe Avenue to Yorba Linda Boulevard

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: This project increased capacity and improved operations on northbound SR-57 with a new 2.5-mile northbound general-purpose lane between Orangethorpe Avenue in the City of Placentia to Yorba Linda Boulevard in the City of Fullerton. In addition to the new lane, capital improvements include reconstruction of northbound on- and off-ramps, widening of seven bridges, and the addition of soundwalls. The project opened to traffic on April 28, 2014 and was completed on November 6, 2014.

Segment: SR-57 Northbound, Yorba Linda Boulevard to Lambert Road

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



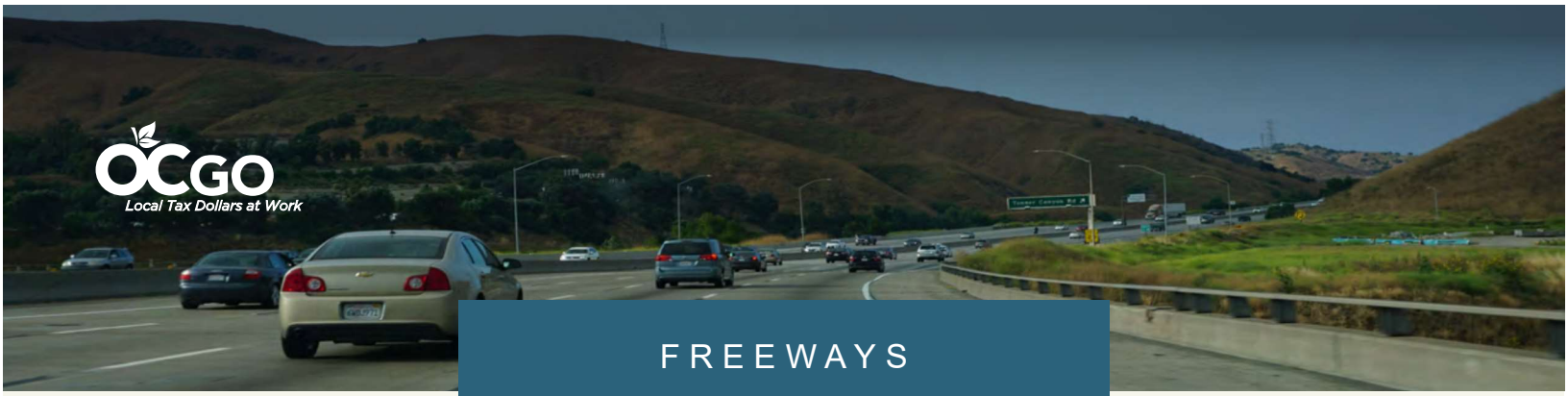
Summary: This project improved capacity, operations, and traffic flow on SR-57 with the addition of a new 2.5-mile northbound general-purpose lane between Yorba Linda Boulevard in the City of Fullerton and Lambert Road in the City of Brea. Additional project benefits include on- and off-ramp improvements, the widening and seismic retrofit (as required) of six bridges in the northbound direction and the addition of soundwalls. Existing lanes and shoulders were also widened to standard widths, enhancing safety for motorists. The project opened to traffic on September 23, 2013 and was completed on May 2, 2014.

Segment: SR-57 Northbound, Lambert Road to Tonner Canyon Road

Status: Schedule TBD

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: Caltrans previously completed a Project Study Report/Project Development Support document for the Lambert Road to Tonner Canyon Road segment, which would add a northbound truck-climbing lane (approximately 2.5 miles) in the City of Brea. The project will require coordination with Los Angeles County Metropolitan Transportation Authority (LA Metro) on planned improvements or related work across the county line. The mainline project includes interchange and ramp improvements at Lambert Road. Through the SB 1 Trade Corridor Enhancement Program, funds were allocated to initiate the construction phase for interchange improvements at Lambert Road which will complement and serve as a first phase to the freeway improvement project. Construction began in mid-2019 and is anticipated to be complete at the end of 2021. Phase 2, which is the mainline improvements, was initially approved for STIP funding in March 2018 to initiate the environmental phase. However, due to the 2019 STIP reduction, funding was shifted to cover projects already underway. The schedule for this project will be updated during the annual M2 cash flow review and Next 10 Plan update.



FREEWAYS

Segment: SR-57 Northbound, Orangewood Avenue to Katella Avenue

Status: Environmental Phase Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project studied the addition of a new one-mile northbound general-purpose lane on SR-57 from Orangewood Avenue to Katella Avenue in the cities of Anaheim and Orange. The northbound general-purpose lane would join the northbound general-purpose lane which was opened to traffic in 2014 between Katella Avenue and Lincoln Avenue. The Final ED and Final Project Report were approved on March 29, 2019. This project was approved by the Board in the 2019 updated Next 10 Plan to advance through construction. Funding availability to initiate design will be assessed as part of the 2020 update of the Next 10 Plan.

STATE ROUTE 91 (SR-91) PROJECTS ▼



PROJECT H

Segment: SR-91 Westbound, I-5 to SR-57

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project increased capacity in the westbound direction of SR-91 by adding an additional 4.5-mile general-purpose lane in the westbound direction between the cities of Anaheim and Fullerton and provided operational improvements at on- and off-ramps between Brookhurst Street and State College Boulevard. The project was opened to traffic on March 7, 2016 and was completed on June 23, 2016.

Segment: SR-91, SR-55 to Tustin Avenue Interchange

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



PROJECT I

Summary: This project improved traffic flow at the SR-55/SR-91 interchange by adding a westbound auxiliary lane beginning at the northbound SR-55 to westbound SR-91 connector through the Tustin Avenue interchange in the City of Anaheim in the approximately two-mile area. The project reduced weaving congestion in the area and included reconstruction of the westbound side of the Santa Ana River Bridge to accommodate the additional lane. The project was opened to traffic on May 14, 2016 and was completed on July 15, 2016.



FREEWAYS

SR-91, between SR-55 and SR-57 is one project broken into three segments in late 2020. The Final ED was approved on June 22, 2020. The Design Standard Decision Document and the Final Project Report were both approved on June 24, 2020. This project was approved by the Board in the Next 10 Plan to advance through construction and will be funded with 91 Express Lanes excess revenue.

Segment: SR-91, SR-55 to Lakeview Avenue

Status: Design Phase Underway

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: The SR-91, SR-55 to Lakeview Avenue (Segment 1) project will provide westbound operational improvements which includes realignment of the existing westbound SR-91 on- and off-ramps, add a new on-ramp from the Lakeview Avenue overcrossing bridge to connect directly to southbound SR-55, and construction of a barrier to separate westbound SR-91 from SR-55. With the proposed improvements, the existing Lakeview Avenue overcrossing bridge is anticipated to be replaced with a new bridge. The design of this project was initiated on March 30, 2020. This quarter, the design team performed surveys, collected existing information, and worked on geometric design.

Segment: SR-91, La Palma Avenue to SR-55

Status: Design Phase Underway

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: The SR-91, La Palma Avenue to SR-55 (Segment 2) project will provide an additional eastbound general-purpose lane, replace the eastbound shoulder and restore auxiliary lanes as needed throughout the project limits. With the proposed improvements, the existing Kraemer Boulevard and Tustin Avenue overcrossing bridges are anticipated to be replaced with new bridges. The design of this project was initiated on June 17, 2020. This quarter, the design team worked on obtaining permits, performed surveys, collected existing information and worked on geometric design.

Segment: SR-91, Acacia Street to La Palma Avenue

Status: Environmental Phase Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: The SR-91, Acacia Street to La Palma Avenue (Segment 3) project will provide westbound operational improvements by adding a fourth general-purpose lane along westbound SR-91 from the northbound SR-57 to westbound SR-91 connector, extend the southbound SR-57 to westbound SR-91 connector auxiliary lane through the State College Boulevard interchange, tie in to the existing westbound SR-91 auxiliary lane west of State College Boulevard, and reconfigure the westbound SR-91 to SR-57 connector to provide dedicated



FREeways

exits to SR-57. With the proposed improvements, the existing La Palma Avenue overcrossing bridge would be replaced with a new bridge. The Board approved the RFP release for final design services on March 9, 2020 with proposals due on April 8, 2020. The consultant selection for design services was approved by the Board on July 13, 2020. The design of this project is anticipated to begin in late 2020.

Segment: SR-91, SR-55 to SR-241

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



PROJECT J

Summary: This segment added six miles in the westbound and eastbound direction to a key stretch of SR-91 between SR-55 and SR-241 in the cities of Anaheim and Yorba Linda. In addition to adding 12 lane miles to SR-91, the project also delivered a much needed second eastbound exit lane at the Lakeview Avenue, Imperial Highway and Yorba Linda Boulevard/Weir Canyon Road off-ramps. Beyond these capital improvements, crews completed work on safety barriers, lane striping and soundwalls. Completion of this project in March 2013 means a total of 18 lane miles have been added to SR-91 since December 2010. The project opened to traffic in December 2012 and was completed on March 5, 2013.

Segment: SR-91, SR-241 to SR-71

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: This segment added six miles through a key stretch of SR-91 between Orange County's SR-241 and Riverside County's SR-71. The project improves mobility and operations by reducing weaving from traffic exiting at SR-71 and Green River Road. An additional eastbound lane on SR-91 was added and all existing eastbound lanes and shoulders were widened. The project opened to traffic on December 2, 2010 and was completed January 31, 2011. Because this project was shovel ready, OCTA was able to obtain American Recovery and Reinvestment Act funding for this M2 project, saving M2 revenues for future projects.

Segment: SR-91, SR-241 to I-15

Status: RCTC's Design-Build - Initial Phase Complete March 20, 2017. Alternatives Analysis Underway

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: Freeway improvements that cross county lines require close coordination to maintain seamless travel. This project adds one general-purpose lane (bringing the total to six lanes in each direction) on SR-91 between SR-241 and I-15. Since the SR-91 corridor is one of the busiest in the region, implementation of this project requires constructing the improvements under multiple segments to coordinate improvements and to capitalize on available funding. While the portion of this project between SR-241 and the Orange County/Riverside County line is part of OCTA's OC Go Project J, the matching segment between the county line and SR-71 is part of RCTC's Measure A. The sixth lane addition requires joint implementation to ensure smooth

FREEWAYS

delivery of the project. With significant SR-91 freeway improvements taking place as a result of both counties' sales tax measures, the construction timing of the additional general-purpose lane between SR-241 and SR-71 was anticipated to take place post-2035. However, RCTC requested OCTA's support to accelerate a portion of the ultimate project in the westbound direction (in Orange County) to address a bottleneck issue affecting the City of Corona. With OCTA's support, RCTC has been developing the 91 Corridor Operation Project to initiate construction in late 2020 and the project is anticipated to be complete in late 2021. In addition, OCTA and RCTC will be jointly conducting a feasibility study to determine how best to implement the sixth general-purpose lane while minimizing environmental and construction impacts in the eastbound direction between SR-241 and SR-71. On October 10, 2019, the RFP was released for the SR-91 (SR-241 to SR-71) Eastbound Geometric and Design Alternatives Analysis. The consultant recommendation was approved by the Board on February 10, 2020, and a Notice to Proceed was provided on May 5, 2020. The Alternatives Analysis is anticipated to be completed in August 2021.

INTERSTATE 405 (I-405) PROJECTS ▼

PROJECT K

Segment: I-405, SR-73 to I-605

Status: Design-Build Underway

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: OCTA and Caltrans are working together to widen I-405 through the cities of Costa Mesa, Fountain Valley, Garden Grove, Huntington Beach, Los Alamitos, Seal Beach and Westminster in the approximately 16-mile project area. These improvements will add one general-purpose lane, add a second lane to be combined with the existing HOV lane to provide a dual express lanes facility, and improve the local interchanges along the corridor from SR-73 to I-605.¹

During the quarter, work continued on ROW acquisition, utility coordination, public outreach, installation of drainage systems, retaining walls, paving, and bridge construction. Design is substantially complete with the review of various design and construction submittals ongoing. OCTA's toll lanes system integrator, Kapsch, is under contract and working with OCTA and the design-builder. Construction on one-stage bridges (closed to traffic during construction) are underway at McFadden Avenue, Talbert Avenue, Bushard Street, and Edwards Street. Two-stage bridges (partially closed but allows throughway traffic during construction) currently underway are at Bolsa Chica Road, Fairview Road, Goldenwest Street, Magnolia Street, and Westminster Boulevard. In addition to one- and two-stage bridges, construction to widen the existing freeway bridges on the Beach Boulevard/Bolsa Avenue railroad crossing, old Navy railroad crossing, and at the Santa Ana River and Harbor Boulevard bridges are ongoing. The construction of the Heil Street pedestrian overcrossing also began this quarter. Public outreach through virtual neighborhood meetings continue to be held to discuss construction activities. Construction is scheduled to be completed in 2023.

¹The general purpose lane portion of the project is an M2 project and will be funded by a combination of local, state and federal funds, with the express lanes portion of the project financed and paid for by those who choose to pay a toll and use the 405 Express Lanes.



FREEWAYS

Segment: I-405, I-5 to SR-55

PROJECT L

Status: Environmental Phase Complete

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project studied the addition of general-purpose lanes for approximately 8.5-miles along the I-405 corridor between I-5 and SR-55 in the City of Irvine. The project development team reviewed the alternatives and public comments received during public circulation and as a result of the effort, recommended adding one general-purpose lane in each direction. The final Project Report and ED were completed in August 2018. The Next 10 Plan sets direction through 2026 and is reviewed annually. As projects listed are completed, schedules and revenues are reviewed, the Board adopts an updated delivery plan providing direction on project advancement. To ensure coordination with other projects planned for construction and to avoid unreasonable impacts to the public, this project is currently scheduled to be constructed beyond 2026.

INTERSTATE 605 (I-605) PROJECTS ▼

Segment: I-605, Katella Interchange Improvements

PROJECT M

Status: Environmental Phase Complete; Design Consultant Selected

Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: This project will improve freeway access and the arterial connection to I-605 at Katella Avenue in the City of Los Alamitos and the County of Orange. Improvements under this project will include enhancements at the on- and off-ramps in addition to operational improvements on Katella Avenue at the I-605 Interchange. The final ED was approved in October 2018 and the final Project Report was approved in November 2018. This project was approved by the Board in the 2019 updated Next 10 Plan to advance through construction. The Board approved the release of the RFP for design services on April 13, 2020 and consultant selection on August 10, 2020. Design efforts are anticipated to begin in late 2020.

FREEWAY SERVICE PATROL ▼

Status: Service Ongoing

PROJECT N

Contact: Cliff Thorne • (714) 560-5975

Summary: Freeway Service Patrol (FSP) provides assistance to motorists whose vehicles have become disabled on Orange County freeways and removes congestion-causing debris from traffic lanes to reduce freeway congestion and collisions. In June 2012, M2 began supporting FSP with local funds to maintain existing service levels and expand services through 2041. During the quarter, FSP provided 16,507 services. Since June 2012, FSP has provided a total of 567,781² services on the Orange County freeway system.

²Service calculations are based on all services provided as FSP is funded by M2 and external sources.

STREETS AND ROADS

REGIONAL CAPACITY PROGRAM ▼

Status: 2021 Call Currently Open

PROJECT O

Contact: Joseph Alcock, Planning • (714) 560-5372

Summary: This program, in combination with required local matching funds, provides funding for improvements on Orange County’s Master Plan of Arterial Highways. Since 2011, 155 projects totaling more than \$319³ million, including \$24 million in external funding, have been awarded through ten calls by the Board. On August 10, 2020, the Board approved the release of the 2021 call for approximately \$22 million. The application deadline for the eleventh call will close on October 22, 2020 and programming recommendations are anticipated in the Spring of 2021.

³To date, 17 of the 191 phases awarded by OCTA totaling approximately \$22 million have been cancelled by the awarded local jurisdictions.

OC Bridges Railroad Program

This program built seven grade separations (either under or over passes) where high volume streets are impacted by freight trains along the BNSF Railroad in north Orange County. With all seven grade separations open to traffic, an OC Bridges completion ceremony was held on October 24, 2017. On July 13, 2020, the Board approved program closeout and budget adjustment to \$667.7 million in committed M2 and external funds for all seven of the OC Bridges Program grade separation projects. Minor activities this quarter include the closeout of two projects.

Segment: Kraemer Boulevard Grade Separation

Status: PROJECT COMPLETE



Contact: Rose Casey, Capital Projects • (714) 560-5729

Summary: The project located at Kraemer Boulevard railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the City of Placentia by building an underpass for vehicular traffic. The grade separation was opened to traffic on June 28, 2014, and an event was held on July 8, 2014, to commemorate the opening. Project acceptance by the cities of Anaheim and Placentia, respectively, occurred in December 2014 and the cities assumed full maintenance responsibilities. In December 2015, the one-year warranty period expired with no issues or repairs identified.



STREETS AND ROADS

Segment: Lakeview Avenue Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: The project located at Lakeview Avenue railroad crossing grade separated the local street from railroad tracks in the cities of Anaheim and Placentia by building a bridge for vehicular traffic over the railroad crossing and reconfiguring the intersection of Lakeview Avenue and Orangethorpe Avenue. Construction began on July 1, 2014.

Lakeview Avenue was reopened on June 6, 2017. Construction acceptance from the cities of Anaheim and Placentia were obtained on June 2, 2017, and OCTA has turned over the maintenance responsibilities to the cities and completed the one-year warranty on some constructed items. The one-year warranty was extended to July 2019 for some minor repair items and close-out activities are completed. Staff presented recommendation for final claim resolution to the Board on July 22, 2019, which was approved. Funding reimbursement and closeout are completed.

Segment: Orangethorpe Avenue Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: The project located at Orangethorpe Avenue railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the cities of Placentia and Anaheim by building a bridge for vehicular traffic over the railroad tracks. On May 17, 2016, a joint-grand opening event was held to commemorate the opening to traffic for the Orangethorpe and Tustin/Rose Grade Separation projects. Construction was completed in October 2016 and construction acceptance was obtained from the cities of Anaheim and Placentia on October 25, 2016. OCTA has turned over the maintenance responsibilities to the cities and completed the one-year warranty on the majority of constructed items. The one-year warranty was extended to June 2019 for some minor repair items. Funding reimbursement and closeout are completed.

Segment: Placentia Avenue Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: The project located at Placentia Avenue railroad crossing is grade separated and open to traffic. This project separated the local street from railroad tracks in the City of Placentia by building an underpass for vehicular traffic. An event was held on March 12, 2014, to commemorate the opening. Project acceptance by the cities of Anaheim and Placentia occurred in December 2014 and the cities assumed full maintenance responsibilities. In December 2015, the one-year warranty period expired with no issues or repairs identified. Funding reimbursement and closeout are completed.

STREETS AND ROADS

Segment: Raymond Avenue Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: The project located at Raymond Avenue railroad crossing grade separated the local street from railroad tracks in the City of Fullerton by taking vehicular traffic under the railroad crossing. The City of Fullerton is managing construction and OCTA is providing construction oversight, public outreach, railroad coordination, and ROW support. Construction began on June 2, 2014. Raymond Avenue has been opened to traffic since October 2017. OCTA received construction acceptance on May 14, 2018. Activities this quarter include project closeout with BNSF and processing final invoices. Funding reimbursement and closeout are ongoing.

Segment: State College Boulevard Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: The project located at State College Boulevard railroad crossing grade separated the local street from railroad tracks in the City of Fullerton by taking vehicular traffic under the railroad crossing. The City of Fullerton managed the construction and OCTA provided construction oversight, public outreach, railroad coordination, and ROW support. State College Boulevard was opened to through traffic on November 1, 2017. Construction acceptance and maintenance responsibilities from the City of Fullerton was obtained on March 7, 2018, and the one-year warranty began. Activities this quarter include processing final invoices. Funding reimbursement and closeout are ongoing.

Segment: Tustin Avenue/Rose Drive Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: The project located at Tustin Avenue/Rose Drive railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the cities of Placentia and Anaheim by building a bridge over the railroad crossing for vehicular traffic. On May 17, 2016, a joint-grand opening event was held to commemorate the opening to traffic for the Orangethorpe and Tustin/Rose Grade Separation projects. Construction was completed in October 2016 and construction acceptance was obtained from the cities of Anaheim and Placentia on October 25, 2016. OCTA has turned over the maintenance responsibilities to the cities and completed the one-year warranty on the majority of constructed items. The one-year warranty was extended to November 2018 for some minor repair items. In November 2018, the warranty period expired with no additional issues or repairs identified. Funding reimbursement and closeout are completed.



STREETS AND ROADS

REGIONAL TRAFFIC SIGNAL SYNCHRONIZATION PROGRAM ▼

Status: 2021 Call Currently Open

Contact: Anup Kulkarni, Planning • (714) 560-5867

PROJECT P

Summary: This program provides funding and assistance to implement multi-agency signal synchronization. The target of the program is to regularly coordinate a network of over 2,000 signalized intersections along 750 miles of roadway within Orange County. OCTA also leverages external funding to further enhance the efficiency of the street grid and reduce travel delay.

To date, OCTA and local agencies have synchronized more than 2,800 intersections over more than 746 miles of streets (84 completed projects). Through ten calls, 101 projects totaling more than \$107.4 million have been awarded. Overall, OCTA has funded 120 projects⁴ totaling more than \$132.3 million, including \$25.5 million in leveraged external funding.

On August 10, 2020, the Board approved \$8 million in funding for the 2021 call. For this cycle, OCTA is available to lead projects for local jurisdictions (if requested). The 2021 call closes on October 22, 2020, with programming recommendations anticipated in spring 2021.

Additionally, OCTA held its biannual Traffic Forum on September 30, 2020 in a virtual setting with over 70 attendees. Presentations included a summary of the 2021 CTFP Project O & P call, a detailed discussion on the Traffic Signal Synchronization Master Plan update, and a basic overview of COVID-19 impacts on RTSSP corridors.

⁴To date, three projects totaling approximately \$1.6 million have been canceled by the awarded local jurisdictions.

LOCAL FAIR SHARE ▼

Status: Ongoing

Contact: Ben Torres, Finance • (714) 560-5692

PROJECT Q

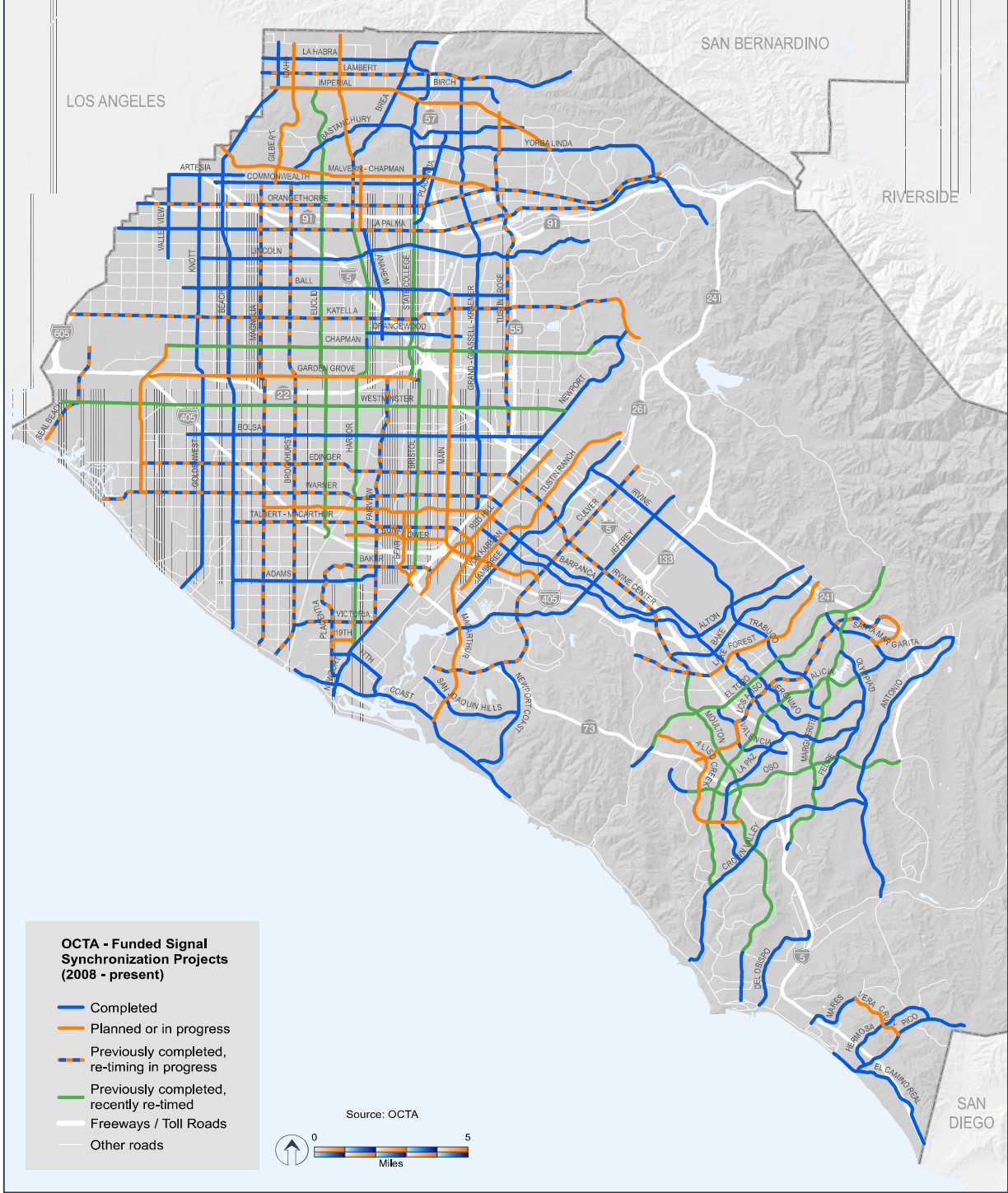
Summary: In order to help cities and the County of Orange keep up with the rising cost of repairing the aging street system, this program provides flexible funding intended to augment, not replace, existing transportation expenditures by the cities and the County. Annually, all local agencies are reviewed to determine eligibility to receive M2 funds. All local agencies have been found eligible to receive Local Fair Share funds. On a bimonthly basis, 18 percent of net revenues are allocated to local agencies by formula. Approximately \$464.5 million in Local Fair Share payments have been provided to local agencies as of the end of this quarter.

See [pages 49-50](#) for funding allocation by local agency.



STREETS AND ROADS

OCTA-Funded Signal Synchronization Projects (2008 - Present) 



7/14/2020

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TRANSIT

HIGH FREQUENCY METROLINK SERVICE ▼

PROJECT R

Project R will increase rail services within the County and provides additional Metrolink service north of City of Fullerton to City of Los Angeles. The program provides for track improvements, the addition of trains and parking capacity, upgraded stations, and safety enhancements to allow cities to establish quiet zones along the tracks. This program also includes funding for grade crossing improvements at high volume arterial streets, which cross Metrolink tracks.

Project: Metrolink Grade Crossing Improvements

Status: PROJECT COMPLETE

Contact: Jennifer Bergener, Rail • (714) 560-5462



Summary: Enhancement at 50 of the designated 52 Orange County at-grade rail-highway crossings were completed in support of the Metrolink Service Expansion Program (MSEP) in October 2012. As a result of one private crossing which did not allow for OCTA to make enhancements and one street closure that eliminated the need for enhancements, the final count of enhanced rail-highway crossings was 50. Completion of the safety improvements provided each corridor city with the opportunity to establish a “quiet zone” at their respective crossings. Quiet zones are intended to prohibit the sounding of train horns through designated crossings, except in the case of emergencies, construction work, or safety concerns identified by the train engineer. The cities of Anaheim, Dana Point, Irvine, Orange, Santa Ana, San Clemente, San Juan Capistrano and Tustin have established quiet zones within their communities.

Project: Metrolink Service Expansion Program

Status: Service Ongoing

Contact: Jennifer Bergener, Rail • (714) 560-5462

Summary: Following the completion of the Metrolink Service Expansion Program (MSEP) improvements in 2012, OCTA deployed a total of ten new Metrolink intracounty trains operating between the cities of Fullerton and Laguna Niguel/Mission Viejo, primarily during the midday and evening hours.

In October 2019, several intracounty trains were extended to City of Los Angeles to increase ridership through a redeployment of the trains without significantly impacting operating costs. However, all Metrolink services were impacted by the statewide enforcement of stay-at-home orders that resulted from the COVID-19 pandemic in March 2020. Metrolink implemented a temporary 30 percent service reduction due to the decline in ridership which impacted the October service change. The changes and impacts of the service reduction consisted of:

- Orange County (OC) Line: Three weekday intracounty round trips operating between the cities of Fullerton and Laguna Niguel/Mission Viejo were replaced with two round trips between cities of Laguna Niguel/Mission Viejo and Los Angeles. Note, one intracounty round trip (trains 642 and 643) was discontinued as part of the COVID-19 related service reduction. As of September 2020, the intracounty round trip (trains 632 and 633) that was extended was averaging 27 passengers per trip.



TRANSIT

- 91/Perris Valley (91/PV) Line: Three round trips within Riverside County between Perris–South and Riverside–Downtown were replaced with one round trip between Perris–South and Los Angeles Union Station via Fullerton. As of September 2020, the round trip that was extended was averaging 56 passengers per trip.

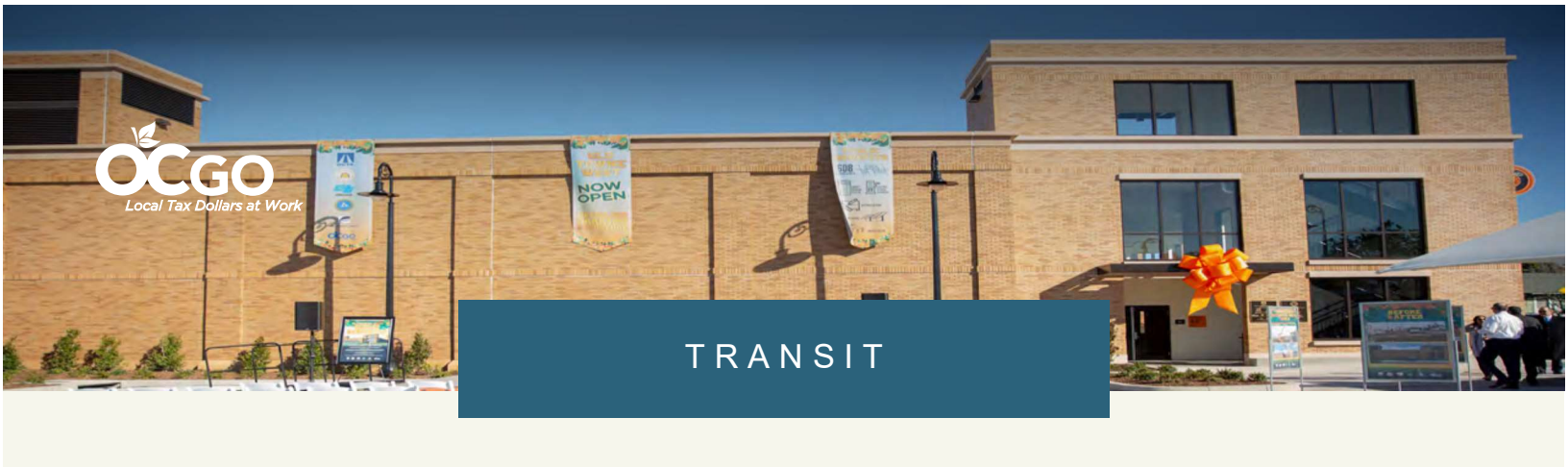
Governor Newsom released a blueprint for reopening businesses on August 28, 2020; the plan places counties in specific tiers that determine how businesses and facilities can reopen safely. Despite the gradual lifting of the stay-at-home orders, COVID-19 cases continue to rise in the State of California, which impacted ridership through September 2020. In response to the ridership impacts, Metrolink’s Board adopted the Recovery Plan Framework. The Recovery Plan Framework is designed to phase in actions to position Metrolink for post-pandemic operations and consists of the following:

1. Health and safety: Commuting together, socially distant.
2. Operational transparency: Fast track customer confidence.
3. The triple bottom line: Economy, environment, equity.
4. Future proof operations: More efficient stewardship.
5. Sustainable financial performance.

As part of the Recovery Plan Framework, Metrolink launched a few initiatives and promotions in the first quarter of FY 2020-21. Metrolink developed a customer loyalty rewards program branded as SoCal Explorer. The program is designed to strengthen Metrolink’s relationship with current riders, attract new riders, and incentivize ridership. The program had a soft launch in September geared towards essential workers and current riders; however, the program will launch to the public on October 14, 2020. Additional promotions this quarter include the development of two new fare pilot programs: ‘Kids Ride Free’ on Weekends and the 5-Day Flex Pass. Both pilots were introduced to incentivize ridership.

Metrolink staff continues to reiterate cleaning and safety as riders return. Metrolink will continue to operate with reduced service and plans to reinstate full-service levels by the third quarter of FY 2020-21. As of September 30, 2020, Metrolink rail ridership on the three lines serving Orange County was down 80 percent compared to the prior year.

Plans to implement the addition of two round trips in April 2020 were postponed until full service is reinstated. The postponed April service changes will include the addition of one evening weekday round trip from the cities of Oceanside to Los Angeles on the OC Line. Additional changes to the OC Line include the discontinuation of two intracounty trains due to low ridership levels. To offset the termination of the two intracounty trains, an evening train that currently travels between the cities of Los Angeles and Laguna Niguel/Mission Viejo will be extended to Oceanside. Along the 91/PV Line, one weekday round trip will be added between the cities of Los Angeles and Perris, south via Fullerton. The above-mentioned changes are in alignment with OCTA’s redeployment plan.



TRANSIT

Rail Corridor and Station Improvements

Additionally, under MSEP, funding is provided for rail line and station improvements to accommodate increased service. Rail station parking lot expansions, better access to platforms, among other improvements have been made or are underway. For schedule information on station improvement projects, please see the CAP pages on [pages 51-55](#).



Segment: Anaheim Canyon Metrolink Station Improvements

Status: Design Plans Completed

Contact: Jim Beil, Capital Programs • (714) 560-5646

Summary: This OCTA-led project will include construction of a second main track and platform, lengthen the existing platform, and improve pedestrian circulation. The project will also include the addition of benches, shade structures, and ticket vending machines. The design plans have been completed and the project will be advertised for bids in October 2020. Construction of the project is anticipated to begin by February 2021 with completion anticipated in mid-2022. This project is marked “red” in the CAP due to delays in ROW negotiations.

Segment: Fullerton Transportation Center Improvements

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646



Summary: Completed early on, a new five-level parking structure was constructed to provide additional transit parking at the Fullerton Transportation Center for both intercity rail service and commuter rail passengers. This city-led project was completed on June 19, 2012. After completion, an elevator upgrade project was initiated with leftover savings. The elevator project modified the existing pedestrian bridge to add two new traction elevators, one on each side. The City of Fullerton was the lead on this project which was completed May 1, 2019.

Segment: Laguna Niguel/Mission Viejo Metrolink Station Americans with Disabilities Act (ADA) Ramps

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646



Summary: The Laguna Niguel/Mission Viejo station accessibility improvements project was completed in September 2017. Improvements included new ADA-compliant access ramps on either side of the pedestrian undercrossing and a unisex ADA-compliant restroom, vending machine room, and three passenger canopies. Construction acceptance from the cities was obtained on September 20, 2017.



TRANSIT

Segment: Orange Transportation Center Metrolink Parking Structure

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646



Summary: This project includes a 608-space, five-level, shared use parking structure that is located on Lemon Street between Chapman Avenue and Maple Street in the City of Orange. Per a cooperative agreement between OCTA and the City of Orange, the City of Orange led the design phase, and OCTA led the construction phase of the project. Construction began on July 17, 2017 and was completed on February 15, 2019. A dedication ceremony was held on February 19, 2019.

Segment: New Placentia Metrolink Station and Parking Structure

Status: Design Complete - Ready for Advertisement subject to BNSF construction and maintenance agreement

Contact: Jim Beil, Capital Programs • (714) 560-5646

Summary: Plans for the proposed Placentia Metrolink Station Project were near completion when the City of Placentia requested to modify them to include a parking structure to be built where surface parking had been designed. On June 27, 2016, the Board approved a new cooperative agreement with the City of Placentia that revised the project's scope and budget, and with the changes the City of Placentia will contribute towards the cost. The station will include platforms, parking, a new bus stop, and passenger amenities. OCTA is the lead agency for design and construction of the project. The project will also include a third track which should assist with the on-time performance of train operations and provide operational flexibility for both freight and passenger trains. BNSF will be the lead on the rail construction. Design plans for the station are complete and will be ready to advertise for bidding once a construction and maintenance (C&M) agreement with BNSF is in place. Due to the dependency on the C&M agreement, this project is marked as a cost/schedule risk in the CAP.

Segment: San Clemente Pier Station Lighting

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646



Summary: This project was completed on March 17, 2017, and project closeout was completed in the same month. OCTA was the lead agency for design and installation of this project which added lighting to the existing platform and new decorative handrails at the San Clemente Pier Station.





TRANSIT

Additional rail corridor improvements include: completed Control Point project at Fourth Street in the City of Santa Ana, which provides rail operational efficiencies; completed Positive Train Control implementation, which improves rail safety by monitoring and controlling train movement; continued with ROW acquisition to replace the San Juan Creek railroad bridge in the City of San Juan Capistrano, which will not preclude a future bicycle trail on the south end along the creek (design and environmental clearance tasks were completed and ROW acquisition is in progress); completed the Railroad ROW Slope Stabilization project at eight locations within the rail corridor to prevent future erosion and slope instability; replacement of stairs at the Fullerton Transportation Center; and continued implementation of video surveillance systems.

Segment: Sand Canyon Grade Separation

Status: PROJECT COMPLETE

Contact: Rose Casey, Capital Projects • (714) 560-5729



Summary: The project separated the local street from railroad tracks in the City of Irvine by constructing an underpass for vehicular traffic. The westbound lanes were opened to traffic on June 12, 2014, and the eastbound lanes were opened to traffic on July 14, 2014. A road opening ceremony was held on August 11, 2014. The project is complete and construction acceptance was obtained from the City of Irvine on January 15, 2016. The project completed the one-year warranty period and no repairs were identified. The project closed out in January 2017.

Segment: Tustin Metrolink Station Parking Structure

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646



Summary: This early completion project provided additional parking at the Tustin Metrolink Station to meet requirements associated with MSEP by constructing a new four-story parking structure with approximately 735 spaces and on-site surface parking. The parking structure was opened to the public on September 22, 2011.

Segment: Laguna Niguel to San Juan Capistrano Passing Siding Project

Status: Construction Underway – 84% Complete

Contact: Jim Beil, Capital Programs • (714) 560-5646

Summary: The project is currently in the construction phase and will add approximately 1.8 miles of new passing siding railroad track adjacent to the existing mainline track, which will enhance the operational efficiency of passenger services within the LOSSAN rail corridor. The construction contract was awarded on January 14, 2019, and the Notice to Proceed was issued on March 12, 2019.

Construction continued with the construction of mainline 1 and pocket track, removal of Control Point Avery turnouts, and drainage ditches. Construction of retaining wall #1 and roadway modifications at Camino Capistrano were completed this quarter. This project is anticipated to be completed by early 2021.



TRANSIT

TRANSIT EXTENSIONS TO METROLINK ▼

In order to broaden the reach of Metrolink to other Orange County cities, communities, and activity centers, Project S includes a competitive program which allows cities to apply for funding to connect passengers to their final destination via transit extensions. There are currently two categories for this program: a fixed guideway program (streetcar) and a rubber tire transit program.

Project: OC Streetcar

PROJECT S

Status: FFGA Executed November 30, 2018, Construction and Utility Relocation Work Ongoing, Vehicle Production Underway, Operations and Maintenance Contract Approved by the Board on May 22, 2020.

Contact: Mary Shavalier, Rail • (714) 560-5725

Summary: The OC Streetcar will serve the Santa Ana Regional Transportation Center through downtown Santa Ana, and the Civic Center to Harbor Boulevard in the City of Garden Grove. At the request of the two cities, OCTA is serving as the lead agency for the project.

During the quarter, construction work continued with in-street utilities and final storm drain work nearing completion. Other work continued with removal of asphalt for track installation, hand digging and surveying of the OCS pole foundations as well as welding of rail sticks into rail strings. Installation of the service and inspection pit and vapor barrier at the Maintenance and Storage Facility (MSF) has been delayed due to quality issues. The Westminster Bridge and Santa Ana River Bridge deck pours were completed in September. Construction of the retaining walls at the Santa Ana River are now complete and the Westminster Bridge retaining walls on the east end are being formed with the west end walls being backfilled.

All eight S700 vehicles are in various stages of production. The first vehicle (Car 1) is furthest in production and has completed several significant milestones during this quarter, including the interior and exterior equipping of the vehicle, water testing, and electrical continuity testing. Upon completion and certification of the electrical system, static and dynamic testing was conducted. The other seven vehicles are moving through sand blasting and paint, internal and external equipping, and testing similar to Car 1.

As a result of COVID-19-related travel restrictions, there were no first article inspections (FAI) conducted during the reporting period. However, plans are in development to conduct a virtual FAI for the doors. FAIs are a contract requirement and a critical component of the manufacturing process to ensure that each component of the vehicle is built according to specifications and quality control measures have been met. Parallel to production of the vehicles, final design review continues for the remaining vehicle components, including the energy absorbing bumper, emergency battery drive, and flange lube system. These items are anticipated to be closed out next quarter. Coordination is ongoing between Conduent Transportation, OCTA, and Siemens in the design of the computer-aided dispatch and automated vehicle location, as well as the communications equipment on the vehicles. Coordination also continued between OCTA, Siemens, and Walsh Construction in the integration of the streetcar vehicle with the infrastructure, including the tracks, platforms, MSF, and wayside equipment and systems.

To support the local community, OCTA continues to directly support Santa Ana’s Business Improvement District 28



TRANSIT

and residents during construction of the OC Streetcar through the Eat, Shop, Play program and by providing on-going construction alerts. As the construction activities expanded into the track installation phase, OCTA held a virtual neighborhood meeting on August 19, 2020.

On August 5, 2020, OCTA and FTA conducted a meeting to discuss project cost, schedules and risks.

Work continues to progress on other key OC Streetcar activities, including coordination with third parties on utility relocation, public outreach and continued coordination with the FTA and project management oversight consultant.

Project: Bus and Station Van Extension Projects

Status: Last service completed on June 30, 2020; no future calls anticipated.

Contact: Joseph Alcock, Planning • (714) 560-5372

Summary: Bus and station van extension projects help enhance the frequency of service in the Metrolink corridor by linking communities within the central core of Orange County to commuter rail. To date, the Board has approved one round of funding for bus and van extension projects, totaling over \$732,000. One project located within the City of Anaheim and three proposals within the City of Lake Forest were approved for funding by the Board on July 23, 2012. The Lake Forest projects have been canceled and the Anaheim Canyon Metrolink Station Bus Connection project was completed on June 30, 2020 under Project S. However, the project is currently active as of July 1, 2020 under a new Project V grant and will continue providing services through June 30, 2027. The Anaheim Canyon Metrolink Station Bus Connection provides service between the Anaheim Canyon Metrolink station and the Anaheim Resort area.

METROLINK GATEWAYS ▾

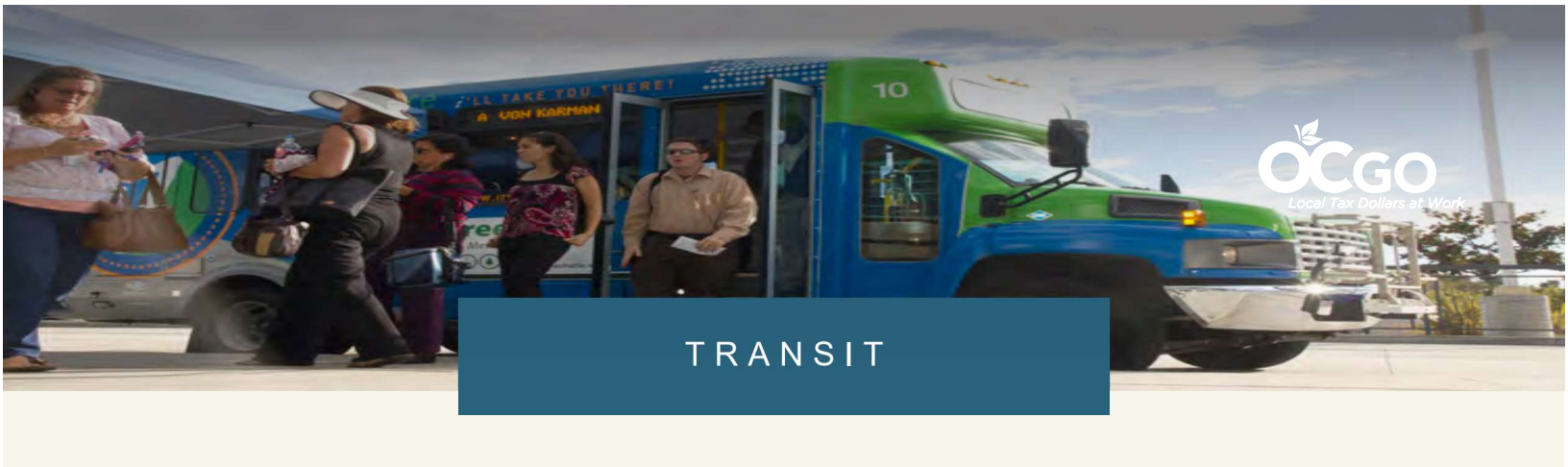
Status: PROJECT COMPLETE

Contact: Jennifer Bergener, Rail • (714) 560-5462



PROJECT T

Summary: This project constructed the Anaheim Regional Transportation Intermodal Center (ARTIC) located at 2626 East Katella Avenue in the City of Anaheim. In addition to providing transit connections for OCTA bus service, Metrolink and Amtrak service, shuttle and charter bus service, taxis, bikes, and other public and private transportation services, ARTIC also accommodates future high-speed rail trains. The City of Anaheim, which led the construction effort, opened the facility to rail and bus service on December 6, 2014. A ribbon-cutting ceremony was held on December 8, 2014, with a grand opening celebration hosted on December 13, 2014. This facility replaced the former Anaheim Metrolink Station that was located on the opposite side of the freeway in the Los Angeles Angels of Anaheim Stadium parking lot.



TRANSIT

EXPAND MOBILITY CHOICES FOR SENIORS AND PERSONS WITH DISABILITIES ▼

Project U expands mobility choices for seniors and persons with disabilities, and includes the SMP, the SNEMT Program, and the Fare Stabilization Program. Since inception, more than \$82.5 million⁵ in Project U funding has been provided under M2.

Project: Senior Mobility Program

PROJECT U

Status: Ongoing

Contact: Beth McCormick, Transit • (714) 560-5964

Summary: The SMP provides one percent of net M2 revenues to eligible local jurisdictions to provide transit services that best meet the needs of seniors living in their community. According to the SMP Funding and Policy Guidelines, M2 revenue is allocated to local jurisdictions proportionally, relative to the total county’s senior population, by the residents age 60 and above multiplied by available revenues. Remaining unallocated funds are distributed to the M2 Project U Fare Stabilization Program.

Since inception, approximately \$24 million and 2,450,000 boardings have been provided for seniors traveling to medical appointments, nutrition programs, shopping destinations, and senior and community center activities. Due to the COVID-19 pandemic, several local jurisdictions have modified or suspended service. This quarter, approximately \$499,677 was paid out to the 32 participating cities.

Project: Senior Non-emergency Medical Transportation Program

Status: Ongoing

Contact: Beth McCormick, Transit • (714) 560-5964

Summary: This program provides one percent of net M2 revenues to supplement existing county-wide senior non-emergency medical transportation services. Since inception, more than \$25.9 million and 961,881 SNEMT boardings have been provided. This quarter, approximately \$520,753 in SNEMT funding was paid⁵ to the County of Orange.

⁵Payments are made every other month (January, March, May, July, September, and November). July payments are based on June accruals, and therefore counted as June payments. The amount totaled for one fiscal year quarter either covers one or two payments, depending on the months that fall within that quarter.



TRANSIT

Project: Fare Stabilization Program
Status: Ongoing
Contact: Sean Murdock, Finance • (714) 560-5685

Summary: Between years 2011-2015, one percent of net M2 revenues was dedicated to stabilizing fares and providing fare discounts for bus services and specialized ACCESS services for seniors and persons with disabilities. Effective January 28, 2016, an amendment to the M2 Ordinance No. 3, adjusted this amount to 1.47 percent of net M2 revenues to be dedicated to the Fare Stabilization Program.

Approximately \$766,000⁶ in revenue was allocated this quarter to support the Fare Stabilization Program. The amount of funding utilized each quarter varies based on ridership. During the quarter, based on 100,000 program-related boardings recorded on fixed-route and ACCESS services, approximately \$149,000 was utilized. In the latter half of September, OCTA returned to front-door boarding on fixed-route services after installing protective shields. The senior and disabled boardings recorded for the quarter were based off of pass sales and ACCESS boardings figures. Since inception of the program, more than \$32 million and 119 million program-related boardings have been provided.

⁶Payments are made every other month (January, March, May, July, September, and November). July payments are based on June accruals, and therefore counted as June payments. The amount totaled for one fiscal year quarter either covers one or two payments, depending on the months that fall within that quarter.

COMMUNITY BASED TRANSIT/CIRCULATORS ▼

Status: Service Updates
Contact: Joseph Alcock, Planning • (714) 560-5372

PROJECT V

Summary: This program provides funding for local jurisdictions to develop local bus transit services such as community-based circulators and shuttles that complement regional bus and rail services and meet needs in areas not adequately served by regional transit. To date, through a competitive process, OCTA has provided four rounds of funding (June 2013, June 2016, June 2018, and April 2020) which have awarded 35 projects and ten planning studies totaling approximately \$52 million. Out of the 35 projects, two are currently active; nine have been canceled (primarily due to low ridership); 21 are currently suspended due to the COVID-19 pandemic, and three have been completed.

