ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

ORDINANCE NO. 3

JULY 24, 2006

AMENDED:

November 9, 2012
November 25, 2013
December 14, 2015 *(corrected March 14, 2016)*
June 22, 2020
May 24, 2021

Orange County Local Transportation Authority
550 South Main Street
P.O. Box 14184
Orange, CA 92863-1584
Tel: (714) 560-6282

Measure M2 Amendments

Ordinance Amendment

1. November 25, 2013

   - Strengthens the eligibility and selection process for TOC members to prevent any person with a financial conflict of interest from serving as a member. Also requires currently elected or appointed officers who are applying to serve on the TOC to complete an “Intent to Resign” form.

2. December 14, 2015 *(corrected March 14, 2016)*

   - Accounts for additional funding from Project T allocated to the Fare Stabilization Program by changing Attachment B language to reflect a 1.47% delegation (rather than 1%) of Project U funding towards Fare Stabilization. Corrected amendment language was presented to the Board on March 14, 2016.

3. June 22, 2020

   - Temporarily changes the maintenance of effort requirements for fiscal year 2019-20 and fiscal year 2020-21 to assist local jurisdictions through the unprecedented period of uncertainty due to the economic impacts of the coronavirus pandemic.

4. May 24, 2021

   - Extends temporary changes for maintenance of effort requirements for fiscal year 2020-21 into fiscal year 2021-22 to continue assisting local jurisdictions during the coronavirus pandemic.

Transportation Investment Plan Amendments

1. November 9, 2012

   - Reallocation of Funds within Freeway Program Between SR-91 and I-405

2. December 14, 2015 *(corrected March 14, 2016)*

   - Closeout of Project T and Reallocation of Remaining Funds within Transit Program between Metrolink Service Expansion (Project R) and Fare Stabilization Program (Project U). Corrected amendment language was presented to the Board on March 14, 2016.

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Ordinance No. 3

Renewed Measure M Transportation Ordinance and Investment Plan

PREAMBLE

A. Pursuant to California Public Utilities Code Section 180050, the Orange County Transportation Authority ("Authority") has been designated as the Orange County Local Transportation Authority by the Orange County Board of Supervisors.

B. There has been adopted a countywide transportation expenditure plan, referred to as the Orange County Transportation Investment Plan, dated July 24, 2006, pursuant to California Public Utilities Code Section 180206 ("Plan"), which will be administered by the Authority.

C. The Plan provides for needed countywide transportation facility and service improvements which will be funded, in part, by a transactions and use tax of one-half of one percent (1/2%).

D. Local Transportation Ordinance Number 2 ("Ordinance No. 2") funds transportation facility and service improvements through a transactions and use tax of one-half of one percent (1/2%) that will be imposed through March 31, 2011.

E. Ordinance No. 3 ("Ordinance") provides for the continuation of the existing Ordinance No. 2 transactions and use tax of one-half of one percent (1/2%) for an additional period of thirty (30) years to fund transportation facility and service improvements.

SECTION 1. TITLE

The Ordinance shall be known and may be cited as the Renewed Measure M Transportation Ordinance and Investment Plan. The word "Ordinance," as used in the Ordinance, shall mean and include Attachment A entitled "Renewed Measure M Transportation Investment Plan," Attachment B entitled "Allocation of Net Revenues," and Attachment C entitled "Taxpayer Oversight Committee," which Attachments A, B and C are attached hereto and incorporated by reference as if fully set forth herein.

SECTION 2. SUMMARY

The Ordinance provides for the implementation of the Orange County Transportation Investment Plan, which will result in countywide transportation improvements for freeways, highways, local streets and roads, bus and rail transit, transportation-related water quality ("Environmental Cleanup"), and transit services for seniors and disabled persons. These needed improvements will be funded by the continuation of the one-half of one percent (1/2%) transaction and use tax for a period of thirty years. The revenues shall be deposited in a special fund and used solely for the identified improvements authorized by the Ordinance.

SECTION 3. IMPOSITION OF RETAIL TRANSACTIONS AND USE TAX

Subject to approval by the electors, the Authority hereby imposes, in the incorporated and unincorporated territories of Orange County ("County"), in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code and Division 19 (commencing with Section 180000) of the California Public Utilities Code, continuance of the existing retail transactions and use tax at the rate of one-half of one percent (1/2%) commencing April 1, 2011, for a period of thirty years. This tax shall be in addition to any other taxes authorized by law, including any existing or future state or local sales tax or transactions and use tax. The imposition, administration and collection of the tax shall be in accordance with all applicable statutes, laws, rules and regulations prescribed and adopted by the State Board of Equalization.

