

Meeting of March 9, 2015

Improved water quality the goal of call for projects

The OCTA board approved a Measure M call for projects that will help provide cleaner waterways throughout Orange County. Specifically, the action allows for cities and the county to submit Tier 1 projects, which seek funding for storm drains and other equipment to improve existing storm drains to improve water quality.

The grant funding is part of Measure M's Environmental Cleanup Program, which allocates 2 percent of what's collected through Measure M to help meet federal Clean Water Act standards. The grants are awarded in two tiers – Tier 2 provides funding for larger, regional water-quality projects that typically involve multiple cities or jurisdictions.

In all, the OCTA board has authorized up to \$58 million to go toward such programs to improve the quality waterways that flow to the ocean.

Grants are awarded on a competitive basis. In four previous grant allocations, 104 Tier 1 projects totaling \$11.3 million have been approved by the OCTA board.

Budget on track according to second quarter status report

OCTA staff presented its quarterly status report that indicated the fiscal year 2014-15 budget is on track through the second quarter.

Staff continually monitors and analyzes revenues and expenditures compared to the working budget and reports to the board on a quarterly basis, proposing any necessary adjustments to staffing, revenues, operating and capital expenditures.

During the second quarter, sales tax revenue advanced to OCTA for the Measure M2 and Transit programs grew by 5.4 percent and 5.6 percent, respectively, compared to last year. Those numbers are below the projected 6.7 percent increase, but more revenue is expected once OCTA receives the "true-up" payment – the actual amount OCTA is entitled to once final analysis is complete – in mid-March.

Revenues collected through bus fares were about 2 percent – or \$500,000 – below projections, primarily due to a 3.7 percent decrease in fixed-route bus boardings compared to last year. While operating revenue in the transit program fell about \$4 million short, that was offset by about \$7 million less than projected in operating expenses.

OCTA staff will continue to monitor and report on the sales tax revenues received.

Improvements to administrative headquarters moving forward

OCTA's headquarters at 550 and 600 S. Main Street is undergoing a series of improvements, including the construction of a new, larger board meeting room. The board heard an update on those improvements.

The Orange headquarters has been home to OCTA since 1993. Last year, the board had considered moving but successfully negotiated an improved lease and improvements to the current building. As part of a 15-year lease renewal, the board negotiated a reduced lease rate), a \$5.2 million allowance for tenant improvements and more than a year's worth of free rent.

In all, the new terms resulted in a projected savings of \$39.4 million to OCTA over the course of 30 years.

The new board room will accommodate up to 300 people – much larger than the current capacity of about 80 people. Final designs will soon be submitted to city planners for review. Once approved, construction is anticipated to take about 12 weeks and meetings could move to the completed board room by late summer or fall.