OCTA receives ridership reports from local agencies on a regular basis to monitor the success of awarded services against performance measures adopted by the Board. Currently, two services are active, and all other remaining active services have been suspended since mid-March. It is unclear when these services will be reinstated. During this quarter, OCTA staff met with local agency project managers and discussed potential program revisions which will need to be evaluated and finalized by the OCTA Board in order to support the program in a post-COVID-19 environment. Discussions focused upon the need to extend Project V grants in order to hold local agencies harmless for the period during the pandemic when they were precluded from operating, and potentially revising minimum performance requirements.



TRANSIT

SAFE TRANSIT STOPS ▼

Status: City-Initiated Improvements Underway and/or are Complete

Contact: Joseph Alcock, Planning • (714) 560-5372

PROJECT W

Summary: This program provides funding for passenger amenities at the busiest transit stops across Orange County. Stop improvements are designed to ease transfers between bus lines and provide passenger amenities such as installation of bus benches or seating, shelters, lighting, and other passenger-related amenities.

In 2014, the Board approved the first round of funding in the amount of \$1,205,666 to support city-initiated improvements and \$370,000 for OCTA-initiated improvements. The City of Anaheim postponed development of its proposed stop improvements and OCTA initiated improvements were funded through another grant source. As a result, the funds were deallocated and returned to the program in June 2019. The 43 stop improvements funded through the first call are now complete.

In October 2018, the Board authorized a second Project W allocation process, providing up to \$3 million (in total) to eligible agencies to support bus stop amenity improvements. Eligible agencies were able to receive between \$20,000 to \$35,000 (per identified bus stop based on ridership). On June 24, 2019, funding recommendations were approved by the Board providing just under \$1 million to support improvements at 36 locations.

In May 2020, the Board directed staff to return with additional programming recommendations for Project W. Eligible agencies were again able to receive between \$20,000 to \$35,000 (per identified bus stop based on ridership). On September 14, 2020, funding recommendations were approved by the Board providing just under \$1.03 million to support additional improvements at 35 locations.



ENVIRONMENTAL

CLEAN UP HIGHWAY AND STREET RUNOFF THAT POLLUTES BEACHES ▼

Project: Environmental Cleanup Program

Status: Ongoing

PROJECT X

Contact: Dan Phu, Planning • (714) 560-5907

Summary: This program implements street and highway-related water quality improvement programs and projects that assist agencies countywide with federal Clean Water Act standards for urban runoff. It is intended to augment, not replace existing transportation-related water quality expenditures and to emphasize high-impact capital improvements over local operations and maintenance costs. The Environmental Cleanup Allocation Committee is charged with making recommendations to the Board on the allocation of funds. These funds are allocated on a countywide, competitive basis to assist agencies in meeting the Clean Water Act standards for controlling transportation related pollution.

Project X is composed of a two-tiered funding process focusing on early priorities (Tier 1), and a second program designed to prepare for more comprehensive capital investments (Tier 2). To date, there have been nine rounds of funding under the Tier 1 grants program. A total of 177 projects, amounting to more than \$24 million, have been awarded by the Board since 2011. There have been two rounds of funding under the Tier 2 grants program. A total of 22 projects in the amount of \$27.89 million have been awarded by the Board since 2013. To date, all Orange County cities plus the County of Orange have received funding under this program. A tenth Tier 1 call was released in March 2020. Due to the COVID-19 pandemic, the application deadline was extended from May 7, 2020 to June 25, 2020. Tier 1 funding recommendations are anticipated to be presented to the Board in October 2020. Due to the lower preliminary M2 sales tax revenue forecast, timing of future ECP calls are being assessed. Prior to the COVID-19 pandemic, it was anticipated that a Tier 2 call could be feasible sometime around FY 2021 or 2022 timeframe.

Staff estimates that over 33 million gallons of trash has been captured as a result of the installation of Tier 1 devices since the inception of the Tier 1 Program in 2011. This is equivalent to filling nearly 78 football fields with one-foot deep of trash. Over time, the volume of trash captured is expected to increase. It is estimated that the funded Tier 2 projects, once fully functional, will have an annual groundwater recharge potential of approximately 157 million gallons of water from infiltration or through pumped and treated recharge facilities.



ENVIRONMENTAL

FREEWAY MITIGATION ▼

Project: Environmental Mitigation Program

Status: Biological Permits Issued and Conservation Plan in Place

Contact: Dan Phu, Planning • (714) 560-5907

Summary: In June 2017, the United States Fish and Wildlife Service and the California Department of Fish and Wildlife (Wildlife Agencies) finalized the issuance of their respective biological opinion, findings, and associated permits, as well as signed the Conservation Plan Implementing Agreement. Receipt of these permits represent the culmination of years of collaboration and support by the Board, environmental community, and Wildlife Agencies.

As a result, the environmental process will be streamlined, allowing OCTA to move forward with the M2 freeway projects with little additional coordination from the Wildlife Agencies. The OCTA Conservation Plan is unique as it is only the second state/federal conservation plan approved in Orange County.

The Conservation Plan also includes a streamlined process for coordination for streambed alteration agreements for portions of freeway projects that cross through streams and riverbeds. In 2017, the United States Army Corps of Engineers (Corps) issued a programmatic permit to OCTA and Caltrans (as owner/operator of the state highway system). The State Board provided a letter to OCTA in 2018, which further secured assurances related to advanced mitigation and freeway project permit issuance. These efforts are the result of years of collaboration between OCTA, the Corps, and State Board, and constitute another groundbreaking milestone for the M2 Environmental Mitigation Program.

To date, the Board has approved the acquisition of seven properties (Preserves) totaling 1,300 acres and 12 restoration projects totaling 350 acres. The restoration project plans have been approved by the Wildlife Agencies and are currently at various stages of implementation. The Board authorized \$42 million (inclusive of setting aside funds for long-term land management) for property acquisitions, \$10.5 million to fund habitat restoration activities, and \$2.5 million for conservation plan development and program support, for a total of approximately \$55 million.

As part of the Conservation Plan requirement, an endowment has been established to pay for the long-term management of the Preserves. It was previously estimated that it would take approximately 12 to 15 years to fully fund the endowment with annual deposits of approximately \$2.9 million. In July 2020, OCTA made the fifth endowment deposit. Quarterly investment reports are provided to the Board, with the most recent one in September 2020. The next report is anticipated to be presented to the Board in December 2020. As of September 30, 2020, the endowment balance is \$16,046,435. Staff will continue to oversee and provide endowment updates to the Finance and Administration and the Environmental Oversight Committee (EOC) on a regular basis.

Resource management plans (RMPs) for the Preserves were finalized in 2018. These RMPs guide the management of the Preserves as outlined within the Conservation Plan. The RMPs will be reviewed and updated as necessary, approximately every five years. Staff will continue to oversee and manage the Preserves until a long-term manager(s) is established.



ENVIRONMENTAL

In consultation with the local fire authority, staff has been working with a consultant to draft fire management plans (Plans) for the seven Preserves. The Plans will provide guidelines for decision-making at all stages including fire prevention, pre-fire vegetation management, suppression activities, and post-fire responses that are compatible with conservation and stewardship responsibilities. These Plans are a requirement of the Conservation Plan and will require approval by the Wildlife Agencies as well as the local fire authority. The Plans are anticipated to be complete in 2020/2021.

Conservation Plan annual reports will be completed every year. These reports will include the tracking of impacts associated with covered freeway improvement projects, other management and monitoring activities on Preserves, status and activities, progress of the restoration projects, plan administration, and public outreach activities. Annual reports are reviewed and must be approved by the Wildlife Agencies. In summary, the annual reports to date document that OCTA's activities up to 2020 were in compliance and on target with the Conservation Plan commitments. OCTA will continue with its efforts to complete the required objectives in a timely manner. It is anticipated that the next annual report will be provided to the OCTA Board in mid-2021. The annual reports are available for public review at www.PreservingOurLegacy.org.

To date, multiple freeway projects have utilized the Conservation Plan and/or the Clean Water Act streamlined permitting process. Some of the projects that benefit from these mechanisms include: Project C (I-5 from SR-73 to El Toro Road), Project K (I-405 from SR-73 to I-605), and Project M (I-605 and Katella Interchange). If these mechanisms were not in place, it is anticipated that these projects would incur an additional \$700,000 to \$2.5 million (in 2018 dollars) in mitigation related costs and unknown schedule risks. Furthermore, a strong partnership has been forged through collaboration with the environmental community.

OCTA provides docent-led hikes and equestrian rides in the Preserves. As a result of the stay-at-home order due to the COVID-19 pandemic, OCTA is postponing all scheduled hikes and equestrian rides until further notice. OCTA will release the revised 2020 Wilderness Preserve Hiking and Equestrian Riding Tour calendar once the order has been lifted. A list of scheduled 2020 wilderness Preserve tours will be available on the M2 website at www.PreservingOurLegacy.org.

As part of the safeguards in place for the M2 Program, a 12-member EOC makes recommendations on the allocation of environmental freeway mitigation funds and monitors the implementation of the Conservation Plan between OCTA and state and federal Wildlife Agencies. The EOC has led efforts with policy recommendations to the Board and has operated in an open and transparent manner that has garnered the trust of stakeholders, ranging from the environmental community to the recreational community to Orange County citizens. See map of Preserves and funded restoration properties on the following page.



PROGRAM MANAGEMENT

PROGRAM MANAGEMENT OFFICE ▼

Contact: Francesca Ching, PMO Manager • (714) 560-5625

The M2 PMO provides inter-divisional coordination for all M-related projects and programs. To ensure agency-wide compliance, the PMO holds a bimonthly committee meeting comprised of executive directors and key staff from each of the divisions, who meet to review significant issues and activities within the M2 programs. This quarter, the focus of the PMO has been on several major items, including the following.

Market Conditions Forecast and Risk Analysis

In September 2017, the Board was presented with a Next 10 Plan Market Conditions Forecast and Risk Analysis Report conducted by Dr. Wallace Walrod and Dr. Marlon Boarnet. The consultant's analysis identified a strong potential for OCTA to experience an increasing cost environment during the Next 10 Plan delivery years. This, coupled with a reduction in revenue, could present the potential for significant challenges in the delivery of M2 and Next 10 Plan.

The Board directed staff to continue to work with the consultant to monitor and track key early warning indicators and provide the Board with updates in a timeline consistent with updates on the M2 sales tax revenue forecast. The consultant team continues to analyze trends in material costs, labor costs, and general economic conditions to determine a range of potential cost impacts providing insight on OCTA's capital program twice a year.

The results of the 2019 fall analysis concluded that OCTA may experience a cost increase of between two percent and six percent during the 2020 through 2022 time period of construction activity. Staff incorporated information from this analysis into the M2 cashflow for the 2019 updated Next 10 Plan.

The consultant team completed the 2020 spring update of the forecasting model in early March. The report was finalized prior to the COVID-19 pandemic and showed a cooling of the prior cost-increasing environment. It is anticipated that COVID-19 may cause this to further change during the Next 10 Plan delivery years. The fall 2020 update is underway and is anticipated to be presented to the Board in November.

Next 10 Delivery Plan

On November 14, 2016, the Board adopted the Next 10 Plan providing staff guidance on the delivery of M2 projects and programs between 2017 and 2026. The PMO monitors the progress on the ten deliverables identified in the Next 10 Plan and reports on them in this report. See [pages 3-6](#) for the status on deliverables.

Annually, OCTA reviews the M2 program assumptions and updates the cash flows and Next 10 Plan assumptions as needed based on changes to the revenue forecast and project cost and schedule updates. The 2019 Next 10 Plan incorporating the updated forecast of \$13.4 billion was presented to the Board at the November 11, 2019 meeting.



PROGRAM MANAGEMENT

The 2019 Next 10 Plan identified five projects to be advanced through construction: I-5 between I-405 and Yale Avenue (Project B), I-5 between Yale Avenue and SR-55 (Project B), SR-55 between I-5 and SR-91 (Project F), SR-57 Northbound from Orangewood Avenue to Katella Avenue (Project G), and I-605/Katella Avenue Interchange (Project M).

A preliminary sales tax revenue forecast of \$11.6 billion was presented to the Board on August 24, 2020. The final 2020 sales tax revenue forecast is anticipated to be presented in October 2020. PMO will be assessing the impacts of the updated forecast and updated project costs to present options to the Board in December 2020. The 2020 Next 10 Plan update is anticipated in early 2021.

M2 Performance Assessment

The M2 Ordinance and Transportation Investment Plan (Ordinance No. 3) includes a requirement for a performance assessment to be conducted at least once every three years to evaluate OCTA's efficiency and effectiveness in delivery of M2 as promised to the voters. Four performance assessments have been completed covering FY 2006-07 through FY 2008-09, FY 2009-10 through FY 2011-12, FY 2012-13 through FY 2014-15, and FY 2015-16 through FY 2017-18. The most recent report commended OCTA's management of the M2 program with eight recommendations for enhancements. Staff implemented all eight recommendations for enhancements and provided a final report to the Board on January 13, 2020. There are no outstanding action items. Procurement efforts for the next performance assessment will begin early 2021.

M2 Ordinance Tracking Matrix

Ordinance No. 3 includes numerous requirements that staff must follow in order to keep the promise to Orange County voters through the passage of M2. The PMO annually updates the M2 Ordinance Tracking Matrix to verify that OCTA is in compliance with all requirements detailed in Ordinance No. 3. The tracking matrix update for 2019 was finalized and was shared with the Taxpayer Oversight Committee (TOC) on May 12, 2020. This document is for PMO tracking purposes but is also helpful to TOC members during their annual compliance finding. On June 9, 2020, the TOC held the Measure M annual public hearing and determined that M2 is being delivered as promised to Orange County voters for the 29th consecutive year. The tracking matrix update for 2020 is underway and is anticipated to be completed in early 2021.

PMO M2 Tracking Tools

The PMO has developed several tracking tools to assist in reporting consistency and increased transparency of the M2 program. See the following for a brief explanation of PMO M2 tracking tools and their current status:

Local Jurisdiction Fact Sheets

Fact sheets have been created for the County of Orange and each of Orange County's 34 cities. The fact sheets provide data on transportation and transit projects (funded through M2, state, and federal grants) in a format which emphasizes key points concisely on a single printed page. The fact sheets are utilized when speaking



PROGRAM MANAGEMENT

with the jurisdictions to provide a summary overview of how OCTA has provided the local agency with funding (M2 and other) and transportation improvements. During the quarter, staff updated the city fact sheets to include the 2020 Measure M2 community-based circulator projects approved by the Board on April 13, 2020, the 2020 Regional Capacity Program and Regional Traffic Signal Synchronization Program projects approved by the Board on May 11, 2020 in addition to programming updates. The next update effort will begin in December 2020.

Engineer's Estimate versus Bids Tracking

The estimate versus bid tracking process allows the PMO to monitor the bidding environment for capital projects in the M2 Program. Capital projects that were planned for and began construction early in the M2 Program have shown cost savings due to a favorable bidding environment during the recession. For these earlier M2 projects, savings can be primarily traced back to construction costs.

More recent market conditions analyses have indicated that OCTA could possibly experience a deflationary cost environment due to reduced cost pressures and COVID-19. These factors include declines in statewide building permit issuance, increase in unemployment, increase in Orange County construction labor costs and declining building material costs. It should be noted that the engineer's estimate is based on a number of factors – such as bidding history and historical and current market rates (materials, labor, equipment, etc.) – and adjusted accordingly for the project's conditions. Because the estimate uses prior information, there may be a lag between an uptick or downtick in the market.

Project C (I-5 between Alicia Parkway and El Toro Road) was advertised for construction bids on May 11, 2020 and the bid opening was held on June 30, 2020. On September 23, 2020, the contract was awarded to the lowest bidder which was 11.74 percent below the engineer's estimate.

The next M2 project anticipated to go out to bid in 2020 is Project R (Anaheim Canyon Metrolink Station Improvements). Staff will track and update the spreadsheet as appropriate.

M2 Administrative Safeguards

M2 includes a one percent cap on administrative expenses for salaries and benefits of OCTA administrative staff on an annual basis. In a legal opinion on M2, it was determined that in years where administrative salaries and benefits are above one percent, only one percent can be allocated with the difference borrowed from other, non-M2 fund sources. Conversely, in years where administrative salaries and benefits are below one percent, OCTA can still allocate the full one percent for administrative salaries and benefits but may use the unused portion to repay the amount borrowed from prior years in which administrative salaries and benefits were above one percent.

Based on the original M2 revenue projections, OCTA expected to receive \$24.3 billion in M2 funds, with one percent of total revenues available to fund administrative salaries and benefits over the life of the program. As M2 revenue projections declined (currently \$13.4 billion or 45 percent lower) as a result of economic conditions, the funds

PROGRAM MANAGEMENT

available to support administrative salaries and benefits have also declined from the original expectations. While revenue has declined, the administrative effort needed to deliver M2 remains the same. Additionally, the initiation of the Early Action Plan (EAP) in 2007 required administrative functions four years prior to revenue collection. While the EAP resulted in project savings and significant acceleration of the program, administrative functions were required during this time with associated administrative costs.

As a result of the aforementioned factors, OCTA has incurred higher than one percent administrative costs. OCTA currently has Board approval to use funds from the Orange County Unified Transportation Trust (OCUTT) fund to cover costs above the one percent, with the understanding that those funds will be repaid with interest in future years that OCTA administrative costs fall below the one percent cap. As of June 30, 2012, OCTA had borrowed approximately \$5.2 million from OCUTT. Over the last few years, OCTA has experienced under-runs in the one percent administration cap and has made payments to OCUTT to reduce the outstanding balance. As of the most recent September 2020 Taxpayer Oversight Committee Report, the outstanding principal balance was \$0 and the remaining interest owed to OCUTT was \$0.6 million.

Staff meets quarterly to review all labor costs to ensure costs attributed to the one percent cap are accurately reported and that there are no misplaced project related costs.

Taxpayer Oversight Committee

The M2 Ordinance requires a TOC to ensure compliance with M2 Ordinance No. 3. With the exception of the elected Auditor Controller of Orange County who is identified as the chair in the Ordinance, all other members cannot be elected or appointed officials. Members are recruited and screened for expertise and experience independently by the Orange County Grand Jurors Association and are selected from the qualified pool by lottery. The TOC is scheduled to meet every other month. The TOC upholds the integrity of the measure by monitoring the use of M2 funds and ensuring compliance. The responsibilities of the 11-member M2 TOC are to:

- Ensure compliance with the Ordinance
- Approve, by a vote of no less than two-thirds of all committee members, any amendments to the Plan proposed by OCTA which changes funding categories, programs or projects identified on page 31 of the Plan
- Receive and review the following documents submitted by each eligible jurisdiction:
 - Congestion Management Program
 - Mitigation Fee Program
 - Expenditure Report
 - Local Traffic Signal Synchronization Plan
 - Pavement Management Plan
- Hold an annual Public Hearing to determine whether OCTA is proceeding in accordance with the Plan
- Review independent audits and performance assessments of the Orange County Local Transportation Authority regarding the expenditure of M2 sales tax monies



- The Chair shall annually certify whether M2 funds have been spent in compliance with the plan

On March 12, 2020 and March 18, 2020, the Governor enacted Executive Orders N-25-20 and N-29-20 authorizing a local legislative body to hold public meetings via teleconference and make public meetings accessible telephonically or electronically to all members of the public due to COVID-19. As a result, the TOC held a meeting on August 11, 2020 via teleconference. TOC meetings will remain in teleconference format through the end of 2020. The remaining meetings for the year are scheduled for October 13, 2020 and December 8, 2020.

At the August 11, 2020 meeting, the TOC received presentations on the Capital Action Plan, CTFP, and the EMP. The TOC also received staff updates on the status of local sales tax, an annual credit update, community-based transit circulators (Project V), and the I-405 Improvement Project.

Two subcommittees assist the TOC with their safeguard responsibilities: The Annual Eligibility Review (AER) Subcommittee and the Audit Subcommittee. The AER Subcommittee meets a few times per year, as needed, to ensure local jurisdictions have submitted the following documents in order to be deemed eligible to receive M2 funding: Congestion Management Program, Mitigation Fee Program, Local Traffic Signal Synchronization Plan, Pavement Management Plan (PMP), and an Expenditure Report. The AER Subcommittee met on September 23, 2020 and selected a new AER Subcommittee chair. The AER Subcommittee received an M2 Eligibility Overview and affirmed receipt of the Local Signal Synchronization Plan (LSSP) and the PMP. The AER Subcommittee findings will be presented to the TOC on October 13, 2020. The Audit Subcommittee meets bimonthly and is responsible for reviewing the quarterly M2 Revenue and Expenditure Reports and the Annual M2 Audit, as well as any other items related to M2 audits.

M2 FINANCING AND SCHEDULE OF FUNDING ▼

Contact: Sam Kaur, Revenue and Grants • (714) 560-5889



PROGRAM MANAGEMENT

Revenue Forecast and Collection

OCTA contracts with three universities (Chapman University; University of California, Los Angeles; and California State University, Fullerton) to provide a long-range forecast of taxable sales to forecast M2 revenues for purposes of planning projects and program expenditures.

In the past, OCTA averaged the three university taxable sales projections to develop a long-range forecast of M2 taxable sales. On March 28, 2016, the Board approved a new sales tax forecast methodology as part of the FY 2016-17 budget development process. This methodology includes a more conservative approach by utilizing the MuniServices, LLC forecast for the first five years and the three-university average for the remaining years.

Revenue forecast information is updated quarterly based on the actual revenues received for the previous quarter. As required by law, OCTA pays the California Department of Tax and Fee Administration a fee to collect the sales tax. The M2 Ordinance No. 3 estimated this fee to be 1.5 percent of the revenues collected over the life of the program.

Current Forecast

Original projections in 2005 during the development of M2 estimated total nominal M2 sales tax collections at \$24.3 billion. Due to the significant anticipated decrease in taxable sales due to the COVID-19 pandemic, OCTA prepared a preliminary update for the M2 sales tax forecast in August 2020. Based on the preliminary forecast provided, the forecast for total nominal sales tax collections over the life of M2 is estimated to be approximately \$11.6 billion. Staff will return to the Board with the final forecast in October 2020.

For FY 2019-20, the assumed budget growth rate was 2.5 percent. However, this forecast did not include the impact of the COVID-19 pandemic that began in March 2020. The actual growth rate for FY 2019-20 came in lower at -4.3 percent with a total gross annual sales tax receipts of \$318 million, which was primarily driven by the COVID-19 pandemic.

Furthermore, the pandemic is projected to continue into FY 2020-21 and as a result, the assumed budget rate is -6.6 percent. Based on the sales tax forecast information provided by MuniServices, LLC to date, the actual growth rate is expected to exceed the assumed budget growth rate. The next updated forecast is anticipated to be brought to the Board in fall 2021.

OCTA staff is working closely with MuniServices, LLC and the three universities to monitor and determine the impact of the pandemic on OCTA's sales tax collections and long-term forecast.

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of September 30, 2020 (Unaudited) Schedule 1

(\$ in thousands)	Quarter Ended Sept 30, 2020	Year to Date Sept 30, 2020 (A)	Period from Inception to Sept 30, 2020 (B)
Revenues:			
Sales taxes	\$ 71,418	\$ 71,418	\$ 2,803,110
Other agencies' share of Measure M2 costs:			
Project related	6,691	6,691	734,531
Non-project related	-	-	454
Interest:			
Operating:			
Project related	986	986	3,146
Non-project related	4,700	4,700	89,220
Bond proceeds	754	754	74,530
Debt service	2	2	1,062
Commercial paper	-	-	395
Right-of-way leases	122	122	1,266
Proceeds on sale of assets held for resale	-	-	12,201
Donated assets held for resale			
Project related	-	-	2,071
Miscellaneous:			
Project related	-	-	311
Non-project related	-	-	101
Total revenues	<u>84,673</u>	<u>84,673</u>	<u>3,722,398</u>
Expenditures:			
Supplies and services:			
Sales tax administration fees	725	725	30,299
Professional services:			
Project related	1,916	1,916	413,266
Non-project related	527	527	31,202
Administration costs:			
Project related	2,561	2,561	86,070
Non-project related:			
Salaries and Benefits	700	700	28,607
Other	1,397	1,397	49,000
Other:			
Project related	6	6	5,186
Non-project related	14	14	5,032
Payments to local agencies:			
Project related	15,461	15,461	1,054,736
Capital outlay:			
Project related	21,749	21,749	1,308,790
Non-project related	-	-	31
Debt service:			
Principal payments on long-term debt	-	-	59,030
Interest on long-term debt and commercial paper	17,887	17,887	232,116
Total expenditures	62,943	62,943	3,303,365
Excess of revenues over expenditures	<u>21,730</u>	<u>21,730</u>	<u>419,033</u>
Other financing sources (uses):			
Transfers out:			
Project related	(25,284)	(25,284)	(286,469)
Transfers in:			
Project related	563	563	174,206
Bond proceeds	-	-	804,625
Payment to refunded bond escrow agent	-	-	(45,062)
Total other financing sources (uses)	<u>(24,721)</u>	<u>(24,721)</u>	<u>647,300</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	<u>\$ (2,991)</u>	<u>\$ (2,991)</u>	<u>\$ 1,066,333</u>

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of September 30, 2020 (Unaudited) Schedule 2

<i>(\$ in thousands)</i>	Quarter Ended Sept 30, 2020 (actual)	Year to Date Sept 30, 2020 (actual)	Period from Inception through Sept 30, 2020 (actual)	Period from October 1, 2020 through March 31, 2041 (forecast)	Total
		(C.1)	(D.1)	(E.1)	(F.1)
Revenues:					
Sales taxes	\$ 71,418	\$ 71,418	\$ 2,803,110	\$ 8,802,191	\$ 11,605,301
Operating interest	4,700	4,700	89,220	121,237	210,457
Subtotal	<u>76,118</u>	<u>76,118</u>	<u>2,892,330</u>	<u>8,923,428</u>	<u>11,815,758</u>
Other agencies share of M2 costs	-	-	454	-	454
Miscellaneous	-	-	101	-	101
Total revenues	<u>76,118</u>	<u>76,118</u>	<u>2,892,885</u>	<u>8,923,428</u>	<u>11,816,313</u>
Administrative expenditures:					
Sales tax administration fees	725	725	30,299	93,757	124,056
Professional services	527	527	27,427	87,143	114,570
Administration costs:					
Salaries and Benefits	700	700	28,607	90,406	119,013
Other	1,397	1,397	49,000	154,212	203,212
Other	14	14	2,012	6,460	8,472
Capital outlay	-	-	31	-	31
Environmental cleanup	20	20	44,541	176,016	220,557
Total expenditures	<u>3,383</u>	<u>3,383</u>	<u>181,917</u>	<u>607,993</u>	<u>789,910</u>
Net revenues	<u>\$ 72,735</u>	<u>\$ 72,735</u>	<u>\$ 2,710,968</u>	<u>\$ 8,315,435</u>	<u>\$ 11,026,403</u>
		(C.2)	(D.2)	(E.2)	(F.2)
Bond revenues:					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 804,625	\$ 987,781	\$ 1,792,406
Interest revenue from bond proceeds	754	754	74,530	89,568	164,098
Interest revenue from debt service funds	2	2	1,062	7,382	8,444
Interest revenue from commercial paper	-	-	395	-	395
Total bond revenues	<u>756</u>	<u>756</u>	<u>880,612</u>	<u>1,084,731</u>	<u>1,965,343</u>
Financing expenditures and uses:					
Professional services	-	-	3,775	3,457	7,232
Payment to refunded bond escrow	-	-	45,062	-	45,062
Bond debt principal	-	-	59,030	1,769,943	1,828,973
Bond debt and other interest expense	17,887	17,887	232,116	830,454	1,062,570
Other	-	-	3,020	-	3,020
Total financing expenditures and uses	<u>17,887</u>	<u>17,887</u>	<u>343,003</u>	<u>2,603,854</u>	<u>2,946,857</u>
Net bond revenues (debt service)	<u>\$ (17,131)</u>	<u>\$ (17,131)</u>	<u>\$ 537,609</u>	<u>\$ (1,519,123)</u>	<u>\$ (981,514)</u>

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of September 30, 2020 (Unaudited) Schedule 3

Project	Description	Net Revenues through Sept 30, 2020	Total Net Revenues
	(G)	(H)	(I)
	(\$ in thousands)		
Freeways (43% of Net Revenues)			
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 106,853	\$ 434,607
B	I-5 Santa Ana/SR-55 to El Toro	68,250	277,594
C	I-5 San Diego/South of El Toro	142,545	579,784
D	I-5 Santa Ana/San Diego Interchange Upgrades	58,656	238,572
E	SR-22 Garden Grove Freeway Access Improvements	27,282	110,963
F	SR-55 Costa Mesa Freeway Improvements	83,209	338,439
G	SR-57 Orange Freeway Improvements	58,815	239,219
H	SR-91 Improvements from I-5 to SR-57	31,829	129,457
I	SR-91 Improvements from SR-57 to SR-55	94,690	385,136
J	SR-91 Improvements from SR-55 to County Line	80,072	325,678
K	I-405 Improvements between I-605 to SR-55	243,898	992,014
L	I-405 Improvements between SR-55 to I-5	72,683	295,625
M	I-605 Freeway Access Improvements	4,547	18,494
N	All Freeway Service Patrol	34,102	138,704
	Freeway Mitigation	58,286	237,068
	Subtotal Projects	1,165,717	4,741,354
	Net (Bond Revenue)/Debt Service	-	-
	Total Freeways	\$ 1,165,717	\$ 4,741,354
	%		
Street and Roads Projects (32% of Net Revenues)			
O	Regional Capacity Program	\$ 271,100	\$ 1,102,655
P	Regional Traffic Signal Synchronization Program	108,435	441,042
Q	Local Fair Share Program	487,974	1,984,752
	Subtotal Projects	867,509	3,528,449
	Net (Bond Revenue)/Debt Service	-	-
	Total Street and Roads Projects	\$ 867,509	\$ 3,528,449
	%		

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of September 30, 2020 (Unaudited) Schedule 3

Expenditures through Sept 30, 2020 (J)	Reimbursements through Sept 30, 2020 (K)	Net M2 Cost (L)
\$ 10,090	\$ 7,385	\$ 2,705
10,505	7,952	2,553
190,394	47,897	142,497
2,302	527	1,775
5	-	5
37,880	20,101	17,779
51,356	12,429	38,927
34,911	824	34,087
24,427	23,187	1,240
7,125	5,700	1,425
733,454	114,478	618,976
9,189	6,954	2,235
2,279	16	2,263
5,990	-	5,990
55,470	3,981	51,489
1,175,377	251,431	923,946
59,638	-	59,638
<u>\$ 1,235,015</u>	<u>\$ 251,431</u>	<u>\$ 983,584</u>
		41.9%
\$ 775,328	\$ 506,691	\$ 268,637
71,850	5,977	65,873
469,078	77	469,001
1,316,256	512,745	803,511
66,241	-	66,241
<u>\$ 1,382,497</u>	<u>\$ 512,745</u>	<u>\$ 869,752</u>
		37.1%

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of
September 30, 2020 (Unaudited)
Schedule 3

Project	Description	Net Revenues through Sept 30, 2020	Total Net Revenues
	(G)	(H)	(I)
	(\$ in thousands)		
Transit Projects (25% of Net Revenues)			
R	High Frequency Metrolink Service	\$ 257,790	\$ 1,099,720
S	Transit Extensions to Metrolink	239,316	973,376
T	Metrolink Gateways	32,212	56,358
U	Expand Mobility Choices for Seniors and Persons with Disabilities	88,236	382,342
V	Community Based Transit/Circulators	54,205	220,470
W	Safe Transit Stops	5,983	24,334
	Subtotal Projects	677,742	2,756,600
	Net (Bond Revenue)/Debt Service	-	-
	Total Transit Projects	\$ 677,742	\$ 2,756,600
	%		
Environmental Cleanup (2% of Revenues)			
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 57,847	\$ 236,315
	Net (Bond Revenue)/Debt Service	-	-
	Total Environmental Cleanup	\$ 57,847	\$ 236,315
	%		
Taxpayer Safeguards and Audits			
	Collect Sales Taxes (1.5% of Sales Taxes)	\$ 42,047	\$ 174,080
	%		
	Oversight and Annual Audits (1% of Revenues)	\$ 28,923	\$ 118,158
	%		

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of September 30, 2020 (Unaudited) Schedule 3

Expenditures through Sept 30, 2020 (J)	Reimbursements through Sept 30, 2020 (K)	Net M2 Cost (L)
\$ 318,042	\$ 98,743	\$ 219,299
104,357	2,133	102,224
98,220	60,956	37,264
84,603	88	84,515
12,007	1,318	10,689
1,114	26	1,088
618,343	163,264	455,079
37,045	-	37,045
<u>\$ 655,388</u>	<u>\$ 163,264</u>	<u>\$ 492,124</u>
		21.0%
<u>\$ 44,541</u>	<u>\$ 292</u>	<u>\$ 44,249</u>
-	-	-
<u>\$ 44,541</u>	<u>\$ 292</u>	<u>\$ 44,249</u>
		1.5%
<u>\$ 30,299</u>	<u>\$ -</u>	<u>\$ 30,299</u>
		1.1%
<u>\$ 28,607</u>	<u>\$ -</u>	<u>\$ 28,607</u>
		1.0%

LOCAL FAIR SHARE

M2 Funds		
ENTITY	1ST QUARTER FY 2020-21	FUNDS TO DATE
ALISO VIEJO	116,845.62	\$5,842,616
ANAHEIM	1,016,842.52	\$48,375,302
BREA	168,048.97	\$8,396,655
BUENA PARK	250,203.15	\$13,074,766
COSTA MESA	432,387.87	\$21,391,860
CYPRESS	151,363.88	\$7,728,267
DANA POINT	98,998.19	\$4,881,196
FOUNTAIN VALLEY	178,181.25	\$9,096,649
FULLERTON	378,759.95	\$19,065,397
GARDEN GROVE	434,141.83	\$21,801,978
HUNTINGTON BEACH	565,387.71	\$28,522,615
IRVINE	841,431.12	\$39,791,684
LAGUNA BEACH	72,093.14	\$3,739,386
LAGUNA HILLS	97,192.56	\$4,993,732
LAGUNA NIGUEL	190,317.18	\$9,759,307
LAGUNA WOODS	36,155.24	\$1,865,709
LA HABRA	154,516.14	\$7,720,350
LAKE FOREST	234,382.49	\$11,625,736

LOCAL FAIR SHARE

M2 Funds		
ENTITY	1ST QUARTER FY 2020-21	FUNDS TO DATE
LA PALMA	41,049.17	\$2,399,114
LOS ALAMITOS	36,723.87	\$1,902,740
MISSION VIEJO	265,518.35	\$13,700,692
NEWPORT BEACH	319,861.93	\$16,134,419
ORANGE	489,362.61	\$24,174,070
PLACENTIA	136,692.92	\$6,728,503
RANCHO SANTA MARGARITA	121,985.74	\$6,207,733
SAN CLEMENTE	166,312.65	\$8,252,578
SAN JUAN CAPISTRANO	110,287.11	\$5,560,330
SANTA ANA	804,500.27	\$40,757,358
SEAL BEACH	68,968.07	\$3,662,623
STANTON	85,606.20	\$4,374,594
TUSTIN	263,892.18	\$13,123,507
VILLA PARK	14,914.58	\$764,722
WESTMINSTER	244,089.09	\$12,536,899
YORBA LINDA	177,711.40	\$8,817,471
COUNTY UNINCORPORATED	608,830.09	\$27,746,519
TOTAL M2 FUNDS	9,373,555.04	\$464,517,080

CAPITAL ACTION PLAN

Grey = Milestone achieved
 Green = Forecast milestone meets or exceeds plan
 Yellow = Forecast milestone is one to three months later than plan
 Red = Forecast milestone is over three months later than plan
 Non-bolded = Planned/Baseline **Bold = Forecasted/Actual**

Capital Projects	Cost	Schedule			
	Baseline/Forecast (millions)	Begin Environmental	Begin Design	Award Contract	Complete Construction
Freeway Projects:					
I-5, SR-55 to SR-57	\$38.1	Jul-11	Jun-15	Dec-17	Apr-21
Project A	\$39.7	Jun-11	Jun-15	Nov-18	Dec-20
I-5, I-405 to Yale Avenue	\$230.5	May-14	TBD	TBD	TBD
Project B	\$230.5	May-14	Sep-21	Jul-25	Jan-29
I-5, Yale Avenue to SR-55	\$200.4	May-14	TBD	TBD	TBD
Project B	\$200.4	May-14	Apr-21	Feb-25	Aug-28
I-5, Pico to Vista Hermosa	\$113.0	Jun-09	Jun-11	Dec-14	Aug-18
Project C	\$83.5	Jun-09	Jun-11	Dec-14	Aug-18
I-5, Vista Hermosa to Pacific Coast Highway	\$75.6	Jun-09	Jun-11	Dec-13	Mar-17
Project C	\$75.4	Jun-09	Jun-11	Jun-14	Jul-17
I-5, Pacific Coast Highway to San Juan Creek Road	\$70.7	Jun-09	Jun-11	Oct-13	Sep-16
Project C	\$74.3	Jun-09	Jun-11	Dec-13	Jul-18
I-5, I-5/Ortega Interchange	\$90.9	Sep-05	Jan-09	Aug-12	Sep-15
Project D	\$79.8	Sep-05	Jan-09	Aug-12	Jan-16
I-5, I-5/Ortega Interchange (Landscape)	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	Jan-14	Sep-15	Sep-16
I-5, SR-73 to Oso Parkway	\$151.9	Sep-11	Mar-15	Dec-18	Apr-25
Project C & D	\$195.8	Oct-11	Mar-15	Dec-19	Apr-25
I-5, Oso Parkway to Alicia Parkway	\$196.2	Sep-11	Nov-14	Jun-18	Nov-23
Project C & D	\$203.1	Oct-11	Nov-14	Mar-19	Nov-23
I-5, Alicia Parkway to El Toro Road	\$133.6	Sep-11	Mar-15	May-19	Oct-24
Project C	\$165.9	Oct-11	Mar-15	Sep-20	Oct-24

*Status through September 2020. For detailed project information, please refer to the individual project section within this report.

CAPITAL ACTION PLAN

Grey = Milestone achieved

Green = Forecast milestone meets or exceeds plan

Yellow = Forecast milestone is one to three months later than plan

Red = Forecast milestone is over three months later than plan

Non-bolded = Planned/Baseline

Bold = Forecasted/Actual

Capital Projects	Cost	Schedule			
	Baseline/Forecast	Plan/Forecast			
	(millions)	Begin Environmental	Begin Design	Award Contract	Complete Construction
I-5, SR-73 to El Toro Road (Landscape)	TBD	N/A	TBD	TBD	TBD
Project C	\$12.4	N/A	Jul-22	Nov-24	Jun-26
I-5, I-5/El Toro Road Interchange	TBD	Apr-17	TBD	TBD	TBD
Project D Cost/Schedule Risk	TBD	Apr-17	TBD	TBD	TBD
SR-55, I-405 to I-5	\$410.9	Feb-11	Sep-17	Jul-21	Aug-25
Project F Cost/Schedule Risk	\$503.0	May-11	Sep-17	Apr-22	Apr-26
SR-55, I-5 to SR-91	TBD	Dec-16	TBD	TBD	TBD
Project F	TBD	Dec-16	TBD	TBD	TBD
SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue	TBD	Apr-16	TBD	TBD	TBD
Project G	TBD	Apr-16	TBD	TBD	TBD
SR-57 (NB), Katella Avenue to Lincoln Avenue	\$78.7	Apr-08	Jul-08	Aug-11	Sep-14
Project G	\$38.0	Apr-08	Aug-08	Oct-11	Apr-15
SR-57 (NB), Katella Avenue to Lincoln Avenue (Landscape)	N/A	N/A	N/A	N/A	N/A
Project G	N/A	N/A	May-09	Sep-17	Jun-18
SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard	\$80.2	Aug-05	Feb-08	Oct-10	May-14
Project G	\$52.3	Aug-05	Feb-08	Oct-10	Nov-14
SR-57 (NB), Yorba Linda Boulevard to Lambert Road	\$79.3	Aug-05	Feb-08	Oct-10	Sep-14
Project G	\$54.1	Aug-05	Feb-08	Oct-10	May-14
SR-57 (NB), Orangethorpe Avenue to Lambert Road (Landscape)	N/A	N/A	N/A	N/A	N/A
Project G	N/A	N/A	Oct-14	Feb-18	Apr-19
SR-57 (NB), Lambert Road to Tonner Canyon	TBD	TBD	TBD	TBD	TBD
Project G	TBD	Jul-23	TBD	TBD	TBD

*Status through September 2020. For detailed project information, please refer to the individual project section within this report.

CAPITAL ACTION PLAN

Grey = Milestone achieved
 Green = Forecast milestone meets or exceeds plan
 Yellow = Forecast milestone is one to three months later than plan
 Red = Forecast milestone is over three months later than plan
 Non-bolded = Planned/Baseline **Bold = Forecasted/Actual**

Capital Projects	Cost	Schedule			
	Baseline/Forecast (millions)	Plan/Forecast			
		Begin Environmental	Begin Design	Award Contract	Complete Construction
SR-91 Westbound (WB), I-5 to SR-57	\$78.1	Jul-07	Oct-09	Nov-12	Apr-16
Project H	\$59.2	Jul-07	Mar-10	Jan-13	Jun-16
SR-91 Westbound (WB), I-5 to SR-57 (Landscape)	N/A	N/A	N/A	N/A	N/A
Project H	N/A	N/A	Nov-14	Mar-17	Nov-17
SR-91, SR-55 to Lakeview Avenue (Segment 1)	\$100.9	Jan-15	Mar-20	Feb-24	Sep-27
Project I	\$100.9	Jan-15	Mar-20	Feb-24	Sep-27
SR-91, La Palma Avenue to SR-55 (Segment 2)	\$208.4	Jan-15	Jun-20	Jul-24	Mar-28
Project I	\$208.4	Jan-15	Jun-20	Jul-24	Mar-28
SR-91, Acacia Street to La Palma Ave (Segment 3)	\$116.2	Jan-15	TBD	TBD	TBD
Project I	\$116.2	Jan-15	Nov-20	Sep-24	May-28
SR-91 (WB), Tustin Interchange to SR-55	\$49.9	Jul-08	Jul-11	Oct-13	Jul-16
Project I	\$42.5	Jul-08	Jun-11	Oct-13	Jul-16
SR-91, SR-55 to SR-241	\$128.4	Jul-07	Jun-09	Sep-11	Dec-12
Project J	\$79.7	Jul-07	Apr-09	May-11	Mar-13
SR-91, SR-55 to SR-241 (Landscape)	N/A	N/A	N/A	N/A	N/A
Project J	N/A	N/A	May-12	Oct-13	Feb-15
SR-91 Eastbound, SR-241 to SR-71	\$104.5	Mar-05	Jul-07	Jul-09	Nov-10
Project J	\$57.8	Mar-05	Jul-07	Aug-09	Jan-11
I-405, I-5 to SR-55	TBD	Dec-14	TBD	TBD	TBD
Project L	TBD	Dec-14	TBD	TBD	TBD
I-405, SR-55 to I-605 (Design-Build)	\$1,900.0	Mar-09	Mar-14	Nov-16	May-23
Project K	\$1,900.0	Mar-09	Mar-14	Nov-16	May-23

*Status through September 2020. For detailed project information, please refer to the individual project section within this report.

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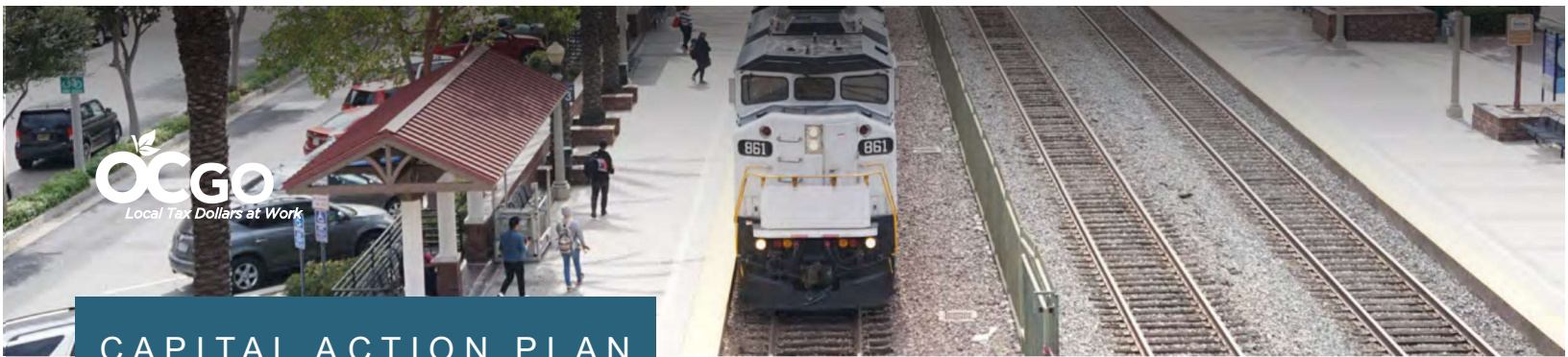
Red = Forecast milestone is over three months later than plan

Non-bolded = Planned/Baseline

Bold = Forecasted/Actual

Capital Projects	Cost	Schedule			
	Baseline/Forecast	Plan/Forecast			
	(millions)	Begin Environmental	Begin Design	Award Contract	Complete Construction
I-605, I-605/Katella Interchange	\$29.0	Aug-16	TBD	TBD	TBD
Project M	\$29.0	Aug-16	Dec-20	Jun-23	Feb-25
Grade Separation Projects:					
Raymond Avenue Railroad Grade Separation	\$77.2	Feb-09	Mar-10	May-13	Aug-18
Project O	\$126.2	Feb-09	Mar-10	Feb-14	May-18
State College Boulevard Railroad Grade Separation (Fullerton)	\$73.6	Dec-08	Jul-06	May-13	May-18
Project O	\$99.6	Dec-08	Jul-06	Feb-14	Mar-18
Placentia Avenue Railroad Grade Separation	\$78.2	Jan-01	Jan-09	Jun-11	Nov-14
Project O	\$64.5	Jan-01	Jan-09	Jul-11	Dec-14
Kraemer Boulevard Railroad Grade Separation	\$70.4	Jan-01	Jan-09	Aug-11	Oct-14
Project O	\$63.8	Jan-01	Feb-09	Sep-11	Dec-14
Orangethorpe Avenue Railroad Grade Separation	\$117.4	Jan-01	Feb-09	May-12	Sep-16
Project O	\$105.9	Jan-01	Feb-09	Jan-13	Oct-16
Tustin Avenue/Rose Drive Railroad Grade Separation	\$103.0	Jan-01	Feb-09	Aug-12	May-16
Project O	\$96.6	Jan-01	Feb-09	Feb-13	Oct-16
Lakeview Avenue Railroad Grade Separation	\$70.2	Jan-01	Feb-09	May-13	Mar-17
Project O	\$110.7	Jan-01	Feb-09	Nov-13	Jun-17
Rail and Station Projects:					
Sand Canyon Avenue Railroad Grade Separation	\$55.6	N/A	Jan-04	Feb-11	May-14
Project R	\$61.9	N/A	Jan-04	Feb-11	Jan-16

*Status through September 2020. For detailed project information, please refer to the individual project section within this report.