SECTION 4. PURPOSES

All of the gross revenues generated from the transactions and use tax plus any interest or other earnings thereon (collectively, "Revenues"), after the deduction for: (i) amounts payable to the State Board of Equalization for the performance of functions incidental to the administration and operation of the Ordinance, (ii) costs for the administration of the Ordinance as provided herein, (iii) two percent (2%) of the Revenues annually allocated for Environmental Cleanup and (iv) satisfaction of debt service requirements of all bonds issued pursuant to the Ordinance that are not satisfied out of separate allocations, shall be defined as “Net Revenues” and shall be allocated solely for the transportation purposes described in the Ordinance.

SECTION 5. BONDING AUTHORITY

“Pay as you go” financing is the preferred method of financing transportation improvements and operations under the Ordinance. However, the Authority may use bond financing as an alternative method if the scope of planned expenditures makes “pay as you go” financing unfeasible. Following approval by the electors of the ballot proposition authorizing imposition of the transactions and use tax and authorizing issuance of bonds payable from the proceeds of the tax, bonds may be issued by the Authority pursuant to Division 19 of the Public Utilities Code, at any time before, on, or after the imposition of taxes, and from time to time, payable from the proceeds of the tax and secured by a pledge of revenues from the proceeds of the tax, in order to finance and refinance improvements authorized by the Ordinance.

SECTION 6. MAINTENANCE OF EFFORT REQUIREMENTS

It is the intent of the Legislature and the Authority that the Net Revenues allocated to a jurisdiction pursuant to the Ordinance for street and road projects shall be used to supplement existing local discretionary funds being used for transportation improvements. Each jurisdiction is hereby required to annually maintain as a minimum no less than the maintenance of effort amount of local discretionary funds required to be expended by the jurisdiction for local street and road purposes pursuant to the current Ordinance No. 2 for Fiscal Year 2010-2011. The maintenance of effort level for each jurisdiction as determined through this process shall be adjusted effective July 1, 2014 and every three fiscal years thereafter in an amount equal to the percentage change for the Construction Cost Index compiled by Caltrans for the immediately preceding three calendar years, providing that any percentage increase in the maintenance of effort level based on this adjustment shall not exceed the percentage increase in the growth rate in the jurisdiction’s general fund revenues over the same time period. The Authority shall not allocate any Net Revenues to any jurisdiction for any fiscal year until that jurisdiction has certified to the Authority that it has included in its budget for that fiscal year an amount of local discretionary funds for streets and roads purposes at least equal to the level of its maintenance of effort requirement. An annual independent audit may be conducted by the Authority to verify that the maintenance of effort requirements are being met by the jurisdiction. Any Net Revenues not allocated pursuant to the maintenance of effort requirement shall be allocated to the remaining eligible jurisdictions according to the formula described in the Ordinance.

In order to address the impacts of the novel coronavirus pandemic (commonly referred to as COVID-19), for fiscal year (FY) 2019-20, jurisdictions shall comply with all submittal requirements under the ordinance, including, but not limited to, those requirements under Attachment B (III) - Requirements for Eligible Jurisdictions, but will not be required to meet the required maintenance of effort (MOE) amount for that particular jurisdiction for the FY 2019-20. For FY 2020-21 and FY 2021-22, jurisdictions shall be required to comply with all submittal requirements under the ordinance, including, but not limited to, those requirements under Attachment B (III) - Requirements for Eligible Jurisdictions, but shall only be required to meet the MOE amount for that particular jurisdiction for the FY at the same proportional share of streets and roads discretionary expenditures to general fund revenues based upon the proportion of the FY 2020-21 MOE benchmark to general fund revenues that were reported in their respective Comprehensive Annual Financial Report for FY 2018-19. Jurisdictions are encouraged to use their best efforts during FY 2019-20, FY 2020-21, and FY 2021-22 to meet original MOE levels.

SECTION 7. ADMINISTRATION

The Authority shall allocate Revenues to fund facilities, services and projects as specified in the Ordinance, and shall administer the Ordinance consistent with the authority cited. Revenues may be expended by the Authority for salaries, wages, benefits, and overhead and for those services, including contractual services, necessary to carry out its responsibilities pursuant to Division 19; however, in no case shall the Revenues expended for salaries and benefits of Authority administrative staff exceed more than one percent

(1%) of the Revenues in any year. The Authority shall use, to the extent possible, existing state, regional and local transportation planning and programming data and expertise, and may, as the law permits, contract with any public agency or private firm for services necessary to carry out the purposes of the Ordinance. Expenses incurred by the Authority for administrative staff and for project implementation, including contracting with public agencies and private firms, shall be identified in the annual report prepared pursuant to Section 10, subpart 8, of the Ordinance.

SECTION 8. ANNUAL APPROPRIATIONS LIMIT

The annual appropriations limit established pursuant to Article XIII. B. of the California Constitution and Section 180202 of the Public Utilities Code shall be established as $1,123 million for the 2006-07 fiscal year. The appropriations limit shall be subject to adjustment as provided by law. All expenditures of the Revenues are subject to the appropriations limit of the Authority.