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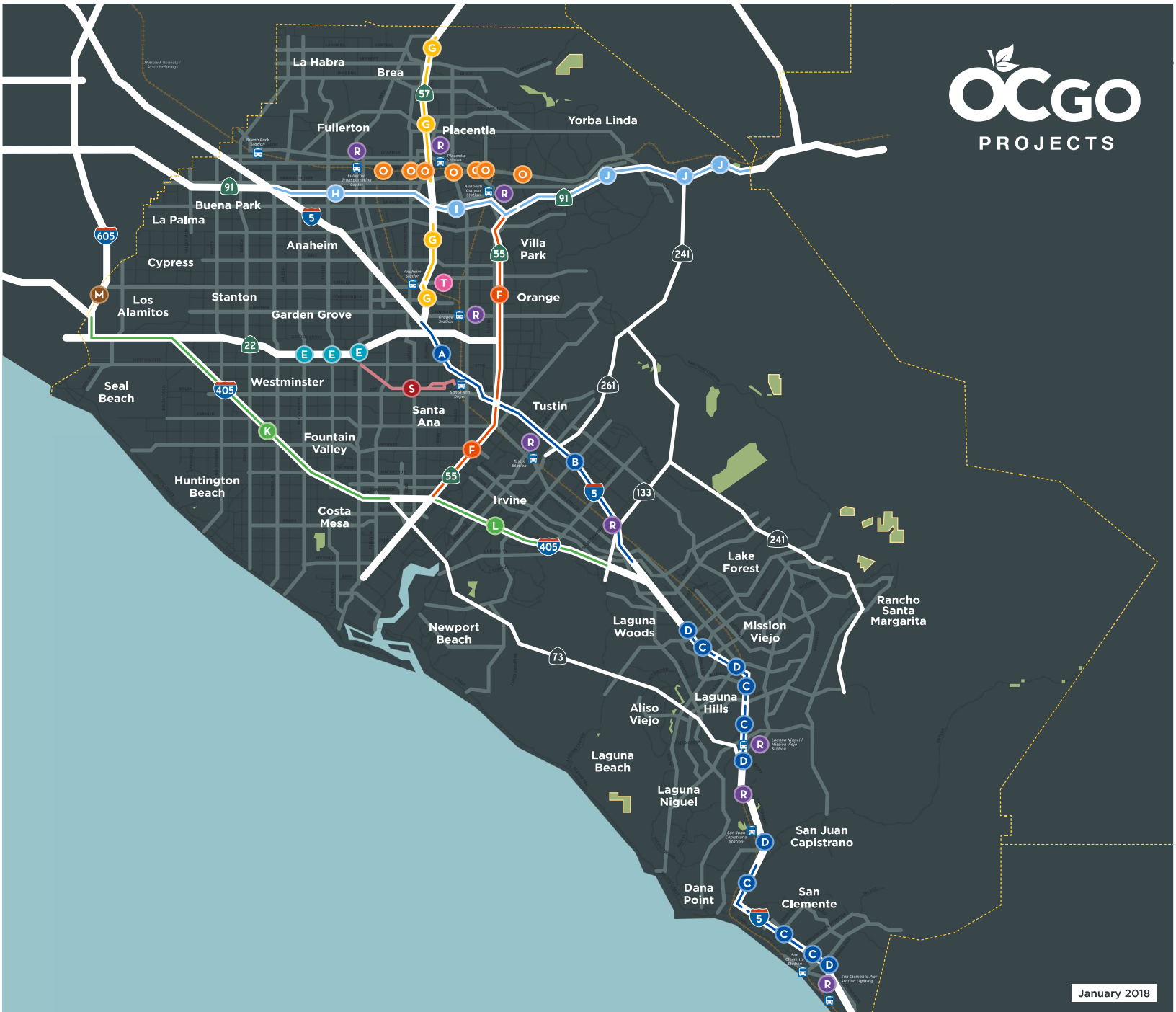
Non-bolded = Planned/Baseline

Bold = Forecasted/Actual

Capital Projects	Cost	Schedule			
	Baseline/Forecast	Plan/Forecast			
	(millions)	Begin Environmental	Begin Design	Award Contract	Complete Construction
Rail-Highway Grade Crossing Safety Enhancement	\$94.4	Jan-08	Jan-08	Aug-09	Dec-11
Project R	\$90.4	Jan-08	Jan-08	Aug-09	Dec-11
San Clemente Beach Trail Safety Enhancements	\$6.0	Sep-10	Feb-12	Oct-12	Jan-14
Project R	\$5.0	Sep-10	Feb-12	May-13	Mar-14
San Juan Capistrano Passing Siding	\$25.3	Aug-11	Mar-15	Dec-16	Feb-21
	\$36.4	Aug-11	Mar-15	Mar-19	Feb-21
Placentia Metrolink Station and Parking Structure	\$34.8	Jan-03	Oct-08	TBD	TBD
Project R Cost/Schedule Risk	\$40.1	Jan-03	Oct-08	May-21	Dec-22
Orange County Maintenance Facility	TBD	Apr-20	TBD	TBD	TBD
Project R	TBD	Apr-20	TBD	TBD	TBD
Anaheim Canyon Station	\$27.9	Jan-16	Mar-19	Nov-19	Mar-21
	\$29.9	Jan-16	Mar-18	Jan-21	Aug-22
Orange Station Parking Expansion	\$33.2	Dec-09	Nov-10	Nov-16	Feb-19
	\$30.9	Dec-09	Nov-10	Jun-17	Feb-19
Fullerton Transportation Center - Elevator Upgrades	\$3.5	N/A	Jan-12	Sep-14	Mar-17
	\$4.2	N/A	Jan-12	Apr-15	May-19
Laguna Niguel/Mission Viejo Station ADA Ramps	\$3.5	Jul-13	Jul-13	Jan-15	Apr-17
	\$5.0	Jul-13	Jul-13	Oct-15	Sep-17
Anaheim Regional Transportation Intermodal Center	\$227.4	Apr-09	Jun-09	Jul-12	Nov-14
Project R & T	\$232.2	Apr-09	Jun-09	Sep-12	Dec-14
OC Streetcar	\$424.4	Aug-09	Feb-16	Aug-18	Dec-21
Project S Cost/Schedule Risk	\$424.4	Aug-09	Feb-16	Sep-18	Oct-22

*Status through September 2020. For detailed project information, please refer to the individual project section within this report.

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January 2018

FREEWAY IMPROVEMENT PROGRAM

Interstate 5 (I-5) Projects

- A** I-5, SR-55 to SR-57
- B** I-5, El Toro "Y" Area to SR-55
- C** I-5, SR-73 to El Toro Road
- C** I-5, Avenida Pico to San Juan Creek Road
- D** I-5 Highway Interchanges

State Route 22 (SR-22) Projects

- E** SR-22 Access Improvements

State Route 55 (SR-55) Projects

- F** SR-55, I-405 to I-5
- F** SR-55, I-5 to SR-91

State Route 57 (SR-57) Projects

- G** SR-57 NB, Orangewood Avenue to Katella Avenue
- G** SR-57 NB, Katella Avenue to Lincoln Avenue
- G** SR-57 NB, Orangethorpe Avenue to Lambert Road
- G** SR-57 NB, Lambert Road to Tonner Canyon Road

State Route 91 (SR-91) Projects

- H** SR-91 WB, I-5 to SR-57
- I** SR-91, SR-57 to SR-55
- J** SR-91, SR-55 to Riverside County Line

Interstate 405 (I-405) Projects

- K** I-405, I-605 to SR-73
- L** I-405, SR-55 to El Toro "Y" Area

Interstate 605 (I-605) Projects

- M** I-605 Katella Interchange Improvements

Freeway Mitigation Restoration Projects
Part of Projects A-M

Freeway Mitigation Acquisition Projects
Part of Projects A-M

STREETS & ROADS

- O** Grade Separation Program (shown)
- P** Signal Synchronization Project Corridors

TRANSIT PROJECTS

- R** Grade Separation and Station Improvement Projects
- S** Transit Extensions to Metrolink
- T** Metrolink Station Conversion to accept Future High-Speed Rail Systems

OC GO PROJECTS NOT SHOWN

- Project N:** Freeway Service Patrol
- Project O:** Streets & Roads - Regional Capacity Program
- Project Q:** Local Fair Share Program
- Project R:** Grade crossing and Trail Safety Enhancements
Metrolink Service Expansion Program
- Project U:** Senior Mobility Program (SMP), Senior Non-emergency Medical Transportation Program (SNEMT), and Fare Stabilization Programs
- Project V:** Community Based Transit/Circulators
- Project W:** Safe Transit Stops
- Project X:** Environmental Cleanup Program

Staff Update
Items



COMMITTEE TRANSMITTAL

January 25, 2021

To: Members of the Board of Directors
From: Andrea West, Interim Clerk of the Board *Andrea West*
Subject: Measure M2 Community-Based Transit Circulators Program
Project V Ridership Report and Proposed Program Revisions

Transit Committee Meeting of January 14, 2021

Present: Directors Do, Jones, Shaw, and Sidhu
Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 4-0 by the Members present.

Committee Recommendations

- A. Receive and file the Project V Ridership Report as an information item.
- B. Approve Project V Program revisions related to the impacts of the coronavirus and recent internal audit recommendations.
- C. Authorize the Chief Executive Officer to negotiate, execute, and amend as necessary all existing cooperative agreements for Project V services, in order to implement the recommendation above.

Committee Discussion

At the January 14, 2021 Transit Committee meeting, the Measure M2 Community-Based Transit Circulators Program Project V Ridership Report and Proposed Program Revisions item was pulled from the consent calendar and a verbal report was requested. Staff provided an overview of the recommendations with a focus on the proposed changes to performance metrics for the Project V Program.

**Committee Discussion (Continued)**

With Board of Directors (Board) approval, the Project V Program's productivity measurements would move from a boarding per revenue vehicle hour metric to a total operating cost per boarding metric. The subsidy provided by the Orange County Transportation Authority (OCTA) would not increase beyond the escalation noted in the report, and operating costs beyond the OCTA subsidy would be the responsibility of the local agency. Operating costs exceeding specific levels would trigger public disclosure requirements and city council or Board of Supervisors actions. Staff also shared that the existing Project V cooperative agreements will expire within the next few years. The revised productivity measurements are intended to be in effect only for the remaining portion of the exiting grants for Project V services. Any future calls for projects would return to the Board for specific authorization.

Director Shaw expressed appreciation for the new metric that requires notification and action by the applicable agency. He also asked about the overall funding status of the program and whether the proposed changes could be accommodated based upon current revenue projections. Staff responded that the proposed changes can be accommodated within projected cash flows while still maintaining future financial capacity.

Transit Committee Chairman Do stated that the presentation addressed his concerns with the recommendations.



January 14, 2021

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: Measure M2 Community-Based Transit Circulators Program
Project V Ridership Report and Proposed Program Revisions

Overview

Measure M2 includes a program to fund Community-Based Transit Circulators known as Project V. The goal of the program is to provide local transit services designed to complement regional transit services. Funding is awarded to local agencies through a competitive call for projects and awarded services are then implemented by awarded local agencies. Ridership reports for each of the Project V-funded services are presented to the Board of Directors twice annually. This item provides the ridership report covering the fourth quarter of fiscal year 2019-20 (April - June 2020) and the first quarter of fiscal year 2020-2021 (July - September 2020). Due to the significant impacts that the coronavirus has had upon Project V services and recent audit recommendations, several revisions to the program are presented for review and approval.

Recommendations

- A. Receive and file the Project V Ridership Report as an information item.
- B. Approve Project V Program revisions related to the impacts of the coronavirus and recent internal audit recommendations.
- C. Authorize the Chief Executive Officer to negotiate, execute, and amend as necessary all existing cooperative agreements for Project V services, in order to implement the recommendation above.

Background

The Measure M2 (M2) Community-Based Transit Circulators Program (known as Project V) is a competitive grant program, which provides funding to develop and implement local transit services. Currently funded service types include community-based circulators, shuttles, trolleys, and demand-responsive services intended to complement regional transit, while also better meeting local needs in areas not adequately served by regional transit.

M2 Project V services are required to adhere to established minimum performance standards, which include achieving six boardings per revenue vehicle hour (B/RVH) by the end of the first year of service, maintaining six B/RVH and going up to ten B/RVH by the end of the second year of service, and then maintaining ten B/RVH for the remainder of the grant term. 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 discuss adjustments, with an overall goal of attempting to improve ridership. However, under the current guidelines, M2 Project V funds are subject to cancellation if a service continues to perform below minimum performance standards. Revisions to these standards are proposed in this item in response to the coronavirus (COVID-19) pandemic. Additional changes are also proposed to both Project V and Project S (extensions to Metrolink) in response to recommendations provided through a recent internal audit of the Combined Transportation Funding Programs (CTFP).

Service performance is reported to the OCTA Board of Directors (Board) semi-annually, and the current reporting period includes ridership information covering the fourth quarter of fiscal year (FY) 2019-20 (April 1, 2020 through June 30, 2020) and the first quarter of FY 2020-21 (July 1, 2020 through September 30, 2020), which is summarized in this report.

Discussion

Semi-Annual Ridership Report

The COVID-19 pandemic, the State of California's stay-at-home order, and associated social distancing requirements pertaining to transit have had a significant impact upon Project V ridership and services. Only the three services listed below remained operational during this reporting period.

- Anaheim Canyon Circulator;
- Lake Forest Commuter Vanpool Service (Irvine Station and Ossur); and
- San Clemente Lyft Rideshare.

Specific productivity reporting and service notes for these services are provided in Attachment A. The other 23 Project V services identified in Attachment A were either suspended at the direction of the local agency or not initiated due to the pandemic and its associated impacts. In October 2020, OCTA met with local agency project managers to discuss these impacts and consider the future of the Project V Program. Key input from these discussions included the following:

- Most services will not be reinitiated until social distancing requirements are lifted;

- Project V ridership is largely discretionary, and as a result, Project V services may be unable to meet existing minimum ridership requirements post-pandemic and well into the future. However, Project V services add value to the communities they serve, and local agencies noted that they may want to continue to provide Project V services post-COVID-19. As such, they requested that OCTA consider alternative minimum performance standards; and
- Local agencies also noted that they anticipate the overall cost for the service could increase post-COVID-19 and requested that OCTA consider providing additional funding to remedy anticipated cost increases, especially to support more frequent and enhanced cleaning efforts.

Proposed Project V Program Revisions

Given this input, staff has developed proposed Project V program revisions for Board review and consideration. These proposed changes are focused on modifying the program's minimum performance requirements/service parameters to allow for re-establishment and providing annual escalation of funding within the programmed grant amount. Attachment B provides a more detailed overview of the proposed revisions.

The proposed revisions provide local agencies flexibility to reinstate and fund Project V services in a post-COVID-19 environment, while shifting evaluation metrics to be more financially focused, context sensitive, and locally driven. The proposed changes also maintain the fundamental M2 requirement that Project V services be subject to performance measures.

These recommendations were presented to local agency project managers and OCTA's internal M2 Program Management Committee during fall 2020. While local agency project managers stated that they would like to receive as much additional funding as possible, and also eliminate performance measures entirely, both groups were generally supportive of the proposed revisions.

The revisions have also been evaluated from a programmatic funding perspective and they can be accommodated within the program's currently projected revenues and cash flow. Therefore, Board consideration and approval of these proposed program revisions and related cooperative agreement amendments is requested.

CTFP Audit - Findings/Recommendations

During this reporting period, OCTA's Internal Audit Department conducted an audit of oversight and reporting controls of the M2 CTFP. The audit included a finding that on-time performance and customer satisfaction requirements for the Project V Program were not included in agency cooperative agreements. Accordingly, staff is proposing to make adjustments to all appropriate Project V cooperative agreements to clarify that local agencies should carry out customer satisfaction surveys. These surveys should be conducted at least once a year, reported on to OCTA through regular billing processes, and should include a plan to improve service if customer satisfaction is found to be below acceptable standards. A similar change is also proposed for on-time performance. However, this requirement would be implemented, as applicable, given that not all Project V-funded services maintain fixed schedules. Attachment B also includes other changes that clarify other audit requirements.

Next Steps

If approved, these program changes will supersede the individual CTFP Guidelines that were in place for each of the individual calls for projects that guide how the funds are administered for each project. Further, staff will work with local agencies to implement these changes and initiate amendments to all applicable Project V cooperative agreements in order to formalize and facilitate these proposed changes. Staff will also return to the Board in July 2020 with the next Project V semi-annual report, which will include the standard Project V Ridership Report and an update on the effectiveness of the proposed changes herein, to the program.

Summary

A status report on Project V services is provided for informational purposes. Approval of proposed Project V programmatic changes related to impacts from COVID-19 and a CTFP audit finding/recommendation are also requested. If these proposed changes are approved by the Board, authorization is also requested to initiate amendments to all applicable Project V cooperative agreements in order to implement the proposed changes identified in this report.

Attachments

- A. Project V Services – Ridership Report
- B. Proposed Project V Program Revisions

Prepared by:



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

Approved by:



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

Project V Services - Ridership Report

Reporting Period: Q4 of FY 2019-20 and Q1 of FY 2020-21

Agency	Service Description	Measure M2 Project V Funds	Service Type	Service Start Month/Year	Boardings Per Revenue Vehicle Hour (B/RVH) ¹	Notes
Anaheim	Anaheim Canyon Circulator	\$ 1,141,864	Commuter Feeder Service	July 2020	3	The service did not meet the minimum performance standard. However, it is still in its initial startup period and has 12 months to meet the minimum performance standard of six B/RVH. A letter has been sent to City of Anaheim advising them of this finding.
Dana Point	Dana Point Trolley	\$ 2,456,511	Seasonal Service	June 2015	N/A	The service did not operate during the reporting period.
Dana Point	Dana Point Trolley Expansion	\$ 905,968	Seasonal Service	June 2017	N/A	The service did not operate during the reporting period.
Dana Point	Dana Point Trolley Continuity	\$ 1,745,065	Seasonal Service	September 2019	N/A	The service did not operate during the reporting period.
Dana Point	Dana Point Trolley Continuity (2020 Call for Projects)	\$ 2,209,739	Seasonal Service	TBD	N/A	The service was awarded funds during the 2020 Project V call for projects. However, it was not initiated and its current start date is TBD.
Huntington Beach	Huntington Beach Special Events	\$ 93,287	Special Event	July 2014	N/A	The service did not operate during the reporting period.
Huntington Beach	HB Southeast Rideshare Pilot Program (2020 Call for Projects)	\$ 806,240	Shared-Ride Hailing Service	TBD	N/A	The service was awarded funds during the 2020 Project V call for projects. However, it was not initiated and its current start date is TBD.
Irvine	Irvine iShuttle Route E - Irvine Station - East	\$ 2,705,984	Commuter Service	February 2019	N/A	The service did not operate during the reporting period.
Irvine	Irvine iShuttle Route F - Tustin Station - Irvine Business Complex	\$ 2,712,258	Commuter Service	February 2019	N/A	The service did not operate during the reporting period.
La Habra	Special Event Service	\$ 96,810	Special Event	November 2016	N/A	The service did not operate during the reporting period.
La Habra	Community Special Event Service	\$ 66,234	Special Event	TBD	N/A	The service was awarded funds during the 2020 Project V call for projects. However, it was not initiated and its current start date is TBD.
Laguna Beach	Off-Season Weekend Trolley Service	\$ 3,612,360	Special Event	March 2015	N/A	This service's grant term expired on June 30, 2020. However, it was extended through a new 2020 Project V call for projects grant award (see below).
Laguna Beach	Off-Season Weekend Trolley Service (2020 Call for Projects)	\$ 3,850,000	Special Event	TBD	N/A	The service was awarded funds during the 2020 Project V call for projects. However, it was not initiated and its current start date is TBD.
Laguna Beach	Summer Breeze Bus Service	\$ 634,357	Seasonal Service	June 2018	N/A	The service did not operate during the reporting period.
Laguna Niguel	Laguna Niguel Summer Trolley - Southern Section	\$ 886,082	Seasonal Service	TBD	N/A	The service was awarded funds in 2019. However, it was not initiated and its current start date is TBD.
Lake Forest	Commuter Vanpool Service Irvine Station and Ossur	\$ 148,855	Commuter Service	July 2015	6	The service did not meet its minimum performance standard. However, its grant term expired on June 30, 2020 and the service is no longer operating.

Project V Services - Ridership Report

Reporting Period: Q4 of FY 2019-20 and Q1 of FY 2020-21

Agency	Service Description	Measure M2 Project V Funds	Service Type	Service Start Month/Year	Boardings Per Revenue Vehicle Hour (B/RVH) ¹	Notes
Lake Forest	Commuter Shuttle Service Irvine Station and Panasonic	\$ 1,226,862	Commuter Service	June 2017	N/A	The City of Lake Forest cancelled this service in April 2020 due to low ridership.
Mission Viejo	Local Community Circulator	\$ 3,332,879	Local Circulator	October 2016	N/A	The service did not operate during the reporting period.
Newport Beach	Balboa Peninsula Seasonal Trolley	\$ 685,454	Seasonal Service	June 2017	N/A	The service did not operate during the reporting period.
Newport Beach	Balboa Peninsula Seasonal Trolley Expansion	\$ 278,400	Seasonal Service	August 2018	N/A	The service did not operate during the reporting period.
Orange County	Local Circulator and Special Event Service (OC RanchRide)	\$ 2,041,547	Local Circulator and Special Event	June 2017	N/A	The service did not operate during the reporting period.
San Clemente	Summer Weekend Trolley and Seasonal Service	\$ 1,181,393	Seasonal and Special Event	May 2017	N/A	The service did not operate during the reporting period.
San Clemente	Summer Weekday Trolley and Seasonal Service Expansion	\$ 1,537,200	Seasonal and Special Event	July 2018	N/A	The service did not operate during the reporting period.
San Clemente	Downtown Route (2020 Call for Projects)	\$ 969,536	Seasonal and Special Event	TBD	N/A	The service was awarded funds during the 2020 Project V call for projects. However, it was not initiated and its current start date is TBD.
San Juan Capistrano	Special Event and Weekend Summer Trolley Service	\$ 958,642	Seasonal and Special Event	July 2018	N/A	The service did not operate during the reporting period.

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	9	Service only offered single rides during the reporting period due to the coronavirus (ridesharing option disabled).

1. Rounded to the next whole number.

N/A - No service hours during reporting period (service was either seasonal and/or impact by the coronavirus).

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.

ACRONYMS

Q4 - Quarter 4 (April - June 2020)

Q1 - Quarter 1 (July - September 2020)

FY - Fiscal Year

TBD - To be determined

N/A - Not applicable

NOTE: Services below the minimum performance standard are shaded

Proposed Project V Program Revisions

Recommended Changes to Project V Performance Requirement

Changes to the Project V performance requirement as described below are recommended to help manage the reduced ridership that is resulting from social distancing and stay-at-home requirements related to the coronavirus.

- Existing Project V Minimum Performance Requirement:
 - Year 1 - Meet or exceed six boardings per revenue vehicle hour (B/RVH) by the end of the first year of service.
 - Year 2 - Maintain six B/RVH and meet or exceed ten B/RVH by the end of the second year of service.
 - Year 3 - Maintain ten B/RVH each reporting period thereafter through the life of the grant.
- Existing Action for not Meeting Minimum Performance Standards:
 - After Year 1, services that perform below the minimum performance standards (above) for two or more reporting periods will be evaluated for cancellation.
- Proposed Project V Minimum Performance Requirement:
 - Change the Project V minimum performance requirement from the current B/RVH metrics (listed above) to a maximum cost per boarding metric established by the Orange County Transportation Authority (OCTA). Based upon evaluation of existing and similar services, this amount should be set at twice the current \$9 per boarding subsidy (i.e., \$18 per boarding). However, when this amount is escalated consistent with other actions identified in this item, it will result in a maximum cost per boarding for fiscal year (FY) 2020-21 of \$20.10, and will continue escalating at conservative 1.85 percent inflation rate¹ each FY thereafter.

¹ The 1.85 percent escalation rate is based upon input and assumptions from the Comprehensive Business Plan, The Chapman University forecast, input from the OCTA Finance Department, and Project V cash flow needs.

Proposed Project V Program Revisions

- Proposed Action for not Meeting the New Minimum Performance Standard:
 - Require that the city council (or the Board of Supervisors {BOS}), since they will be responsible for bearing the cost of the service beyond OCTA's maximum per boarding subsidy, either:
 - Reaffirm support for the service through a city council/BOS action,
 - Discontinue the service, or
 - Implement potential service changes or cost saving measures.

Recommended Escalation for Project V Per Boarding Subsidy:

Project V Guidelines allow for the escalation of the Project V subsidy per boarding. However, the only escalation that has been provided to date occurred during the 2016 call for projects. At the time, the per boarding subsidy was increased from \$8 per boarding to \$9 per boarding. Staff is proposing to increase the maximum per boarding subsidy to help local agencies meet increased service costs.

- Existing Project V Maximum Subsidy per Boarding:
 - \$9.00 per boarding.
- Proposed Project V Maximum Subsidy per Boarding:
 - Escalate the current \$9.00 subsidy per boarding starting from FY 2016-17 (the year it was established) through FY 2019-20 based upon published Consumer Price Index data for the Los Angeles-Anaheim-Long Beach area, and in FY 2020-21 escalate based upon a conservative 1.85 percent inflation rate¹. This will result in the FY 2020-21 Project V subsidy per boarding being escalated to \$10.05 and increasing at a 1.85 percent rate each FY thereafter.

Recommended Escalation for Project V Annual Funding Cap:

In order to support cost increases over time, an annual escalation to the Project V funding cap is proposed, starting in FY 2021-22.

- Existing Project V Annual Funding Cap:
 - Local agencies may be awarded, from all eligible project categories, and are provided an annual cap based on the amounts listed in the original application, which is no more than \$550,000 annually.

Proposed Project V Program Revisions

- Proposed Project V Annual Funding Cap:

Escalate the program's \$550,000 annual funding cap and each project's annual funding cap by 1.85 percent¹ annually starting in FY 2021-22, when applicable. This change will not adjust the total programmed amount previously approved by the Board of Directors.

Recommended Change for Project V Customer Satisfaction Survey Requirement:

A recent audit of the Measure M2 (M2) Competitive Transportation Funding Programs (CTFP) noted inconsistencies between the Project V Guidelines and related project agreements. In particular, the audit noted that customer satisfaction requirements for the Project V Program are not included in agency cooperative agreements. The reason for this is that the type of projects that were ultimately funded did not necessarily lend themselves to this type of measurement. Staff is proposing changes to make this an optional measurement rather than a requirement in the CTFP Guidelines by changing the language from "must" to "should" as noted below:

As part of the Project V service, local agencies ~~must~~ **should** develop strategies **surveys** to measure ridership satisfaction and on-time performance and ~~must~~ achieve an 85 percent on-time performance on an ongoing basis, and rider satisfaction ~~must be 90 percent satisfied based on customer surveys~~ **based upon local service objectives. These surveys should be conducted at least once a year; reported on to OCTA through regular billing processes; and should include a plan to improve service, if customer satisfaction is found to be below the local agencies' service objectives.**

Recommended Change for Project V On-Time Performance Requirement:

The audit also noted lack of a requirement for reporting of on-time performance. This is because the majority of the community circulator services do not maintain a published schedule. Instead, the services publish the span of service and the bus arrival intervals. In response, staff is proposing changes to the CTFP Guidelines to make this a recommendation and not a requirement by changing the language from "must" to "should when applicable", as noted below:

As part of the Project V service, local agencies, ~~must~~ **should, if applicable**, develop strategies **methods** to measure ridership satisfaction and on-time performance and ~~must~~ achieve an 85 percent on-time performance on an ongoing basis, and rider satisfaction ~~must be 90 percent satisfied based on customer surveys~~ **based upon local service objectives. These methods should be implemented at least once a year; reported on to OCTA through regular billing processes; and should include a plan to improve service if on-time performance is found to be below the local agencies' service objectives.**

Proposed Project V Program Revisions

Recommended Change for the CTFP Guidelines - Annual Audit Requirement:

The internal auditor also provided a verbal recommendation that staff clarify an M2 transit program requirement (applicable to Project S – Transit Extensions to Metrolink and Project V), that local agencies submit audited operations and maintenance (O&M) cost data each year.

Local agencies provide O&M cost information each year; however, there was a lack of clarity on what was meant by “audited” O&M costs. It is impractical to request local agencies to audit this information and submit it by September 30 each year. It is also unnecessary as they submit a significant amount of back up material when they submit requests for reimbursement, which are verified by staff, consistent with standard project management practices, prior to issuing reimbursement.

Further, the audit requirement language attached to O&M funding (provided through M2 Project S and Project V) did not identify the type or intent of the audit that is required. Therefore, staff is recommending that this requirement (identified below) be eliminated from the Project S and Project V transit programs as a specific requirement, given that it is redundant with other statements in the CTFP Guidelines, which state that all projects funded through the CTFP are subject to audit by OCTA’s Internal Auditor and staff’s current project management practices with respect to issuing reimbursements.

~~Awarded agencies must submit audited operations and maintenance costs and ridership and fare performance data to OCTA by September 30 of each year for the prior fiscal year.~~



COMMITTEE TRANSMITTAL

January 11, 2021

To: Members of the Board of Directors
From: Andrea West, Interim Clerk of the Board *Andrea West*
Subject: Measure M2 Environmental Mitigation Program Update

Regional Planning and Highways Committee Meeting of January 4, 2021

Present: Directors Bartlett, Chaffee, Delgleize, Muller, and Murphy
Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 5-0 by the Members present.

Committee Recommendation

Receive and file as an information item.

Staff Discussion

At the January 4, 2021, Regional Planning and Highways Committee meeting, staff pulled this item to note a necessary update to the staff report to clarify that none of the recent fires affected the OCTA Preserves (i.e., conservation properties). However, two of the fires have impacted multiple habitat restoration investments sponsored by OCTA. Page two, paragraphs three and four of the staff report have been updated accordingly.



January 4, 2021

To: Regional Highways and Planning Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Measure M2 Environmental Mitigation Program Update

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

Overview

Measure M2 includes a program to deliver comprehensive mitigation for specific environmental impacts of 13 freeway projects in exchange for streamlined project approvals from the state and federal resources agencies. A biannual status report of these efforts and program update is presented.

Recommendation

Receive and file as an information item.

Background

Measure M2 (M2) includes the Environmental Mitigation Program (EMP) intended to mitigate certain impacts and streamline the approval process for 13 M2 freeway projects. This was achieved through the development of a Natural Community Conservation Plan/Habitat Conservation Plan (Conservation Plan), approved by the California Department of Fish and Wildlife (CDFW) and the United States Fish and Wildlife Service (Wildlife Agencies) in 2017. Consistent with the Conservation Plan, the Orange County Transportation Authority (OCTA) has purchased seven conservation properties (Preserves) and funded 12 habitat restoration projects (Attachment A). An endowment was established for the long-term management of the Preserves. In a parallel process, the United States Army Corps of Engineers (ACOE) and the State Water Resources Control Board (SWRCB) have also established a framework to expedite the regulatory permitting process.

The development of the Conservation Plan, the subsequent purchase of these Preserves, and the restoration projects has largely met the intent of the EMP, and the mitigation needs of the M2 freeway projects. Many of the restoration projects are close to or have obtained approvals from the Wildlife Agencies.

Discussion**Conservation Plan Update**

As a commitment of the Conservation Plan, OCTA is required to prepare an annual report on the implementation processes. The 2019 Annual Report was completed and provided to the OCTA Board of Directors (Board) in July 2020. The report is available on the OCTA website at http://octa.net/pdf/OCTA_M2_NCCP_HCP_AnnualReport_620_Agency_Approved_All.pdf. OCTA will continue with its efforts to complete the required objectives in a timely manner. The next Conservation Plan Annual Report is anticipated to be completed in early 2021 and will be provided to the Board in the next EMP update.

Silverado, Blue Ridge, and Bond Fire Impacts

Three significant fires have impacted Orange County over the past three months. None of these fires affected the OCTA Preserves (i.e., conservation properties). However, two of these fires have impacted multiple habitat restoration investments sponsored by OCTA. On October 26, 2020, the Silverado and Blue Ridge fires ignited. A status update of these two fires was provided to the Environmental Oversight Committee (EOC) and the Board on October 29, 2020 and has since been updated (Attachment B). The Bond fire ignited in Orange County on Wednesday, December 2, 2020. A summary of this fire is also included in Attachment B.

As noted above, none of the OCTA Preserves were in the burn area, but several restoration projects were affected by the Silverado and Bond fires. Staff is coordinating with the jurisdictions involved with the fire response, as well as the Wildlife Agencies. OCTA will coordinate with the restoration project sponsors to fully assess the damage and then work closely with the Wildlife Agencies to discuss next steps. In addition, OCTA will seek federal funding opportunities related to the fires and will work with the Irvine Ranch Conservancy (IRC) to find innovative ways to aide in the restoration recovery.

Bee Flat Canyon Restoration Project Completion

In July 2020, the Wildlife Agencies officially approved the successful completion of the OCTA-funded Bee Flat Canyon Restoration Project. This 84-acre project is within Orange County Parks lands and was funded in April 2011. This restoration project was supported by IRC. The goal of the project was to reestablish a diverse, resilient, and self-sustaining ecosystem. This is the third OCTA-funded restoration project to meet its success criteria. Unfortunately, this project was affected by the Silverado fire. As stated above, OCTA will coordinate with the IRC to fully assess the damage and then work closely with the Wildlife Agencies to discuss next steps. As this project received sign off, OCTA will not be required by the Wildlife Agencies to provide any additional funding for fire damage repairs.

OCTA Preserve Fire Management Plans

OCTA began developing fire management plans (Plans) for the Preserves in 2018 with an anticipated completion date of 2020. Each Preserve will have its own separate Plan. The Plans will provide guidelines for decision-making at all stages, including fire prevention, pre-fire vegetation management, suppression activities, and post-fire responses that are compatible with conservation and stewardship responsibilities. This includes annual vegetation thinning on the Preserves near homes and on the existing access roads.

The first Plan (Silverado Chaparral Preserve) has been approved by the Orange County Fire Authority. OCTA is coordinating with the Wildlife Agencies to obtain their approval. The remaining Plans were anticipated to be completed in 2020. However, due to coordination delays with Southern California Edison regarding easement confirmation, they are anticipated to be finalized in 2021. Once completed, these Plans will be publicly available.

Trabuco Rose Preserve Gully Restoration

OCTA staff has been implementing an erosion stabilization project at the Trabuco Rose Preserve. The ongoing erosion has created a large gully in an unnamed tributary (Attachment C). This has affected the adjacent main access road, which is crucial for maintaining the property. Restoration and repairs have been proposed to restore the area. Engineers have finalized the restoration plan which includes the placement of rock to buttress the sides of the gully. The buttressing would reinforce the oak habitat and access road. Native plants would then be installed to help stabilize the rock and soften this new feature. Staff has been coordinating with the Wildlife Agencies and the ACOE as this project will require permits and approvals from these agencies.

Clean Water Act Permits Update

The M2 freeway projects are anticipated to impact jurisdictional waters, or waters that are subject to regulation by the ACOE, the SWRCB, and the CDFW, which will require mitigation. Before construction activities can occur, OCTA must obtain sections 401 and 404 Clean Water Act permits from the regulatory agencies. The Conservation Plan mitigation was utilized to help obtain Clean Water Act permits. This has streamlined the project-level permitting processes. These efforts are the result of years of collaboration between OCTA and the regulatory agencies and constitute another groundbreaking milestone for the M2 EMP.

Freeway Projects Update

The following projects are in construction and were able to benefit from the EMP. Without the EMP's established process, these projects could have incurred mitigation-related requirements and unknown costs, resulting in project cost and schedule risks.

- Project C (Interstate 5 Improvement Project from State Route 73 [SR-73] to El Toro Road); and
- Project K (Interstate 405 Improvement Project from SR-73 to the Los Angeles County line).

A strong partnership has been forged through collaboration with the environmental community as exemplified by their participation on the EOC. Furthermore, there has been reduction in risk from the threat of potential lawsuits because of these partnerships.

Endowment Fund

The Conservation Plan permits were issued by the Wildlife Agencies in mid-2017. As a result, the M2 environmental process has been streamlined, allowing OCTA to expedite the M2 freeway projects. The Conservation Plan requires the establishment of a \$34.5 million endowment to fund the long-term management of the Preserves. To date, OCTA has made five endowment deposits. Quarterly investment reports are provided to the Board, with the most recent one in December 2020. As of September 30, 2020, the balance was \$16,046,435. The balance is above the fiscal year 2021 target of \$16,002,055. Staff will continue assess market conditions and provide regular endowment updates to the Board, Finance and Administration Committee, and the EOC.

Summary

M2 includes an EMP that provides funding for programmatic mitigation to offset certain impacts of the 13 M2 freeway projects. To expedite the delivery of the M2 freeway projects, this program was initiated to implement early project mitigation through preservation and habitat restoration. This program is administered through a Conservation Plan, which was approved by the Wildlife Agencies in mid-2017. To maximize the benefits of the investments, OCTA has utilized some of that same mitigation to obtain Clean Water Act permits.

Attachments

- A. OCTA Preserves and Funded Restoration Projects
- B. Silverado, Blue Ridge, and Bond Fires Update
- C. OCTA Trabuco Rose Gully Location Map and Photo

Prepared by:



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Environmental Mitigation
Project Manager
(714) 560-5759

Approved by:



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

OCTA Preserves and Funded Restoration Projects

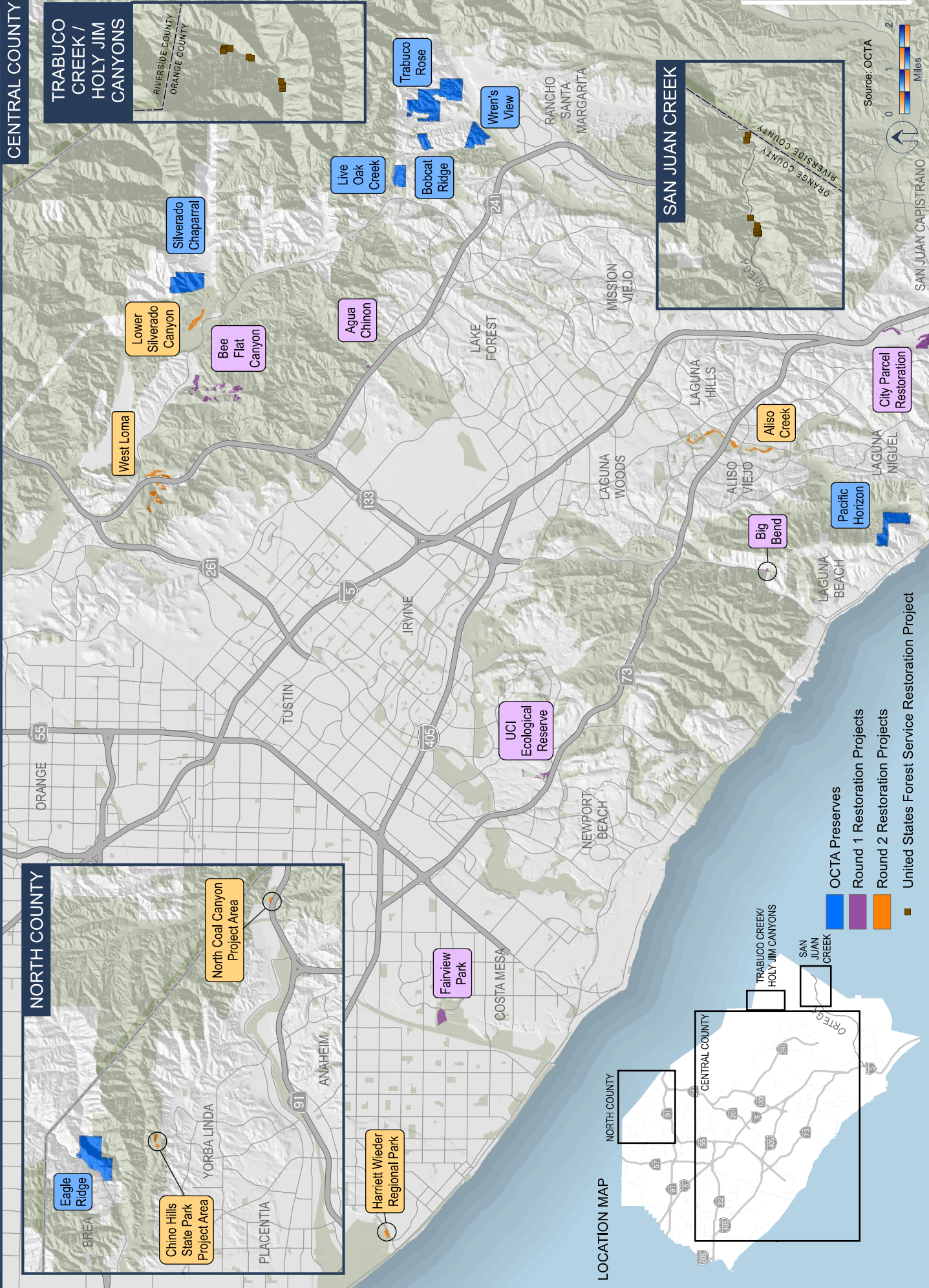


CENTRAL COUNTY

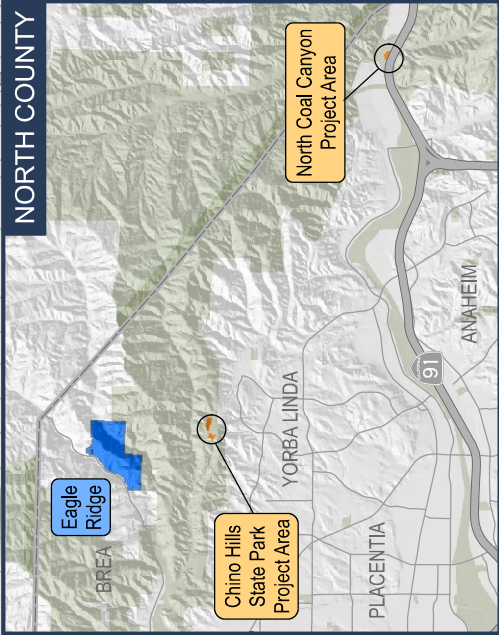
TRABUCO CREEK / HOLY JIM CANYONS



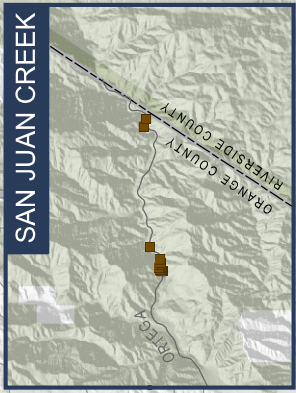
ATTACHMENT A



NORTH COUNTY



SAN JUAN CREEK



- OCTA Preserves
- Round 1 Restoration Projects
- Round 2 Restoration Projects
- United States Forest Service Restoration Project

LOCATION MAP



Silverado, Blue Ridge, and Bond Fires Update

Background

Two wind-driven fires occurred in Orange County on October 26, 2020. The Silverado fire started in the morning near Santiago Canyon Road and Silverado Canyon Road in unincorporated Orange County and quickly spread toward Irvine. The Blue Ridge fire started in the afternoon near the Green River Golf Club and State Route 91 and quickly spread into Chino Hills State Park toward Yorba Linda burning in both San Bernardino and Orange counties. The Blue Ridge fire burned a total of 13,964 acres. The fires did not impact any of the Orange County Transportation Authority's (OCTA) Environmental Mitigation Program (EMP) preserves. However, three habitat restoration projects funded by OCTA were affected by the Silverado fire.

A third wind-driven fire occurred in Orange County late in the evening on December 2, 2020. The fire ignited in Silverado Canyon in unincorporated Orange County and spread west towards Irvine. The fire narrowly missed the OCTA EMP Silverado Chaparral Preserve. The West Loma Restoration Project, which had been previously impacted by the Silverado fire was once again impacted by the Bond fire. The three fires, together with the OCTA Preserves and restoration projects, have been mapped and are attached (Exhibit A through Exhibit C). A summary of the impacts is provided below.

Discussion

The Blue Ridge fire did not impact any of the OCTA Preserves or restoration projects. However, the October Silverado fire located in the eastern part of the County, burned approximately 12,466 acres and impacted three OCTA restoration projects. In addition, the Bond fire also located in the eastern part of the County, burned approximately 6,686 acres in December and impacted the OCTA funded West Loma and Bee Flat Canyon restoration projects. The West Loma and Bee Flat restoration projects were also previously impacted by the Silverado fire. The Silverado Chaparral Preserve (204 acres) was not far from where the Silverado fire ignited and again narrowly missed being burned by the Bond fire in December. The table below provides a breakdown of the impacts caused by these fires.

The Irvine Ranch Conservancy (IRC) has sponsored several OCTA restoration projects. Based on coordination and site visits with the IRC, three projects have been affected. These restoration projects include West Loma, Bee Flat Canyon, and Agua Chinon.

Silverado, Blue Ridge, and Bond Fires Update

The Bee Flat Canyon and Agua Chinon restoration areas are in different geographic locations but were funded together as one project by OCTA. The Bee Flat Canyon Restoration Project was just approved and accepted by the United States Fish and Wildlife Service and the California Department of Fish and Wildlife (Wildlife Agencies). OCTA staff highlighted this successful restoration project at the August 5, 2020 Environmental Oversight Committee (EOC) meeting.

The West Loma and Agua Chinon projects are in various stages of restoration and have not yet been signed off. Agua Chinon was anticipated to be signed off in 2021 (see the table below for more details).

IRC Restoration Projects Impacted by the Recent Fires

Name	Project Cost	Approximate Acreage	Acreage Burned Silverado Fire*	Acreage Burned Bond Fire*	Total Acreage Burned*
West Loma	\$1,322,800	62	0.8	26	26.8
Bee Flat Canyon and Agua Chinon	\$1,497,160	84	82.6	1.4	84
		6	6	0	6

*Acreage is estimated for impacts until the projects can be fully assessed by IRC staff.

In summary, none of the OCTA preserves were affected by the fires, but three OCTA-funded restoration projects were affected between the Silverado and Bond fires.

Next Steps

OCTA will continue to coordinate closely with the IRC and the Wildlife Agencies to discuss project needs and recommendations, as well as OCTA's commitments and obligations. Updates will be provided to the EOC.