SECTION 9. EFFECTIVE AND OPERATIVE DATES

The Ordinance shall be effective on November 8, 2006, if two thirds of the electors vote on November 7, 2006, to approve the ballot measure authorizing the extension of the imposition of the existing tax. The continuance of the imposition of the existing tax authorized by Section 3 of the Ordinance shall be operative on April 1, 2011.

SECTION 10. SAFEGUARDS OF USE OF REVENUES

The following safeguards are hereby established to ensure strict adherence to the limitations on the use of the Revenues:

1. A transportation special revenue fund (the “Local Transportation Authority Special Revenue Fund”) shall be established to maintain all Revenues.

2. The County of Orange Auditor-Controller (“Auditor-Controller”), in the capacity as Chair of the Taxpayer Oversight Committee, shall annually certify whether the Revenues have been spent in compliance with the Ordinance.

3. Receipt, maintenance and expenditure of Net Revenues shall be distinguishable in each jurisdiction’s accounting records from other funding sources, and

expenditures of Net Revenues shall be distinguishable by program or project. Interest earned on Net Revenues allocated pursuant to the Ordinance shall be expended only for those purposes for which the Net Revenues were allocated.

4. No Net Revenues shall be used by a jurisdiction for other than transportation purposes authorized by the Ordinance. Any jurisdiction which violates this provision must fully reimburse the Authority for the Net Revenues misspent and shall be deemed ineligible to receive Net Revenues for a period of five (5) years.

5. A Taxpayer Oversight Committee ("Committee") shall be established to provide an enhanced level of accountability for expenditure of Revenues under the Ordinance. The Committee will help to ensure that all voter mandates are carried out as required. The roles and responsibilities of the Committee, the selection process for Committee members and related administrative procedures shall be carried out as described in Attachment C.

6. A performance assessment shall be conducted at least once every three years to evaluate the efficiency, effectiveness, economy and program results of the Authority in satisfying the provisions and requirements of the Investment Summary of the Plan, the Plan and the Ordinance. A copy of the performance assessment shall be provided to the Committee.

7. Quarterly status reports regarding the major projects detailed in the Plan shall be brought before the Authority in public meetings.

8. Annually the Authority shall publish a report on how all Revenues have been spent and on progress in implementing projects in the Plan, and shall publicly report on the findings.

SECTION 11. TEN-YEAR COMPREHENSIVE PROGRAM REVIEW

At least every ten years the Authority shall conduct a comprehensive review of all projects and programs implemented under the Plan to evaluate the performance of the overall program and may revise the Plan to improve its performance. The review shall include consideration of changes to local, state and federal transportation plans and policies; changes in land use, travel and growth projections; changes in project cost estimates and revenue projections; right-of-way constraints and other project constraints; level of public support for the Plan; and the progress of the Authority and jurisdictions in implementing the Plan. The Authority may amend the Plan based on its comprehensive review, subject to the requirements of Section 12.

SECTION 12. AMENDMENTS

The Authority may amend the Ordinance, including the Plan, to provide for the use of additional federal, state and local funds, to account for unexpected revenues, or to take into consideration unforeseen circumstances. The Authority shall notify the board of supervisors and the city council of each city in the county and provide them with a copy of the proposed amendments, and shall hold a public hearing on proposed amendments prior to adoption, which shall require approval by a vote of not less than two thirds of the Authority Board of Directors. Amendments shall become effective forty five days after adoption. No amendment to the Plan which eliminates a program or project specified on Page 31 of the Plan shall be adopted unless the Authority Board of Directors adopts a finding that the transportation purpose of the program or project to be eliminated will be satisfied by a different program or project. No amendment to the Plan which changes the funding categories, programs or projects identified on page 31 of the Plan shall be adopted unless the amendment to the Plan is first approved by a vote of not less than two thirds of the Committee. In addition, any proposed change in allocations among the four major funding categories of freeway projects, street and road projects, transit projects and Environmental Cleanup projects identified on page 31 of the Plan, or any proposed change of the Net Revenues allocated pursuant to Section IV C 3 of Attachment B for the Local Fair Share Program portion of the Streets and Roads Projects funding category, shall be approved by a simple majority vote of the electors before going into effect.

SECTION 13. REQUEST FOR ELECTION

Pursuant to California Public Utilities Code Section 180201, the Authority hereby requests that the County of Orange Board of Supervisors call a special election to be conducted by the County of Orange on November 7, 2006, to place the Ordinance before the electors. To avoid any misunderstanding or confusion by Orange County electors, the Authority requests that the Ordinance be identified as "Measure M" on the ballot. The ballot language for the measure shall contain a summary of the projects and programs in the Plan and shall read substantially as follows:

"Measure "M," Orange County Transportation Improvement Plan

Shall the ordinance continuing Measure M, Orange County's half-cent sales tax for transportation improvements, for an additional 30 years with limited bonding authority to fund the following projects:

* relieve congestion on the I-5, I-405, 22, 55, 57 and 91 freeways;
* fix potholes and resurface streets;
* expand Metrolink rail and connect it to local communities;
* provide transit services, at reduced rates, for seniors and disabled persons;
* synchronize traffic lights in every community;
* reduce air and water pollution, and protect local beaches by cleaning up oil runoff from roadways;

and establish the following taxpayer protections to ensure the funds are spent as directed by the voters:

* require an independent Taxpayer Oversight Committee to review yearly audits to ensure that voter mandates are met;
* publish an annual report to the taxpayers on how all funds are spent; and
* update the transportation improvement plan every 10 years, with voter approval required for major changes;

be adopted for the purpose of relieving traffic congestion in Orange County?"