Exhibit A: OCTA Preserves and Restoration Projects near Silverado Fire

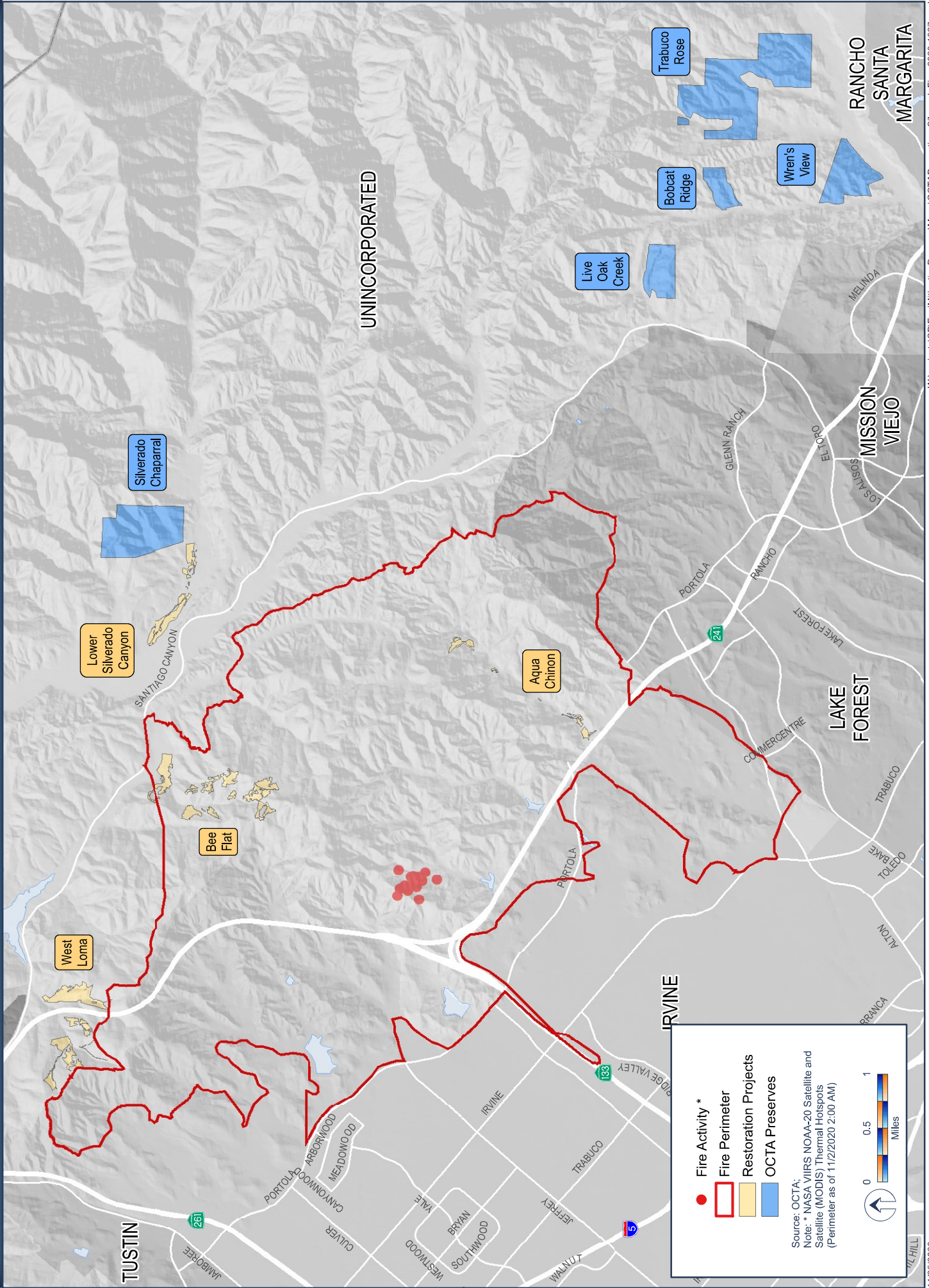




Exhibit B: OCTA Preserves and Restoration Projects near Blue Ridge Fire

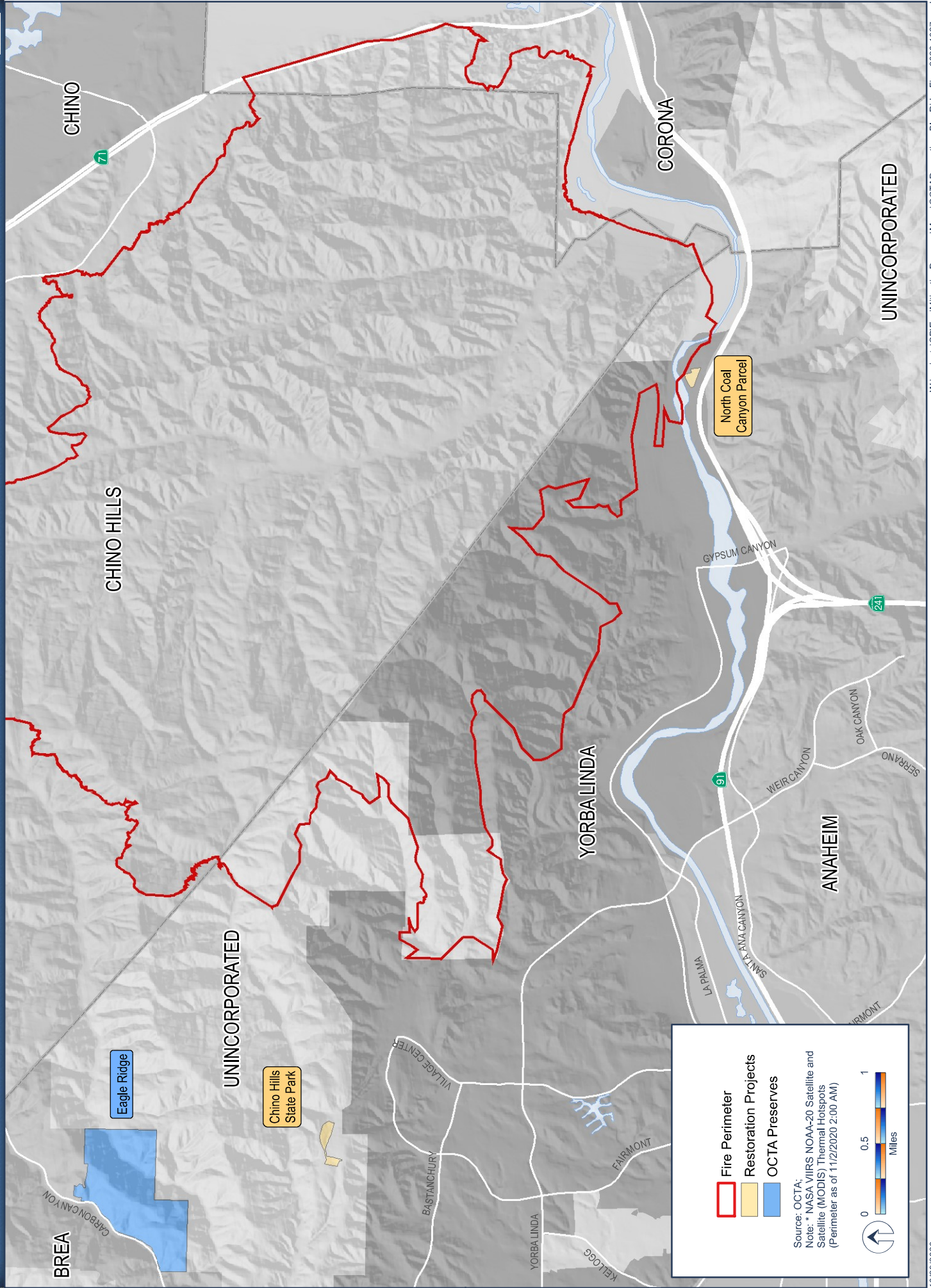
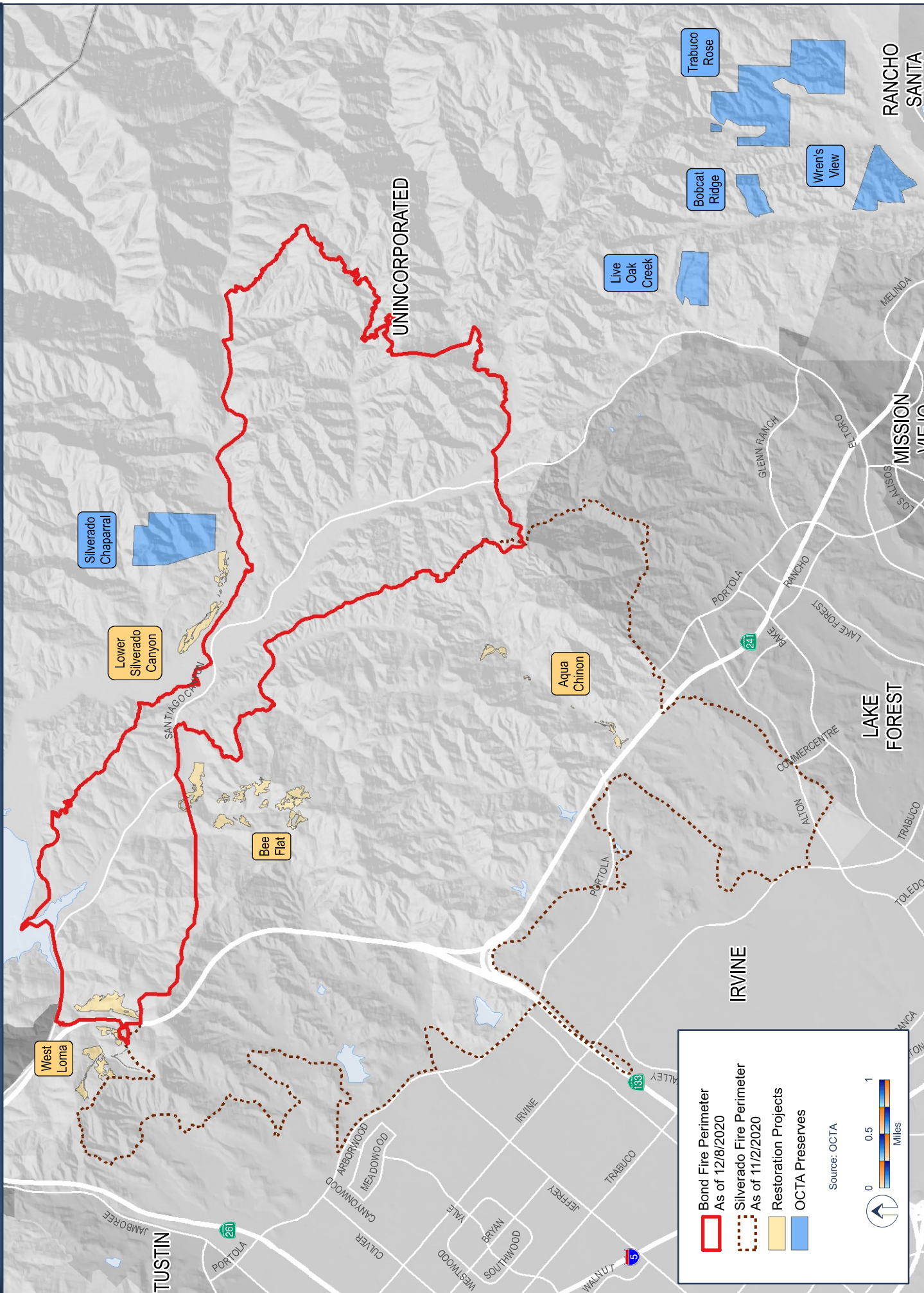
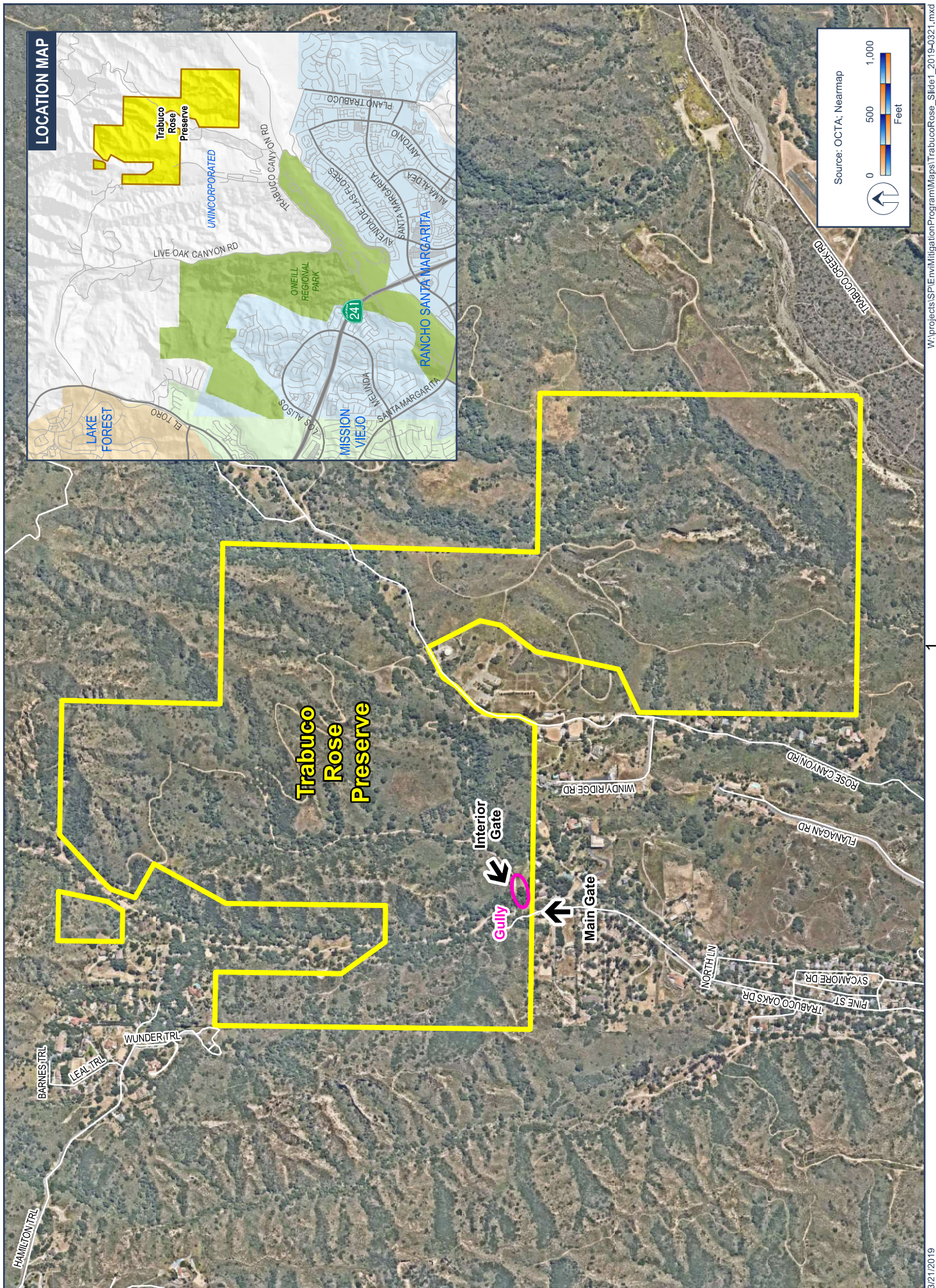


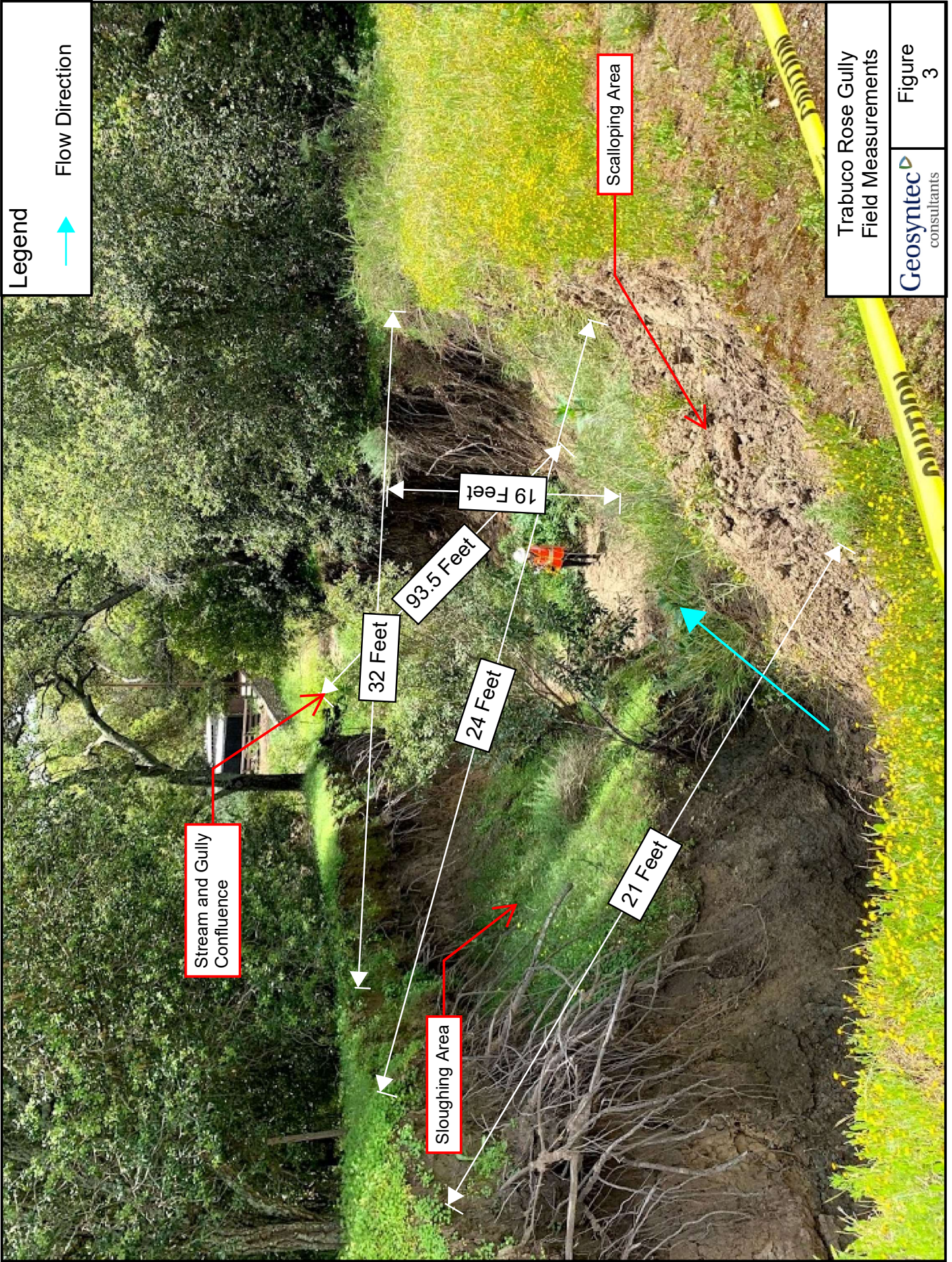


Exhibit C: OCTA Preserves and Restoration Projects Near Bond and Silverado Fires



OCTA Trabuco Rose Gully Location Map and Photo







COMMITTEE TRANSMITTAL

January 25, 2021

To: Members of the Board of Directors

From: Andrea West, Interim Clerk of the Board

Andrea West

Subject: OC Streetcar Project Quarterly Update

Transit Committee Meeting of January 14, 2021

Present: Directors Do, Jones, Shaw, and Sidhu

Absent: None

Committee Vote

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

Staff Recommendation

Receive and file as an information item.



January 14, 2021

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

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Overview

The Orange County Transportation Authority is implementing the OC Streetcar project, and updates are provided to the Board of Directors on a quarterly basis. This report provides an update on OC Streetcar project activities from September 2020 through December 2020.

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 intersection of Harbor Boulevard and Westminster Avenue 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-mile Project line involves complex and specialized work, including the installation of embedded track in existing streets, an overhead contact system (OCS) 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 to streetcar vehicles. Also included is the installation of new traffic signals and transit signal priority at intersections along the route.

The MSF can accommodate up to 15 modern streetcar vehicles, as well as all necessary administration, operations, vehicle maintenance, parts storage, and maintenance-of-way needs for the Project. 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 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 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), securing \$149,000,000, in federal New Starts discretionary funding for the Project. In February 2019, the FFGA was funded through the FTA Transit Award Management System, which was the final step necessary to begin the drawdown of federal funding. Through November 2020, \$53,451,461, has been drawn down on the FFGA.

Discussion

The following is the status of ongoing project activities related to construction, vehicle manufacturing, and public outreach.

Construction

Several significant milestones were completed in the Pacific Electric Right-of-Way (PEROW), including the two bridges on the Project as follows:

- Falsework was removed which supported the cast-in-place Westminster Avenue Bridge, and for the Santa Ana River Bridge pier caps.
- Retaining walls supporting approaches to the bridges were completed and soundwalls constructed.
- Drainage improvements were completed.
- Installation of OCS pole foundations and communication duct banks commenced.
- Sticks of rail were delivered to the PEROW and welded into strings.
- Installation of underground conduits and foundations began for the Fairview Street stop.

Construction of the MSF is critical to the Project schedule, as it is needed to accept delivery and conduct final acceptance testing for the eight vehicles being manufactured by Siemens. On September 16, 2020, Native American cultural resources were discovered during excavation for the MSF wheel truing pit. A Data Recovery Plan was submitted and approved by the State Historic Preservation Officer on November 3, 2020, and data recovery was completed on December 9, 2020. During this time, construction was restricted within a 50-foot radius of the discovery. On December 9, 2020, the site was released back to Walsh to resume work. The cost and schedule impacts associated with this discovery are being evaluated. Work was able to continue on the west half of the MSF building to prepare the foundation and slab for the car wash, and the new utility services to the facility. Staff will be seeking Board approval of a construction change order to compensate Walsh for changes to the MSF plans associated with required building permit design compliance requirements in the first quarter of 2021. Several equipment components associated with the communications system in the original design have been phased out by manufacturers and replaced with newer models. A contract change order to compensate Walsh for these end-of-life equipment changes will be brought to the Board for approval in late January 2021.

All wet utility (sewer, water, and storm drains) relocation and installation in the city streets are complete. There are a few remaining third-party utility relocations that are not impeding streetcar construction. OCS, traffic signal, and streetlight foundations are being installed throughout the alignment. Staff will be seeking Board approval of a supplemental construction change order to compensate Walsh for additional OCS and signal pole foundation conflicts with unknown and abandoned utilities in late January 2021.

Construction of westbound embedded track on Santa Ana Boulevard between Raitt Street and Bristol Street began in August 2020. The first concrete for embedded track was placed on Santa Ana Boulevard across Bristol Street in December 2020, and concrete placement will proceed west towards Raitt Street in 300-foot segments. Walsh encountered thicker than anticipated asphalt pavement, buried obstructions, railroad ties from the former Pacific Electric Railway, areas of contaminated soil, and unsuitable subgrade conditions which required remediation. Board approval will be sought for a change order to compensate Walsh for the additional cost to remove thicker than anticipated pavement in late January 2021. The cost and impacts of the remediation for the remaining unanticipated conditions are being assessed and change orders will be brought to the Board for approval as needed. Work also began on the embedded track installation on Santa Ana Boulevard between Parton Street and Mortimer Street. After embedded track is complete in these two segments, Walsh will begin installing embedded track on Fourth Street.

Vehicle Manufacturing and Delivery

Siemens continues the production of the eight S700 streetcar vehicles in Sacramento, California. OCTA has an on-site resident inspector at the facility to oversee the vehicle manufacturing process and ensure compliance with the technical specifications. The first four of the eight vehicles are near completion, with the cars having been assembled, the interior of the seats equipped, and installation completed of the truck assemblies, flooring, doors, and electrical systems. There are three outstanding vehicle components that remain in final design review and have not yet been approved, which include the energy absorbing bumper, emergency battery drive, and flange lube system. These items are anticipated to be closed out next quarter. These first four vehicles have also completed water testing to verify that the vehicle's electric components are completely sealed to prevent damage from unintended water intrusion and hi-pot electrical testing, to ensure that the vehicle wiring is sized properly for the intended use, and that the wires are properly connected. The four vehicles are currently undergoing static and dynamic testing to verify component and system functionality.

The remaining four vehicles are in various stages of production, including interior equipping, final assembly, and sub-floor installation.

During the reporting period, first article inspections (FAI) were conducted for the vehicle doors and the four-person flip seats that are unique to the OC Streetcar system. This is the only S700 vehicle that Siemens produces that allows for all four seats to flip up to accommodate bicycles, strollers, and larger mobility devices. FAIs are a contract requirement and a critical component of the manufacturing process to ensure that each component of the vehicle is built according to specifications and quality control measures have been met.

Coordination is ongoing between Conduent Transportation, OCTA, and Siemens in the design of the computer-aided dispatch and automated-vehicle location system as well as the communications equipment on the vehicles. Coordination also continued with Siemens on the vehicle delivery schedule anticipated to occur mid-2021.

On May 22, 2020, the OCTA Board approved the award of the operations and maintenance contract to Herzog Transit Services (Herzog). During the quarter, staff coordinated with Herzog on timing for the execution of the contract and preparing for issuance of the Notice to Proceed anticipated for early 2021.

Public Outreach

Coronavirus protocols continued throughout this reporting period, where in-person events were cancelled, and outreach staff continued to rely on electronic and phone notifications for the most of its efforts. Exceptions include notices delivered to residents in Segment 2 along Santa Ana Boulevard between Raitt Street and Bristol Street. A series of bilingual fliers were delivered as work progressed along this segment to remind residents of parking restrictions and alternatives, such as the shuttle service provided by the contractor.

In preparation for the week-long intersection closure at Bristol Street and Santa Ana Boulevard, bilingual fliers were distributed to residents near the work area. The flier included the description of the activities planned as well as notification of night work. In addition to the fliers, social media posts, and an email to the Project database were distributed. Notices and a closed-circuit television slide were provided to staff from the City, and the City distributed notifications through its networks. In addition, a press release was distributed by the City.

As the track installation activities expand into additional segments, another bilingual virtual community meeting was held on December 17, 2020. Notifications were distributed through the Project's database and social media channels, as well as the City's distribution network. In addition, press releases by OCTA and the City included details of the virtual meeting. The platform for the meeting was moved to Zoom to provide a call-in number to increase participation ease and reach for stakeholders. A bilingual fact sheet describing the sequence of track installation activities was developed and is available on the Project website. It will also be distributed to business owners and residents along the alignment as the track activities progress close to the locations.

OCTA supported the City's installation of parklets and standalone dining platforms in Downtown Santa Ana by reviewing the City's proposed locations and providing recommendations to avoid conflicts with future construction activities planned for the next quarter.

OCTA's Eat Shop Play program has expanded to 47 participants, exceeding the goal of 40 businesses. Biweekly newsletters continue to feature businesses and include information about local community events.

Both business associations continued to identify projects and programs to expand marketing efforts to develop and implement events to bring visitors safely into Downtown Santa Ana. In addition, modest investments have been made in additional signage and banners to create interest and excitement for visitors. Technical assistance is also being provided to business owners interested in

virtual networking and having an increased web presence to accommodate on-line purchasing opportunities.

Cost and Schedule

The Project cost as specified in the FFGA is \$407,800,000, which includes \$37,960,000 in contingency. As of November 2020, approximately \$24,900,000 in contingency has been expended or committed. While Project construction is 38 percent complete (as of November 2020), a significant number of challenges have been experienced in the initial stages of construction. Some examples of construction challenges include:

Unforeseen Utility Conflicts

The number and nature of utility conflicts encountered during the relocation of wet utilities was higher and more complex than anticipated, as many were unmapped and/or abandoned utility lines within City streets. Many of these locations required extensive redesign work and additional construction. Additionally, more labor-intensive hand-digging of OCS, traffic signal, and streetlight pole foundations has been undertaken to minimize the risks associated with striking an unknown utility with heavy equipment.

Contaminated Materials in the PEROW, City Streets, and MSF

An extensive amount of contaminated and hazardous soil was encountered during excavations on the PEROW, City streets, and MSF. The contaminated materials also include many buried wooden railroad ties from the Pacific Electric Railway. This level of contamination and the subsequent requirements for removal and disposal was unanticipated based on the results of testing conducted during final design.

Additional Unforeseen Conditions

Walsh has encountered additional unforeseen conditions during the performance of the work, including thicker sections of existing pavement and unsuitable subgrade conditions on City streets, as well as an abandoned well, underground storage tank, and discovery of cultural resources at the MSF.

Construction Quality Control and Compliance

Contractor difficulties complying with construction quality requirements and quality control plans have resulted in construction delays, contractor re-work, and more extensive oversight and acceptance monitoring being performed by OCTA.

Oversight and Approvals from Multiple Agencies and Third Parties

An extensive number of Requests for Information are being submitted by Walsh. Each require review from specialized design disciplines, as well oversight and approval from multiple agencies and third parties.

Change Requests

An extensive number of Request for Changes have been also submitted by Walsh to address the unforeseen conditions and material substitutions, and several change notices have been issued to address design modifications and requests made by third parties.

These challenges have resulted in a higher than anticipated number of construction change orders, as well as additional staff resources required of OCTA to manage. As a result, the Project contingency has been drawn down faster than originally forecast for this stage of completion.

Based on changes and contractor progress through the quarter, the schedule for targeted revenue service has been extended to October 2022.

The Project schedule and cost to complete is under review by OCTA and FTA considering the challenges experienced and outstanding project risks. Staff will return to the Board in February 2021 to present the results of the most recent comprehensive risk analysis, as well as recommendations for cost and schedule adjustments needed to complete the Project.

Next Steps

Construction activities in the next quarter will focus on completing the floor slabs in the MSF building, installation of embedded track in the street and ballasted track in the PEROW, installing OCS poles, delivering the traction power substations, and constructing station stop platforms. Next steps for vehicles include finalizing design for remaining vehicle components, additional first article inspections, and continued production and assembly. Upcoming outreach activities include ongoing coordination with the construction team and the City regarding traffic control measures that are needed for the in-street embedded track installation, particularly along Fourth Street where businesses are more prevalent.

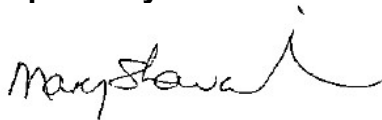
Summary

An OC Streetcar project update covering September 2020 through December 2020 is provided for the Orange County Transportation Authority Board of Directors' review.

Attachment

None.

Prepared by:



Mary Shavali
Program Manager
(714) 560-5856

Approved by:



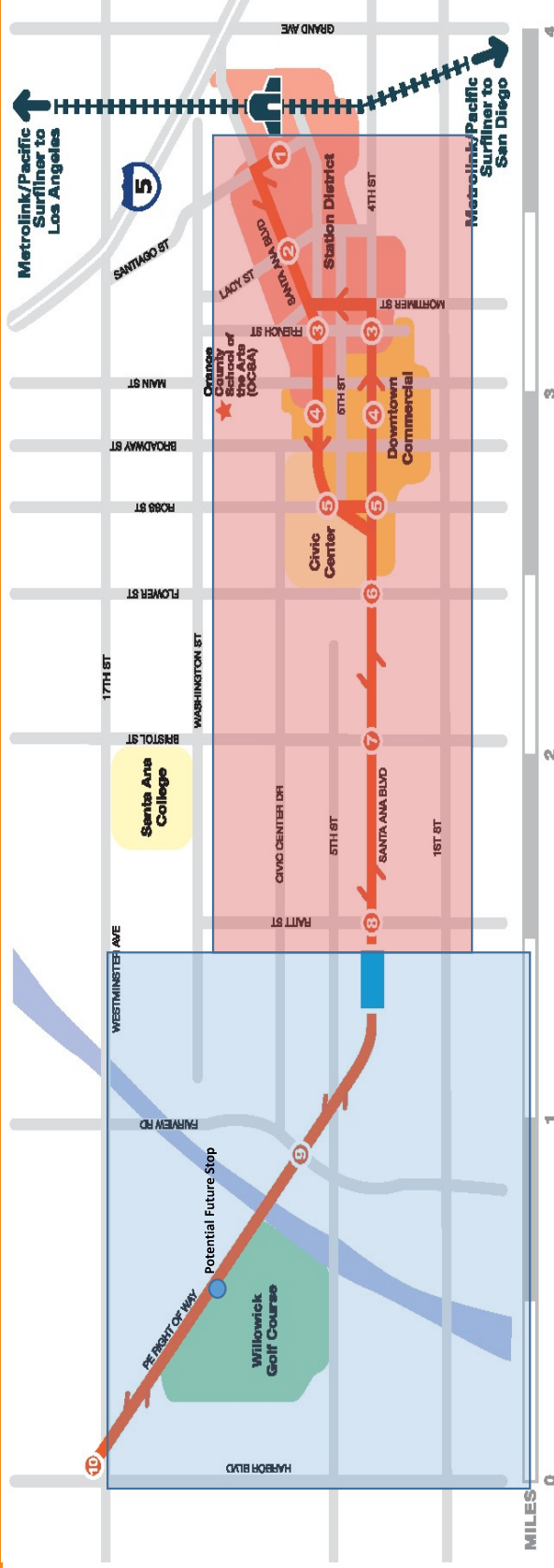
James G. Beil, P.E.
Executive Director, Capital Programs
(714) 560-5646

OC Streetcar Project Quarterly Update

Agenda

1. Project Alignment Features
2. Status of Construction
3. Upcoming Construction Milestones
4. Project Challenges
5. Status of Vehicle Production
6. Outreach

OC Streetcar Features



Pacific Electric Right-of-Way (PEROW)

- Dedicated right-of-way owned by the Orange County Transportation Authority (OCTA)
- Double-Track, Ties, and Ballast
- Two Bridges: Westminster Avenue and Santa Ana River
- Two Gated Crossings: Fairview Street 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

Construction—Segment 1



- PEROW
 - Sticks of rail delivered and are welded into strings.
 - Drainage improvements completed.
 - Installation of OCS pole foundations and communication duct banks.
 - Construction of Fairview station platform.

Westminster Bridge



- Falsework was stripped from the cast-in-place Westminster Avenue Bridge.
- Retaining walls supporting the bridge were completed.
- Median is being reconstructed.

Santa Ana River Bridge



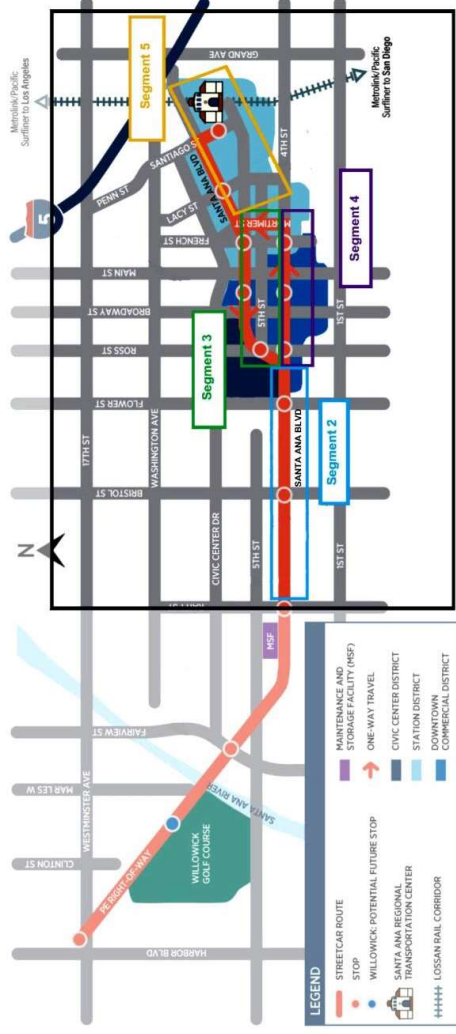
- Falsework for the Santa Ana River Bridge pier caps was removed.
- Retaining walls supporting approaches to the bridge were completed and soundwalls were constructed.

Maintenance and Storage Facility (MSF)



- Wheel truing pit area was released back to the contractor after archeological work was completed to confirm there are no additional cultural resources.
- Work continued on the west half of the MSF building floor slabs, and on the car wash foundation and slab, and new utility services to the facility.

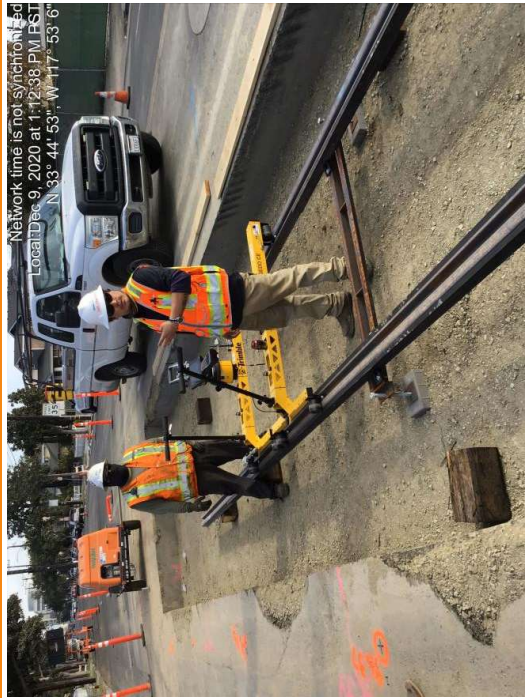
Construction—Segments 2 Through 5



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CA, Santa Ana, Bristol, W, Santa Ana Blvd

- Wet utility relocation and installation is complete.
- Installation of OCS, traffic signal, and streetlight pole foundations is ongoing.
- Contractor encountered and remediated railroad ties from the former Pacific Electric Railway, contaminated soil, and unsuitable subgrade conditions on Santa Ana Boulevard between Raitt Street and Bristol Street.
- Embedded track was installed across Bristol Street in December 2020 and track installation is proceeding west towards Raitt Street in 300-foot segments.
- Embedded track excavation work proceeded on Santa Ana Boulevard between Parton Street and Mortimer Street.

Track Installation at Bristol Intersection



Upcoming Construction Milestones

- Continued installation of:
 - In-street embedded track and PEROW ballasted track
 - OCS and traffic signal pole foundations
- Continued construction of MSF slabs and walls
- Construction of station stop platforms
- Delivery of traction power sub-stations

Project Challenges

- Higher than anticipated number of unforeseen conditions encountered by construction contractor are resulting in numerous change orders
 - Unknown utilities in city streets
 - Unmapped and/or abandoned utilities
 - Hand-excavating locations of pole foundations to minimize risks
 - Contaminated soils and materials
 - PEROW, City of Santa Ana streets, and at MSF
 - Not identified during design phase testing
 - Other unknown conditions
 - Areas of thicker pavement and unsuitable subgrade in city streets
 - Abandoned well, underground storage tank, and cultural resource discovery at the MSF

Project Challenges

- Work effort and approach have resulted in additional challenges to OCTA management and workflow
 - Quality
 - Quality control effort and compliance with quality requirements is requiring more extensive OCTA oversight for acceptance, and in some cases rework.
 - Request For Information (RFI)
 - Extensive number of RFIs submitted by Walsh including suggestions, confirmation requests, questions, and to document potential changes, regardless of size and rather than addressing changes in the field.
 - Often require multi-disciplinary reviews and responses, and/or approval from third parties.

Project Challenges

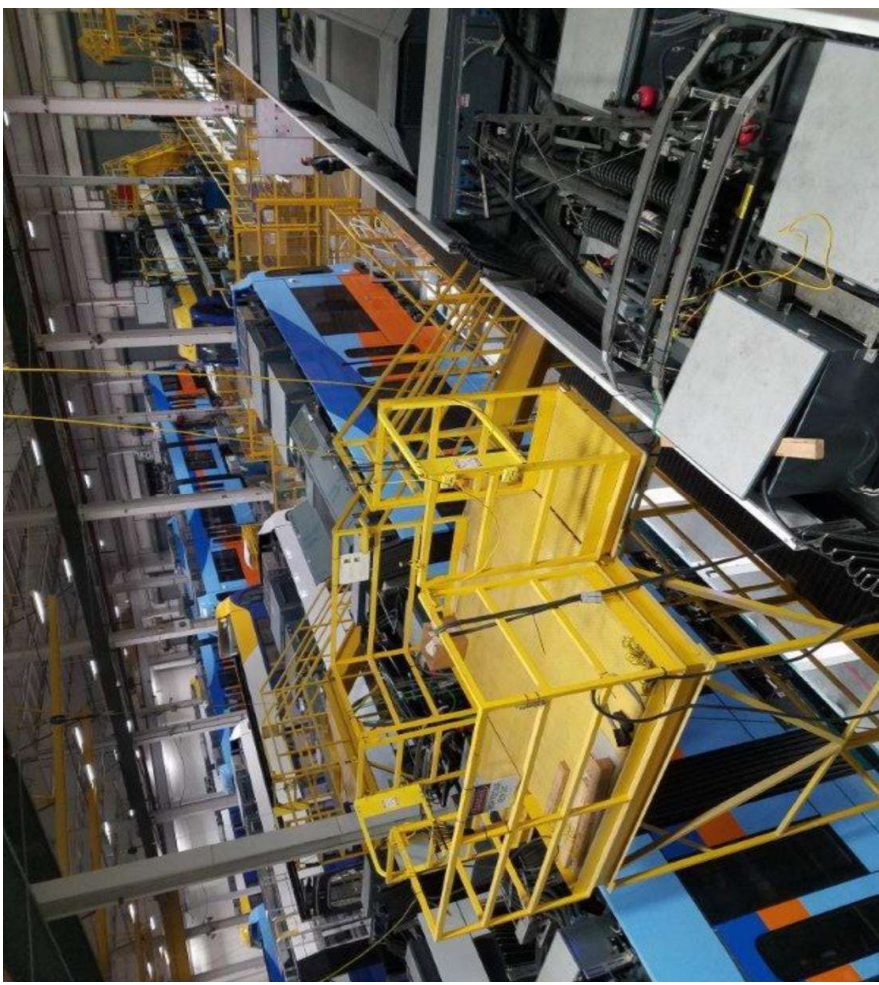
- Higher than anticipated number of contract change orders and additional resources required from OCTA
- Results in project contingency drawdown faster than originally forecast at this stage of completion
- To address the declining contingency, an updated comprehensive risk analysis was conducted
 - Cost to complete
 - Schedule for completion
 - Contingency levels necessary to address outstanding risks
- Currently under review by the Federal Transit Administration and their consultant team.
- Recommendations to be presented to Board of Directors for consideration in February 2021.

Vehicles

- The first four of the eight S-700 Streetcar vehicles are near completion in that the cars have been assembled, trucks assemblies installed, interior equipping of the seats, flooring, doors and electrical systems. The four vehicles are currently undergoing static and dynamic testing to verify component and system functionality.
- The remaining four vehicles, cars five to eight, are in various stages of production, including interior equipping, final assembly, and sub-floor installation.
- Final design review of remaining vehicle components, including the energy absorbing bumper, emergency battery drive, and flange lube system.
- Ongoing coordination with Conduent and Siemens Mobility, Inc., on computer-aided dispatch and automated vehicle location design specifications.



Vehicles



Outreach

- Santa Ana Business Associations
- Rail Pull Milestone
- Virtual Open House
- Eat Shop Play

WEEKLY DIGITAL PROGRAM LINE UP

MONTHLY PROGRAMMING LAST SATURDAYS

SATURDAY FOR KIDS
LIVE 9-30AM PDT



SATURDAYS FOR KIDS JOCYLYN & BRIANA

Watch our live shows on YouTube. <https://www.facebook.com/santanaonline/videos?fbclid=IwAR1w3F0S5Uc9v3Xo68U07-9a9b121>



SANTA ANA BUSINESS COUNCIL

HIGHLIGHTS FROM 2ND QUARTER

THE HOT HOUR
with Doris (@dorisdotbiz)

Our new show follows Maria "The Hot" interviews business owners and artists and exposes the spicy flavor that makes DTA the "Tajin of Orange County."

The Hot Hour Show

Maria's show has made the camp through downtown pop-up, food and operators. How does "The Hot Hour" connect?

Shows on the show include:

- Jose and Patricia
- Claudia, El Indio Bananas y Cervezas and
- Mónica Espinoza y Eliza Flores Gim
- Downtown, Nina Bridi Costaro, Susana

explore why our entire audience and temper our commercial voice with cool, sake-outraging, fiction based on your pop-up show.

EAT SHOP PLAY
DOWNTOWN SANTA ANA

More than 145 OC businesses located along the Santa Ana OC downtown street. OC Streetcar EP (EAT SHOP PLAY) program offers a convenient business, and provides and more. Participants in the program will receive a 10% discount on all purchases. For more information, visit www.OCStreetcar.com

- 103 EP Programs in the OC Streetcar EP program
- 103 EP Programs in the OC Streetcar EP program
- 87 EP Programs in the OC Streetcar EP program
- 87 EP Programs in the OC Streetcar EP program
- 47 EP Programs in the OC Streetcar EP program
- 47 EP Programs in the OC Streetcar EP program
- 19 EP Programs in the OC Streetcar EP program
- 19 EP Programs in the OC Streetcar EP program
- 16 EP Programs in the OC Streetcar EP program
- 16 EP Programs in the OC Streetcar EP program
- 18 EP Programs in the OC Streetcar EP program
- 18 EP Programs in the OC Streetcar EP program

Virtual Community Open House

OC STREETCAR CONSTRUCTION UPDATES

Please visit <https://bit.ly/39fAVID> at 5:30 p.m. on December 17 to join the virtual open house. The virtual open house will be held in both English and Spanish.

Call 1-669-900-6833 (Meeting ID: 823 6402 2263#) if you prefer to join the meeting by phone.

CLICK HERE TO JOIN THE MEETING


OR CALL 1-669-900-6833 TO ACCESS THE MEETING



OC Streetcar Track Installation Has Started!

Click to watch the video premiere of this exciting milestone

Join the OCTA Board of Directors, the City of Santa Ana and the project's community partners in celebrating this major OC Streetcar project milestone.



*Information
Items*



COMMITTEE TRANSMITTAL

October 26, 2020

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: Regional Traffic Signal Synchronization Program Update

Regional Planning and Highways Committee Meeting of October 5, 2020

Present: Directors Bartlett, Chaffee, Delgleize, Muller, M. Murphy, and R. Murphy

Absent: Director Pulido

Committee Vote

Following the roll call vote, this item was passed 6-0 by the Members present.

Committee Recommendation

Receive and file as an information item.



October 5, 2020

To: Regional Planning and Highways Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Regional Traffic Signal Synchronization Program Update

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

Overview

The Orange County Transportation Authority has been working with local cities, the County of Orange, and the California Department of Transportation to fund and implement key regional traffic signal synchronization projects. This report provides an update on the Measure M2 Regional Traffic Signal Synchronization Program, including results from recently completed projects.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) provides funding and assistance to implement multi-agency signal synchronization as part of the Measure M2 (M2) Regional Traffic Signal Synchronization Program (Project P). Annually, OCTA provides competitive grants specifically dedicated to the coordination of traffic signals across jurisdictional boundaries. The goal of Project P is to improve the flow of traffic by developing and implementing regional signal coordination that crosses local agencies' boundaries and maintains coordination through freeway interchanges, where possible.

Since 2008, OCTA and local agencies have implemented signal synchronization for 84 projects that included 2,897 signalized intersections and 746 centerline miles of streets (Attachment A). The projects have improved travel times, reduced delays and congestion, and the increased number of successive green light drivers see in their daily commutes. The results of the program translate into direct benefits to motorists in time savings and cost savings in lower fuel consumption and a reduction of greenhouse gas (GHG) emissions.

Discussion

Signal synchronization is a cost-effective way to increase roadway throughput without major new construction. Projects are corridor-based, and new optimized signal timings are developed based on traffic conditions and current travel patterns. These projects optimize traffic signal timing to reduce travel times, stops, delays, and ultimately give users an overall better driving experience. Key to these efforts is regular dialogue between partner agencies and the California Department of Transportation, resulting in agencies working together towards the multijurisdictional goal of the program.

Funding is provided through annual calls for projects (call), with 80 percent of funding from M2 (Project P) and 20 percent from local agencies' matching funds. Supplemental funding is used whenever available, including SB 1 (Chapter 5, Statutes of 2017) Local Partnership Program funds and Solutions for Congested Corridors Program grants. A variety of sources have been used in the past to fund signal synchronization projects, including Measure M1, Proposition 1B Traffic Light Signal Synchronization Program, and air quality funds.

Signal synchronization projects implement a coordination strategy involving time-based synchronization of the respective agencies' systems, including the necessary upgrades to the traffic signal infrastructure. This includes modifications to prepare for future connected and autonomous vehicle technologies and applications. Existing synchronization on crossing arterials is incorporated when and where possible. Optimized timings are developed and implemented for identified peak periods, which are typically weekday mornings, midday, and evenings. For weekend operations, the peak is typically mid-morning through early evening. To quantify signal synchronization benefits, "before and after" travel time studies are conducted to evaluate the improvements from these new optimized timing plans.

These studies are conducted during peak traffic periods with specially equipped vehicles that have computer-linked global positioning system devices to collect traffic data. Several runs are made in each direction with the car "floating" in the middle of the traffic platoon of vehicles for each run. These studies showed improvements across all performance measures, including travel time, number of stops, and average safe speed. Additionally, fuel consumption, GHG, and other vehicle emission data is reported (Attachment B). Historically, signal synchronization efforts nationwide have resulted in travel time and speed improvements, as well as a reduction in stops in the range between five and 15 percent. Comparisons of the corridors' before and after studies indicate results in the high-end of this range due to the combination of the optimized traffic signal timing plans, cooperation between all participating agencies, and minor signal upgrades to maximize traffic flow.

Signal Synchronization Projects

OCTA and local agencies have completed 84 signal synchronization projects since 2008. The signal program’s target of regularly synchronizing 2,000 signalized intersections, as expressed in the M2 voter guide, was met before December 2016. A total of 2,897 signalized intersections and 746 centerline miles of streets have been implemented. The total Board of Directors grant allocations for the completed projects were approximately \$59.95 million. The completed projects are identified on the map in Attachment A. A summary of the results for the 84 completed signal synchronization projects is identified in the table in Attachment B. The early acceleration of Project P allowed the benefits of signal synchronization to be experienced by travelers much earlier than originally promised.

The completed projects have reduced average travel time by 13 percent and the average number of stops by 29 percent. Average speed improved by 14 percent. Consumers will save approximately \$172.1 million (at \$3.90 per gallon in today’s dollars) on fuel costs and reduce GHG emissions by approximately 885.9 million pounds over the three-year project cycle. The reduction of GHG emissions is made possible by reducing the number of stops, smoothing the flow of traffic, and reducing the amount of acceleration and deceleration of vehicles. These results are comparable to signal synchronization efforts nationwide.

The following table lists the six signal synchronization projects, where new timing plans were implemented in the last year, along with the corresponding travel time and speed improvements:

Corridor	Limits	Length (Miles)	Travel Time Improvements	Average Speed Improvements
El Toro Road	Bridger Road to Ridgeline Road	7.17	20%	25%
Alicia Parkway	Crown Valley Parkway to Rustic Oak	10.50	12%	13%
Marguerite Parkway	El Toro Parkway to Auto Mall	8.97	8%	9%
Coast Highway	Orange Street to Reef Point Drive	9.01	5%	5%
Westminster Avenue/17 th Street	Apollo Drive to Newport Avenue	16.33	5%	5%
Olympiad Road/ Felipe Road	Marguerite Parkway & Olympiad Road to Marguerite Parkway & Felipe Road	5.82	3%	3%

The travel time collection for all completed projects, including these six corridors, occurred prior to March 2020 or the Governor’s stay-at-home executive order. Traffic engineers are continuing to monitor and update the signal timing to respond to changes in traffic patterns and to ensure travelers experience benefits from the completed projects.

OCTA is currently funding an additional 33 signal synchronization projects that are in various stages of implementation. The committed funding from OCTA is primarily from the competitive signal program, and the grant allocation of these projects is approximately \$70.8 million. Once completed, these funded projects will synchronize an additional 1,184 signals and 307 miles of roadway.

It is good practice to periodically resynchronize traffic signals to make sure they consider changes in traffic. The signal program allows previously completed streets and highways projects to compete again for funding during the annual call. Previous investments made as part of earlier projects are incorporated into the revisited projects. An example of this would be the Alicia Parkway corridor. The signals along this corridor were synchronized in 2010 and updated in 2019. The result is a program that can regularly coordinate intersections as the basis for synchronized operation across Orange County.

Next Steps

OCTA continues to work with local agencies through various venues, including the Technical Steering Committee, Technical Advisory Committee, and the traffic forum to identify corridors that are eligible for funding and would benefit from signal program funding as part of the annual call.

Summary

OCTA and local agencies have successfully implemented new cooperative traffic signal synchronization timing on 84 corridors. Another 33 projects are planned or underway. The synchronization of traffic signals along these regional corridors continually results in significant improvements to traffic flow by reducing total travel times, stops per mile, and improving average safe speeds while decreasing fuel costs, GHG, and overall vehicle emissions.