SECTION 14. EFFECT ON ORDINANCE NO. 2

The Ordinance is not intended to modify, repeal or alter the provisions of Ordinance No. 2, and shall not be read to supersede Ordinance No. 2. The provisions of the Ordinance shall apply solely to the transactions and use tax adopted herein. If the Ordinance is not approved by the electors of the County, the provisions of Ordinance No. 2

and all powers, duties, and actions taken thereunder shall remain in full force and effect.

SECTION 15. SEVERABILITY

If any section, subsection, part, clause or phrase of the Ordinance is for any reason held invalid, unenforceable or unconstitutional by a court of competent jurisdiction, that holding shall not affect the validity or enforceability of the remaining funds or provisions of the Ordinance, and the Authority declares that it would have passed each part of the

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Ordinance irrespective of the validity of any other part.

APPROVED AND ADOPTED by the Orange County Local Transportation Authority on the 24 day of July, 2006.

By: Arthur C. Brown
Arthur C. Brown, Chairman
Orange County Local Transportation Authority

ATTEST:

By: Wendy Knowles
Wendy Knowles, Clerk of the Board
Orange County Local Transportation Authority

213671.11

ATTACHMENT A

RENEWED MEASURE M

Transportation Investment Plan

Approved by voters on November 7, 2006

As amended on December 14, 2015

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
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Introduction

Measure M Promises Fulfilled
On November 6, 1990, Orange County voters approved Measure M, a half-cent local transportation sales tax for twenty years. All of the major projects promised to and approved by the voters are underway or complete. Funds that go to cities and the County of Orange to maintain and improve local street and roads, along with transit fare reductions for seniors and persons with disabilities, will continue until Measure M ends in 2011. The promises made in Measure M have been fulfilled.

Continued Investment Needed
Orange County continues to grow. By the year 2030, Orange County's population will increase by 24 percent from 2.9 million in 2000 to 3.6 million in 2030; jobs will increase by 27 percent; and travel on our roads and highways by 39 percent. Without continued investment average morning rush hour speeds on Orange County freeways will fall by 31 percent and on major streets by 32 percent.

Responding to this continued growth and broad support for investment in Orange County's transportation system, the Orange County Transportation Authority considered the transportation projects and programs that would be possible if Measure M were renewed. The Authority, together with the 34 cities of Orange County, the Orange County Board of Supervisors and thousands of Orange County citizens, participated during the last eighteen months in developing a Transportation Investment Plan for consideration by the voters.

A Plan for New Transportation Investments
The Plan that follows is a result of those efforts. It reflects the varied interests and priorities inherent in the diverse communities of Orange County. It includes continued investment to expand and improve Orange County's freeway system; commitment to maintaining and improving the network of streets and roads in every community; an expansion of Metrolink rail service through the core of Orange County with future extensions to connect with nearby communities and regional rail systems; more transit service for seniors and disabled persons; and funds to clean up runoff from roads that leads to beach closures.

Strong Safeguards
These commitments are underscored by a set of strong taxpayer safeguards to ensure that promises made in the Plan are kept. They include an annual independent audit and report to the taxpayers; ongoing monitoring and review of spending by an independent Taxpayer Oversight Committee; requirement for full public review and update of the Plan every ten years; voter approval for any major changes to the Plan; strong penalties for any misuse of funds and a strict limit of no more than one percent for administrative expenses.

No Increase in Taxes
The traffic improvements detailed in this plan do not require an increase in taxes. Renewal of the existing Measure M one-half cent transportation sales tax will enable all of the projects and programs to be implemented. And by using good planning and sensible financing, projects that are ready to go could begin as early as 2007.

Renewing Measure M
The projects and programs that follow constitute the Transportation Investment Plan for the renewal of the Measure M transportation sales tax approved by Orange County voters in November of 1990. These improvements are necessary to address current and future transportation needs in Orange County and reflect the best efforts to achieve consensus among varied interests and communities throughout the County.

Overview

The Renewed Measure M Transportation Investment Plan is a 30-year, $11.8 billion program designed to reduce traffic congestion, strengthen our economy and improve our quality of life by upgrading key freeways, fixing major freeway interchanges, maintaining streets and roads, synchronizing traffic signals countywide, building a visionary rail transit system, and protecting our environment from the oily street runoff that pollutes Orange County beaches. The Transportation Investment Plan is focused solely on improving the transportation system and includes tough taxpayer safeguards, including a Taxpayer Oversight Committee, required annual audits, and regular, public reports on project progress.

The Renewed Measure M Transportation Investment Plan must be reviewed annually, in public session, and every ten years a detailed review of the Plan must take place. If changing circumstances require the voter-approved plan to be changed, those changes must be taken to the voters for approval.

Freeways
Relieving congestion on the Riverside/Artesia Freeway (SR-91) is the centerpiece of the freeway program, and will include new lanes, new interchanges, and new bridges. Other major projects will make substantial improvements on Interstate 5 (I-5) in southern Orange County and the San Diego Freeway (I-405) in western Orange County. The notorious Orange Crush—the intersection of the I-5, the Garden Grove Freeway (SR-22) and the Orange Freeway (SR-57) near Angel Stadium—will be improved and upgraded. Under the Plan, major traffic chokepoints on almost every Orange County freeway will be remedied. Improving Orange County freeways will be the greatest investment in the Renewed Measure M program: Forty-three percent of net revenues, or $4.871 billion, will be invested in new freeway construction.

Streets and Roads
More than 6,500 lane miles of aging streets and roads will need repair, rejuvenation and improvement. City streets and county roads need to be maintained regularly and potholes have to be filled quickly. Thirty-two percent of net revenue from the Renewed Measure M Transportation Investment Plan, or $3.625 billion, will be devoted to fixing potholes, improving intersections, synchronizing traffic signals countywide, and making the existing countywide network of streets and roads safer and more efficient.

Public Transit
As Orange County continues to grow, building a visionary rail transportation system that is safe, clean and convenient, uses and preserves existing rights-of-way, and, over time, provides high-speed connections both inside and outside of Orange County, is a long term goal. Twenty-five percent of the net revenue from Renewed Measure M, or $2.83 billion, will be dedicated to transit programs countywide. About twenty percent, or $2.24 billion, will be dedicated to creating a new countywide high capacity transit system anchored on the existing, successful Metrolink and Amtrak rail line, and about five percent, or $591 million, will be used to enhance senior transportation programs and provide targeted, safe localized bus service.

Environmental Cleanup
Every day, more than 70 million gallons of oily pollution, litter, and dirty contaminants wash off streets, roads, and freeways and pour onto Orange County waterways and beaches. When it rains, the transportation-generated beach and ocean pollution increases tenfold. Under the plan, two percent of the gross Renewed Measure M Transportation Investment Plan, or $237 million, will be dedicated to protecting Orange County beaches from this transportation-generated pollution (sometimes called "urban runoff") while improving ocean water quality.

Taxpayer Safeguards and Audits
When new transportation dollars are approved, they should go for transportation and transportation purposes alone. No bait-and-switch. No using transportation dollars for other purposes. The original Measure M went solely for transportation purposes. The Renewed Measure M must be just as airtight. One percent of the gross Measure M program, or $118.6 million over 30 years, will pay for annual, independent audits, taxpayer safeguards, an independent Taxpayer Oversight Committee assigned to watchdog government spending, and a full, public disclosure of all Renewed Measure M expenditures. A detailed review of the program must be conducted every ten years and, if needed, major changes in the investment plan must be brought before Orange County voters for approval. Taxpayers will receive an annual report detailing the Renewed Measure M expenditures. Additionally, as required by law, an estimated one and a half percent of the sales taxes generated, or $178 million over 30 years, must be paid to the California State Board of Equalization for collecting the one-half cent sales tax that funds the Renewed Measure M Transportation Investment Plan.

In this pamphlet, every specific project, program, and safeguard included in the Renewed Measure M Transportation Investment Plan is explained. Similar details will be provided to every Orange County voter if the measure is placed on the ballot.

Freeway Projects Overview

Every day, traffic backs up somewhere on the Orange County freeway system. And, every day, freeway traffic seems to get a little worse.

In the past decade, Orange County has made major strides in re-building our aging freeway system. But there is still an enormous amount of work that needs to be done to make the freeway system work well. You see the need for improvement every time you drive on an Orange County freeway.

Forty-three percent of net revenues from the Renewed Measure M Transportation Investment Plan is dedicated to improving Orange County freeways, the largest portion of the 30-year transportation plan.

SR-91 is the Centerpiece

Making the troubled Riverside/Artesia Freeway (SR-91) work again is the centerpiece of the Renewed Measure M Freeway program. The fix on the SR-91 will require new lanes, new bridges, new overpasses, and, in the Santa Ana Canyon portion of the freeway, a diversion of drivers to the Foothill Corridor (SR-241) so the rest of the Orange County freeway system can work more effectively.