Attachments

- A. OCTA-Funded Signal Synchronization Projects, (2008 – Present)
- B. Summary of Results for Completed Regional Traffic Signal Synchronization Projects

Prepared by:



Alicia Yang
Project Manager III
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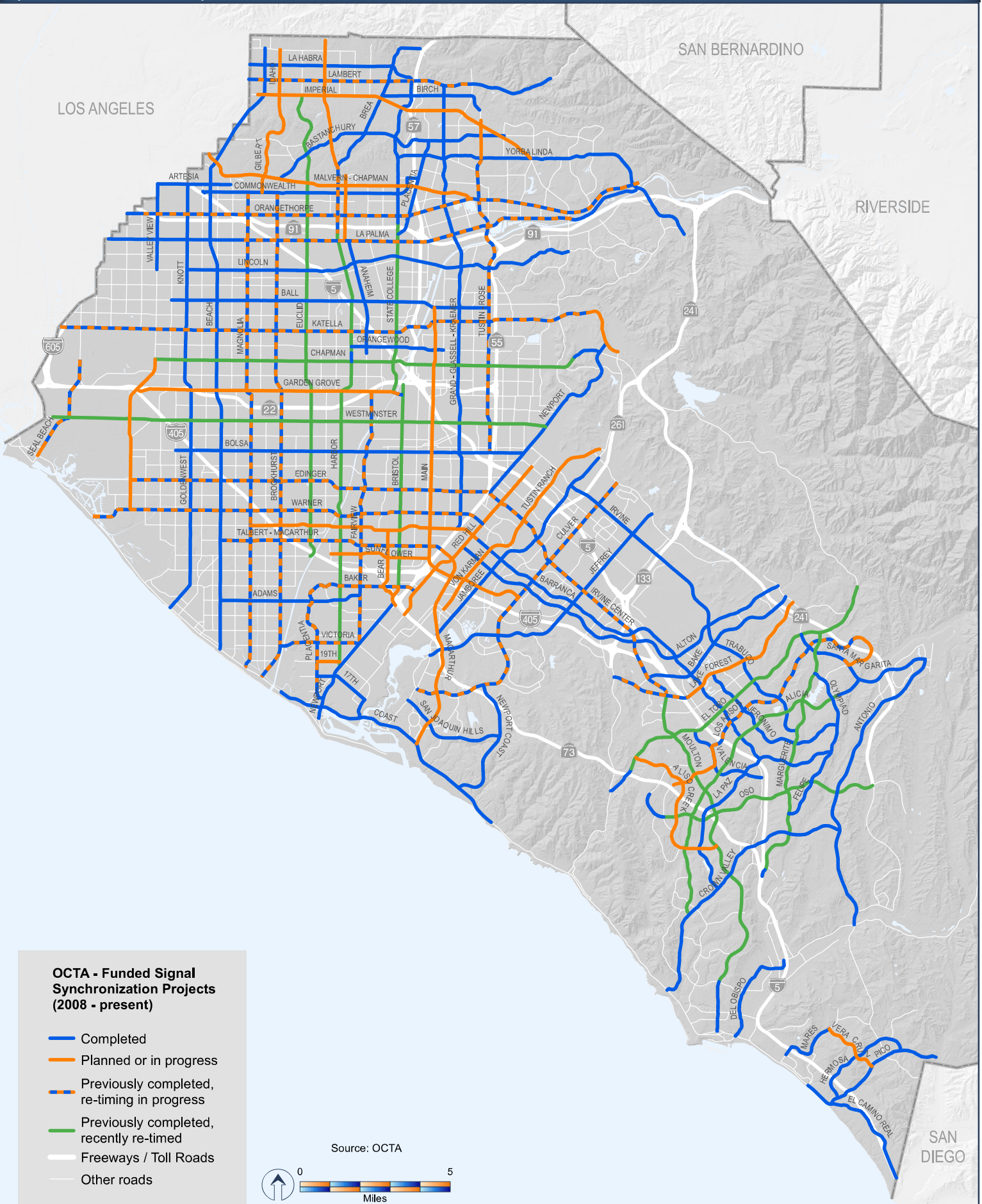
Approved by:



Kia Mortazavi
Executive Director, Planning
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OCTA-Funded Signal Synchronization Projects (2008 - Present)

ATTACHMENT A



Summary of Results for Completed Regional Traffic Signal Synchronization Projects

	Corridor Name	Timing Completed	Lead Agency	Length (Miles)	Signals	M1 / M2 Grant Board Allocation	Estimated Project Life Gas Savings (Dollars)^	Estimated Project Life Gas Savings (lbs)	Travel Time Improvement	Average Speed Improvement	Stops Improvement
1	Euclid Street*	2008	OCTA	15	62	\$ 480,083	\$ 3,091,631	16,188,276	20%	24%	43%
2	Pacific Park Drive/Oso Parkway*	2009	OCTA	9	34	\$ 248,272	\$ 3,647,370	19,098,249	22%	29%	50%
3	Alicia Parkway*	2010	OCTA	11	41	\$ 939,144	\$ 806,001	4,220,358	13%	12%	40%
4	Beach Boulevard*	2010	OCTA	21	70	\$ 1,243,859	\$ 10,469,722	54,821,202	14%	21%	28%
5	Chapman Avenue (South)**	2010	OCTA	14	52	\$ 798,161	\$ 3,244,679	16,989,696	16%	21%	46%
6	Edinger Avenue/Irvine Center Drive/ Moulton Parkway**	2011	OCTA	22	109	\$ 846,217	\$ 4,609,706	24,137,220	11%	21%	34%
7	Harbor Boulevard**	2011	OCTA	16	107	\$ 890,377	\$ 3,226,111	16,892,430	11%	21%	23%
8	Orangethorpe Avenue*	2011	OCTA	17	47	\$ 697,585	\$ 2,659,036	13,923,183	17%	21%	42%
9	State College Boulevard/Bristol Street**	2011	OCTA	17	97	\$ 574,639	\$ 4,089,735	21,414,531	15%	21%	28%
10	Westminster Avenue*	2011	OCTA	13	48	\$ 308,847	\$ 4,233,390	22,166,736	14%	21%	35%
11	Brookhurst Street*	2012	OCTA	16	56	\$ 631,764	\$ 7,850,213	41,105,031	19%	21%	31%
12	El Toro Road**	2012	OCTA	11	40	\$ 478,916	\$ 3,302,828	17,294,160	19%	21%	32%
13	Katella Avenue*	2012	OCTA	17	69	\$ 673,845	\$ 4,435,716	23,226,165	14%	21%	36%
14	La Palma Avenue*	2012	OCTA	18	61	\$ 803,999	\$ 6,281,546	32,391,229	18%	21%	27%
15	Bastanchury Road	2013	Fullerton	8	27	\$ 539,936	\$ 1,053,007	5,573,723	13%	21%	49%
16	Euclid Street**	2013	Fullerton	17	66	\$ 1,000,000	\$ 4,316,031	22,599,458	15%	21%	39%
17	Lambert Avenue	2013	La Habra	10	26	\$ 520,000	\$ 4,578,312	23,972,807	14%	21%	41%
18	Tustin Avenue/Rose Drive	2013	OCTA	10	43	\$ 683,200	\$ 2,309,842	12,094,717	15%	21%	37%
19	Yorba Linda Boulevard*	2013	OCTA	12	46	\$ 521,837	\$ 1,813,693	9,496,799	12%	21%	21%
20	Lincoln Avenue	2014	Anaheim	13	53	\$ 777,910	\$ 1,564,300	8,190,935	9%	21%	25%
21	Valley View Street	2014	Buena Park	3	20	\$ 280,000	\$ 3,056,089	16,002,194	28%	21%	37%
22	17th Street	2014	Costa Mesa	3	9	\$ 220,000	\$ 123,098	644,563	7%	21%	0%
23	Baker Street/Placentia Avenue	2014	Costa Mesa	8	27	\$ 519,960	\$ 540,228	2,828,724	14%	21%	34%
24	Fairview Road/Street	2014	Costa Mesa	8	31	\$ 620,001	\$ 1,735,472	9,087,220	11%	21%	24%
25	Victoria Street	2014	Costa Mesa	3	11	\$ 200,000	\$ 124,820	653,581	22%	21%	25%
26	Brea Boulevard	2014	Fullerton	4	16	\$ 320,000	\$ 813,531	4,259,783	12%	21%	43%
27	Commonwealth Avenue	2014	Fullerton	8	30	\$ 600,000	\$ 803,023	4,204,761	11%	21%	36%
28	Lemon Street/Anaheim Boulevard	2014	Fullerton	2	13	\$ 280,000	\$ 531,872	2,784,969	16%	21%	40%
29	Placentia Avenue	2014	Fullerton	4	15	\$ 380,000	\$ 570,921	2,989,436	18%	21%	48%
30	Culver Drive	2014	Irvine	11	39	\$ 779,856	\$ 3,625,648	18,984,498	12%	21%	19%
31	Jamboree Road	2014	Irvine	9	27	\$ 230,608	\$ 3,173,217	16,615,495	9%	21%	19%
32	Jeffrey Road	2014	Irvine	9	40	\$ 410,032	\$ 1,910,910	10,005,845	9%	21%	26%
33	La Habra Boulevard/Central Avenue/ State College Boulevard	2014	La Habra	6	23	\$ 460,000	\$ 1,550,184	8,117,025	10%	21%	27%
34	Paseo de Valencia	2014	Laguna Hills	3	12	\$ 190,742	\$ 169,859	889,411	8%	21%	34%
35	Ball Road	2014	OCTA	11	38	\$ 733,416	\$ 1,532,115	8,022,411	5%	21%	13%
36	Crown Valley Parkway	2014	OCTA	9	30	\$ 367,200	\$ 556,861	2,915,820	4%	21%	20%
37	Edinger Avenue*	2014	OCTA	12	38	\$ 753,800	\$ 1,264,832	6,622,870	2%	21%	25%
38	First Street/Bolsa Avenue	2014	OCTA	12	49	\$ 980,000	\$ 3,506,276	18,359,448	11%	21%	26%
39	Lake Forest Drive	2014	OCTA	2	20	\$ 119,679	\$ 685,904	3,591,510	19%	21%	33%
40	Los Alisos Boulevard	2014	OCTA	7	21	\$ 332,617	\$ 27,876	145,962	5%	21%	16%
41	MacArthur Boulevard/Talbert Avenue	2014	OCTA	7	24	\$ 392,256	\$ 524,129	2,744,427	7%	21%	13%
42	Magnolia Street	2014	OCTA	16	54	\$ 399,943	\$ 2,208,937	11,566,362	10%	21%	26%
43	Marguerite Parkway	2014	OCTA	9	31	\$ 323,056	\$ 609,084	3,189,264	11%	21%	21%
44	Pacific Park Drive/Oso Parkway*	2014	OCTA	8	32	\$ 490,222	\$ 1,912,481	10,014,071	16%	21%	29%
45	Warner Avenue	2014	OCTA	13	43	\$ 621,848	\$ 1,797,186	9,410,366	8%	21%	15%
46	Avenida Pico	2014	San Clemente	4	21	\$ 416,453	\$ 705,991	3,696,687	9%	21%	21%
47	El Camino Real	2014	San Clemente	4	19	\$ 359,998	\$ 1,482,733	7,763,838	9%	21%	25%
48	Del Obispo Street	2014	San Juan Capistrano	4	16	\$ 138,800	\$ 992,762	5,198,269	13%	21%	11%

Summary of Results for Completed Regional Traffic Signal Synchronization Projects

Corridor Name	Timing Completed	Lead Agency	Length (Miles)	Signals	M1 / M2 Grant Board Allocation	Estimated Project Life Gas Savings (Dollars) [^]	Estimated Project Life Gas Savings (lbs)	Travel Time Improvement	Average Speed Improvement	Stops Improvement	
49	Knott Avenue	Buena Park	7	28	\$ 448,000	\$ 1,918,098	10,043,483	23%	21%	37%	
50	Newport Coast Drive	Newport Beach	5	15	\$ 260,000	\$ 651,984	3,413,896	10%	21%	6%	
51	San Joaquin Hills Road	Newport Beach	4	11	\$ 220,000	\$ 584,913	3,062,701	11%	21%	32%	
52	Jeronimo Road ¹	OCTA	6	16	\$ 267,360	\$ 1,508,063	7,896,471	12%	21%	35%	
53	Santa Margarita Parkway	OCTA	5	20	\$ 311,912	\$ 1,705,334	8,929,416	15%	21%	41%	
54	Trabuco Road ¹	OCTA	5	16	\$ 266,971	\$ 1,294,844	6,780,018	15%	21%	32%	
55	Avenida Vista Hermosa	San Clemente	3	17	\$ 305,856	\$ 252,899	1,324,219	17%	21%	54%	
56	Camino De Los Mares	San Clemente	2	13	\$ 248,208	\$ 1,806,683	3,153,365	27%	21%	57%	
57	Artesia Boulevard	Buena Park	2	11	\$ 422,142	\$ 795,156	4,163,572	20%	21%	38%	
58	Alton Parkway	Irvine	14	48	\$ 1,209,396	\$ 3,082,089	16,138,332	12%	21%	39%	
59	Barranca Parkway	Irvine	13	44	\$ 2,106,434	\$ 2,734,900	14,320,395	10%	21%	28%	
60	Adams Avenue ¹	OCTA	5	17	\$ 1,042,374	\$ 2,065,973	10,817,781	7%	21%	27%	
61	Antonio Parkway ¹	OCTA	10	27	\$ 1,156,920	\$ 2,274,125	11,907,699	16%	21%	23%	
62	Bake Parkway	OCTA	6	19	\$ 532,603	\$ 1,434,344	7,510,464	12%	21%	28%	
63	La Paz Road	OCTA	8	23	\$ 328,192	\$ 1,951,861	10,220,270	14%	21%	21%	
64	Newport Avenue/Boulevard (North) ¹	OCTA	7	24	\$ 946,045	\$ 581,731	3,046,041	12%	21%	36%	
65	Newport Boulevard (South)	OCTA	7	33	\$ 1,304,596	\$ 4,945,276	4,945,276	5%	21%	17%	
66	State College Boulevard ¹	OCTA	5	35	\$ 1,041,579	\$ 1,484,920	7,775,289	10%	21%	16%	
67	Seal Beach Boulevard/Los Alamitos Boulevard	Seal Beach	3	13	\$ 586,720	\$ 1,016,379	5,321,931	10%	21%	31%	
68	Harbor Boulevard [*]	Anaheim	4	22	\$ 731,867	\$ 1,414,593	7,407,047	8%	21%	15%	
69	Birch Street/Rose Drive	Brea	4	14	\$ 664,230	\$ 629,603	3,296,709	23%	21%	37%	
70	Bristol Street [*]	OCTA	8	45	\$ 1,884,620	\$ 1,649,926	8,639,290	7%	21%	13%	
71	Goldenwest Street	OCTA	8	32	\$ 380,800	\$ 374,406	1,960,454	11%	21%	23%	
72	Harbor Boulevard [*]	Santa Ana	10	46	\$ 1,852,080	\$ 4,320,825	22,624,563	10%	21%	15%	
73	El Toro Road [*]	Laguna Woods	3	15	\$ 514,000	\$ 1,116,724	5,847,356	17%	21%	33%	
74	Moulton Parkway [*]	Laguna Woods	11	37	\$ 645,440	\$ 939,620	4,920,008	12%	21%	41%	
75	Marguerite Parkway [*]	Mission Viejo	9	30	\$ 759,232	\$ 1,663,372	8,709,695	8%	21%	18%	
76	Olympiad Road-Felipe Road	Mission Viejo	6	18	\$ 515,656	\$ 197,900	1,036,240	3%	21%	6%	
77	Chapman Avenue [*]	OCTA	14	55	\$ 2,344,044	\$ 2,322,428	12,160,622	8%	21%	0%	
78	Kraemer Boulevard/Glassell Street/Grand Avenue	OCTA	15	61	\$ 2,433,520	\$ 1,722,240	441,600	12%	21%	8%	
79	Orangewood Avenue	Anaheim	3	15	\$ 683,328	\$ 1,140,726	5,973,032	17%	21%	46%	
80	Irvine Boulevard	Irvine	7	29	\$ 378,166	\$ 2,757,359	14,437,996	17%	21%	37%	
81	Alicia Parkway [*]	OCTA	11	40	\$ 1,847,200	\$ 3,550,240	18,589,652	12%	21%	31%	
82	Coast Highway	OCTA	9	27	\$ 1,799,210	\$ 1,907,001	9,985,376	5%	21%	8%	
83	El Toro Road [*]	OCTA	7	25	\$ 1,112,447	\$ 4,079,112	21,358,911	20%	21%	42%	
84	Westminster Avenue/17th Street [*]	OCTA	16	63	\$ 2,820,102	\$ 141,754	742,246	5%	21%	16%	
Summary of All Projects											
					2897	\$ 59,950,327	\$ 172,135,479	885,947,131	13%	21%	29%

^{*} Euclid Street, Pacific Park Drive/Oso Parkway, Harbor Boulevard, State College Boulevard, Bristol Street, Moulton Parkway, Chapman Avenue, Westminster Avenue, El Toro Road, Alicia Parkway, and Marguerite Parkway are included multiple times because these corridors have been revisited.

[^] \$3.90 per gallon gasoline price used to estimate savings.

Note: Improvements are averaged across both directions over the full corridor.

¹ Project Board allocation includes external funding.

M1/M2 - Measure M1/Measure M2

Board - Board of Directors

lbs - pounds

OCTA - Orange County Transportation Authority



COMMITTEE TRANSMITTAL

October 26, 2020

To: Members of the Board of Directors
From: Laurena Weinert, ^{LM} Clerk of the Board
Subject: 2020 Measure M2 Sales Tax Forecast

Finance and Administration Committee Meeting of October 14, 2020

Present: Directors Do, Hennessey, Hernandez, Jones, Muller, R. Murphy,
and Steel
Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 7-0 by the Members present.

Committee Recommendation

Direct staff to determine the impacts of the updated forecast to Measure M2 programs and projects and return to the Board of Directors with options to address the decrease in projected sales tax revenue.



October 14, 2020

To: Finance and Administration Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: 2020 Measure M2 Sales Tax Forecast

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

Overview

The Orange County Transportation Authority contracts with MuniServices, LLC and three universities to forecast Measure M2 taxable sales. Within the past six months, MuniServices, LLC and the three universities have each 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

Direct staff to determine the impacts of the updated forecast to Measure M2 programs and projects and return to the Board of Directors with options to address the decrease in projected sales tax revenue.

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 (MuniServices) 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 (Chapman), California State University, Fullerton (CSUF), and University of California, Los Angeles (UCLA), for the remaining years.

Due to the significant decrease in forecasted taxable sales due to the coronavirus (COVID-19) pandemic, OCTA prepared a preliminary Measure M2 (M2) Sales Tax Forecast update that was presented to the Board in August 2020. OCTA received final tax receipts for fiscal year (FY) 2019-20 in September 2020, and has prepared the final 2020 M2 sales tax forecast update. OCTA staff has also incorporated updated forecasts for MuniServices, UCLA, and CSUF. Chapman's previous forecast remains unchanged.

Discussion

The 2020 M2 sales tax forecast was completed based on final sales tax receipts for FY 2019-20 and updated sales tax forecasts provided by MuniServices, CSUF, and UCLA. Despite final sales tax receipts for FY 2019-20 being higher than anticipated and updated forecasts, total anticipated sales tax available to support the M2 Program remained at \$11.6 billion over the 30-year period, which is consistent with the figure provided to the Board in August 2020.

Final sales tax receipts for FY 2019-20 came in at \$318 million, which was \$15 million higher than anticipated in August. It was originally anticipated that the impact of COVID-19 would result in an 8.8 percent decrease in sales tax for FY 2019-20, however economic activity was stronger than anticipated and the decrease was only 4.3 percent. In addition, The California Department of Tax and Fee Administration offered small business taxpayers with less than \$5 million in taxable annual sales, a 12-month, interest-free, payment plan for up to \$50,000, of sales and use tax liability. The payment plans must be paid in full by July 31, 2021, to qualify for zero interest. While deferral payments were permissible, MuniServices informed OCTA that only a small number of businesses took advantage of the one-year extension program and that the impact was minimal to FY 2019-20 sales tax receipts.

Despite better than anticipated sales tax receipts for FY 2019-20, total anticipated sales tax available to support the M2 Program remained at \$11.6 billion due to a more conservative forecast provided by MuniServices. MuniServices lowered the growth rate for each of the next three years by approximately 1.7 percent due to the uncertainty of any near-term stimulus programs, the potential of a second wave of COVID-19, vaccine schedule, and unemployment recovery. MuniServices anticipates unemployment and the correlated weak consumer confidence to remain a barrier to strong sales tax performance over the next few years and anticipates recovering to FY 2018-19 sales tax levels in FY 2023-24. The updates to the CSUF and UCLA forecasts were minor with both being more optimistic over the next two years. The changes in these forecasts did not impact the final M2 forecast given they occurred during the first five years of the forecast period, which is during the period MuniServices forecast is used.

The MuniServices forecast includes the period from FY 2020-21 through FY 2024-25. The average annual sales tax growth rate over that period based on the MuniServices forecast is 1.7 percent. The three-university average annual growth rate for the remaining years (FY 2025-26 through FY 2040-41) is 3.2 percent and the average annual growth rate over the entire forecast period is 2.9 percent.

Staff will continue to monitor the short- and long-term impacts of COVID-19 on M2 sales tax revenues. Staff will also determine the impacts of the updated M2 sales tax forecast to M2 programs and projects and return to the Board with the impacts over the coming months as the Next 10 Plan is updated.

Summary

OCTA has finalized sales tax receipts for FY 2019-20 and received updated sales tax forecasts from MuniServices, CSUF, and UCLA. It is anticipated that total sales tax available to support the M2 Program will be \$11.6 billion, which is consistent with the preliminary forecast provided to the Board in August 2020. This represents a year-over-year decline of \$1.8 billion (-13.5 percent) in forecasted sales tax when compared to last year's forecast. Staff will determine the impacts of the forecast to M2 programs and projects and return to the Board with those impacts over the coming months as the Next 10 Plan is updated.

Attachment

- A. Orange County Transportation Authority M2 Sales Tax Revenue Forecast – 2020

Prepared by:



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

Approved by:



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



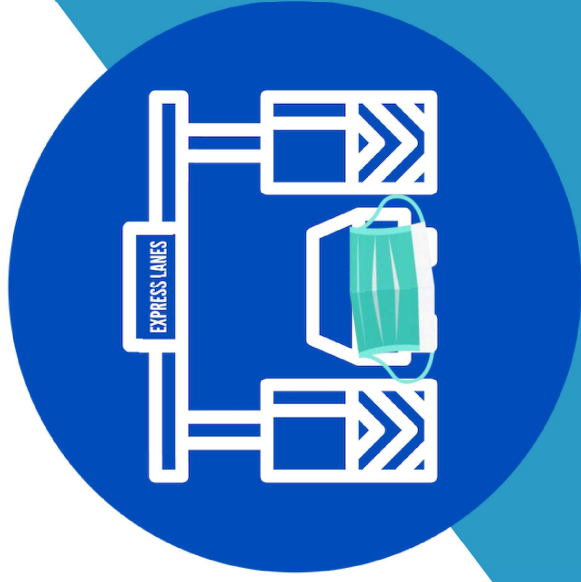
Orange County Transportation Authority
M2 Sales Tax Revenue Forecast - 2020
In Nominal Dollars

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	-4.33%	317,963,821	-	317,963,821	-	317,963,821	-	317,963,821	-	317,963,821	-
2021		308,453,933	-2.99%	323,625,625	1.78%	328,153,656	3.20%	304,892,373	-4.11%	304,892,373	-4.11%
2022		338,040,641	9.59%	354,081,975	9.41%	343,866,582	4.79%	315,406,587	3.45%	315,406,587	3.45%
2023		349,315,549	3.34%	371,216,120	4.84%	357,266,568	3.90%	326,159,503	3.41%	326,159,503	3.41%
2024		358,392,908	2.60%	387,650,397	4.43%	369,170,095	3.33%	337,065,618	3.34%	337,065,618	3.34%
2025		367,498,734	2.54%	401,134,459	3.48%	383,168,314	3.79%	345,094,010	2.38%	345,094,010	2.38%
2026		376,857,451	2.55%	416,077,170	3.73%	397,974,000	3.86%	356,753,273	3.38%	356,753,273	3.38%
2027		386,512,677	2.56%	431,541,719	3.72%	412,719,363	3.71%	368,625,896	3.33%	368,625,896	3.33%
2028		396,607,526	2.61%	447,501,537	3.70%	428,494,332	3.82%	381,075,996	3.38%	381,075,996	3.38%
2029		407,080,425	2.64%	463,963,747	3.68%	445,123,875	3.88%	394,032,883	3.40%	394,032,883	3.40%
2030		418,212,578	2.73%	480,775,494	3.62%	462,524,376	3.91%	407,518,361	3.42%	407,518,361	3.42%
2031		429,808,189	2.77%	497,874,281	3.56%	481,073,772	4.01%	421,563,657	3.45%	421,563,657	3.45%
2032		441,648,187	2.75%	515,552,665	3.55%	498,656,052	3.65%	435,559,976	3.32%	435,559,976	3.32%
2033		453,879,397	2.77%	533,550,874	3.49%	516,033,651	3.48%	449,708,975	3.25%	449,708,975	3.25%
2034		466,375,541	2.75%	551,880,045	3.44%	533,340,459	3.35%	464,013,195	3.18%	464,013,195	3.18%
2035		479,151,763	2.74%	570,703,158	3.41%	550,796,390	3.27%	478,588,066	3.14%	478,588,066	3.14%
2036		492,301,521	2.74%	589,937,392	3.37%	568,188,584	3.16%	493,380,101	3.09%	493,380,101	3.09%
2037		505,829,140	2.75%	609,619,848	3.34%	585,760,850	3.09%	508,472,397	3.06%	508,472,397	3.06%
2038		519,768,895	2.76%	629,735,796	3.30%	603,654,098	3.05%	523,913,479	3.04%	523,913,479	3.04%
2039		534,134,605	2.76%	650,292,000	3.26%	621,792,130	3.00%	539,688,216	3.01%	539,688,216	3.01%
2040		549,023,279	2.79%	671,285,409	3.23%	640,493,303	3.01%	555,920,901	3.01%	555,920,901	3.01%
2041 **		423,269,223	2.79%	519,537,348	3.19%	494,918,607	3.03%	429,468,960	3.00%	429,468,960	3.00%
Total		\$ 11,733,927,384	2.79%	\$ 13,149,302,280	3.79%	\$ 12,754,934,279	3.54%	\$ 11,568,667,643	2.85%	\$ 11,568,667,643	2.85%

*Fiscal years 2011 through 2017, and 2020 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.

CORONAVIRUS IMPACTS TO THE 91 EXPRESS LANES



Coronavirus (COVID-19) Pandemic: Impacts

- Traffic volumes down approximately 80 percent on the 91 Express Lanes
- Toll revenues down approximately 77 percent
- Customer calls to the call center in Corona decreased by 66 percent
- Mail processing dropped by 50 percent
- Weekly new accounts decreased by 74 percent
- Staffing levels at call center reached a low in early April

Actions Taken to Date

- Closed Customer Walk-In Center in Corona
- Suspended various items:
 - Monthly account maintenance fees
 - Outbound collection calls and notices
 - Franchise Tax Board Intercept Program
 - Transmittal of violations files to collections agency
 - 6C transponder distribution campaign
 - Cost of living adjustments
- Toll rates adjusted to meet traffic volume demand

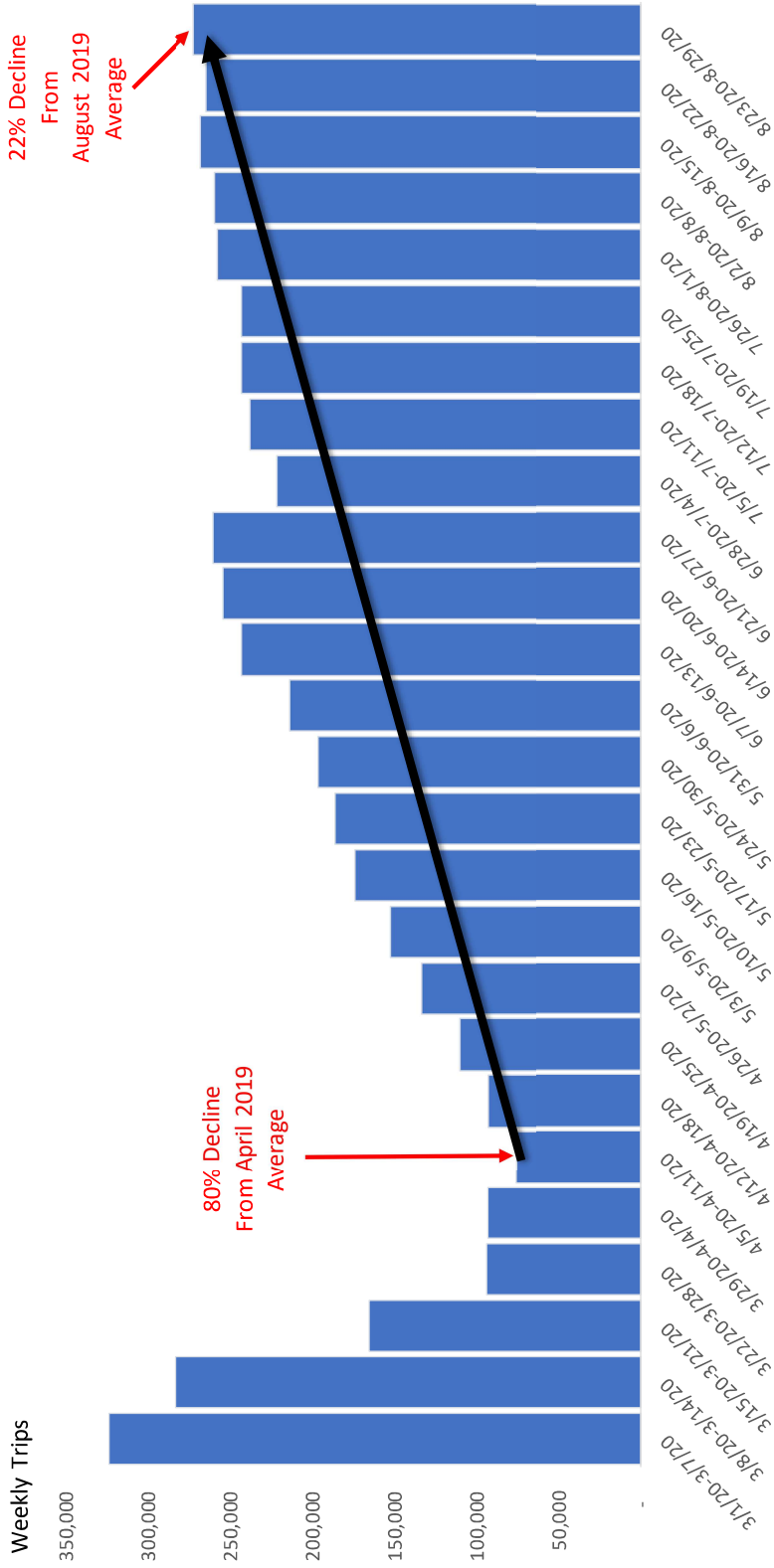


Toll Rates – Orange County Transportation Authority (OCTA)

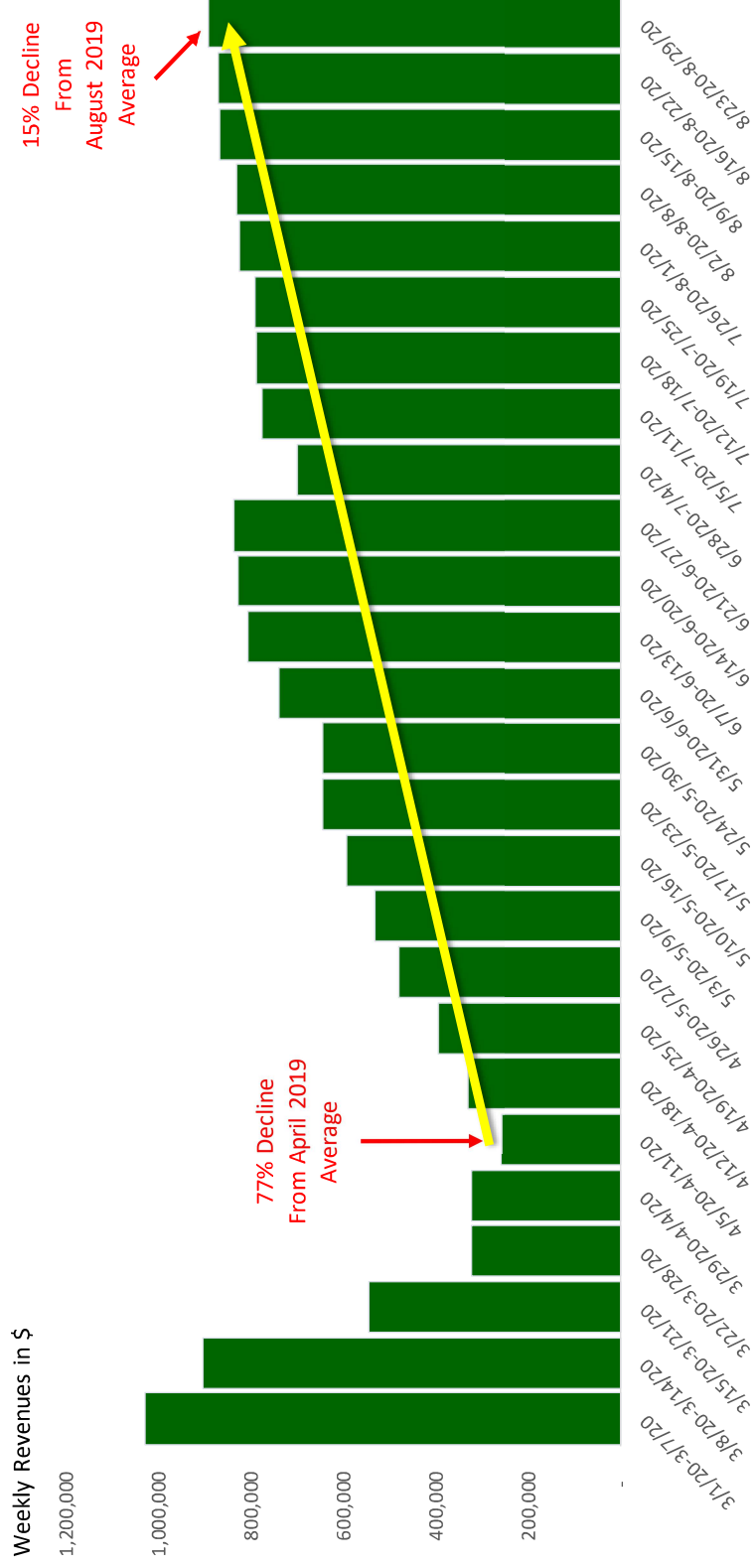
- Temporarily modified the Toll Policy
- Modifications included:
 - Suspension of holiday toll rate schedules
 - Cost of Living Adjustment cancelled for July 1, 2020
- Toll Policy modifications ended on September 30, 2020
- Several toll rates reduced in April 2020, July 2020, and October 2020 per the requirements of the Toll Policy



Orange County Traffic Volumes



Orange County Potential Toll Revenues



Current Conditions Compared to Pre-COVID-19

- Traffic volumes are down approximately 22 percent
- Toll revenues are down approximately 15 percent
- Customer calls to the call center in Corona are down approximately 36 percent (call wait times at 20 seconds)
- Mail processing is down approximately 37 percent
- Weekly new accounts are down by about 13 percent
- Staffing at call center close to pre-COVID-19 levels

Capital Projects Continue Despite COVID-19

- Back-Office System and Customer Service Center Operations
 - Workshops and system demonstrations are ongoing
 - Testing commencing early 2021
 - July 2021 transition date planned
- 241/91 Express Lanes Connector
 - Agencies continue to meet on a bi-weekly basis
 - Specialized working groups have been formed and are meeting
 - Project opening planned in late 2025

Moving Forward

- Customer Walk-In Center in Corona to remain closed
- Resume key activities in October 2020:
 - Monthly account maintenance fees
 - Outbound collection calls and notices
 - Transmittal of violations files to collections agency
- Continue adjusting toll rates to meet traffic volume demand
- Continue with 6C transponder distribution campaign

Next Steps

- Evaluate COVID-19 conditions and impacts to the economy
- Re-evaluate the reopening of the Customer Walk-In Center in Corona
- Monitor traffic volumes, revenues, and operational activities
- Adjust toll rates as required
- Provide updated information to the Board of Directors and rating agencies



COMMITTEE TRANSMITTAL

November 9, 2020

To: Members of the Board of Directors
Lu
From: Laurena Weinert, Clerk of the Board
Subject: Capital Programs Division – First Quarter Fiscal Year 2020-21
Capital Action Plan Performance Metrics

Executive Committee Meeting of November 2, 2020

Present: Chairman Jones, Vice Chairman Do, and Directors Davies,
Hennessey, M. Murphy, and Shaw
Absent: None

Committee Vote

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


Staff Recommendation

Receive and file as an information item.



November 2, 2020

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: Capital Programs Division - First Quarter Fiscal Year 2020-21
Capital Action Plan Performance Metrics

Overview

Staff has prepared a quarterly progress report on capital project delivery for the period of July 2020 through September 2021 for review by the Orange County Transportation Authority Board of Directors. This report highlights the Capital Action Plan for project delivery, which is used as a performance metric to assess delivery progress on highway, transit, and rail projects.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) delivers highway, transit, rail, and facility projects from the beginning of the environmental approval phase through construction completion. Project delivery milestones are planned carefully with consideration of project scope, costs, schedule, and assessment of risks. The milestones reflected in the Capital Action Plan (CAP) are OCTA's planned and budgeted major project delivery commitments.

This report is a quarterly progress report on the CAP performance metrics, which are a snapshot of the planned CAP project delivery milestones in the budgeted fiscal year (FY).

Discussion

OCTA's objective is to deliver projects on schedule and within the approved project budget. Key project cost and schedule commitments are captured in the CAP, which is regularly updated with project status and any new projects (Attachment A). The CAP is categorized into four key project groupings of freeway projects, railroad grade separation projects, and rail and station projects. Schedule milestones are used as performance indicators of progress in project delivery. The CAP performance metrics report provides a FY snapshot of the milestones targeted for delivery in the budgeted FY and provide transparency and performance measurement of capital project delivery.

The CAP project costs represent the total cost across all phases of project delivery, including support costs, and right-of-way (ROW) and construction capital costs. Baseline costs, if established, are shown in comparison to either the actual or forecast cost. Baseline costs may be shown as to-be-determined (TBD) if project scoping studies and estimates have not been developed or approved and may be updated as delivery progresses, and milestones are achieved. Projects identified in the Orange County local transportation sales tax Measure M2 (M2) are identified with the corresponding M2 project letter. The CAP status update is also included in the M2 Quarterly Report.

The CAP summarizes the very complex capital project critical path delivery schedules into eight key milestones.

Begin Environmental	The date work on the environmental clearance, project report, or preliminary engineering phase begins.
Complete Environmental	The date environmental clearance and project approval is achieved.
Begin Design	The date final design work begins, or the date when a design-build contract begins.
Complete Design	The date final design work is 100 percent complete and approved.
Construction Ready	The date contract bid documents are ready for advertisement, including certification of ROW, all agreements executed, and contract constraints cleared.

Advertise for Construction	The date a construction contract is advertised for bids.
Award Contract	The date the construction contract is awarded.
Construction Complete	The date all construction work is completed, and the project is open to public use.

These delivery milestones reflect progression across the project delivery phases shown below.



Project schedules reflect planned baseline milestone dates in comparison to forecast or actual milestone dates. Milestone dates may be shown as TBD if project scoping or approval documents have not been finalized and approved, or if the delivery schedule has not been negotiated with a partnering agency or consultant implementing the specific phase of a project. Planned milestone dates can be revised to reflect new dates from approved baseline schedule changes. Project schedules are reviewed monthly, and milestone achievements and updated forecast dates are included to reflect project delivery status.

CAP milestones achieved in the first quarter of FY 2020-21 include:

Freeway Projects

- The award contract milestone for construction of the Interstate 5 (I-5) widening between Alicia Parkway and El Toro Road was achieved. On September 23, 2020, the California Department of Transportation awarded the contract to Guy F. Atkinson Construction. This project is the northernmost of three segments of I-5 widening between State Route 73 and El Toro Road.

The following CAP milestones missed the planned delivery through the first quarter of FY 2020-21:

The planned complete design, construction ready, advertise construction milestones for the Anaheim Canyon Metrolink Station expansion were not achieved in the first quarter due to ROW acquisition delays. However, these three milestones were achieved in the second quarter, and the project was

advertised for construction bids, at risk, while negotiations for temporary construction access from the one remaining private property interest on the east side of the station is being finalized. The planned construction bid submittal and opening date may be adjusted to accommodate securing the remaining construction access rights.

Recap of FY 2020-21 Performance Metrics and CAP Updates

The performance metrics snapshot provided at the beginning of FY 2020-21 reflected 15 planned major project delivery milestones to be accomplished, four of which were planned in the first quarter. The CAP and performance metrics have been updated to reflect both the milestones achieved and missed through the first quarter of FY 2020-21 (Attachment B). One of the four milestones (25 percent) planned through the first quarter of the FY was achieved. The three milestones missed are attributable to the Anaheim Canyon Metrolink Station project ROW delay.

CAP updates and FY 2020-21 Risks

There are schedule updates and cost risks on the State Route 55 (SR-55) widening from Interstate 405 to I-5. The construction ready milestone planned for delivery in the fourth quarter has been revised to the first quarter of FY 2021-22 (September 2021) due to extremely complex ROW appraisals and negotiations involving four to five impacted properties. Should negotiations fail to result in agreements for the ROW needs, the working schedules consider potential eminent domain actions through the court to gain ROW early possession. Court schedules also may be backlogged due to the coronavirus pandemic, which may impact the early possession of ROW and further delay the construction phase. The forecast project cost is increasing to approximately \$503 million, which includes increases in the final engineer's estimate of construction costs, increased support cost, and an increase in forecast ROW costs to account for risks in condemnation settlements. These costs are still being assessed and will be included in the planned M2 Next 10 Delivery Plan Update and capital programming adjustments brought to the OCTA Board of Directors.

The Placentia Metrolink Station construction ready, advertise construction, and award contract milestones planned in the second and third quarter will not be met. Approvals needed to construct the project remain dependent on finalization of the Metrolink/Burlington Northern Santa Fe Railway (BNSF) shared-use agreement, which allows for Metrolink operations on the BNSF rail corridor. Revised target milestones for construction ready, advertise construction, and award contract milestones have not been forecast due to the pending Metrolink/BNSF negotiations.

Recent highway project construction bids still indicate a favorable market with a high number of bidders and very competitive bids priced below the engineer's estimated cost of bid items. Project cost estimates consider historical information, current trends in the market, and recent bid results at the state and regional level.

Summary

Capital project delivery continues to progress and is reflected in the CAP. The planned FY 2020-21 performance metrics created from forecast project schedules will be used as a general project delivery performance indicator throughout the FY. Staff will continue to manage project costs and schedules across all project phases to meet project delivery commitments and report quarterly.

Attachments

- A. Capital Action Plan, Status Through September 2020
- B. Capital Programs Division, Fiscal Year 2020-21 Performance Metrics Through September 2020

Prepared by:



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

Capital Action Plan
 Status Through September 2020
 Updated: October 24, 2020

Capital Projects	Cost Baseline/Forecast (millions)	Schedule Plan/Forecast																			
		Environmental		Design		Construction Ready		Construction		Award Contract		Complete Construction									
		Begin	Complete	Begin	Complete	Begin	Complete	Begin	Complete	Begin	Complete	Complete									
Freeway Projects:																					
I-5, Avenida Pico to San Diego County	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
I-5, Pico to Vista Hermosa Project C	\$113.0 \$83.5	Apr-21	Dec-23	Jun-11	Dec-11	Jun-11	Oct-13	May-14	Feb-14	Oct-14	May-14	Oct-14	Oct-14	Dec-14	Dec-14	Dec-14	Dec-14	Dec-14	Dec-14	Dec-14	Aug-18 Aug-18
I-5, Vista Hermosa to Pacific Coast Highway Project C	\$75.6 \$75.4	Jun-09	Dec-11	Jun-11	Dec-11	Jun-11	Feb-13	Aug-13	Jun-13	Oct-13	May-13	Aug-13	Feb-14	Dec-13	Jun-14	Jun-14	Jun-14	Jun-14	Jun-14	Jun-14	Mar-17 Jul-17
I-5, Pacific Coast Highway to San Juan Creek Road Project C	\$70.7 \$74.3	Jun-09	Dec-11	Jun-11	Dec-11	Jun-11	Jan-13	Apr-13	May-13	Apr-13	May-13	Aug-13	Aug-13	Oct-13	Oct-13	Oct-13	Oct-13	Oct-13	Oct-13	Oct-13	Sep-16 Jul-18
I-5, I-5/Ortega Interchange Project D	\$90.9 \$79.8	Sep-05	Jun-09	Jan-09	Jun-09	Jan-09	Nov-11	Apr-12	Dec-11	Mar-12	Apr-12	Jun-12	Jun-12	Aug-12	Aug-12	Aug-12	Aug-12	Aug-12	Aug-12	Aug-12	Sep-15 Jan-16
I-5, I-5/Ortega Interchange (Landscape) Project D	N/A N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A N/A
I-5, SR-73 to Oso Parkway Project C & D	\$151.9 \$195.8	Sep-11	Jun-14	Mar-15	May-14	Mar-15	Jan-18	May-19	Jan-18	Mar-18	May-18	Aug-18	Aug-18	Dec-18	Dec-18	Dec-18	Dec-18	Dec-18	Dec-18	Dec-18	Apr-25 Apr-25
I-5, Oso Parkway to Alicia Parkway Project C & D	\$196.2 \$203.1	Sep-11	Jun-14	Nov-14	May-14	Nov-14	Jun-17	Dec-17	Jun-17	Dec-17	Jun-18	Nov-18	Nov-18	Jun-18	Mar-19	Mar-19	Mar-19	Mar-19	Mar-19	Mar-19	Nov-23 Nov-23
I-5, Alicia Parkway to El Toro Road Project C	\$133.6 \$165.9	Sep-11	Jun-14	Mar-15	May-14	Mar-15	Jun-18	Apr-20	Jun-18	Dec-18	Apr-20	May-20	May-20	May-19	May-19	May-19	May-19	May-19	May-19	May-19	Oct-24 Oct-24
I-5, SR-73 to El Toro Road (Landscape) Project C	TBD	N/A	N/A	Jul-22	N/A	N/A	TBD	Mar-24	TBD	TBD	Jul-24	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
I-5, I-5/El Toro Road Interchange Project D	TBD	Apr-17	Nov-19	TBD	Oct-21	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
I-5, I-405 to Yale Avenue Project B	\$230.5 \$230.5	May-14	Aug-18	Sep-21	Jan-20	Sep-21	Jun-24	Dec-24	Jun-24	Dec-24	Dec-24	Apr-25	Apr-25	Jul-25	Jul-25	Jul-25	Jul-25	Jul-25	Jul-25	Jul-25	Jan-29
I-5, Yale Avenue to SR-55 Project B	\$200.4 \$200.4	May-14	Aug-18	Apr-21	Jan-20	Apr-21	Dec-23	Jun-24	Jun-24	Jun-24	Jun-24	Oct-24	Oct-24	Feb-25	Feb-25	Feb-25	Feb-25	Feb-25	Feb-25	Feb-25	Aug-28
I-5, SR-55 to SR-57 Project A	\$38.1 \$39.7	Jul-11	Jun-13	Jun-15	Apr-15	Jun-15	Mar-17	Dec-17	Mar-17	Jul-17	Dec-17	Mar-18	Mar-18	Dec-17	Dec-17	Dec-17	Dec-17	Dec-17	Dec-17	Dec-17	Apr-21
SR-55, I-405 to I-5 Project F	\$410.9 \$503.0	Feb-11	Nov-13	Sep-17	Nov-13	Sep-17	Apr-20	Dec-20	Apr-20	Dec-20	Dec-20	Apr-21	Apr-21	Jul-21	Jul-21	Jul-21	Jul-21	Jul-21	Jul-21	Jul-21	Aug-25 Apr-26

Capital Action Plan

Status Through September 2020
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Capital Projects	Cost		Schedule											
	Baseline/Forecast		Plan/Forecast					Complete						
	(millions)		Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction				
SR-55, I-5 to SR-91 Project F	TBD		Dec-16	Jan-20	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue Project G	TBD		Apr-16	Dec-18	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
SR-57 (NB), Katella Avenue to Lincoln Avenue Project G	\$78.7		Apr-08	Jul-09	Jul-08	Nov-10	Mar-11	May-11	Aug-11	Aug-11	May-14	Sep-14	Sep-14	Sep-14
SR-57 (NB), Katella Avenue to Lincoln Avenue (Landscape) Project G	\$38.0		Apr-08	Nov-09	Aug-08	Dec-10	Apr-11	Jul-11	Oct-11	Oct-11	Apr-15	Apr-15	Apr-15	Apr-15
SR-57 (NB), Katella Avenue to Lincoln Avenue (Landscape) Project G	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard Project G	N/A		N/A	N/A	May-09	Jul-10	Jun-17	Jul-17	Sep-17	Sep-17	Jun-18	Jun-18	Jun-18	Jun-18
SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard Project G	\$80.2		Aug-05	Dec-07	Feb-08	Dec-09	Apr-10	Jun-10	Oct-10	Oct-10	May-14	May-14	May-14	May-14
SR-57 (NB), Yorba Linda Boulevard to Lambert Road Project G	\$52.3		Aug-05	Dec-07	Feb-08	Jul-09	Dec-09	May-10	Oct-10	Oct-10	Nov-14	Nov-14	Nov-14	Nov-14
SR-57 (NB), Yorba Linda Boulevard to Lambert Road Project G	\$79.3		Aug-05	Dec-07	Feb-08	Dec-09	Apr-10	Jun-10	Oct-10	Oct-10	Sep-14	Sep-14	Sep-14	Sep-14
SR-57 (NB), Orangethorpe Avenue to Lambert Road (Landscape) Project G	\$54.1		Aug-05	Dec-07	Feb-08	Jul-09	Mar-10	May-10	Oct-10	Oct-10	May-14	May-14	May-14	May-14
SR-57 (NB), Orangethorpe Avenue to Lambert Road (Landscape) Project G	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SR-57 (NB), Orangethorpe Avenue to Lambert Road (Landscape) Project G	N/A		N/A	N/A	Oct-14	Aug-17	Dec-17	Jan-18	Feb-18	Feb-18	Apr-19	Apr-19	Apr-19	Apr-19
SR-57 (NB), Lambert Road to Tonner Canyon Project G	TBD		TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
SR-91 Westbound (WB), I-5 to SR-57 Project H	TBD		Jul-23	Mar-26	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
SR-91 Westbound (WB), I-5 to SR-57 (Landscape) Project H	\$78.1		Jul-07	Apr-10	Oct-09	Feb-12	Jul-12	Aug-12	Nov-12	Nov-12	Apr-16	Apr-16	Apr-16	Apr-16
SR-91 Westbound (WB), I-5 to SR-57 (Landscape) Project H	\$59.2		Jul-07	Jun-10	Mar-10	Apr-12	Aug-12	Oct-12	Jan-13	Jan-13	Jun-16	Jun-16	Jun-16	Jun-16
SR-91 Westbound (WB), I-5 to SR-57 (Landscape) Project H	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SR-91, SR-55 to Lakeview Avenue (Segment 1) Project I	N/A		N/A	N/A	Nov-14	Aug-16	Dec-16	Feb-17	Mar-17	Mar-17	Nov-17	Nov-17	Nov-17	Nov-17
SR-91, SR-55 to Lakeview Avenue (Segment 1) Project I	\$100.9		Jan-15	Oct-18	Mar-20	Jan-23	Aug-23	Oct-23	Feb-24	Feb-24	Sep-27	Sep-27	Sep-27	Sep-27
SR-91, SR-55 to Lakeview Avenue (Segment 1) Project I	\$100.9		Jan-15	Jun-20	Mar-20	Jan-23	Aug-23	Oct-23	Feb-24	Feb-24	Sep-27	Sep-27	Sep-27	Sep-27
SR-91, La Palma Avenue to SR-55 (Segment 2) Project I	\$208.4		Jan-15	Oct-18	Jun-20	Jul-23	Feb-24	Mar-24	Jul-24	Jul-24	Mar-28	Mar-28	Mar-28	Mar-28
SR-91, La Palma Avenue to SR-55 (Segment 2) Project I	\$208.4		Jan-15	Jun-20	Jun-20	Jul-23	Feb-24	Mar-24	Jul-24	Jul-24	Mar-28	Mar-28	Mar-28	Mar-28
SR-91, Acacia Street to La Palma Avenue (Segment 3) Project I	\$116.2		Jan-15	Oct-18	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
SR-91, Acacia Street to La Palma Avenue (Segment 3) Project I	\$116.2		Jan-15	Jun-20	Nov-20	Sep-23	Apr-24	Jun-24	Sep-24	Sep-24	May-28	May-28	May-28	May-28
SR-91 (WB), Tustin Interchange to SR-55 Project I	\$49.9		Jul-08	Jul-11	Jul-11	Mar-13	Jul-13	Aug-13	Oct-13	Oct-13	Jul-16	Jul-16	Jul-16	Jul-16
SR-91 (WB), Tustin Interchange to SR-55 Project I	\$42.5		Jul-08	May-11	Jun-11	Feb-13	Apr-13	Jun-13	Oct-13	Oct-13	Jul-16	Jul-16	Jul-16	Jul-16
SR-91, SR-55 to SR-241 Project J	\$128.4		Jul-07	Jul-09	Jun-09	Jan-11	Apr-11	Jun-11	Sep-11	Sep-11	Dec-12	Dec-12	Dec-12	Dec-12
SR-91, SR-55 to SR-241 Project J	\$79.7		Jul-07	Apr-09	Apr-09	Aug-10	Dec-10	Feb-11	May-11	May-11	Mar-13	Mar-13	Mar-13	Mar-13