And there's more to the freeway program than the fix of SR-91—much more. More than $1 billion is earmarked for Interstate 5 in South County. More than $800 million is slated to upgrade the San Diego Freeway (I-405) between Irvine and the Los Angeles County line. Another significant investment is planned on the congested Costa Mesa Freeway (SR-55). And needed projects designed to relieve traffic chokepoints are planned for almost every Orange County freeway.

To make any freeway system work, bottlenecks at interchanges also have to be fixed. The notorious Orange Crush Interchange—where the Santa Ana Freeway (I-5) meets the Orange Freeway (SR-57) and the Garden Grove Freeway (SR-22) in a traffic tangle near Angel Stadium—is in need of a major face lift. And the intersection of Interstate 5 and the Costa Mesa Freeway (SR-55) is also slated for major repair.

Pays Big Dividends

Local investment in freeways also pays big dividends in the search for other needed freeway dollars. Because of state and federal matching rules, Orange County's local investment in freeway projects acts as a magnet for state and federal transportation dollars—pulling more freeway construction dollars into the county and allowing more traffic-reducing freeway projects to be built sooner.

Innovative Environmental Mitigation

A minimum of $243.5 million will be available, subject to a Master Agreement, to provide for comprehensive, rather than piecemeal, mitigation of the environmental impacts of freeway improvements. Using a proactive, innovative approach, the Master Agreement negotiated between the Orange County Local Transportation Authority and state and federal resource agencies will provide higher-value environmental benefits such as habitat protection, wildlife corridors and resource preservation in exchange for streamlined project approvals for the freeway program as a whole.

Freeway projects will also be planned, designed and constructed with consideration for their aesthetic, historic and environmental impacts on nearby properties and communities using such elements as parkway style designs, locally native landscaping, sound reduction and aesthetic treatments that complement the surroundings.

Orange County Freeway Projects

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Freeway Projects

Santa Ana Freeway (I-5) Interchange Improvements

Project A

Santa Ana Freeway (I-5) Improvements between Costa Mesa Freeway (SR-55) and "Orange Crush" Area (SR-57)

Description:
Reduce freeway congestion through improvements at the SR-55/I-5 interchange area between the Fourth Street and Newport Boulevard ramps on I-5, and between Fourth Street and Edinger Avenue on SR-55. Also, add capacity on I-5 between SR-55 and SR-57 to relieve congestion at the "Orange Crush". The project will generally be constructed within the existing right-of-way. Specific improvements will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

The project will increase freeway capacity and reduce congestion. The current daily traffic volume on this segment of the I-5 between SR-55 and SR-57 is about 389,000. The demand is expected to grow by more than 19 percent by 2030, bringing the daily usage to 464,000 vehicles per day. Regional plans also include additional improvements on I-5 from the "Orange Crush" to SR-91 using federal and state funds.

Cost:
The estimated cost to improve this section of the I-5 is $470.0 million.

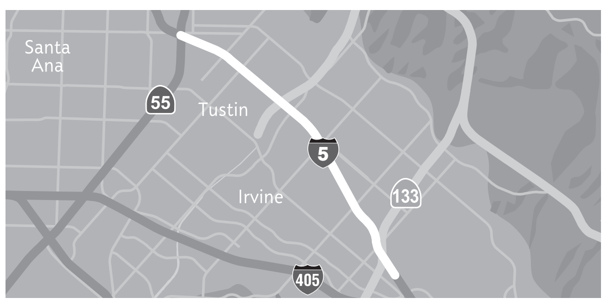
Project B

Santa Ana Freeway (I-5) Improvements from the Costa Mesa Freeway (SR-55) to El Toro "Y" Area

Description:
Build new lanes and improve the interchanges in the area between SR-55 and the SR-133 (near the El Toro "Y"). This segment of I-5 is the major route serving activity areas in the cities of Irvine, Tustin, Santa Ana and north Orange County. The project will also make improvements at local interchanges, such as Jamboree Road. The project will generally be constructed within the existing right-of-way. Specific improvements will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

The project will increase freeway capacity and reduce congestion. The current traffic volume on this segment of I-5 is about 356,000 vehicles per day and is expected to increase by nearly 24 percent, bringing it up to 440,000 vehicles per day. In addition to the projects described above, regional plans include additional improvements to this freeway at local interchanges, such as Culver Drive, using federal and state funds.

Cost:
The estimated cost to improve this section of I-5 is $300.2 million.



Freeway Projects

Santa Ana Freeway/San Diego Freeway (I-5)

Project C

San Diego Freeway (I-5) Improvements
South of the El Toro "Y"

Description:
Add new lanes to I-5 from the vicinity of the El Toro Interchange in Lake Forest to the vicinity of SR-73 in Mission Viejo. Also add new lanes on I-5 between Coast Highway and Avenida Pico interchanges to reduce freeway congestion in San Clemente. The project will also make major improvements at local interchanges as listed in Project D. The project will generally be constructed within the existing right-of-way. Specific improvements will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

The project will increase freeway capacity and reduce congestion. Current traffic volume on I-5 near the El Toro "Y" is about 342,000 vehicles per day. This volume will increase in the future by 35 percent, bringing it up to 460,000 vehicles per day. Regional plans also include construction of a new freeway access point between Crown Valley Parkway and Avery Parkway as well as new off ramps at Stonehill Drive using federal and state funds.