Capital Action Plan

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Capital Projects	Cost Baseline/Forecast (millions)	Schedule Plan/Forecast															
		Begin Environmental		Complete Environmental		Begin Design		Complete Design		Construction Ready		Advertise Construction		Award Contract		Complete Construction	
SR-91, SR-55 to SR-241 (Landscape) Project J	N/A	N/A	N/A	N/A	N/A	N/A	N/A	May-12	Feb-13	N/A	N/A	N/A	N/A	Oct-13	N/A	N/A	Feb-15
SR-91 EB, SR-241 to SR-71 Project J	\$104.5	Mar-05	Dec-07	Dec-07	Dec-07	Jul-07	Dec-08	Jul-07	Dec-08	Mar-09	May-09	May-09	May-09	Jul-09	Jul-09	Nov-10	Nov-10
91 Express Lanes to SR-241 Toll Connector	\$57.8	Mar-05	Dec-07	Dec-07	Dec-07	Jul-07	Dec-08	Jul-07	Dec-08	Mar-09	May-09	May-09	May-09	Jul-09	Jul-09	Nov-10	Nov-10
I-405, I-5 to SR-55 Project L	TBD	N/A	N/A	N/A	N/A	N/A	N/A	Jun-16	Dec-21	N/A	N/A	N/A	N/A	Nov-22	N/A	N/A	Jun-25
I-405, SR-55 to I-605 (Design-Build) Project K	TBD	Dec-14	Jul-18	Jul-18	Jul-18	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
I-405/SR-22 HOV Connector	\$1,900.0	Mar-09	Mar-13	Mar-13	Mar-13	Mar-14	Nov-15	Mar-14	Nov-15	Feb-16	Mar-16	Mar-16	Mar-16	Nov-16	Nov-16	May-23	May-23
I-405/I-605 HOV Connector	\$1,900.0	Mar-09	May-15	May-15	May-15	Mar-14	Nov-15	Mar-14	Nov-15	Feb-16	Mar-16	Mar-16	Mar-16	Nov-16	Nov-16	May-23	May-23
I-405/I-605 HOV Connector	\$195.9	N/A	N/A	N/A	N/A	Sep-07	Sep-09	Sep-07	Sep-09	Mar-10	May-10	May-10	May-10	Aug-10	Aug-10	Aug-14	Aug-14
I-405/I-605 HOV Connector	\$120.8	N/A	N/A	N/A	N/A	Sep-07	Jun-09	Sep-07	Jun-09	Sep-09	Feb-10	Feb-10	Feb-10	Jun-10	Jun-10	Mar-15	Mar-15
I-405/I-605 HOV Connector	\$260.4	N/A	N/A	N/A	N/A	Sep-07	Sep-09	Sep-07	Sep-09	Mar-10	May-10	May-10	May-10	Oct-10	Oct-10	Jan-15	Jan-15
I-405/SR-22/I-605 HOV Connector (Landscape)	\$172.6	N/A	N/A	N/A	N/A	Sep-07	Sep-09	Sep-07	Sep-09	Feb-10	May-10	May-10	May-10	Oct-10	Oct-10	Mar-15	Mar-15
I-605, I-605/Katella Interchange Project M	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
I-605, I-605/Katella Interchange	\$29.0	Aug-16	Nov-18	Nov-18	Nov-18	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
I-605, I-605/Katella Interchange	\$29.0	Aug-16	Oct-18	Oct-18	Oct-18	Dec-20	Sep-22	Dec-20	Sep-22	Jan-23	Jan-23	Jan-23	Jan-23	Jun-23	Jun-23	Feb-25	Feb-25
Grade Separation Projects:																	
Sand Canyon Avenue Railroad Grade Separation Project R	\$55.6	N/A	Sep-03	Sep-03	Sep-03	Jan-04	Jul-10	Jan-04	Jul-10	Jul-10	Jul-10	Jul-10	Jul-10	Feb-11	Feb-11	May-14	May-14
Raymond Avenue Railroad Grade Separation Project O	\$61.9	N/A	Sep-03	Sep-03	Sep-03	Jan-04	Jul-10	Jan-04	Jul-10	Jul-10	Jul-10	Jul-10	Jul-10	Feb-11	Feb-11	Jan-16	Jan-16
State College Boulevard Railroad Grade Separation (Fullerton) Project O	\$77.2	Feb-09	Nov-09	Nov-09	Nov-09	Mar-10	Aug-12	Mar-10	Aug-12	Nov-12	Nov-12	Nov-12	Nov-12	May-13	May-13	Aug-18	Aug-18
Placentia Avenue Railroad Grade Separation Project O	\$126.2	Feb-09	Nov-09	Nov-09	Nov-09	Mar-10	Dec-12	Mar-10	Dec-12	Jul-13	Jul-13	Jul-13	Jul-13	Feb-14	Feb-14	May-18	May-18
Kraemer Boulevard Railroad Grade Separation Project O	\$73.6	Dec-08	Apr-11	Apr-11	Apr-11	Jul-06	Aug-12	Jul-06	Aug-12	Nov-12	Nov-12	Nov-12	Nov-12	May-13	May-13	Mar-18	Mar-18
Orangethorpe Avenue Railroad Grade Separation Project O	\$99.6	Dec-08	Apr-11	Apr-11	Apr-11	Jul-06	Aug-12	Jul-06	Aug-12	Nov-12	Nov-12	Nov-12	Nov-12	May-13	May-13	Mar-18	Mar-18
Orangethorpe Avenue Railroad Grade Separation Project O	\$78.2	Jan-01	May-01	May-01	May-01	Jan-09	Mar-10	Jan-09	Mar-10	May-10	May-10	May-10	May-10	Jun-11	Jun-11	Nov-14	Nov-14
Orangethorpe Avenue Railroad Grade Separation Project O	\$64.5	Jan-01	May-01	May-01	May-01	Jan-09	Jun-10	Jan-09	Jun-10	Jan-11	Jan-11	Jan-11	Jan-11	Jul-11	Jul-11	Dec-14	Dec-14
Orangethorpe Avenue Railroad Grade Separation Project O	\$70.4	Jan-01	Sep-09	Sep-09	Sep-09	Jan-09	Jul-10	Jan-09	Jul-10	Jul-10	Jul-10	Jul-10	Jul-10	Apr-11	Apr-11	Oct-14	Oct-14
Orangethorpe Avenue Railroad Grade Separation Project O	\$63.8	Jan-01	Sep-09	Sep-09	Sep-09	Feb-09	Jul-10	Feb-09	Jul-10	Jan-11	Jan-11	Jan-11	Jan-11	Sep-11	Sep-11	Dec-14	Dec-14
Orangethorpe Avenue Railroad Grade Separation Project O	\$117.4	Jan-01	Sep-09	Sep-09	Sep-09	Feb-09	Dec-11	Feb-09	Dec-11	Dec-11	Dec-11	Dec-11	Dec-11	Feb-12	Feb-12	Sep-16	Sep-16
Orangethorpe Avenue Railroad Grade Separation Project O	\$105.9	Jan-01	Sep-09	Sep-09	Sep-09	Feb-09	Oct-11	Feb-09	Oct-11	Apr-12	Apr-12	Apr-12	Apr-12	Sep-12	Sep-12	Oct-16	Oct-16

Capital Action Plan

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Capital Projects	Cost		Schedule									
	Baseline/Forecast		Plan/Forecast					Ready				
	(millions)		Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction		
Tustin Avenue/Rose Drive Railroad Grade Separation Project O	\$103.0	\$96.6	Jan-01	Sep-09	Feb-09	Dec-11	Mar-12	May-12	Aug-12	May-16		
Lakeview Avenue Railroad Grade Separation Project O	\$70.2	\$110.7	Jan-01	Sep-09	Feb-09	Oct-11	Oct-12	Feb-13	May-13	Mar-17		
17th Street Railroad Grade Separation Project R	TBD	TBD	Oct-14	Jun-16	TBD	Jan-13	Apr-13	Sep-13	Nov-13	Jun-17		
Rail and Station Projects:												
Rail-Highway Grade Crossing Safety Enhancement Project R	\$94.4	\$90.4	Jan-08	Oct-08	Jan-08	Sep-08	Sep-08	Sep-08	Aug-09	Dec-11		
San Clemente Beach Trail Safety Enhancements Project R	\$6.0	\$5.0	Sep-10	Jul-11	Feb-12	Apr-12	Apr-12	Jul-12	Oct-12	Jan-14		
San Juan Capistrano Passing Siding	\$25.3	\$36.4	Aug-11	Jan-13	Mar-15	May-16	May-16	Aug-16	Dec-16	Feb-21		
OC Streetcar Project S	\$424.4	\$424.4	Aug-09	Mar-12	Feb-16	Sep-17	Oct-17	Dec-17	Aug-18	Feb-21		
Placentia Metrolink Station and Parking Structure Project R	\$94.8	\$40.1	Jan-03	May-07	Oct-08	Jan-11	TBD	TBD	TBD	Dec-21		
Orange County Maintenance Facility Project R	TBD	TBD	Apr-20	Apr-22	TBD	TBD	TBD	TBD	May-21	Dec-22		
Anaheim Canyon Station	\$27.9	\$29.9	Jan-16	Dec-16	Mar-19	May-19	May-19	Jul-19	Nov-19	Mar-21		
Orange Station Parking Expansion	\$33.2	\$30.9	Dec-09	Dec-12	Nov-10	Apr-13	Jul-16	Jul-16	Nov-16	Feb-19		
Fullerton Transportation Center - Elevator Upgrades	\$3.5	\$4.2	N/A	N/A	Jan-12	Dec-13	Dec-13	Aug-14	Sep-14	Mar-17		
Laguna Niguel/Mission Viejo Station ADA Ramps	\$3.5	\$5.0	Jul-13	Jan-14	Jul-13	Aug-14	Aug-14	Sep-14	Jan-15	Apr-17		
Anaheim Regional Transportation Intermodal Center Project R & T	\$227.4	\$232.2	Apr-09	Feb-11	Jun-09	Feb-12	Feb-12	May-12	Jul-12	Nov-14		



Capital Action Plan

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Capital Projects	Cost		Schedule							
	Baseline/Forecast (millions)	Forecast	Plan/Forecast	Complete Design	Begin Design	Complete Environmental	Begin Environmental	Construction Ready	Advertise Construction	Award Contract

Note: Costs associated with landscape projects are included in respective freeway projects.

Grey = Milestone achieved

Green = Forecast milestone meets or exceeds plan

Yellow = Forecast milestone is one to three months later than plan

Red = Forecast milestone is over three months later than plan

Begin Environmental: The date work on the environmental clearance, project report, or preliminary engineering phase begins.

Complete Environmental: The date environmental clearance and project approval is achieved.

Begin Design: The date final design work begins, or the date when a design-build contract begins.

Complete Design: The date final design work is 100 percent complete and approved.

Construction Ready: The date contract bid documents are ready for advertisement, including certification of right-of-way, all agreements executed, contract constraints are cleared.

Advertise for Construction: The date a construction contract is both funded and advertised for bids.

Award Contract: The date the construction contract is awarded.

Construction Complete: The date all construction work is completed and the project is open to public use.

Acronyms

- I-5 - Santa Ana Freeway (Interstate 5)
- SR-73 - San Joaquin Freeway (State Route 73)
- SR-55 - Costa Mesa Freeway (State Route 55)
- SR-57 - Orange Freeway (State Route 57)
- SR-71 - Corona Freeway (State Route 71)
- SR-91 - Riverside Freeway (State Route 91)
- SR-22 - Garden Grove Freeway (State Route 22)
- I-405 - San Diego Freeway (Interstate 405)
- SR-241 - Foothill/Eastern Transportation Corridor (State Route 241)
- I-605 - San Gabriel River Freeway (Interstate 605)
- ADA - Americans with Disabilities Act
- EB - Eastbound
- HOV - High-occupancy Vehicle
- NB - Northbound
- SB - Southbound
- TBD - To-be-determined
- WB - Westbound

Capital Programs Division Fiscal Year 2020-21 Performance Metrics Through September 2020

Begin Environmental

Project Description	FY 21 Qtr 1		FY 21 Qtr 2		FY 21 Qtr 3		FY 21 Qtr 4		FY 21
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
I-5, Avenida Pico to San Diego County Line							X		
Total Forecast/Actual	0	0	0	0	0	0	1	0	1

Complete Environmental

Project Description	FY 21 Qtr 1		FY 21 Qtr 2		FY 21 Qtr 3		FY 21 Qtr 4		FY 21
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
No "Complete Environmental" milestones scheduled for FY 2020-21									
Total Forecast/Actual	0	0	0	0	0	0	0	0	0

Begin Design

Project Description	FY 21 Qtr 1		FY 21 Qtr 2		FY 21 Qtr 3		FY 21 Qtr 4		FY 21
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
SR-91, Acacia Street to La Palma Avenue			X						
I-605/Katella Avenue Interchange			X						
I-5, Yale Avenue to SR-55							X		
Total Forecast/Actual	0	0	2	0	0	0	1	0	3

Complete Design

Project Description	FY 21 Qtr 1		FY 21 Qtr 2		FY 21 Qtr 3		FY 21 Qtr 4		FY 21
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
Anaheim Canyon Metrolink Station	X								
Total Forecast/Actual	1	0	0	0	0	0	0	0	1

Construction Ready

Project Description	FY 21 Qtr 1		FY 21 Qtr 2		FY 21 Qtr 3		FY 21 Qtr 4		FY 21
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
Anaheim Canyon Metrolink Station	X								
Placentia Metrolink Station and Parking Structure					X				
SR-55, I-405 to I-5							X		
Total Forecast/Actual	1	0	0	0	1	0	1	0	3

Advertise Construction

Project Description	FY 21 Qtr 1		FY 21 Qtr 2		FY 21 Qtr 3		FY 21 Qtr 4		FY 21
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
Anaheim Canyon Metrolink Station	X								
Placentia Metrolink Station and Parking Structure					X				
Total Forecast/Actual	1	0	0	0	1	0	0	0	2

Award Contract

Project Description	FY 21 Qtr 1		FY 21 Qtr 2		FY 21 Qtr 3		FY 21 Qtr 4		FY 21
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
I-5, Alicia Parkway to El Toro Road	X	✓							
Anaheim Canyon Metrolink Station			X						
Placentia Metrolink Station and Parking Structure							X		
Total Forecast/Actual	1	1	1	0	0	0	1	0	3

Capital Programs Division

Fiscal Year 2020-21 Performance Metrics Through September 2020

Complete Construction

Project Description	FY 21 Qtr 1		FY 21 Qtr 2		FY 21 Qtr 3		FY 21 Qtr 4		FY 21
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
San Juan Capistrano Passing Siding					X				
I-5, SR-55 to SR-57							X		
Total Forecast/Actual	0	0	0	0	1	0	1	0	2

Totals	4	1	3	0	3	0	5	0	15
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Begin Environmental: The date work on the environmental clearance, project report, or preliminary engineering phase begins.

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Begin Design: The date final design work begins or the date when a design-build contract begins.

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Acronyms

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SR-55 - Costa Mesa Freeway (State Route 55)

SR-91 - Riverside Freeway (State Route 91)

I-605 - San Gabriel River Freeway (Interstate 605)

I-405 - San Diego Freeway (Interstate 405)

Fcst - Forecast

FY - Fiscal Year

Qtr - Quarter

X = milestone forecast in quarter





COMMITTEE TRANSMITTAL

December 14, 2020

To: Members of the Board of Directors

From: Andrea West, Interim Clerk of the Board *Andrea West*

Subject: Environmental Mitigation Program Endowment Fund Investment Report for September 30, 2020

Finance and Administration Committee Meeting of December 9, 2020

Present: Directors Do, Hennessey, Hernandez, Jones, Muller, R. Murphy, and Steel

Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 5-0 by the Members present.

Directors Hernandez and R. Murphy were not present to vote on this item.

Committee Recommendation

Receive and file as an information item.



December 9, 2020

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Environmental Mitigation Program Endowment Fund Investment Report for September 30, 2020

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 programs. The California Community Foundation manages the non-wasting endowment required to fund 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.

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, 2020, the Orange County Transportation Authority has made five deposits to the CCF 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

Per Attachment A, as of September 30, 2020, total pool assets in the CCF Endowment Pool were \$1.14 billion. Total foundation assets were \$2.03 billion. Performance for the CCF Endowment Pool was -1.6 percent for the month, 0.1 percent above the benchmark; five percent for the quarter, 0.3 percent below the benchmark. The one-year return was 5.4 percent, 0.8 percent below the benchmark.

Per Attachment B, the balance as of September 30, 2020, was \$16,046,436. The balance is above the fiscal year 2020-21 target of \$16,002,055 as the United States (U.S.) economy grew at its fastest pace ever in the third quarter amid coronavirus pandemic and election concerns. Throughout the third quarter, markets continued to experience various price swings with U.S. stocks ending the quarter on a positive note, but with continued high volatility. The CCF's Endowment Pool portfolio is well diversified, with various asset classes that can handle changes in market volatility.

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, 2020.

Attachments

- A. California Community Foundation Endowment Pool Investments – September 2020
- B. California Community Foundation Fund Statement – 7/1/2020 – 9/30/2020

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



Endowment Pool

September 2020

INVESTMENTS

The Endowment Pool returned -1.6% for the month of September 2020, 10 basis points ahead of its benchmark. For the trailing year, the pool returned 5.4%, 80 basis behind its benchmark.

Total Pool Assets

\$1.14 billion (Endowment Pool), \$2.03 billion (total foundation assets) as of September 30, 2020.

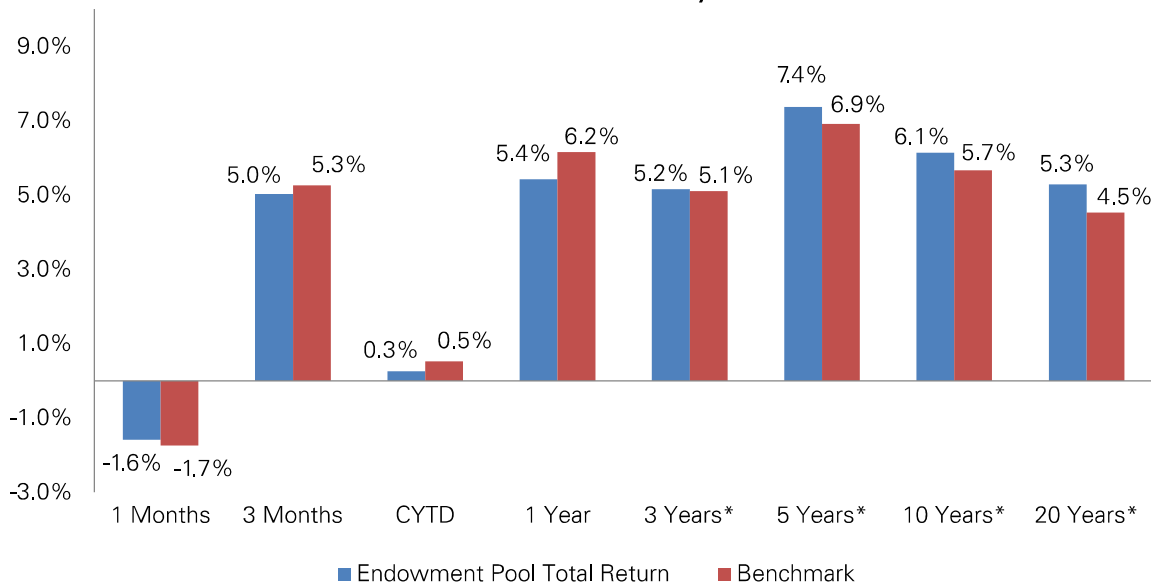
Pool Objective

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

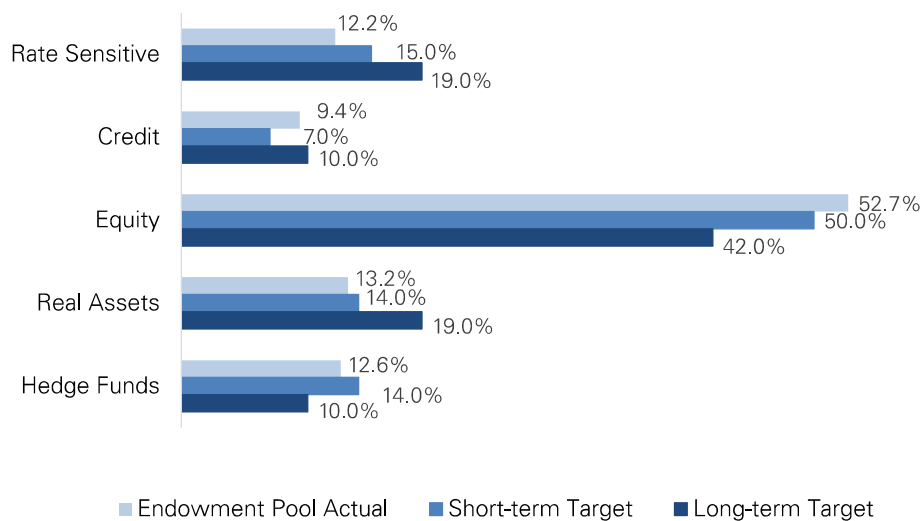
Investment Consultant

Meketa Investment Group

Performance History



Asset Allocation



*Represents annualized returns.

1) Investment expense ratio approximates 0.60%, 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: 48% MSCI ACWI - 2% Cambridge PE Index 1-Qtr Lag / 14% HFR FOF / 5% ODCE - 5% S&P Global Large Mid NR - 4% S&P Global Infrastructure / 9% Barc Agg. - 3% Barc 1-5 Yr. Gov/Cr - 3% Barc 0-5 Yr. US Treasury TIPs / 2% Barc High Yield - 2% S&P/LSTA Leveraged Loan - 3% JP Morgan EMBI Global Diversified.
 4) Short-term target allocation is over 1-4 years, long-term target allocation is over 4-9 years.



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)

7/1/2020 - 9/30/2020

Fund Summary

	Report Period 7/1/2020 - 9/30/2020	Calendar YTD 1/1/2020 - 9/30/2020
Opening Fund Balance	\$12,419,908.00	\$13,034,838.42
Contributions (see attached detail)	2,877,000.00	2,877,000.00
Investment Activity, net	749,527.52	169,045.43
Administration & Grant Management Fees	0.00	(34,448.33)
Net Changes to Fund	<u>3,626,527.52</u>	<u>3,011,597.10</u>
Ending Balance	<u>\$16,046,435.52</u>	<u>\$16,046,435.52</u>

Investment Pool Performance as of 9/30/2020

	This Qtr.	1-Year	3-Years	5-Years	10-Years
Endowment Pool	5.0%	5.4%	5.2%	7.4%	6.1%
Social Impact Endowment Pool	7.3%	15.8%	9.9%	10.0%	8.5%
Conservative Balanced Pool	3.0%	7.0%	5.8%	5.8%	n/a
Short Duration Bond Pool	0.3%	4.7%	3.4%	2.5%	n/a
Capital Preservation Pool	0.0%	1.3%	1.7%	1.2%	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
07/09/2020	Orange County Transportation Authority	2,877,000.00
		<u>\$2,877,000.00</u>



COMMITTEE TRANSMITTAL

December 14, 2020

To: Members of the Board of Directors
From: Andrea West, Interim Clerk of the Board *Andrea West*
Subject: Comprehensive Transportation Funding Programs Semi-Annual Review – September 2020

Regional Planning and Highways Committee Meeting of December 7, 2020

Present: Directors Bartlett, Chaffee, Delgleize, Muller, M. Murphy, and R. Murphy
Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendations

- A. Approve adjustments to Comprehensive Transportation Funding Programs projects, Local Fair Share and Senior Mobility Program funds.
- B. Authorize the Chief Executive Officer to negotiate and execute cooperative agreement amendments for all active Project V services in order to incorporate proposed coronavirus-related grant term adjustments, up to 24 months.



December 7, 2020

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: Comprehensive Transportation Funding Programs Semi-Annual Review – September 2020

Overview

The Orange County Transportation Authority recently completed the September 2020 semi-annual review of projects funded through the Comprehensive Transportation Funding Programs. This process reviews the status of Measure M2 grant-funded projects and provides an opportunity for local agencies to update project information and request project modifications. Recommended project adjustments are presented for review and approval.

Recommendations

- A. Approve adjustments to Comprehensive Transportation Funding Programs projects, Local Fair Share and Senior Mobility Program funds.
- B. Authorize the Chief Executive Officer to negotiate and execute cooperative agreement amendments for all active Project V services in order to incorporate proposed coronavirus-related grant term adjustments, up to 24 months.

Background

The Comprehensive Transportation Funding Programs (CTFP) is the mechanism which the Orange County Transportation Authority (OCTA) uses to administer funding for street and road (Project O and Project Q), signal synchronization (Project P), transit (projects S,U,V, and W), and water quality (Project X) programs. In addition, the CTFP ensures coordination with external funding revenues such as, State-Local Partnership Program funds and Local Partnership Program funds (Attachment A). The CTFP provides local agencies with a comprehensive set of guidelines for administration and delivery of various transportation funding grants, including regular updates on the status of funded projects.

Twice a year, OCTA meets with representatives from local agencies to review the status of projects and proposed project changes. This process is known as the semi-annual review. The goals of the semi-annual review are to review project status, determine the continued viability of projects, address local agency concerns, confirm availability of local match funds, ensure timely closeout of all projects funded through the CTFP, and to address any other project-related issues or concerns. For this review period, local agencies were required to submit status updates and requests for project changes by September 21, 2020.

Discussion

The September 2020 semi-annual review project adjustment requests include:

- seven timely-use of funds extensions for projects funded with competitive funds,
- nine timely-use of funds extensions for the Local Fair Share Program,
- twelve timely-use of funds extensions for the Senior Mobility Program,
- two project scope changes,
- seven project funding transfers,
- two project cancellations,
- 21 time adjustments to Community Circulators services grant terms, and
- four technical corrections.

The coronavirus (COVID-19) pandemic continues to impact local agencies' ability to conduct normal business. In this review cycle, 40 out of a total of 64 project adjustment requests are attributed to COVID-19-related impacts (Attachment B). These impacts have been especially pronounced for the Measure M2 (M2) Project V Program. The majority of these services have not been operational since March 2020. Other reasons for adjustments were related to a variety of issues affecting project delivery, including difficulty in acquiring necessary permits, need to revise project plans, negotiating project change orders, collecting documentation for final project reports, transferring savings, and cancellations.

With respect to Project V services, discussions with local agencies have revealed that most will not be reinitiating Project V-funded services until social distancing requirements are either relaxed and/or removed. Given this input and the fact that all Project V services have fixed-grant terms, it is recommended that an additional two years be added to each local agencies' grant term via amendments to existing cooperative agreements. If approved, the Project V adjustments (21 in total) will hold local agencies harmless for the period when services were suspended due to the pandemic and also provide them with time to reinitiate services as appropriate and consistent with demand and public

health guidelines. As such, staff is requesting the Board of Directors (Board) authorize the Chief Executive Officer to amend Project V agreements to incorporate proposed COVID-19-related grant term adjustments of up to 24 months.

Staff is also requesting Board approval of four “technical” adjustments. These requests include one technical correction to the programming to match the approved funding application and three adjustments to program the funds consistent with how the projects were phased.

For more information on all proposed CTFP adjustment requests, see Attachment C, which outlines all local agency requests, and Attachment D, which provides narrative discussions of the requests.

M2 CTFP Summary

The table below is provided for reference and includes a summary of M2 CTFP-funded projects by phase and funding allocation amount. The table also documents programmatic changes that have occurred since approval of the previous semi-annual review. These changes reflect the addition of approximately \$45.7 million in new M2 funding allocations resulting from three completed calls for projects for programs O, P, V, and W.

Additionally, since inception of M2, OCTA has awarded over \$547 million in competitive funds, including approximately \$38 million in state and federal funds. With reductions in original programming amounts (for various reasons), the total revised M2 allocation through the September 2020 semi-annual review period equals \$543.6 million.

M2 CTFP Summary Table				
Project Status	March 2020 Semi-Annual Review		September 2020 Semi-Annual Review	
	Project Phase	Allocations ¹ (after adjustments)	Project Phase	Allocations ¹ (after adjustments)
Planned ²	51	\$ 29.0	64	\$ 70.5
Started ³	111	\$178.5	109	\$174.6
Pending ⁴	96	\$ 82.4	98	\$ 83.3
Completed ⁵	367	\$169.6	383	\$173.9
Cancelled ⁶	50	\$ 38.4	56	\$ 41.3
Total	675	\$497.9	710	\$543.6

¹ Allocations in millions, 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 phases and allocations listed above are subject to frequent and regular changes due primarily to project status updates, final reconciliations, and project closeout processes.

As of publishing this report, 481 individual project phases have been completed (including 18 during this semi-annual review period) or opened to traffic. This represents a 74 percent project delivery rate (with cancelled projects excluded). Another 173 project phases or 26 percent are considered currently active (64 planned and 109 started).

The CTFP semi-annual review process also tracks project cost savings. Since inception of M2, total accumulated savings have amounted to approximately \$54 million dollars. These savings have been incrementally returned to M2 source programs and are used to support future funding cycles, as appropriate.

Next Steps

From a CTFP administrative perspective, the proposed project adjustments identified in this report are appropriate and necessary. These items have also been reviewed and approved by the OCTA Technical Advisory Committee. As such, Board approval of these semi-annual review adjustments is recommended. If these recommendations are approved by the Board, staff will monitor implementation of these proposed changes through future semi-annual review cycles, which are reported to the Board biannually.

Summary

OCTA has recently concluded the semi-annual review of the status of all active project phases funded through the M2 CTFP. The majority of project adjustments in this cycle are influenced by COVID-19. Staff recommends the approval of the project adjustments requested for this semi-annual review cycle and is also seeking direction to initiate amendments to M2 cooperative agreements, as appropriate, to implement proposed project adjustments.

Attachments


- A. Measure M2 Comprehensive Transportation Funding Programs Summary
- B. Comprehensive Transportation Funding Programs, September 2020 Semi-Annual Review Adjustment Requests Statistics
- C. Comprehensive Transportation Funding Programs, September 2020 Semi-Annual Review Adjustment Requests
- D. Comprehensive Transportation Funding Programs, September 2020 Semi-Annual Review Adjustment Request Descriptions

Prepared By:



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Approved By:



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

Measure M2 Comprehensive Transportation Funding Programs Summary

Comprehensive Transportation Funding Programs (CTFP)

The Orange County Transportation Authority's (OCTA) Comprehensive Transportation Funding Programs (CTFP) is a collection of Measure M (M2) funding programs, which are offered to Orange County (County) local agencies to assist in funding street and road, transit, and transportation-related environmental clean-up and improvement efforts.

Each program within the CTFP has a specific objective, funding source, and set of selection criteria. Applications for CTFP competitive programs are submitted during calls for projects (calls). Each competitive funding program has its own call cycle with some calls occurring annually (and others occurring less frequently), depending upon local agency interest, funding availability, and County transportation needs. OCTA staff and various technical review committees review, vet, and develop funding recommendations for each call, prior to submittal to the OCTA Board of Directors for final input, review, and approval of programming recommendations. Formula funds are distributed to local agencies by OCTA on a regular basis, so long as local agencies are eligible to receive M2 funds (and meet other program specific criteria).

A brief summary of each of the M2 funding programs included in the CTFP is provided below.

Regional Capacity Program

The Regional Capacity Program (Project O) is a competitive program which funds improvements to the Orange County Master Plan of Arterial Highways (MPAH). The MPAH is the County's back-bone arterial highway network, and Project O supports roadway construction and widenings, intersection improvements, and arterial highway to freeway transitions.

Regional Traffic Signal Synchronization Program

The Regional Traffic Signal Synchronization Program (Project P) is a competitive program, which provides funding to implement multi-agency signal synchronization projects, in order to provide drivers a better travel experience by providing reduced travel times, stops, and delays. The overall goal of the program is to regularly coordinate 2,000 signals along 750 miles of the County's roadway network.

Local Fair Share Program

The Local Fair Share Program (Project Q) provides flexible formula funds to help local agencies pay for the escalating cost of restoring aging street systems. Cities can use these funds for other local transportation needs as well, so long as these funds are supplementing and not supplanting local agencies' transportation expenditures.

Measure M2 Comprehensive Transportation Funding Programs Summary

Transit Extensions to Metrolink

The Transit Extensions to Metrolink Program (Project S) is a competitive program, which provides funds to local agencies in order to enhance their regional transit capabilities through creation of new connections between residential/employment centers and the existing Metrolink system.

Senior Mobility Program

The Senior Mobility Program (Project U) provides formula funds to fill in gaps between local fixed-route buses and ACCESS services. Under this program, participating local agencies are eligible to receive funds and vehicles from OCTA to assist in operating local transit systems, which best fit the needs of older adults in their communities.

Community-Based Transit/Circulators

The Community-Based Transit/Circulators Program (Project V) provides competitive funds to local agencies to develop and implement local transit services, such as community-based circulators, shuttles, bus trolleys, and other shared-ride services, which both complement regional bus and rail services, and also meet needs in areas not adequately served by regional transit.

Safe Transit Stops

The Safe Transit Stops Program (Project W) allocates funds to eligible local agencies so they can implement passenger amenity improvements (i.e. constructing or improving shelters, providing new and/or additional seating, waste receptacles, signage, etc.) at the 100 busiest bus stops in the County.

Environmental Cleanup Program

The Environmental Cleanup Program (Project X) provides competitive funds for water quality improvement projects that address transportation-generated pollution. Project X is a two-tiered funding program with Tier I projects mitigating the more visible form of pollution (i.e. trash and debris), which accumulate on County roadways. The Tier II component of the program provides funding for multi-jurisdictional projects focused on implementing large-scale best management practices construction projects.

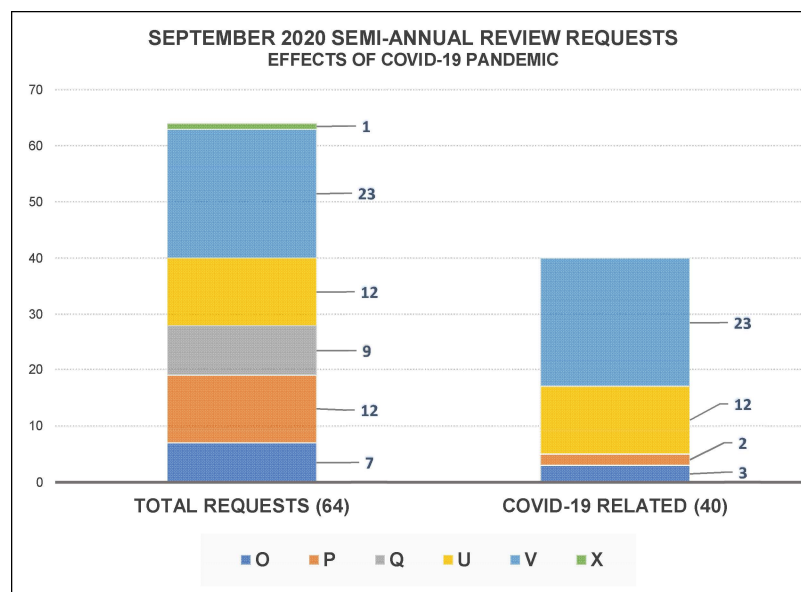
Comprehensive Transportation Funding Programs
September 2020 Semi-Annual Review Adjustment Request Statistics

Request	September 2020 Requests	September 2019 Requests	Requests (Five-Year Average)	September 2020 Cycle COVID-19 Related
Advancements	0	0	0	0
Cancellations	2	0	1	1
Delays	0	0	0	0
Fund Extensions - CTFP	7	2	9	4
Fund Extensions - LFS/SMP	21	14	4	12
Scope Change	2	4	8	0
Transfer	7	1	2	2
Other	25	0	0	21
TOTAL	64	21	24	40

Project	September 2020 Requests	September 2019 Requests	Requests (Five-Year Average)	September 2020 Cycle COVID-19 Related
O (Regional Capacity Program)	7	2	4	3
P (Regional Traffic Signal Synchronization Program)	12	3	10	2
Q (LFS)	9	14	4	0
S (Transit Extensions to Metrolink)	0	0	0	0
U (SMP)	12	0	0	12
V (Community-Based Transit/Circulators)	23	1	1	23
W (Safe Transit Stops)	0	0	0	0
X (Environmental Cleanup Program)	1	1	5	0
TOTAL	64	21	24	40

Acronyms

COVID-19 - Coronavirus
CTFP - Comprehensive Transportation Funding Programs
LFS - Local Fair Share
SMP - Senior Mobility Program



Comprehensive Transportation Funding Programs
September 2020 Semi-Annual Review Adjustment Requests

Timely-Use of Funds Extension Requests - CTFP Programs*									
No	Agency	Project Number	Project	Project Title	Phase	Current FY	Current Allocation	Proposed Time Extension (Months)	Proposed Expenditure Deadline
1	Fullerton	17-FULL-TSP-3874 ¹	P	Gilbert Street / Idaho Street Corridor RTSSP	IMP	2017/18	\$ 862,560	24	2/6/2023
2	Fullerton	17-FULL-TSP-3874 ¹	P	Gilbert Street / Idaho Street Corridor RTSSP	O&M	2018/19	\$ 54,720	24	6/1/2024
3	Irvine	16-IRVN-ACE-3806 ^{2,3}	O	University Drive Widening (MacArthur Boulevard to Campus Drive)	CON	2017/18	\$ 4,016,606	24	2/9/2023
4	Irvine	18-IRVN-ICE-3899 ¹	O	Harvard Avenue at Michelson Drive Intersection Improvements	ENG	2018/19	\$ 54,420	24	4/2/2024
5	Irvine	18-IRVN-ICE-3900 ¹	O	Culver Drive at Alton Parkway Intersection Improvements	ENG	2018/19	\$ 194,047	24	4/8/2024
6	Santa Ana	13-SNTA-ECP-3680 ^{4,5}	X	Santa Ana Delhi Channel Diversion	CON	2015/16	\$ 2,572,875	12	12/6/2021
7	Santa Ana	17-SNTA-ICE-3871 ⁶	O	Bristol Street and Memory Lane Intersection Improvements	ROW	2017/18	\$ 1,167,244	24	12/7/2022
CTFP Timely-Use of Funds Extensions (7) - Total Phase Allocations							\$	8,922,472	

Reasons for Project Adjustments

1. Coronavirus-related
2. Landscaping delays
3. Project closeout delays
4. Delays in obtaining necessary permits
5. Contract change order delays
6. ROW issues

*Once obligated, CTFP funds expire 36 months from the contract award date. Local agencies may request extensions up to 24 months.

Acronyms

- CTFP - Comprehensive Transportation Funding Programs
- FY - Fiscal Year
- RTSSP - Regional Traffic Signal Synchronization Program
- IMP - Implementation
- O&M - Operations and Maintenance
- CON - Construction
- ENG - Engineering
- ROW - Right-of-Way

Comprehensive Transportation Funding Programs
September 2020 Semi-Annual Review Adjustment Requests

Timely-Use of Funds Extension Requests - LFS*							
No	Agency	FY	Disbursement Date	Disbursement	Proposed Extension Amount	Proposed Interest Extension Amount	Extension Deadline
1-3	Brea	17/18	1/9/2018	\$ 176,977	\$ 176,977	\$ -	1/9/2023
			3/20/2018	\$ 158,775	\$ 158,775	\$ -	3/20/2023
			5/15/2018	\$ 151,296	\$ 151,296	\$ -	5/15/2023
4-6	Villa Park	17/18	1/9/2018	\$ 16,491	\$ 16,491	\$ -	1/9/2023
			3/20/2018	\$ 14,795	\$ 14,795	\$ -	3/20/2023
			5/15/2018	\$ 13,323	\$ 13,323	\$ -	5/15/2023
7-9	Yorba Linda	17/18	1/9/2018	\$ 189,826	\$ 189,826	\$ -	1/9/2023
			3/20/2018	\$ 170,302	\$ 170,302	\$ -	3/20/2023
			5/15/2018	\$ 149,822	\$ 149,822	\$ -	5/15/2023
LFS Timely Use of Funds Extensions (9) - Total				\$	1,041,607	\$	

*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 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.

Acronyms

LFS - Local Fair Share

Comprehensive Transportation Funding Programs
 September 2020 Semi-Annual Review Adjustment Requests

Timely Use of Funds Extension Requests - SMP*							
No	Agency	FY	Disbursement Date	Disbursement	Proposed Extension Amount	Proposed Interest Extension Amount	Extension Deadline
1-2	Dana Point	17/18	3/20/2018 ¹	\$ 8,429	\$ 7,790	\$ -	3/20/2023
			5/15/2018 ¹	\$ 7,629	\$ 7,629	\$ -	5/15/2023
3-6	Laguna Hills	17/18	11/7/2017 ¹	\$ 5,885	\$ 5,885	\$ -	11/7/2022
			1/9/2018 ¹	\$ 6,689	\$ 6,689	\$ -	1/9/2023
			3/20/2018 ¹	\$ 6,001	\$ 6,001	\$ -	3/20/2023
			5/15/2018 ¹	\$ 5,431	\$ 5,431	\$ -	5/15/2023
7-10	Laguna Niguel	17/18	11/7/2017 ¹	\$ 12,384	\$ 12,384	\$ -	11/7/2022
			1/9/2018 ¹	\$ 14,076	\$ 14,076	\$ -	1/9/2023
			3/20/2018 ¹	\$ 12,628	\$ 12,628	\$ -	3/20/2023
			5/15/2018 ¹	\$ 11,430	\$ 11,430	\$ -	5/15/2023
11-12	Mission Viejo	17/18	3/20/2018 ¹	\$ 19,799	\$ 1,125	\$ -	3/20/2023
			5/15/2018 ¹	\$ 17,920	\$ 17,920	\$ -	5/15/2023
SMP Timely Use of Funds Extensions (12) - Total				\$	\$ 108,988	\$	

*Net revenues received by local jurisdictions through the SMP 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 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 service plan.

Reasons for Project Adjustment:

- 1. COVID-19 related

Acronyms

SMP - Senior Mobility Program

Comprehensive Transportation Funding Programs
 September 2020 Semi-Annual Review Adjustment Requests

Scope Change Requests										
No	Agency	Project Number	Project	Project Title	Phase	Current FY	Current Allocation	Proposed Allocation		
1	Fullerton	18-FULL-TSP-3896 ¹	P	Orange/Thorpe Avenue/Espananza Road Corridor RTSSP	IMP	18/19	\$ 3,413,508	\$ 3,413,508		
2	La Habra	15-LHAB-TSP-3773 ²	P	Imperial Highway/SR-90 Corridor	IMP	15/16	\$ 2,547,918	\$ 2,547,918		
							Scope Changes (2) - Total Phase Allocations	\$ 5,961,426	\$ 5,961,426	

Reasons for Project Adjustments

1. Technology upgrades/ enhanced project benefits
2. Design and construction issue

Acronyms

SR-90 - State Route 90

Comprehensive Transportation Funding Programs
September 2020 Semi-Annual Review Adjustment Requests

Transfer Requests													
No	Agency	Project Number	Project	Project Title	Phase	Current FY	Current Allocation	Transfer Amount	Proposed Allocation				
1	Dana Point	14-DPNT-CBT-3742 ¹	V	Summer Weekend Trolley/Harbor Shuttle	CAP	19/20	\$ -	\$ 18,039	\$ 18,039				
					O&M	19/20	\$ 420,576	\$ (18,039)	\$ 402,537				
					CAP	20/21	\$ -	\$ 108,234	\$ 108,234				
					O&M	20/21	\$ 420,576	\$ (108,234)	\$ 312,342				
2	Dana Point	16-DPNT-CBT-3823 ¹	V	Dana Point PCH Trolley	CAP	21/22	\$ -	\$ 90,195	\$ 90,195				
					O&M	21/22	\$ 420,576	\$ (90,195)	\$ 330,381				
					CAP	19/20	\$ -	\$ 4,510	\$ 4,510				
					O&M	19/20	\$ 129,424	\$ (4,510)	\$ 124,914				
3	OCTA	13-OCTA-TSP-3663 ²	P	Adams Avenue Signal Synchronization (Lake Street to Fairview Road)	CAP	20/21	\$ -	\$ 27,059	\$ 27,059				
					O&M	20/21	\$ 129,424	\$ (27,059)	\$ 102,365				
					CAP	21/22	\$ -	\$ 27,059	\$ 27,059				
					O&M	21/22	\$ 129,424	\$ (27,059)	\$ 102,365				
4	OCTA	13-OCTA-TSP-3664 ²	P	Antonio Parkway Signal Synchronization (Ortega Highway to Santa Margarita Parkway)	CAP	22/23	\$ -	\$ 4,510	\$ 4,510				
					O&M	22/23	\$ 129,424	\$ (4,510)	\$ 124,914				
					O&M	13/14	\$ 718,034	\$ (9,231)	\$ 708,803				
					O&M	14/15	\$ 35,904	\$ 9,231	\$ 45,135				
5	OCTA	13-OCTA-TSP-3669 ²	P	Jerónimo Road Signal Synchronization (Lake Forest Drive to Olympiad Road)	IMP	13/14	\$ 780,851	\$ (4,873)	\$ 775,978				
					O&M	14/15	\$ 62,400	\$ 4,873	\$ 67,273				
					IMP	13/14	\$ 170,193	\$ (7,117)	\$ 163,076				
					O&M	14/15	\$ 28,800	\$ 7,117	\$ 35,917				
6	OCTA	13-OCTA-TSP-3671 ²	P	Trabuco Road Signal Synchronization (Paseo Sombra to Marguerite Parkway)	IMP	13/14	\$ 171,285	\$ (3,769)	\$ 167,516				
					O&M	14/15	\$ 26,880	\$ 3,769	\$ 30,649				
					IMP	17/18	\$ 1,074,047	\$ (4,472)	\$ 1,069,575				
					O&M	19/20	\$ 38,400	\$ 4,472	\$ 42,872				
7	OCTA	16-OCTA-TSP-3796 ²	P	El Toro Road Traffic Signal Synchronization Project	IMP	19/20	\$ -	\$ -	\$ -				
					O&M	19/20	\$ 4,886,218	\$ -	\$ 4,886,218				
					Reasons for Project Adjustment								
					1. COVID-19 related 2. Project savings in earlier phases can support work in later awarded phases								

Acronyms
 CAP - Capital
 PCH - Pacific Coast Highway
 OCTA - Orange County Transportation Authority

Comprehensive Transportation Funding Programs
September 2020 Semi-Annual Review Adjustment Requests

Cancellation Requests									
No	Agency	Project Number	Project	Project Title	Phase	Current FY	Current Allocation	Proposed Allocation	
1	Anaheim	16-ANAH-ACE-3801 ¹	O	Lincoln Avenue Widening from Harbor Boulevard to West Street	ROW	16/17	\$10,174,241	\$	-
2	Laguna Niguel	18-LNIG-ACE-3903 ²	O	Crown Valley Parkway Westbound Roadway Widening Forbes Road to Cabot Road	ROW	18/19	\$ 51,750	\$	-
Cancellations (2) - Total Phase Allocations							\$10,225,991	\$	-

Reasons for Project Adjustments

1. Insufficient community support

2. COVID-19-related

Comprehensive Transportation Funding Programs
September 2020 Semi-Annual Review Adjustment Requests

Other: CTFP Requests									
No	Agency	Project Number	Project	Project Title	Amount Awarded	Current Service End Date	Proposed Time Extension (Months)	Proposed Service End Date	
1	County of Orange	16-ORCO-CBT-3822 ¹	V	Orange County RanchRide	\$ 2,041,547	6/30/2023	24	6/30/2025	
2	Dana Point	14-DPNT-CBT-3742 ¹	V	Summer Weekend Trolley/Harbor Shuttle	\$ 2,456,511	6/30/2021	24	6/30/2023	
3	Dana Point	16-DPNT-CBT-3823 ¹	V	Dana Point PCH Trolley	\$ 905,968	6/30/2023	24	6/30/2025	
4	Dana Point	18-DNPT-CBT-3911 ¹	V	Dana Point Trolley Continuity and Expansion and Weekend Service	\$ 1,754,065	6/30/2024	24	6/30/2026	
5	Dana Point	20-DNPT-CBT-3959 ¹	V	Dana Point Trolley Continuity Program	\$ 2,209,739	6/30/2027	24	6/30/2029	
6	Huntington Beach	14-HBCH-CBT-3743 ¹	V	4th of July and US Open Shuttle	\$ 93,287	8/30/2020	24	8/30/2022	
7	Huntington Beach	20-HBCH-CBT-3960 ¹	V	HB Southeast Rideshare Pilot Program	\$ 806,240	6/30/2022	24	6/30/2024	
8	Irvine	16-OCTA-CBT-3833 ¹	V	Irvine iShuttle Route West - Tustin Station - Irvine Business Complex	\$ 2,705,984	Fall 2023	24	Fall 2025	
9	Irvine	16-OCTA-CBT-3834 ¹	V	Irvine iShuttle Route East - Irvine Station - East	\$ 2,712,258	Fall 2023	24	Fall 2025	
10	La Habra	16-OCTA-CBT-3835 ¹	V	La Habra Special Event Shuttle Services	\$ 96,810	6/30/2023	24	6/30/2025	
11	La Habra	20-LHAB-CBT-3961 ¹	V	La Habra Community Special Event Shuttle	\$ 66,234	6/30/2027	24	6/30/2029	
12	Laguna Beach	18-OCTA-CBT-3912 ¹	V	Summer Breeze Bus Service	\$ 634,357	6/30/2023	24	6/30/2025	
13	Laguna Beach	20-LBCH-CBT-3962 ¹	V	Off-Season Weekend Trolley Service	\$ 3,850,000	6/30/2027	24	6/30/2029	
14	Laguna Niguel	19-LNIG-CBT-3954 ¹	V	Laguna Niguel Summer Trolley - Southern Section	\$ 886,082	6/30/2025	24	6/30/2027	
15	Mission Viejo	16-OCTA-CBT-3836 ¹	V	Mission Viejo Local Transit Circulator	\$ 3,332,879	6/30/2023	24	6/30/2025	
16	Newport Beach	16-NBCH-CBT-3832 ¹	V	Balboa Peninsula Trolley	\$ 685,454	6/30/2023	24	6/30/2025	
17	Newport Beach	18-NBCH-CBT-3913 ¹	V	The Balboa Peninsula Shuttle Expansion Program	\$ 278,400	6/30/2023	24	6/30/2025	
18	San Clemente	16-SCLIM-CBT-3840 ¹	V	San Clemente Summer Trolley	\$ 1,181,393	6/30/2023	24	6/30/2025	
19	San Clemente	18-SCLIM-CBT-3914 ¹	V	San Clemente Trolley Expansion	\$ 1,537,200	6/30/2023	24	6/30/2025	
20	San Clemente	20-SCLIM-CBT-3963 ¹	V	San Clemente Downtown Route Continuation	\$ 969,536	6/30/2027	24	6/30/2029	
21	San Juan Capistrano	18-SJCP-CBT-3915 ¹	V	Special Event and Weekend Summer Trolley Service	\$ 958,642	6/30/2023	24	6/30/2025	

Ascomsys

HB - Huntington Beach

Reasons for Service Adjustment

¹ COVID-19 related

Comprehensive Transportation Funding Programs
September 2020 Semi-Annual Review Adjustment Requests

Other: CTFP Requests									
No	Agency	Project Number	Project	Project Title	Phase	Final Approved Application Request	Board Approved Amount	Technical Adjustment	Technical Adjustment
1	Irvine	20-IRVN-TSP-3874 ¹	P	Barranca Parkway Traffic Signal Synchronization Project	IMP	\$ 3,740,268	\$ 3,640,268	\$	100,000
						Current Allocation	Proposed Allocation	Technical Adjustment	Technical Adjustment
2	OCTA	13-OCTA-TSP-3667 ²	P	Newport Avenue and Newport Boulevard Signal Synchronization (North)	IMP	\$ 632,190	\$ 636,890	\$ 4,700	(4,700)
					O&M	\$ 59,904	\$ 55,204	\$	
3	OCTA	15-OCTA-TSP-3783 ²	P	Chapman Avenue Corridor Traffic Signal Synchronization Project	IMP	\$ 2,188,844	\$ 2,274,884	\$ 86,040	86,040
					O&M	\$ 155,200	\$ 89,160	\$ (86,040)	
4	OCTA	15-OCTA-TSP-3786 ²	P	Westminster Avenue / 17th Street Corridor Traffic Signal Synchronization	IMP	\$ 2,704,902	\$ 2,706,441	\$ 1,539	1,539
					O&M	\$ 115,200	\$ 113,661	\$ (1,539)	

Reasons for Technical Adjustment

¹ Clerical error

² Final doseout adjustment

**Comprehensive Transportation Funding Programs
September 2020 Semi-Annual Review Adjustment Request Descriptions**

Comprehensive Transportation Funding Programs Timely-Use of Funds Extensions

Once obligated, the Comprehensive Transportation Funding Programs (CTFP) funds expire 36 months from the contract award date. Local agencies may request extension(s) of up to 24 months. During this semi-annual review cycle, the following CTFP timely-use of funds extension requests were submitted.

The City of Fullerton is requesting a 24-month timely-use of funds extension for both the implementation (IMP) and operations and maintenance (O&M) phases of the Gilbert Street/Idaho Street Corridor Regional Traffic Signal Synchronization Program (RTSSP) Project (17-FULL-TSP-3874), from February 2021 to February 2023 for the IMP phase and from June 2022 to June 2024 for the O&M phase. Additional time is required to finalize and implement signal timing implementation, fine-tuning, travel time after study efforts, agency design review/approvals, and all construction-related activities. This request is due to unforeseen delays and impacts caused by Executive Order N-33-20 issued in response to the coronavirus (COVID-19).

The City of Irvine (Irvine) is requesting a 24-month timely-use of funds extension for the construction (CON) phase of the University Drive Widening (MacArthur Boulevard to Campus Drive) Project (16-IRVN-ACE-3806) from February 2021 to February 2023. Additional time is required to develop landscaping after construction is completed and to finalize project closeout.

Irvine is requesting a 24-month timely-use of funds extension for the engineering (ENG) phase of the Harvard Avenue at Michelson Drive Intersection Improvements Project (18-IRVN-ICE-3899) from April 2022 to April 2024. Additional time is required to complete both the preliminary engineering and final design. This request is due to unforeseen delays and impacts caused by Executive Order N-33-20 issued in response to COVID-19.

Irvine is requesting a 24-month timely-use of funds extension for the ENG phase of the Culver Drive at Alton Parkway Intersection Improvements Project (18-IRVN-ICE-3900) from April 2022 to April 2024. Additional time is required to complete both the preliminary ENG and final design. This request is due to unforeseen delays and impacts caused by Executive Order N-33-20 issued in response to COVID-19.

The City of Santa Ana (Santa Ana) is requesting a 12-month timely-use of funds extension for the CON phase of the Santa Ana Delhi Channel Diversion Project (13-SNTA-ECP-3680) from December 2020 to December 2021. Additional time is required due to delays in obtaining necessary permits and finalizing contract change orders.

**Comprehensive Transportation Funding Programs
September 2020 Semi-Annual Review Adjustment Request Descriptions**

Santa Ana is requesting a 24-month timely-use of funds extension for the right-of-way (ROW) phase of the Bristol Street and Memory Lane Intersection Improvements Project (17-SNTA-ICE-3871) from December 2020 to December 2022. Additional time is required due to ongoing ROW negotiations.

Local Fair Share Timely-Use of Funds Extensions

Once issued, Local Fair Share (LFS) funds expire 36 months from the check issuance date. Local agencies may request extension(s) of up to 24-months. During this semi-annual review cycle, the following timely-use of funds LFS extension requests were submitted:

The City of Brea is requesting a 24-month timely-use of funds extension for \$487,048. The funds being considered for extension were disbursed in three separate installments and must be expended by the extension deadlines provided in Attachment A.

- \$176,977 from January 2021 to January 2023;
- \$158,775 from March 2021 to March 2023; and
- \$151,296 from May 2021 to May 2023.

The City of Villa Park is requesting a 24-month timely-use of funds extension for \$44,609. The funds being considered for extension were disbursed in three separate installments and must be expended by the extension deadlines provided in Attachment A.

- \$16,491 from January 2021 to January 2023;
- \$14,795 from March 2021 to March 2023; and
- \$13,323 from May 2021 to May 2023.

The City of Yorba Linda is requesting a 24-month timely-use of funds extension for \$509,950. The funds being considered for extension were disbursed in three separate installments and must be expended by the extension deadlines provided in Attachment A.

- \$189,826 from January 2021 to January 2023;
- \$170,302 from March 2021 to March 2023; and
- \$149,822 from May 2021 to May 2023.

**Comprehensive Transportation Funding Programs
September 2020 Semi-Annual Review Adjustment Request Descriptions**

Senior Mobility Program Timely-Use of Funds Extensions

Once issued, Senior Mobility Program (SMP) funds expire 36 months from the check issuance date. Local agencies may request an extension(s) of up to 24-months. During this semi-annual review cycle, the following timely-use of funds for SMP extension requests were submitted as a result of the impacts of COVID-19.

The City of Dana Point is requesting a 24-month timely-use of funds extension for \$15,419. The funds being considered for extension were disbursed in two separate installments and must be expended by the extension deadlines provided in Attachment A.

- \$7,790 from March 2021 to March 2023;
- \$7,629 from May 2021 to May 2023.

The City of Laguna Hills is requesting a 24-month timely-use of funds extension for \$24,006. The funds being considered for extension were disbursed in four separate installments and must be expended by the extension deadlines provided in Attachment A.

- \$5,885 from November 2020 to November 2022;
- \$6,689 from January 2021 to January 2023;
- \$6,001 from March 2021 to March 2023; and
- \$5,431 from May 2021 to May 2023.

The City of Laguna Niguel is requesting a 24-month timely-use of funds extension for \$50,518. The funds being considered for extension were disbursed in four separate installments and must be expended by the extension deadlines provided in Attachment A.

- \$12,384 from November 2020 to November 2022;
- \$14,076 from January 2021 to January 2023;
- \$12,628 from March 2021 to March 2023; and
- \$11,430 from May 2021 to May 2023.

The City of Mission Viejo is requesting a 24-month timely-use of funds extension for \$19,045. The funds being considered for extension were disbursed in two separate installments and must be expended by the extension deadlines provided in Attachment A.

- \$1,125 from March 2021 to March 2023;
- \$17,920 from May 2021 to May 2023.

Comprehensive Transportation Funding Programs September 2020 Semi-Annual Review Adjustment Request Descriptions

Scope Changes

Local agencies may request minor scope changes for CTFP projects if they can assure that 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 Fullerton (Fullerton), as administrative lead for the Orangethorpe Avenue/ Esperanza Road Corridor RTSSP (18-FULL-TSP-3896), is requesting a scope change to the IMP phase. The change includes communication media upgrades to fiber optic communications for specified intersections in cities of Fullerton, Placentia, and Yorba Linda, as well as the installation of battery backup systems for Fullerton intersections. This scope change will support a more stable communications backbone for the corridor. No additional funding is being requested.

The City of La Habra (La Habra), as administrative lead for the Imperial Highway/ State Route 90 Corridor Project (15-LHAB-TSP-3773), is requesting a scope change to the IMP phase. During construction, existing signal interconnect conduits were found to be damaged and unable to house new fiber optic interconnect cable. The proposed change includes a hybrid traffic signal interconnect communication design wherein fiber optic cables will be installed in existing conduits with minor repairs, and the existing copper interconnect with ethernet communications will be used at other locations for a seamless transition. The necessary ethernet switches allowing for communication media change from fiber-to-copper and copper-to-fiber connections, will be included. To accommodate potential increases in expenses, certain proposed corridor improvements such as the quantity of cameras may be reduced, but only to the extent that will allow for the overall intent of the project to be met. The scope change is deemed beneficial to the project and will be accommodated within the existing approved grant allocation.

Transfers

The CTFP Guidelines allow agencies to request to transfer up to 100 percent of savings of funds between subsequent phases or years within a project. Funds can only be transferred to a phase or year 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 requests were submitted either as a result of the impacts of COVID-19 or the need to transfer project savings.

Comprehensive Transportation Funding Programs September 2020 Semi-Annual Review Adjustment Request Descriptions

The City of Dana Point is requesting a transfer from the O&M phase to the capital phase for the following two grants to cover vehicle lease costs which are accruing, while the service is currently suspended due to COVID-19.

- Summer Weekend Trolley/Harbor Shuttle (14-DPNT-CBT-3742);
- Dana Point Pacific Coast Highway Trolley (16-DPNT-CBT-3823).

The Orange County Transportation Authority (OCTA), as administrative lead, is requesting transfers from the IMP phase to the O&M phase for the following five projects due to the accrual of project savings during the IMP phase and the desire to transfer these savings to support subsequent O&M phase work.

- Adams Avenue Signal Synchronization (Lake Street to Fairview Road) (13-OCTA-TSP-3663);
- Antonio Parkway Signal Synchronization (Ortega Highway to Santa Margarita Parkway) (13-OCTA-TSP-3664);
- Jeronimo Road Signal Synchronization (Lake Forest Drive to Olympiad Road) (13-OCTA-TSP-3669);
- Trabuco Road Signal Synchronization (Paseo Sombra to Marguerite Parkway) (13-OCTA-TSP-3671); and
- El Toro Road Traffic Signal Synchronization Project (16-OCTA-TSP-3796).

Cancellations

Local agencies may request to cancel projects at any time for any reason. Cancelled projects are eligible to reapply upon resolution of the issues that led to the original project cancellation. During this review cycle, the following cancellation requests were received.

The City of Anaheim is requesting to cancel the ROW phase for the Lincoln Avenue widening from Harbor Boulevard to West Street (16-ANAH-ACE-3801) due to insufficient community support for the project.

The City of Laguna Niguel is requesting to cancel the ROW phase for the Crown Valley Parkway Westbound Roadway widening Forbes Road to Cabot Road (18-LNIG-ACE-3903) due to the financial impacts of COVID-19.

Comprehensive Transportation Funding Programs September 2020 Semi-Annual Review Adjustment Request Descriptions

Other

The COVID-19 pandemic continues to impact local agencies' abilities to conduct normal business. This is especially true for transit services funded through the M2 Project V Program. Most of these services have not been operational since March 2020. In recent discussions with local agencies, it became clear that most will not be reinitiating Project V services until social distancing requirements are either lessened and/or removed entirely.

Given this input and the fact that all Project V services have fixed-grant terms, staff is recommending that all of the following Project V services be granted (through amendments to existing cooperative agreements) an additional two years to provide Project V-funded services, so that they are held harmless for the period when they were precluded from operating Project V-funded services.

- Orange County RanchRide (16-ORCO-CBT-3822);
- Summer Weekend Trolley/Harbor Shuttle (14-DPNT-CBT-3742);
- Dana Point Pacific Coast Highway Trolley (16-DPNT-CBT-3823);
- Dana Point Trolley Continuity and Expansion and Weekend Service (18-DNPT-CBT-3911);
- Dana Point Trolley Continuity Program (20-DNPT-CBT-3959);
- 4th of July and US Open Shuttle (14-HBCH-CBT-3743);
- Huntington Beach Southeast Rideshare Pilot Program (20-HBCH-CBT-3960);
- Irvine iShuttle Route West - Tustin Station - Irvine Business Complex (16-OCTA-CBT-3833);
- Irvine iShuttle Route East - Irvine Station - East (16-OCTA-CBT-3834);
- La Habra Special Event Shuttle Services (16-OCTA-CBT-3835);
- La Habra Community Special Event Shuttle (20-LHAB-CBT-3961);
- Summer Breeze Bus Service (18-OCTA-CBT-3912);
- Off-Season Weekend Trolley Service (20-LBCH-CBT-3962);
- Laguna Niguel Summer Trolley - Southern Section (19-LNIG-CBT-3954);
- Mission Viejo Local Transit Circulator (16-OCTA-CBT-3836);
- Balboa Peninsula Trolley (16-NBCH-CBT-3832);
- The Balboa Peninsula Shuttle Expansion Program (18-NBCH-CBT-3913);
- San Clemente Summer Trolley (16-SCLM-CBT-3840);
- San Clemente Trolley Expansion (18-SCLM-CBT-3914);
- San Clemente Downtown Route Continuation (20-SCLM-CBT-3963); and
- Special Event and Weekend Summer Trolley Service (18-SJCP-CBT-3915).

**Comprehensive Transportation Funding Programs
September 2020 Semi-Annual Review Adjustment Request Descriptions**

Approval of four technical corrections is also requested.

- 20-IRVN-TSP-3974 (Barranca Parkway Signal Synchronization Project). In spring 2020, an allocation of \$3,640,268 was programmed for this project. However, the amount programmed should have been for \$3,740,268. As such, staff is requesting a technical correction to this project's final programming, in order to make it consistent with the original programming intent.

OCTA, as administrative lead for the following projects, is requesting approval of technical corrections in order to clarify final phase allocations (reflecting how they were actually used) in order to complete project closeout processes.

- Newport Avenue and Newport Boulevard Signal Synchronization (North) (13-OCTA-TSP-3667).
 - IMP increased by \$4,700; Final Allocation: \$636,980;
 - O&M reduced by \$4,700; Final Allocation: \$55,204.
- Chapman Avenue Corridor Traffic Signal Synchronization Project (15-OCTA-TSP-3783).
 - IMP increased by \$86,040; Final Allocation: \$2,274,884;
 - O&M decreased by \$86,040; Final Allocation: \$69,160.
- Westminster Avenue/17th Street Corridor Traffic Signal Synchronization (15-OCTA-TSP-3786).
 - IMP increased by \$1,539; Final Allocation: \$2,706,441;
 - O&M decreased by \$1,539; Final Allocation: \$113,661.



COMMITTEE TRANSMITTAL

December 14, 2020

To: Members of the Board of Directors

From: Andrea West, Interim Clerk of the Board

Andrea West

Subject: Measure M2 Annual Eligibility Review

Regional Planning and Highways Committee Meeting of December 7, 2020

Present: Directors Bartlett, Chaffee, Delgleize, Muller, M. Murphy, and R. Murphy

Absent: None

Committee Vote

Following the roll call vote, this item was declared passed 6-0 by the Members present.

Committee Recommendations

- A. Approve all Orange County local agencies as eligible to continue to receive Measure M2 net revenues.
- B. Approve adjustments to Measure M2 maintenance of effort benchmarks for the City of Buena Park from \$4,206,464 and 5.99 percent to \$4,184,754 and 5.96 percent, and the City of Villa Park from \$360,429 and 9.68 percent to \$373,104 and 10.02 percent.



December 7, 2020

To: Regional Planning and Highways Committee

From: Darrell Johnson, Chief Executive Officer

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

Subject: Measure M2 Annual Eligibility Review

Overview

Measure M2 requires all 35 local agencies (34 cities and the County of Orange) to annually satisfy eligibility requirements to receive Measure M2 net revenues. Required documentation for the review period ending June 30, 2020 has been received and reviewed by the Taxpayer Oversight Committee and Orange County Transportation Authority staff. Recommendations are presented for Board of Directors' review and approval.

Recommendations

- A. Approve all Orange County local agencies as eligible to continue to receive Measure M2 net revenues.
- B. Approve adjustments to Measure M2 maintenance of effort benchmarks for the City of Buena Park from \$4,206,464 and 5.99 percent to \$4,184,754 and 5.96 percent, and the City of Villa Park from \$360,429 and 9.68 percent to \$373,104 and 10.02 percent.

Background

Local agencies, which includes all 34 cities and the County of Orange, are required to meet Measure M2 (M2) eligibility requirements and submit eligibility verification packages to the Orange County Transportation Authority (OCTA) annually to remain eligible to receive M2 net revenues. There are 13 eligibility requirements that 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 are provided in Attachment A.

While OCTA staff reviews and confirms all M2 eligibility components, the M2 Ordinance also requires the Taxpayer Oversight Committee (TOC) to review five requirements. These include the Congestion Management Program (CMP), Mitigation Fee Programs (MFP), Local Signal Synchronization Plans (LSSP), Pavement Management Plans (PMP), and Expenditure Reports.

Generally, local agencies must submit the required documentation on or before June 30. These submittals are reviewed by staff and the TOC in the fall. Expenditure Reports are due on December 31, six months after the close of the fiscal year, and are reviewed in spring. This item addresses the ten submittals that were due for the June 30, 2020 submittal cycle.

Per the M2 Ordinance, the maintenance of effort (MOE) benchmark eligibility component must be updated every three years. The latest MOE benchmark adjustment was approved by the Board of Directors (Board) in April 2020 and was revised in May 2020. Since that time, OCTA has received new information, which now requires updates to two cities MOE benchmarks (further described below).

Discussion

M2 Annual Eligibility Review

All 35 local agencies submitted the required M2 eligibility verification documents prior to OCTA's June 30, 2020 deadline. OCTA staff reviewed all local agencies' eligibility verification documents to ensure completion, accuracy, and consistency with M2 Ordinance requirements. The review did not find any exceptions. The TOC-designated Annual Eligibility Review (AER) Subcommittee was convened to review the eligibility components requiring TOC review. These components included LSSPs and PMPs for 21 local agencies¹. Based on the AER Subcommittee's review, the TOC formally confirmed its required review at its October 13, 2020 meeting.

As the review of all required eligibility documentation is complete, OCTA staff recommends that all Orange County local agencies be found eligible to continue to receive M2 net revenues. A summary of the findings for the ten M2 eligibility components that were due for this cycle is provided in Attachment B.

MOE Benchmark Adjustments

The City of Buena Park's (Buena Park) currently-approved MOE benchmark is \$4,206,464 and 5.99 percent of general fund revenues (GFR). However, one of Buena Park's one-time revenue submissions was inadvertently omitted when adjustment calculations were being completed. To remedy this oversight, staff is seeking Board approval to reduce the Buena Park's MOE benchmark to \$4,184,754 and 5.96 percent of GFRs (Attachment C).

Regarding the City of Villa Park (Villa Park), when the Board approved the latest MOE benchmark adjustment, Villa Park had not finalized its Comprehensive Annual Final Report (CAFR). As a result, a draft trial balance was used to calculate

¹ For this eligibility review cycle, PMPs were required from 21 local agencies. The remaining 14 local agencies' PMPs will be submitted and reviewed during the next year's eligibility review cycle.

Villa Park's estimated MOE benchmark. This assumption was documented in the staff report at the time, which also noted that further adjustment to Villa Park's MOE benchmark would likely be required. Since then, Villa Park has submitted its final CAFR and staff has determined that an adjustment to their MOE benchmark is required. Specifically, this adjustment will increase Villa Park's MOE benchmark amount from \$360,429 to \$373,104, and its MOE percentage of GFRs would increase from 9.68 percent to 10.02 percent (Attachment C).

Both proposed MOE benchmark revisions were reported to the cities earlier this year, and Board approval is requested to reflect and apply these updated MOE benchmark calculations. If these proposed revisions are approved, these cities would be responsible for documenting their adherence to these revised MOE benchmarks when they submit their final Expenditure Reports.

Summary

All local agencies in Orange County have submitted all required M2 documentation due at this time. TOC and OCTA staff have reviewed all required documentation and a finding of eligibility to receive M2 net revenues is requested. Approval of proposed MOE benchmark adjustments for the cities of Buena Park and Villa Park are also requested in order reflect revised MOE benchmark calculations.

Attachments

- A. Measure M2 Eligibility Requirements and Submittal Schedule Summary For Fiscal Year 2020-21
- B. Fiscal Year 2020-21, Measure M2 Eligibility Review Summary
- C. FY 2020-21 MOE Benchmark as a Percentage of FY 2018-19 GFR

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
For Fiscal Year 2020-21**

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 local agency 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 2020-21
Measure M2 Eligibility Review Summary

Agency	Capital Improvement Program	Expenditure Report	Land-Use Planning Strategies	Local Signal Synchronization Plan	Maintenance of Effort	No Supplementing of Developer Fees	¹ Pavement Management Plan	Timely Submittal of Final Reports	Timely Use of Net Revenues	Traffic Forum
Aliso Viejo	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Anaheim	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Brea	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Buena Park	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Costa Mesa	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
County of Orange	Satisfactory	Pending	Satisfactory	Satisfactory	N/A ²	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Cypress	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Dana Point	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Fountain Valley	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Fullerton	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Garden Grove	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Huntington Beach	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Irvine	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
La Habra	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
La Palma	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Laguna Beach	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Laguna Hills	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Laguna Niguel	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Laguna Woods	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Lake Forest	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Los Alamitos	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Mission Viejo	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Newport Beach	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Orange	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Placentia	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Rancho Santa Margarita	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
San Clemente	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
San Juan Capistrano	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Santa Ana	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Seal Beach	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Stanton	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Tustin	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfactory	Satisfactory	✓
Villa Park	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Westminster	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Yorba Linda	Satisfactory	Pending	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	✓
Totals	35	-	35	35	35	35	21	35	35	35

Acronyms:

- CIP - Capital Improvement Program
- PMP - Pavement Management Plan
- LSSP - Local Signal Synchronization Plan
- N/A - Not applicable

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

² 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 Measure M2 Ordinance. However, Orange County Public Works and their predecessor agencies did not do not use discretionary funds for transportation purposes. The sources of their transportation funds have been various restricted or partially restricted funds e.g., Highway Users Tax Account (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.

Note: Circulation Element/MIPAH Consistency, Congestion Management Program, and Mitigation Fee Program are not shown on the table due to these submittals not being required during this eligibility cycle.

**FY 2020-21 MOE Benchmark as a
Percentage of FY 2018-19 GFR**

ATTACHMENT C

Local Agency	(A) FY 2020-21 MOE Benchmark ¹	(B) FY 2018-19 GFR ²	(A/B) MOE Benchmark as a % of GFR
Aliso Viejo	538,604	20,264,249	2.66%
Anaheim	11,725,957	412,996,000	2.84%
Brea	838,243	65,445,918	1.28%
Buena Park	4,206,464 \$4,184,754	70,242,813	5.99% 5.96%
Costa Mesa	8,607,340	143,753,298	5.99%
County of Orange	-	N/A	N/A
Cypress	3,607,878	36,691,594	9.83%
Dana Point	1,510,094	41,545,825	3.63%
Fountain Valley	1,564,638	61,380,673	2.55%
Fullerton	4,413,567	100,526,519	4.39%
Garden Grove	3,938,473	129,838,910	3.03%
Huntington Beach	5,921,206	236,631,000	2.50%
Irvine	8,001,915	221,961,000	3.61%
La Habra	1,737,300	48,583,838	3.58%
La Palma	201,688	12,057,831	1.67%
Laguna Beach	1,806,353	88,020,317	2.05%
Laguna Hills	331,579	22,047,533	1.50%
Laguna Niguel	908,566	43,809,474	2.07%
Laguna Woods	104,578	6,351,788	1.65%
Lake Forest	226,678	54,795,849	0.41%
Los Alamitos	182,250	14,165,860	1.29%
Mission Viejo	2,864,895	63,356,854	4.52%
Newport Beach	12,547,102	229,812,594	5.46%
Orange	3,392,885	124,241,260	2.73%
Placentia	770,006	35,796,833	2.15%
Rancho Santa Margarita	428,337	19,137,375	2.24%
San Clemente	1,316,842	65,789,926	2.00%
San Juan Capistrano	492,518	36,522,274	1.35%
Santa Ana	9,040,904	275,532,227	3.28%
Seal Beach	642,598	35,500,962	1.81%
Stanton	285,869	23,951,047	1.19%
Tustin	1,697,045	67,924,240	2.50%
Villa Park	960,429 \$373,104	3,722,258	9.68% 10.02%
Westminster	1,805,546	66,489,760	2.72%
Yorba Linda	2,608,191	38,335,027	6.80%
Totals	98,626,538 \$98,617,503	2,917,222,926	

¹FY 2020-21 MOE Benchmarks were taken from the Board-approved staff report on April 13, 2020.

²GFRs are from FY 2018-19 CAFRs published online.

CAFR - Comprehensive Annual Financial Report

FY - Fiscal year

GFR - General fund revenue

MOE - Maintenance of effort

N/A - Not Applicable

Board - Board of Directors



COMMITTEE TRANSMITTAL

December 14, 2020

To: Members of the Board of Directors
From: Andrea West, Interim Clerk of the Board *Andrea West*
Subject: Measure M2 Next 10 Delivery Plan: Context and Options

Executive Committee Meeting of December 7, 2020

Present: Chairman Jones, Vice Chairman Do, and Directors Hennessey, M. Murphy, and Shaw
Absent: None

Committee Vote

Following the discussion and subsequent roll call vote, this item was declared passed 5-0 by the members present.

Committee Recommendation

- A. Direct staff to incorporate feedback provided by the Board of Directors for the pending Next 10 Delivery Plan.
- B. Extend the Next 10 Delivery Plan timeframe from 2026 to 2030.

Committee Discussion

At the December 7, 2020 Executive Committee meeting, the Committee and staff discussed options for the update of the the Measure M2 Next 10 Delivery Plan.

The Committee suggested staff pursue a financially prudent course of action with a proactive stance on project delivery while remaining flexible given the fluidity of current events. There was also desire to leverage external funding to offset some of the Measure M2 financial impacts. The Committee was interested in keeping projects moving to lower the risk of future project delivery requirements. Staff agreed to revise the “balanced” option according to the discussion. Staff also offered to review the fiscal year 2020-21 second quarter financial information prior to presenting a revised Measure M2 Next 10 Delivery Plan to the Committee and Board in early 2021.



December 7, 2020

To: Executive Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Measure M2 Next 10 Delivery Plan: Context and Options

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is positioned in the upper right corner of the document.

Overview

The Measure M2 Next 10 Delivery Plan aims to strategically deliver Measure M2 freeway, streets and roads, transit, and environmental projects through fiscal year 2026. On October 26, 2020, the Board of Directors was presented an updated Measure M2 sales tax revenue forecast of \$11.6 billion, representing a \$1.8 billion revenue drop as a result of the coronavirus pandemic. Staff is exploring options to manage the impacts of the decreased Measure M2 sales tax revenues, revised project cost estimates, and ensure that the overall Measure M2 commitments remain deliverable through 2041. A discussion of options is presented to the Board of Directors for consideration and direction.

Recommendations

- A. Direct staff to incorporate feedback provided by the Board of Directors for the pending Next 10 Delivery Plan update.
- B. Extend the Next 10 Delivery Plan timeframe from 2026 to 2030.

Background

On November 7, 2006, Orange County voters, by nearly 70 percent, approved the renewal of Measure M (M2), the one-half cent sales tax for transportation improvements. The Orange County Transportation Authority (OCTA) is committed to fulfilling the promises made to voters in the M2 Transportation Investment Plan. This effort began with an expedited delivery plan of M2 projects beginning in 2007 and has continued to date to bring transportation improvements to the public as early as possible. The 2008 Great Recession and changes to consumer spending habits have resulted in a significant reduction in the original M2 sales tax revenue forecast. In response, the OCTA Board of Directors (Board) proactively revised the forecasting methodology, adjusted delivery plans, and leveraged external funding to ensure the M2 projects and programs can be implemented through 2041.

To date, there have been three 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), which was adopted on November 14, 2016. The Next 10 Plan spans ten years through 2026. These delivery plans were developed to fulfill commitments to voters, ensure fiscal sustainability, and implement projects and programs efficiently and effectively.

Through the Board adoption of the Next 10 Plan, local revenues were dedicated and set aside through the allocation of net excess 91 Express Lanes revenue for eligible projects. This additional revenue source relieved funding needs for two eligible M2 freeway projects 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. OCTA annually reviews the Next 10 Plan to make any necessary adjustments for economic and/or project changes.

With the added uncertainty of the coronavirus (COVID-19) pandemic, staff continues to monitor impacts closely and incorporate strategies to ensure the complete M2 Program of projects can be delivered through 2041 by considering fluctuations in sales tax revenue projections, cost and timing of transportation improvements, access to external revenue, and the use of bonding when necessary. Since mid-March, staff has provided frequent M2 Program updates to the Board including, quarterly reports, changes in budget assumptions followed by the fiscal year (FY) 2020-21 budget adoption, Metrolink updates, a preliminary sales tax revenue forecast followed by a final 2020 sales tax revenue forecast, and a market conditions key indicators analysis and forecast.

Discussion

On October 26, 2020, the final, updated M2 sales tax revenue forecast of \$11.6 billion was presented to the Board, which is the lowest forecast since M2 inception. This lower forecast is attributed to the economic impacts of the COVID-19 pandemic and represents a \$1.8 billion decrease from what was assumed in the 2019 Next 10 Plan.

The M2 Transportation Investment Plan allocates 43 percent of net revenues to a program of freeway improvement projects. The remaining 57 percent of net revenues is allocated to transit, streets and roads, and water quality programs. While the majority of M2 programs can be scaled as sales tax collections fluctuate, the M2 Freeway Program cannot because of defined project scopes.

The annual review of the Next 10 Plan tests and validates whether the complete M2 Program can be delivered consistent with commitments promised to the voters. Updates to the Next 10 Plan ensure financial sustainability and consider adjustments to near-term commitments.

As part of the 2020 Next 10 Plan review, staff is exploring three options to deliver the M2 Program commitments with reduced revenues and updated project costs. Staff is seeking Board input on the options before developing an update to the Next 10 Plan. These options include maintaining the 2019 Next 10 Plan project schedules (increase bonding to advance future year revenues), lowering debt needs (delay project schedules to reduce bonding), or a balanced approach (adjustments made based on program or project risks). Attachment A provides an overview of the three options with a breakdown of advantages and challenges. The impacts of the three options by mode are described in the following sections.

Freeway Program

The M2 Freeway Program consists of 30 project segments. As of November 2020, 12 project segments have been completed, five are in construction, and seven are initiating design/readying for construction. The remaining six project segments are currently in project development. The M2 Freeway Program, as adopted in the 2019 Next 10 Plan with updated project costs, is detailed in Attachment B. As previously mentioned, the M2 Freeway Program has specific project commitments that do not allow the scopes to be scaled to available revenue.

Maintain Schedules

This option maintains the adopted 2019 Next 10 Plan schedules. The 12 freeway projects currently in design or construction will continue as scheduled. In addition, SR-55, Interstate 5 (I-5) to SR-91 (Project F), and SR-57 northbound (NB), Orangewood Avenue to Katella Avenue (Project G) will continue to advance into design, with the remaining four project schedules held as assumed and adopted in the 2019 Next 10 Plan. This option also continues to advance the identified projects to provide congestion relief sooner and minimize cost escalation risks. However, the risks of proceeding with this option are that OCTA will need to rely on approximately \$660 million of additional bond funding over the approved 2019 Next 10 Plan funding. The 2019 plan assumed one bond issuance of approximately \$300 million. The additional bonding need is due to a combination of reduced sales tax revenue forecasts and increased near-term project costs.

If sales tax revenue forecasts fall lower than \$11.6 billion or there are additional project costs, OCTA may be overcommitted, which could compromise the ability to deliver all promised projects. Additionally, maintaining the project schedules could reduce OCTA's ability to leverage external funds as the program delivery window is smaller.

Lower Debt

Conversely, this option would extend project delivery schedules for four projects that are not yet in design or construction:

- SR-55, I-5 to SR-91 (Project F),
- I-5/EI Toro Interchange (Project D),
- SR-57 NB, Lambert Road to Los Angeles County line (Project G), and
- Interstate 405, I-5 to SR-55 (Project L).

This option reduces the need for additional bonding and, as such, provides more protection in the event of further sales tax revenue declines or project cost increases. However, the longer delivery schedule will add escalation risk to project costs. With a larger program delivery window, there is also a possibility that OCTA could leverage additional external funds, which could offset some of this risk. This option will need approximately \$450 million in additional bonding over the adopted 2019 Next 10 Plan funding. The 2019 plan assumed one bond issuance of approximately \$300 million. However, revised project schedules could add approximately \$110 million due to inflation. Lastly, M2 project scopes could be affected by future freeway project-delivery requirements and regulations. Specifically, current state regulations dissuade highway congestion-relief projects on the premise that the congestion relief may induce more trips; therefore, increasing vehicle miles traveled and thereby impacting air quality. The majority of OCTA's projects have prior approval and therefore are not subject to the new policies at present, but it is possible the extended delivery schedules may subject OCTA to some of these new rules.

Balanced

This option attempts to strike a balance between the "Maintain Schedules" and "Lower Debt" options. Projects that are in construction and design will continue as scheduled. OCTA will continue to secure project approvals and closely monitor design milestones to lower financial liabilities of committing to right-of-way acquisition or construction. In addition, remaining project schedules will be adjusted using the Board-adopted guiding principles:

- Project Readiness,
- Congestion Relief and Demand,
- External Funding Availability,

- Public Opinion and Support,
- Project Sequencing and Connectivity, and
- Project Duration and Cycle.

The goal of this option is to position OCTA to mobilize projects if the funding outlook improves or external funding becomes available. Further, progress towards securing project approvals may also reduce the risk of being subject to new or changing regulations.

Included in the freeway program is the Environmental Mitigation Program. With the seven mitigation properties already purchased and 12 restoration projects completed or underway, the only recurring costs are for management and support, as well as an annual deposit of approximately \$2.9 million to fund a non-wasting endowment. The level of annual deposits will be reassessed based on availability of M2 funds. Any changes may affect the timeframe for the full funding of the endowment. All options presented will continue to ensure the ongoing preservation of purchased open space to address the environmental impacts of the freeway projects and streamline project approvals.

Streets and Roads Program

With the seven OC Bridges grade separation projects completed, the remaining M2 streets and roads elements are programmatic and can adjust according to available revenues. For example, the 2021 M2 competitive funding cycle was reduced by 20 percent in summer 2020 based on initial sales tax projections. The assumptions for the M2 Streets and Roads Program will continue to be funded on a “pay-as-you-go” basis. This will ensure continued funding for annual call for projects (call) for regional arterial capacity (Project O) and signal synchronization (Project P) projects, as well as flexible funding to local jurisdictions for streets and roads improvements (Project Q) through 2041. Project Q funding distribution has been adjusted to reflect current M2 receipts.

Transit Program

The Next 10 Plan includes funding for Metrolink operations (Project R), implementation of the OC Streetcar (Project S), expanded mobility for seniors and persons with disabilities (Project U), funding for community-based transit circulators (Project V), and enhanced passenger amenities for Orange County’s busiest transit stops (Project W).

Metrolink service has been greatly impacted by COVID-19. Metrolink updates have been provided to the Board through a presentation, performance reports, and multiple budget items. In July 2020, the Board approved the use of \$64.6 million in Coronavirus Aid, Relief and Economic Security Act funds for Metrolink operations. While these funds have helped offset fare revenue

shortfalls in the near-term, Metrolink service relies on an operating subsidy, which OCTA funds through M2. Federal funding is also used to address mostly the capital costs of the service. In the FY 2020-21 budget, the operating subsidy is based on 45 weekday trips, which is a reduction of nine weekday trips due to the impact of COVID-19 to ridership. Depending on Metrolink ridership recovery projections and future service level assumptions, maintaining pre-COVID-19 service or expansion of service may no longer be feasible. OCTA will continue to actively engage with Metrolink and other member agencies and monitoring ridership levels and its financial impacts to M2.

Project S funds the capital and long-term operating cost of the OC Streetcar. The reduced revenues do not impact the OC Streetcar; however, the amount of funding available to extend the reach of Metrolink service will decrease from nearly \$800 million in the 2019 Next 10 Plan to approximately \$620 million based on the reduced revenue projections.

While the Project U Fare Stabilization Program adjusts to available revenue, an M2 Ordinance provision also requires a minimum level of funding. This added provision presented a challenge as that minimum level of funding did not contemplate significant decreases in sales tax revenues. As such, OCTA proactively addressed this dual requirement with an early amendment to the M2 Ordinance to provide additional funding.

The remaining transit mode programs are funded on a pay-as-you-go basis. Although the majority of Project V services are currently suspended due to COVID-19, OCTA continues to communicate with cities to help preserve grant funds and assess future service resumption. Through Project W, OCTA also continues to invest in amenities at the County's busiest transit stops. Collectively, the lower sales tax revenue forecast reduces future Project V and Project W calls through 2041 by approximately \$42 million. As such, the Next 10 Plan is expected to have fewer opportunities for future Project V or Project W.

Environmental Cleanup Program

The Environmental Cleanup Program is programmatic, which adjusts to available revenues and will be funded on a pay-as-you-go basis for projects intended to prevent the flow of trash and debris into waterways. This implies that future calls may need to be scaled back based on revenue availability.

Next Steps

Based on Board feedback, staff will incorporate the \$11.6 billion sales tax revenue forecast along with revised external revenues, project costs, and schedule information to update the Next 10 Plan. The 2020 Next 10 Plan is anticipated to be presented for Board approval in early 2021.

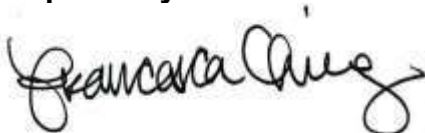
In addition, since the adoption of the Next 10 Plan in November 2016, the timeframe it covers has not been adjusted. With four years of the Next 10 Plan completed to date, staff is recommending that the timeframe be shifted four years to span FY 2020-21 through FY 2029-30. This adjustment allows for more strategic, forward-thinking planning and will make the update underway a true ten-year look ahead.

Summary

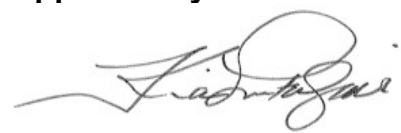
Staff has analyzed and assessed options to address the decreased revenue forecast impacts to M2 to ensure that it remains deliverable through 2041. The pace of program delivery is crucial as OCTA needs to ensure the integrity of the plan is maintained and that near-term project commitments do not jeopardize OCTA's ability to deliver the entirety of the M2 Plan to voters as promised. Program delivery options are presented to the Board to consider, discuss, and provide guidance. The input from the Board will be used to update the current Next 10 Plan, which is anticipated to be presented for Board approval in early 2021.

Attachments

- A. Measure M2 Next 10 Delivery Plan: Options
- B. Measure M2 Freeway Program: 2019 Next 10 Delivery Plan with Updated Costs

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Measure M2 Next 10 Delivery Plan: Options

Options	Advantages	Challenges
Maintain Schedules	<ul style="list-style-type: none"> • Delivers benefits earlier. • Lowers inflation risks. • Reduces regulatory risks – Highway project requirements are determined by state and federal agencies. Changes in requirements can affect project delivery. 	<ul style="list-style-type: none"> • Increase near term debt costs to access future year revenues through borrowing. • Reduces capacity to sustain economic fluctuations if sales tax revenue forecasts are further reduced or if project costs increase. • Limited opportunities to maximize external funding due to smaller delivery timeframe.
Lower Debt	<ul style="list-style-type: none"> • Lower debt compared to “Maintain Schedules” option. • Greater opportunities to maximize external funding due to larger delivery timeframe. 	<ul style="list-style-type: none"> • Projects delivered over a longer time span. • May result in increased cost if construction escalation exceeds sales tax growth. • May need to address new regulatory requirement changes as determined by state and federal agencies.
Balanced	<ul style="list-style-type: none"> • Lower debt compared to the “Maintain Schedules” option. • Ability to maximize external funding through adjusted project schedules using Board of Directors’ adopted guiding principles. • Positions projects for mobilization by continuing to proceed with securing project approvals. 	<ul style="list-style-type: none"> • Some projects delivered over longer time span. • May result in increased cost if construction escalation exceeds sales tax growth. • May increase project development costs to ensure project documents are current and associated oversight.

**Measure M2 Freeway Program:
2019 Next 10 Delivery Plan with Updated Costs**

Completed Projects			Construction Complete	Cost
1.	Project D	I-5/Ortega Highway Interchange	2016	\$79.7
2.	Project E	SR-22 Access Improvements - Euclid Street/ Brookhurst Street/Harbor Boulevard	2008	M1 \$
3.	Project G	SR-57 NB, Katella Avenue to Lincoln Avenue	2015	\$38.0
4.	Project G	SR-57 NB, Orangethorpe Avenue to Yorba Linda Boulevard	2014	\$52.3
5.	Project G	SR-57 NB, Yorba Linda Road to Lambert Road	2014	\$54.1
6.	Project H	SR-91 WB, I-5 to SR-57	2016	\$59.2
7.	Project I	SR-91 WB, Tustin Avenue Interchange to SR-55	2016	\$42.5
8.	Project J	SR-91, SR-55 to SR-241	2013	\$79.7
9.	Project J	SR-91 EB, SR-241 to SR-71	2011	\$57.8
10.	Project C/D	I-5, Avenida Pico to Avenida Vista Hermosa/Avenida Pico Interchange	2018	\$83.5
11.	Project C	I-5, Avenida Vista Hermosa to Pacific Coast Highway	2017	\$75.4
12.	Project C	I-5, Pacific Coast Highway to San Juan Creek Road	2018	\$74.3
			Subtotal	\$696.5

Committed through Construction			Construction Complete	Forecast at Completion
13.	Project A	I-5, SR-55 to SR-57	2020	\$39.8
14.	Project C	I-5, Alicia Parkway to El Toro Road	2024	\$165.9
15.	Project C/D	I-5, Oso Parkway to Alicia Parkway/La Paz Road Interchange	2023	\$203.1
16.	Project C/D	I-5, SR-73 to Oso Parkway/ Avery Parkway Interchange	2025	\$195.8
17.	Project K	I-405, SR-73 to I-605	2023	\$1,425.0
18.	Project F	SR-55, I-405 to I-5	2026	\$503.2
19.	Project I	SR-91, SR-55 to Lakeview Avenue	2027	\$101.0
20.	Project I	SR-91, La Palma Avenue to SR-55	2028	\$208.5
21.	Project I	SR-91, Acacia Street to La Palma Avenue	2028	\$116.2
			Subtotal	\$2,958.5

Projects Advanced through Construction in 2019 Next 10 Plan			Construction Complete	Forecast at Completion
22.	Project B	I-5, I-405 to Yale Avenue	2029	\$230.5
23.	Project B	I-5, Yale Avenue to SR-55	2028	\$200.4
24.	Project M	I-605/Katella Avenue Interchange	2025	\$29.0
25.	Project F	SR-55, I-5 to SR-91	2028	\$122.4
26.	Project G	SR-57 NB, Orangethorpe Avenue to Katella Avenue	2026	\$67.8
			Subtotal	\$650.1

**Measure M2 Freeway Program:
2019 Next 10 Delivery Plan with Updated Costs**

Remaining Projects			Construction Complete	Forecast at Completion
27.	Project D	I-5/EI Toro Road Interchange	TBD	\$112.3
28.	Project G	SR-57 NB, Lambert Road to Los Angeles County Line	TBD	\$167.5
29.	Project J	SR-91, SR-241 to Riverside County Line	TBD	\$292.5
30.	Project L	I-405, I-5 to SR-55	TBD	\$238.8
			Subtotal	\$811.1

Measure M2 Freeway Program (all projects)			Total	\$5,116.0
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I-5 – Interstate 5 / SR-22 – State Route 22 / SR-57 – State Route 57 / NB – Northbound / SR-91 – State Route 91 / WB – Westbound / SR-55 – State Route 55 / EB – Eastbound / SR-241 – State Route 241 / SR-71 – State Route 71 / SR-73 – State Route 73 / I-405 – Interstate 405 / I-605 – Interstate 605 / TBD – To Be Determined



Measure M2 Next 10 Delivery Plan: Context and Options

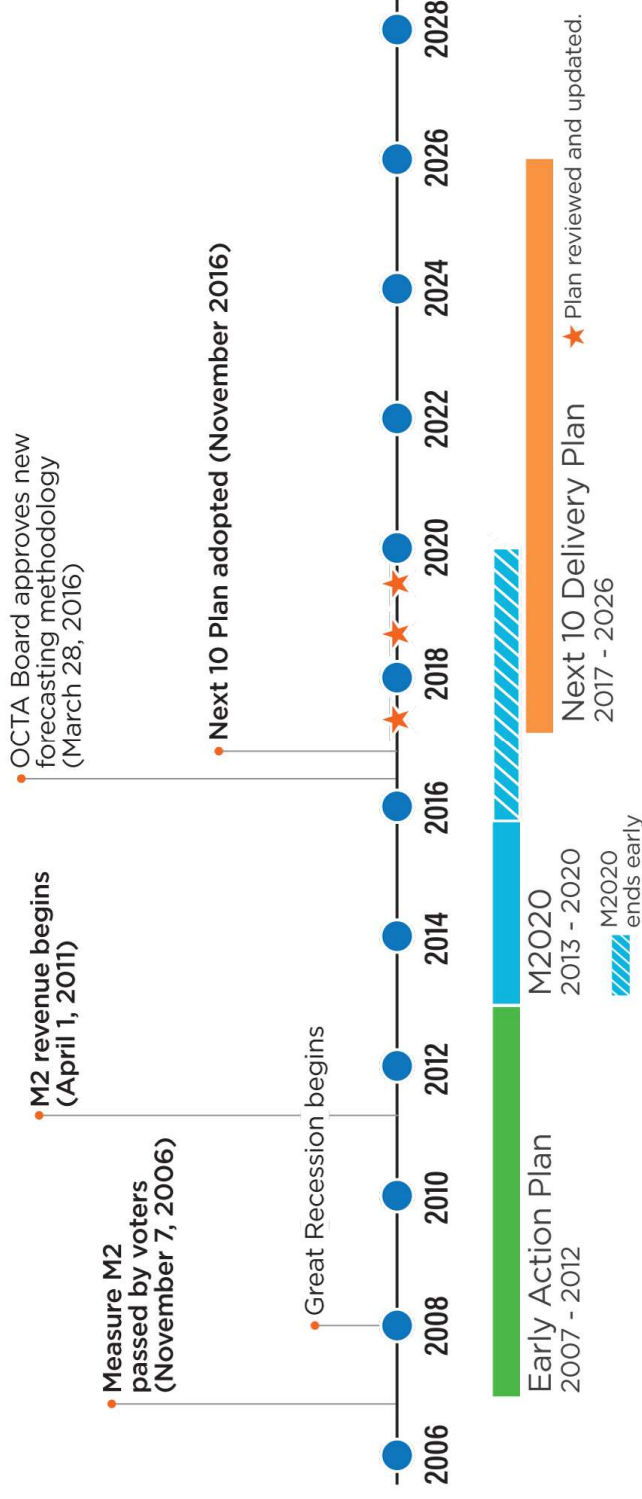
M2 Delivery Plan Goals

- Validate ability of the Orange County Transportation Authority (OCTA) to fulfill commitments to voters
- Strategy for project delivery
- Ensure fiscal sustainability
- Implement programs and projects effectively



M2 Delivery Plan Timeline

- Early Action Plan - adopted in 2007 (five-year plan)
- M2020 - adopted in 2012 (eight-year plan – replaced mid-stream)
- Next 10 Delivery Plan - adopted in 2016 (ten-year plan)



M2 Transportation Investment Plan

- Includes a wide range of multimodal transportation improvements
- More than half of M2 funds support:
 - Rail and community transit options
 - Arterial capacity and signal synchronization
 - Infrastructure preservation goals
 - Environmental enhancements
- Most programs scale to available revenue. The freeway program cannot, due to set project scopes.