Cost:
The estimated cost to improve these segments of I-5 is $627.0 million.

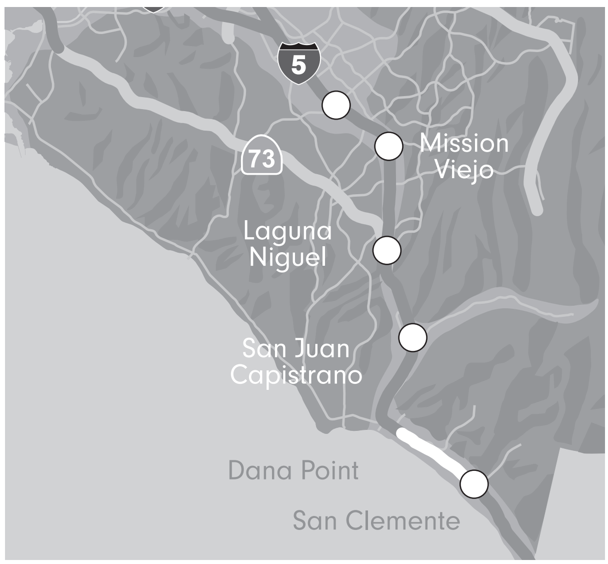
Project D

Santa Ana Freeway / San Diego Freeway (I-5)
Local Interchange Upgrades

Description:
Update and improve key I-5 interchanges such as Avenida Pico, Ortega Highway, Avery Parkway, La Paz Road, El Toro Road, and others to relieve street congestion around older interchanges and on ramps. Specific improvements will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

In addition to the project described above, regional plans also include improvements to the local interchanges at Camino Capistrano, Oso Parkway, Alicia Parkway and Barranca Parkway using federal and state funds.

Cost:
The estimated cost for the I-5 local interchange upgrades is $258.0 million.



Freeway Projects

Garden Grove Freeway (SR-22)

Costa Mesa Freeway (SR-55)

Project E

Garden Grove Freeway (SR-22) Access Improvements

Description:
Construct interchange improvements at Euclid Street, Brookhurst Street and Harbor Boulevard to reduce freeway and street congestion near these interchanges. Specific improvements will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

Regional plans also include the construction of new freeway-to-freeway carpool ramps to the SR-22/I-405 interchange, and improvements to the local interchange at Magnolia Avenue using federal and state funds.

Cost:
The estimated cost to improve the SR-22 interchanges is $120.0 million.

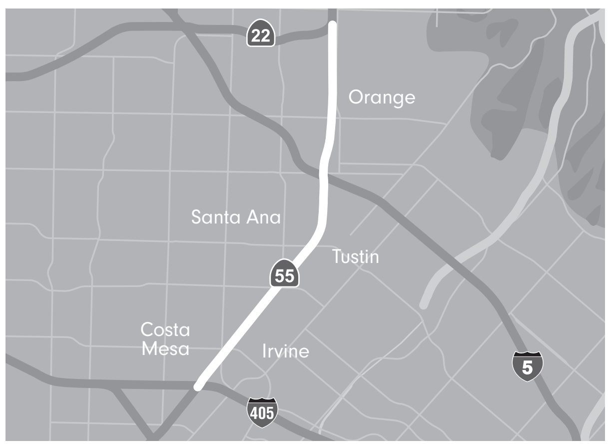
Project F

Costa Mesa Freeway (SR-55) Improvements

Description:
Add new lanes to SR-55 between Garden Grove Freeway (SR-22) and the San Diego Freeway (I-405), generally within existing right-of-way, including merging lanes between interchanges to smooth traffic flow. This project also provides for freeway operational improvements for the portion of SR-55 between SR-91 and SR-22. The project will generally be constructed within the existing right-of-way. Specific improvements will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

The project will increase freeway capacity and reduce congestion. This freeway carries about 295,000 vehicles on a daily basis. This volume is expected to increase by nearly 13 percent, bringing it up to 332,000 vehicles per day in the future. In addition to the projects described above, regional plans also include a new street overcrossing and carpool ramps at Alton Avenue using federal and state funds.

Cost:
The estimated cost for these SR-55 improvements is $366.0 million.