ENVIRONMENTAL

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



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



M2 Sales Tax Revenue Forecast

- Updated 2020 forecast is \$11.6 billion
 - Coronavirus impacts
- \$1.8 billion less than the 2019 forecast
 - Over \$750 million impact to freeway program
- Staff exploring three options to address lower forecast and revised project estimates

M2 Projects and Programs	
Freeway Projects	
I-5	Santa Ana Freeway Interchange Improvements
I-5	Santa Ana/San Diego Freeway Improvements
SR-22	Garden Grove Freeway Access Improvements
SR-55	Costa Mesa Freeway Improvements
SR-57	Orange Freeway Improvements
SR-91	Riverside Freeway Improvements
I-405	San Diego Freeway Improvements
I-605	Freeway Access Improvements
All	Freeway Service Patrol
Streets & Roads Projects	
	Regional Capacity Program
	Regional Traffic Signal Synchronization Program
	Local Fair Share Program
Transit Projects	
	High Frequency Metrolink Service
	Transit Extensions to Metrolink
	Metrolink Gateways
	Expand Mobility Choices for Seniors and Persons with Disabilities
	Community Based Transit/Circulators
	Safe Transit Stops
Environmental Cleanup	
	Clean Up Highway and Street Runoff that Pollutes Beaches
Taxpayer Safeguards and Audits	
	Collect Sales Taxes (State charges required by law)
	Oversight and Annual Audits

Maintain Schedules Option

Advantages

- Maintains 2019 project schedules
- Delivers benefits earlier
- Lowers inflation risks
- Reduces regulatory risks

Challenges

- Increases debt costs
- Reduces capacity to sustain economic fluctuations
- Limits opportunity to maximize external funding

Lower Debt Option

Advantages

- Lower debt compared to “maintain schedules” option
- Greater opportunities to maximize external funding

Challenges

- Delivered over longer time span
- May result in increased cost if construction escalation exceeds sales tax growth
- May need to address new regulatory requirements

Balanced Option

Advantages

- Lower debt compared to “maintain schedules” option
- Ability to maximize external funding
- Positions projects for mobilization

Challenges

- Some projects delivered over longer time span
- May result in increased cost if construction escalation exceeds sales tax growth
- May increase project development costs

Next Steps

- Incorporate Board feedback, revised sales tax revenue forecast, external revenues, update project costs and schedule information
- Adjust Next 10 Delivery Plan timeframe by four years to span fiscal year 2020-21 through fiscal year 2029-30
- Prepare 2020 Next 10 Delivery Plan – anticipated early 2021 and return to the Board





COMMITTEE TRANSMITTAL

January 11, 2021

To: Members of the Board of Directors

From: Andrea West, Interim Clerk of the Board

Andrea West

Subject: Interstate 405 Improvement Project Update

Regional Planning and Highways Committee Meeting of January 4, 2021

Present: Directors Bartlett, Chaffee, Delgleize, Muller, and Murphy

Absent: None

Committee Vote

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

Staff Recommendation

Receive and file as an information item.



January 4, 2021

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 in each direction 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 construction work continues to advance. The following provides a more detailed status of Project activities.

Financing and TIFIA Loan

In July 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 (Bureau) and Federal Highway Administration. OCTA has received two TIFIA loan disbursements amounting to approximately \$287 million.

In October 2020, OCTA staff received Board approval to pursue a reset of the interest rate on the TIFIA loan. OCTA has applied, and is currently working with the Bureau, to reset the 2.91 percent interest rate on the 2017 TIFIA loan. If successful, the current interest rate of 2.91 percent could be reduced, resulting in substantial debt service savings. Based on the estimated timeline provided by the Bureau, OCTA is targeting a financial close for the new TIFIA loan as early as March 2021. Prior to closing, OCTA staff will return to the Board for approval of the financing documents.

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 (ETTM) 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. Kapsch has received approval for the ETTM infrastructure final design to be used for the 405 Express Lanes, including equipment types and configurations. Kapsch continues to review the design-builder's plans and construction activities and has provided input on requirements for the Toll Operations Center (TOC) improvements. The TOC will be located at OCTA's Santa Ana Bus Base and will be staffed by Kapsch for 405 Express Lanes operations.

OCTA staff developed a request for proposals for the back-office system and customer service center operations for the 405 Express Lanes. The Board approved its release in June 2020, and a preferred vendor will be recommended to the Board for approval in late 2021. Later this year, OCTA staff will be updating the Board on options for a future customer service center and roadway services location. OCTA staff is currently evaluating various buy versus lease options and will be seeking Board direction on a future site to locate these services.

Design

The final design is substantially complete at this time. The DB process allows for design refinements, and that process will continue throughout the remainder of construction.

Right-of-Way (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 ROW required to construct the Project is comprised of a combination of fee acquisitions, permanent easements, temporary construction easements, permanent and temporary ground lease reductions, and access control rights. This ROW is 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 on schedule. As of July 2020, OCTA has possession of the required property rights needed for all 288 property impacts, which retires a significant risk to OCTA. The overall ROW process continues as OCTA works with certain property owners to finalize remaining agreements on costs related to certain acquisitions. As this is a DB project, minor additional ROW needs may become necessary in the future as construction continues. Of the 288 total properties impacted, 288 offers were presented and the ROW is in OCTA's possession for construction. There were 60 resolutions of necessity (RONs) approved by the Board and no additional RONs are anticipated at this time.

Utility Relocations

There are currently 133 utilities that require relocation to accommodate the Project. OCTA is coordinating with 22 impacted utility owners to identify and resolve conflicts and relocation issues. To date, OCTA has executed 83 percent of the necessary utility relocation agreements and is in the process of finalizing the remaining utility agreements. There are several remaining potential utility relocation risks, including various Southern California Edison (SCE) facilities for which staff continues to develop and implement mitigation plans, as utilities are a shared risk between OCTA and OC405. Many critical utility relocations that had once been considered to pose some risk, such as facilities owned by Frontier Communications, Chevron USA, Crimson Pipeline, and SCE have been successfully completed. Additionally, a major Southern California Gas (SCG) pipeline relocation within the United States Navy property that posed a significant risk to the Project schedule has been successfully completed on schedule.

However, a new conflict along a different section of the same existing SCG gas line near Bolsa Chica Road was recently identified as a conflict by the design builder, and it has been determined that this portion of the existing facility cannot be protected in place and requires relocation. OCTA is taking an active role in coordinating this relocation with both the design builder and SCG to allow construction activities at this location to continue, and to mitigate any potential risks to the Project schedule.

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 are also substantially complete at this time.

Significant roadway construction activities, including installation of drainage systems, retaining walls and soundwalls, and paving operations began in earnest in 2019, and will continue through the end of the Project. Construction at Oceanview Channel, Greenville-Banning Channel, and East Valley Channel, three major drainage facilities that cross under the freeway, is well underway. Additionally, over half of the retaining walls and soundwalls needed for the Project are currently under construction or complete.

After the opening of the Slater Avenue overcrossing bridge in the fall of 2019, demolition and construction activities commenced on Bushard Street and Talbert Avenue. The Bushard Street overcrossing bridge was completed and opened to traffic in October 2020. The Talbert Avenue overcrossing bridge construction is actively progressing, and the bridge is anticipated to be opened to traffic in the spring of this year. Construction on the McFadden Avenue overcrossing bridge also was completed, and the bridge was opened to traffic in October 2020. The Edwards Street overcrossing bridge began construction last fall and is anticipated to be opened to traffic late this year. Bushard Street, Talbert Avenue, McFadden Avenue, and Edwards Street are all one-stage bridges, which means the bridges are closed to traffic on both sides of I-405 during demolition and reconstruction.

Significant bridge construction also continued at Fairview Road, Magnolia Street, Bolsa Avenue, Goldenwest Street, Westminster Boulevard, and Bolsa Chica Road overcrossings. These are two-stage bridges, which means traffic is being maintained on the remaining portion of the bridge while the first half of the new bridge is constructed. The first half of the new Magnolia Street overcrossing bridge opened last March, and the full bridge is anticipated to be the first two-stage bridge to be opened to traffic this summer. Similarly, the first halves of the new Goldenwest Street and Bolsa Chica Road overcrossing bridges opened last

summer, and the full bridges are anticipated to be opened late this year. The first halves of the new Fairview Road, Bolsa Avenue, and Westminster Boulevard overcrossing bridges are all anticipated to be opened in the next several months.

This past quarter, the widening of existing freeway bridges continued over Harbor Boulevard, Santa Ana River, Beach Boulevard, Bolsa overhead railroad crossing, and an old United States Navy railroad crossing.

Lastly, the Heil pedestrian overcrossing bridge was demolished last fall and a new pedestrian overcrossing is under construction at this location and is anticipated to open to pedestrian traffic later this year.

Looking ahead, the remainder of 2021 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
- Timely performance of third-party utility work
- Project schedule impacts and mitigations

Additionally, in September 2019, there was a discovery of archaeological resources within the Project site. OCTA is following established state procedures for this type of discovery, and is working with the responsible parties to ensure appropriate and respectful procedures are followed. This discovery impacted construction at a specific location; however, construction has since resumed.

OCTA has worked closely with its partners and OC405 to mitigate schedule delays when identified. Significant schedule mitigations have been implemented during the course of construction. These include expediting construction of several key bridges and extended overnight and daytime freeway lane closures to take advantage of the significantly reduced traffic volumes on the freeway last spring related to the coronavirus (COVID-19) pandemic. The objectives of the schedule mitigations are to minimize schedule delay impacts while balancing the minimization of traffic impacts.

Risks Remaining

Many of the Project risks have been realized during the design phase and the first half of construction and have since been retired. However, there are risks that remain for the second half of construction moving forward. The COVID-19 pandemic continues to be a risk as the effects and duration of the pandemic remain unknown. OCTA, its partners, and OC405 remain vigilant in taking the appropriate safety measures to minimize impacts to the workforce and construction progress. Additional archaeological discoveries also continue to be a risk as excavation in certain areas of the Project will take place in the next year. OCTA has taken a proactive approach with the appropriate stakeholders to minimize impacts if there are future discoveries. The timely relocation of utilities is always a risk and the team will remain very focused on these efforts. Lastly, the coordination near the end of the Project when Kapsch will be installing and testing the tolling equipment, at the same time OC405 will be completing construction, is key to remaining on schedule. Coordination efforts to plan for this timeframe at the end of the Project are ongoing and have been effective to date.

Project Cost and Schedule

The overall Project cost is \$2,080,234,000. The Project milestones for substantial completion and opening of the 405 Express Lanes are scheduled for late 2023.

Public Outreach

In 2020, the Outreach team pivoted to conduct all meetings with residents, business owners, and key stakeholders virtually because of the COVID-19 pandemic. The team held more than a dozen virtual community meetings, with more than 4,700 people participating live or viewing recordings afterward on OCTA's YouTube channel. Participation in these virtual meetings has outpaced that of in-person meetings by more than six to one. In addition, labor and other direct costs for virtual meetings are lower, allowing the team to conduct more meetings more frequently.

During 2020, the Outreach team fielded more than 1,600 comments and questions from the public, averaging more than 140 per month. That was a 40 percent increase over the monthly average for 2019, reflecting the rise in construction activity on the Project. Many of the calls and emails focus on construction activities, design questions, upcoming closures and maintenance concerns.

Bridge, roadway, ramp, and wall construction also required ramping up the use of Project emails, calls and text alerts, as well as distribution of flyers. These proven communications methods were the foundation of community

engagement efforts in 2020, with nearly 475,000 flyers distributed, 230 email alerts delivered, and 109 calls and text alerts.

The Outreach team continues to build the Project's online presence through its social media channels, its interactive map tied to the Waze navigation app, the 405 Improvement smartphone app, and the revamped Project website. In addition, the Outreach team has expanded its digital toolkit, adding location-based advertising on mobile devices and tablets to engage constituents in specific geographic areas with short, relevant messages about upcoming activities. These efforts over the last year have helped drive a nearly 50 percent increase in the number of subscribers to the Project database, which recently topped 15,000.

Looking ahead, the team anticipates a busy 2021, with construction continuing for many of the 18 bridge replacements, four bridges widenings, and several ramps.

Community meetings will focus on work beginning on the second halves of the Westminster Boulevard, Bolsa Avenue, and Fairview Road overcrossing bridges. Several focused neighborhood presentations will also be conducted to provide residents and business owners status updates on construction activities near them.

Later this year, it is anticipated the second half of the Magnolia Street bridge will open to traffic. This will be the first two-phase bridge on the Project to fully open, and the Outreach team is planning a unique event to mark this major milestone.

As the Project continues to advance, the team will continue to meet with diverse communities and other key stakeholders such as emergency responders, as well as project partners at each of the corridor cities and school districts.

Summary

Construction continues to advance. Currently, utility relocations, public outreach, and other activities are in process to continue the construction phase of the Project.

Attachment

None.

Prepared by:



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

Approved by:



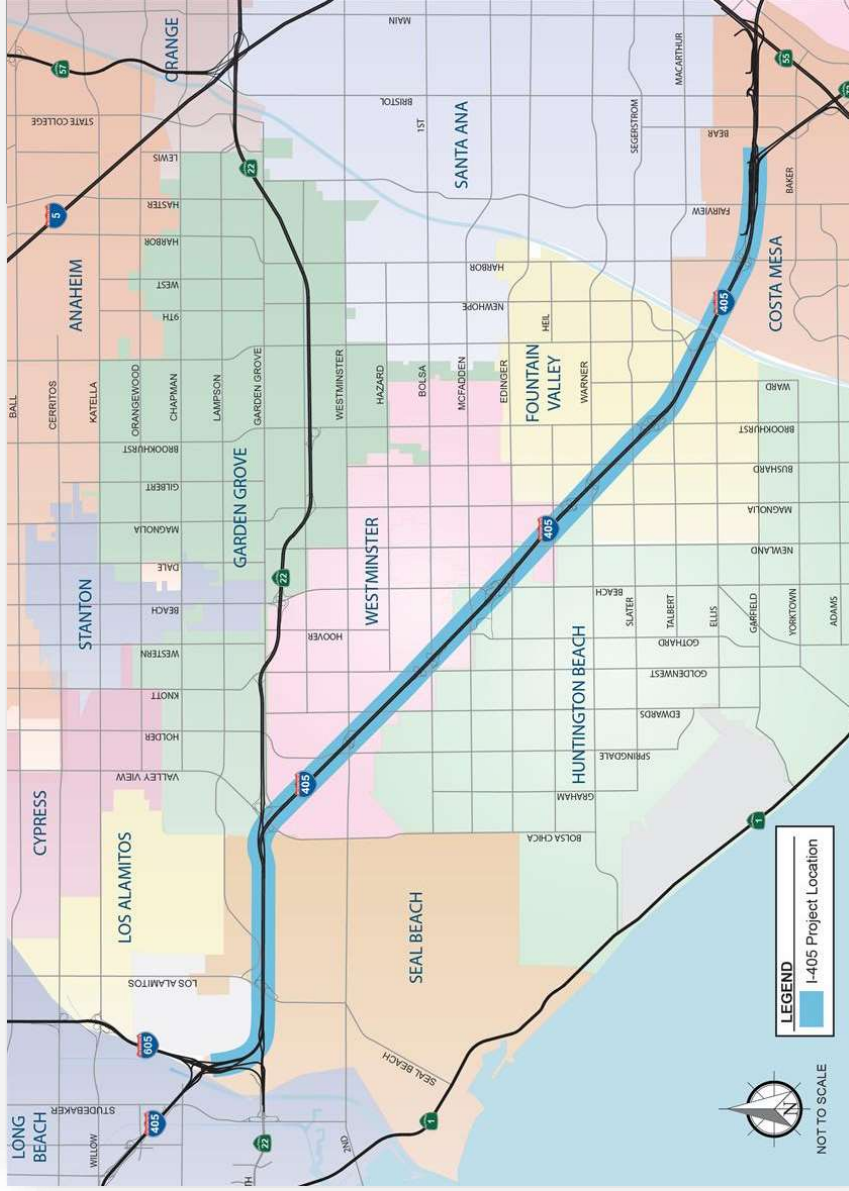
James G. Beil, P.E.
Executive Director, Capital Programs
(714) 560-5646



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 awards design-build (DB) 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



General

- Over halfway complete with Interstate 405 Improvement Project (Project)
- TIFIA interest rate reset in process

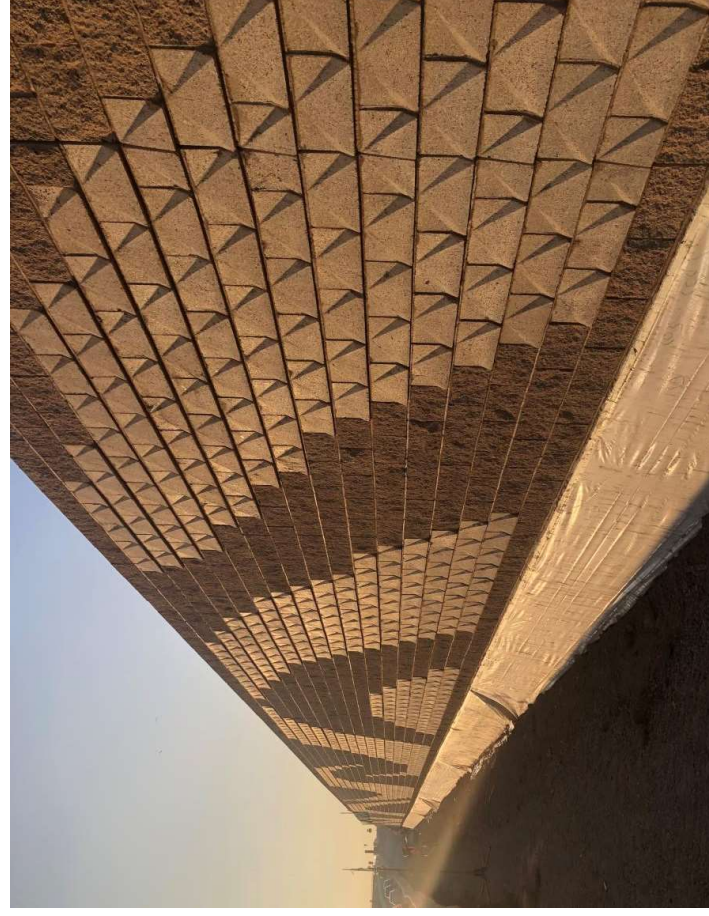
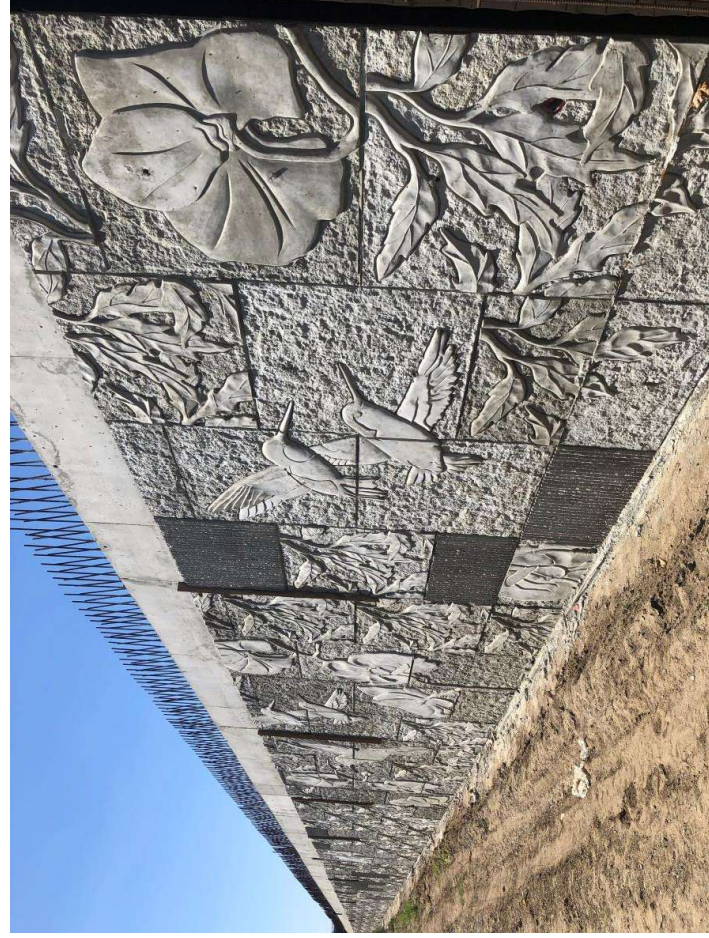
Design and Right-of-Way Possession

- Substantially complete with both design and right-of-way possession

Construction

- Three bridge replacements complete
- Over half of the retaining walls and soundwalls needed for the Project are currently under construction or complete
- Over 1,000 workers involved in the Project each working day

Construction Update



Wall construction

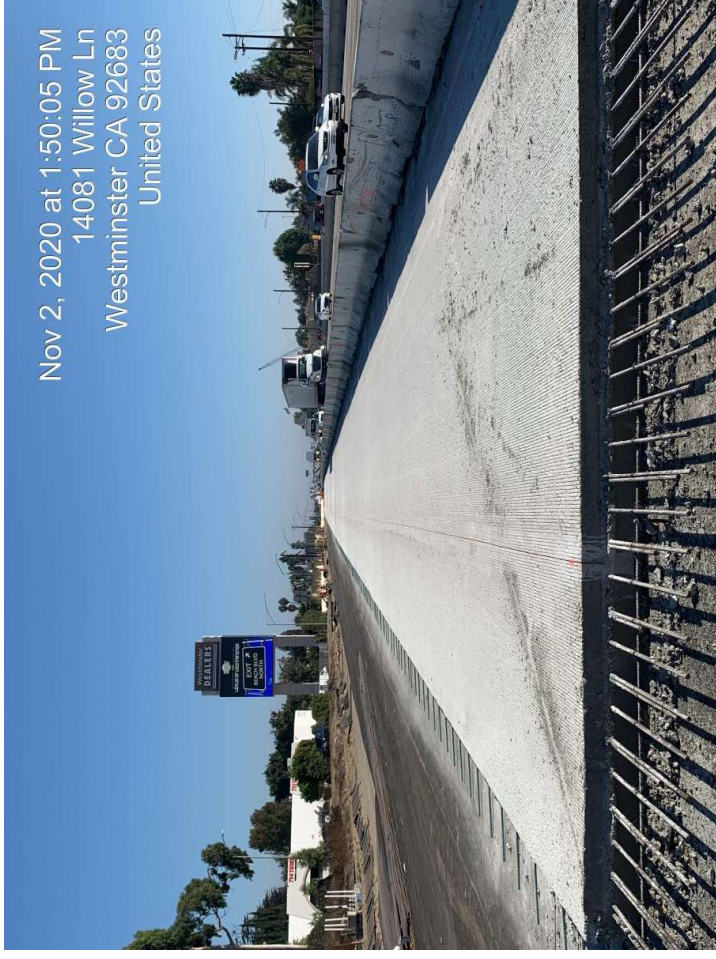
Construction Update



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Westminster CA 92683
United States

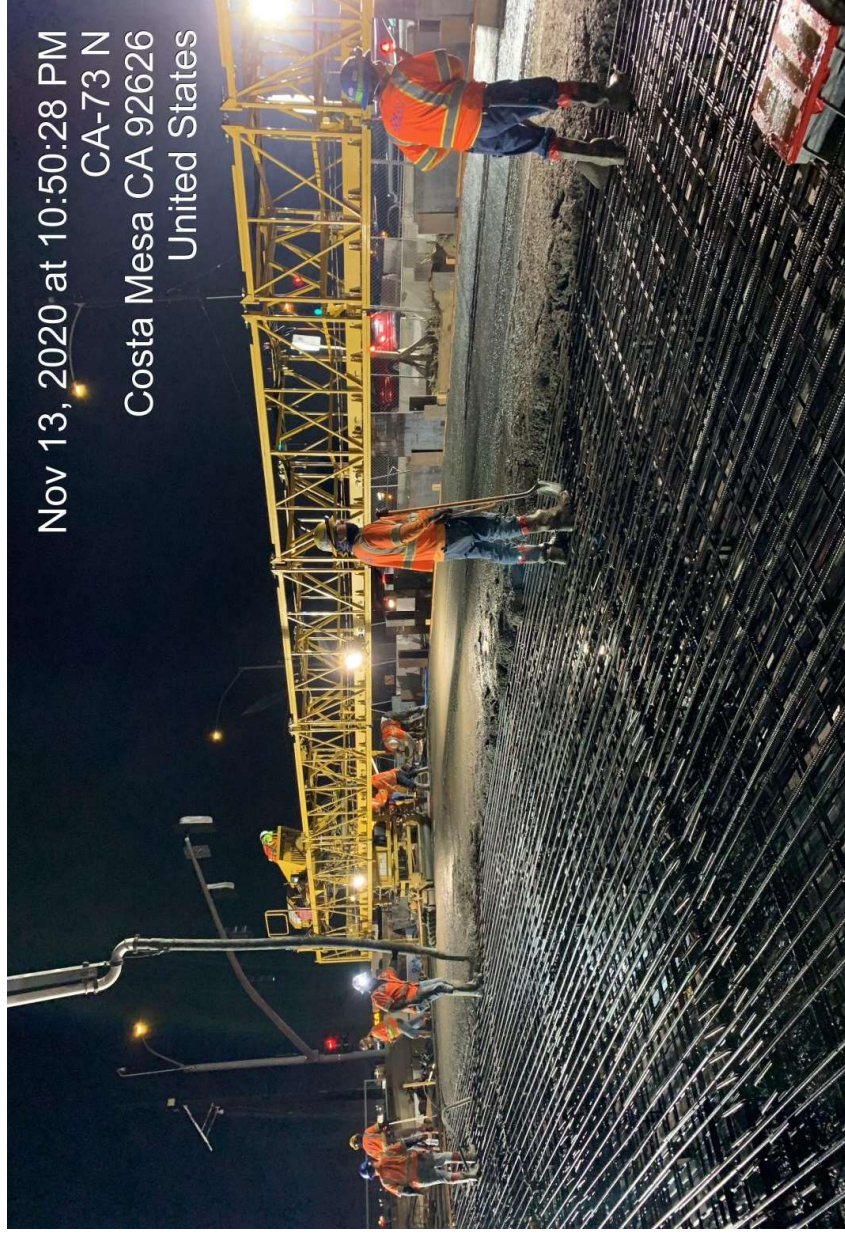


Nov 2, 2020 at 1:50:05 PM
14081 Willow Ln
Westminster CA 92683
United States



Concrete paving

Construction Update



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Costa Mesa CA 92626
United States

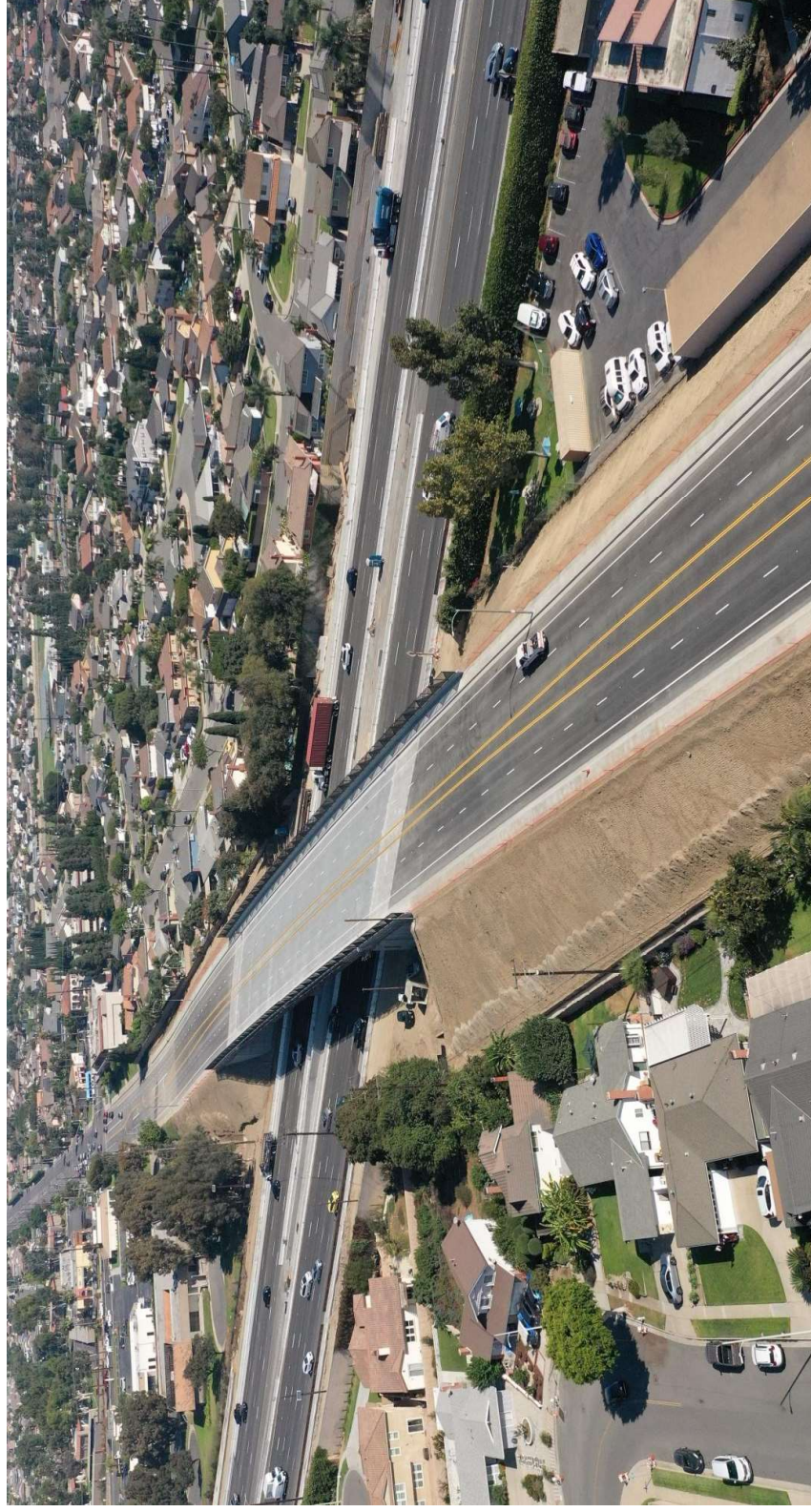
Fairview Road bridge construction

Construction Update



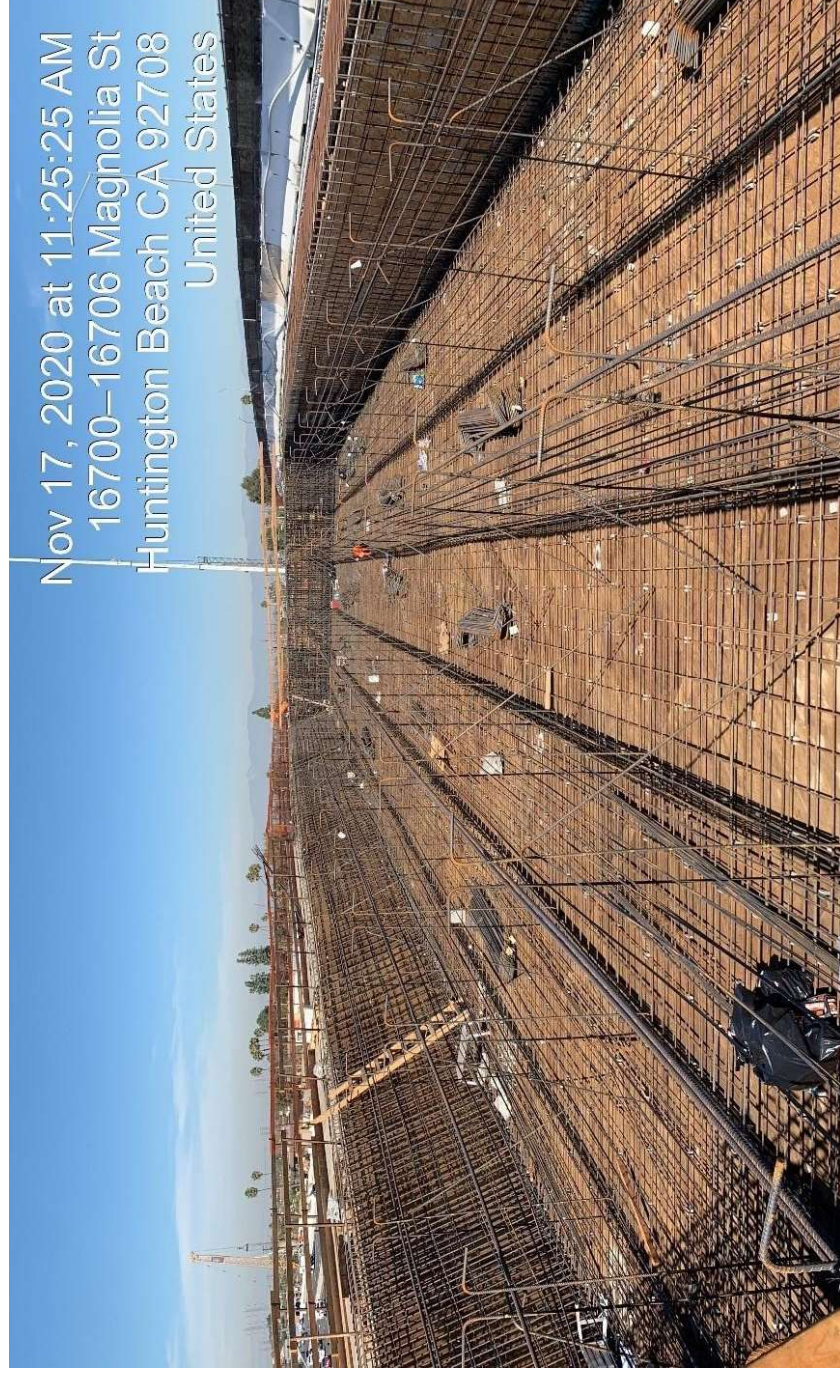
Santa Ana River bridge construction

Construction Update



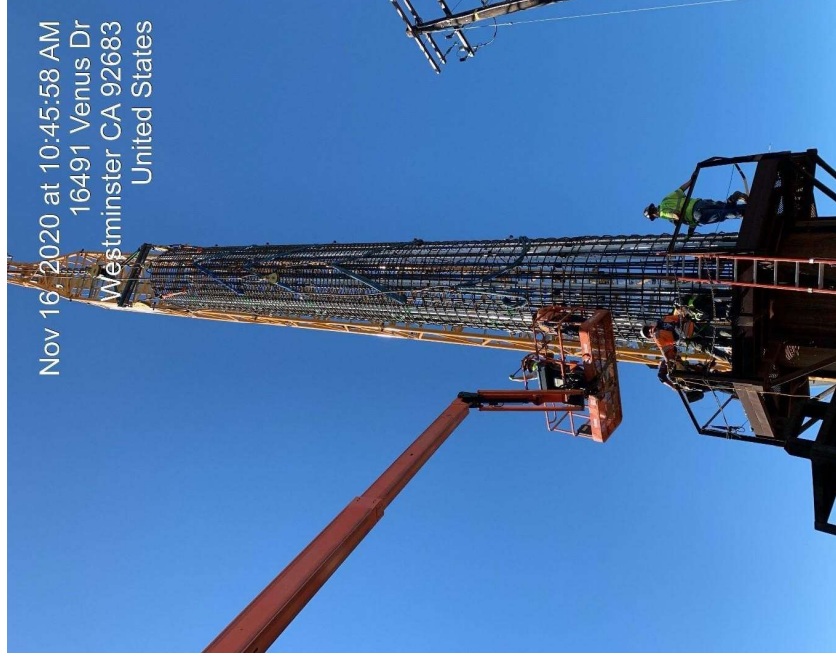
Bushard Street bridge complete

Construction Update

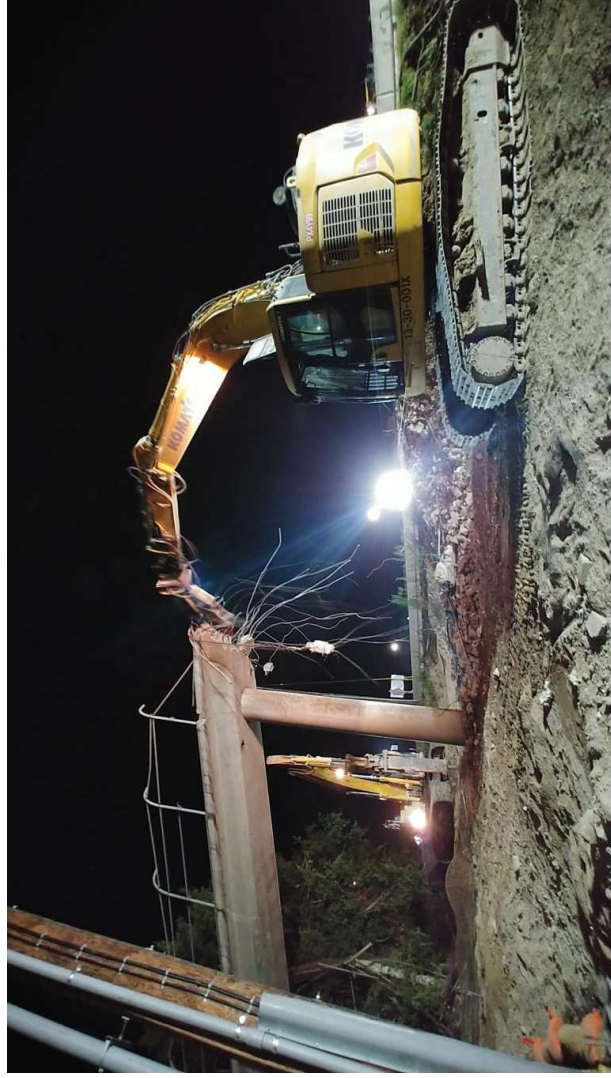


Magnolia Street bridge construction

Construction Update

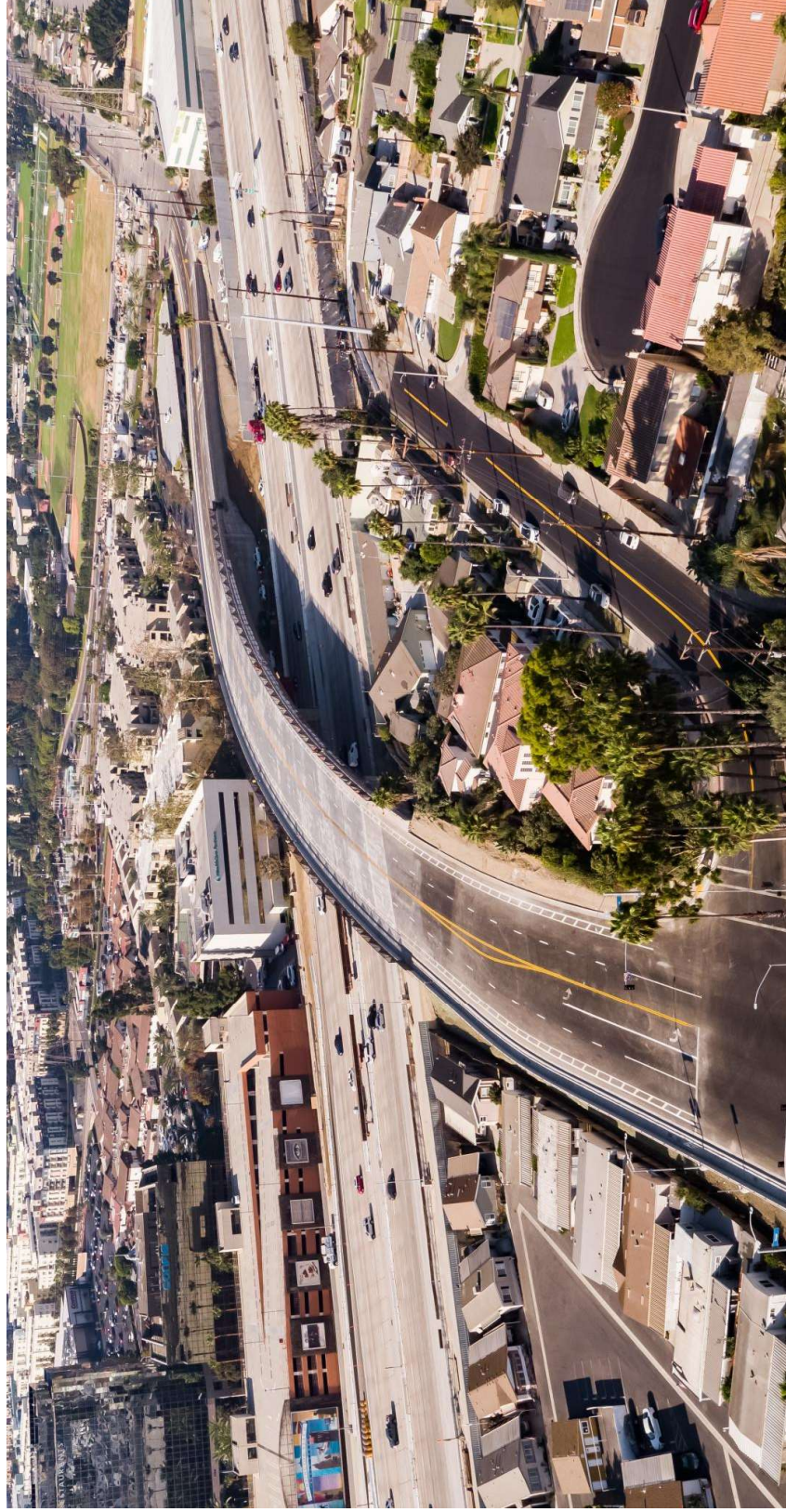


Nov 16, 2020 at 10:45:58 AM
16491 Venus Dr
Westminster CA 92683
United States



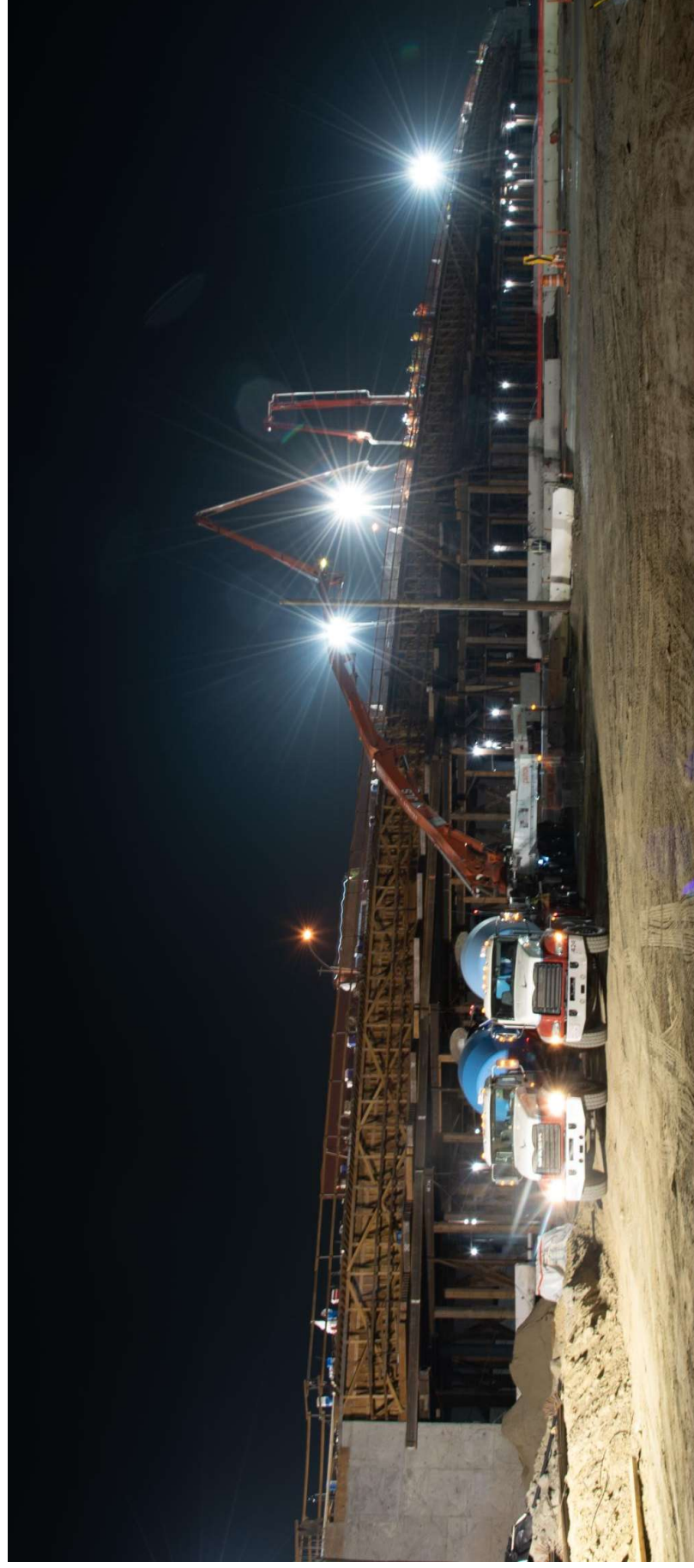
Heil Avenue pedestrian overcrossing (POC) construction

Construction Update



McFadden Avenue bridge complete

Construction Update



Bolsa Avenue bridge construction

Look Ahead for 2021 Bridge Construction



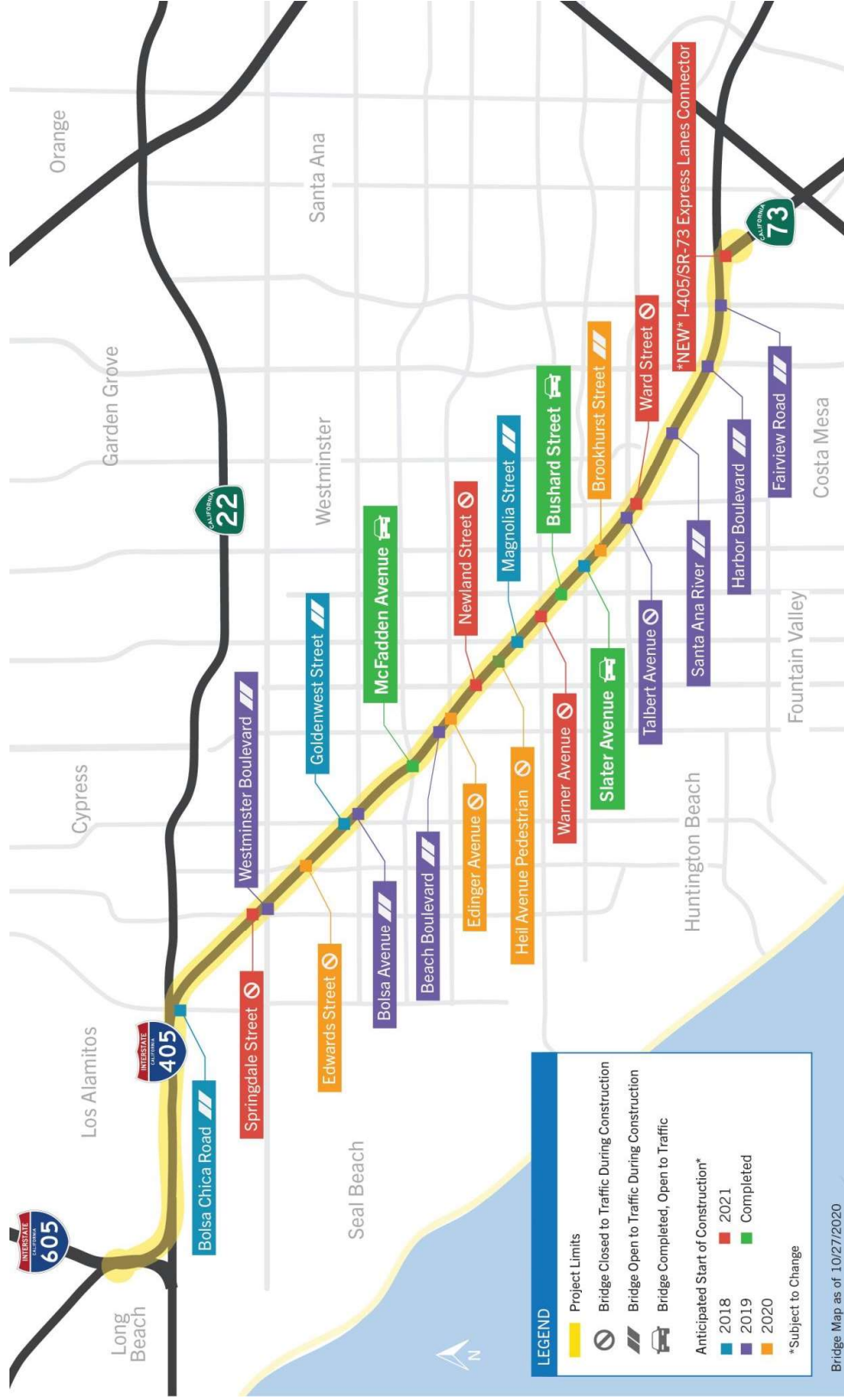
January – June
2021

- Westminster Boulevard bridge (first half) opens to traffic
- Fairview Road bridge (first half) opens to traffic
- Talbert Avenue bridge fully opens to traffic
- Start Ward Street bridge
- Bolsa Avenue bridge (first half) opens to traffic
- Magnolia Street bridge fully opens to traffic
- Start Warner Avenue bridge

July – December
2021

- Heil POC fully opens to pedestrian traffic
- Edwards Street bridge fully opens to traffic
- Bolsa Chica bridge fully opens to traffic
- Start Springdale Street bridge
- Goldenwest Street bridge fully opens to traffic

Bridge Construction Map



Major Risks Remaining



- Additional archaeological discoveries
- Coronavirus (COVID-19)
- Utility relocation delays
- Design builder/toll lanes system integrator coordination

2020 Outreach Metrics



Category	Average Per Month	Year To Date*
Public Comments/Questions	146	1,612
Social Media Reach	40,388	756,368
Construction Alerts	19 (29% open rate)	230 (29% open rate)
Interactive Map Users	1,120	12,321
Location-Based Advertising	271,131 impressions	1,626,789 impressions
Flyers	43,165	474,820
Postcards	19,743	78,974

*Through mid-December 2020

Upcoming Outreach

- Virtual neighborhood meetings
 - Westminster Boulevard Phase 2
 - Bolsa Avenue Phase 2
 - Fairview Road Phase 2
- Major activity notifications
 - Bridge demolition
 - Extended ramp closures
 - Full freeway closures
- Milestones
 - Magnolia Street bridge completion
- Key stakeholder briefings
 - Emergency responders
 - School districts
 - Diverse communities