Freeway Projects

Orange Freeway (SR-57)

Project G

Orange Freeway (SR-57) Improvements

Description:
Build a new northbound lane between Orangewood Avenue and Lambert Road. Other projects include improvements to the Lambert interchange and the addition of a northbound truck climbing lane between Lambert and Tonner Canyon Road. The improvements will be designed and coordinated specifically to reduce congestion at SR-57/SR-91 interchange. These improvements will be made generally within existing right-of-way. Specific improvements will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

The project will increase freeway capacity and reduce congestion. The daily traffic volume on this freeway is about 315,000 vehicles. By 2030, this volume will increase by 15 percent, bringing it up to 363,000 vehicles per day. In addition to the project described above, regional plans include new carpool ramps at Cerritos Avenue using federal and state funds.

Cost:
The estimated cost to implement SR-57 improvements is $258.7 million.

Freeway Projects

Riverside Freeway (SR-91)

Project H

Riverside Freeway (SR-91) Improvements from the Santa Ana Freeway (I-5) to the Orange Freeway (SR-57)

Description:
Add capacity in the westbound direction and provide operational improvements at on and off ramps to the SR-91 between I-5 and the Orange Freeway (SR-57), generally within existing right-of-way, to smooth traffic flow and relieve the SR-57/SR-91 interchange. Specific improvements will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

The current daily freeway volume along this segment of SR-91 is about 256,000. By 2030, this volume is expected to increase by nearly 13 percent, bringing it up to 289,900 vehicles per day.

Cost:
The estimated cost for improvements in this segment of SR-91 is $140.0 million.

Project I

Riverside Freeway (SR-91) Improvements from Orange Freeway (SR-57) to the Costa Mesa Freeway (SR-55) Interchange Area

Description:
Improve the SR-91/SR-55 to SR-91/SR-57 interchange complex, including nearby local interchanges such as Tustin Avenue and Lakeview, as well as adding freeway capacity between SR-55 and SR-57. The project will generally be constructed within the existing right-of-way. Specific improvements will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

Current freeway volume on this segment of the SR-91 is about 245,000 vehicles per day. This vehicular demand is expected to increase by 22 percent, bringing it up to 300,000 vehicles per day in the future.

Cost:
The estimated cost for these improvements to the SR-91 is $416.5 million.

Freeway Projects

Riverside Freeway (SR-91)

Project J

Riverside Freeway (SR-91) Improvements from Costa Mesa Freeway (SR-55) to the Orange/ Riverside County Line

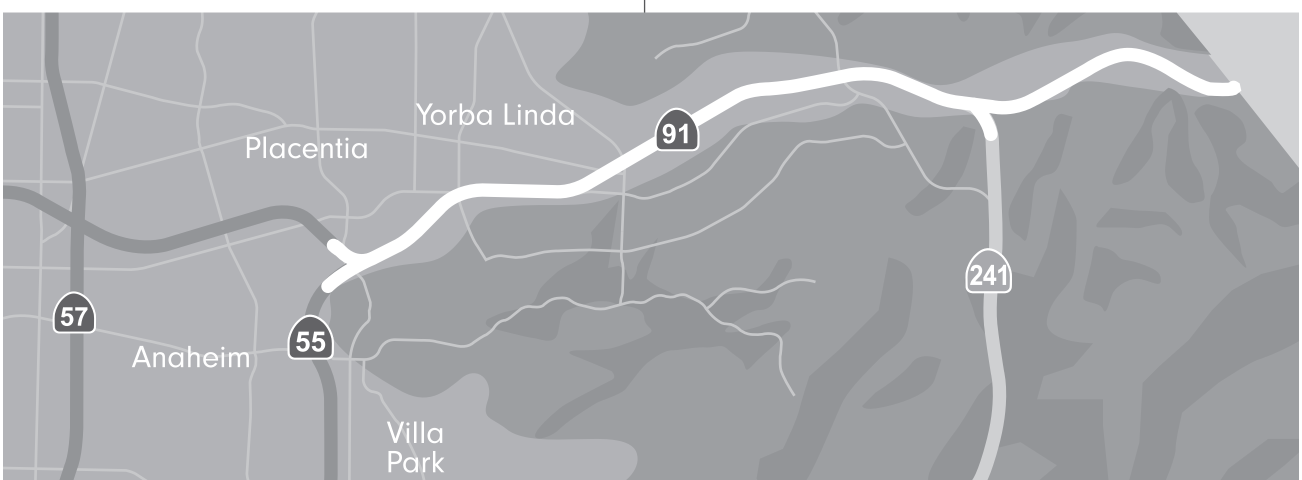
Description:
This project adds capacity on SR-91 beginning at SR-55 and extending to I-15 in Riverside County.

The first priority will be to improve the segment of SR-91 east of SR-241. The goal is to provide up to four new lanes of capacity between SR-241 and Riverside County Line by making best use of available freeway property, adding reversible lanes, building elevated sections and improving connections to SR-241. These projects would be constructed in conjunction with similar coordinated improvements in Riverside County extending to I-15 and provide a continuous set of improvements between SR-241 and I-15. The portion of improvements in Riverside County will be paid for from other sources. Specific improvements will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

This project also includes improvements to the segment of SR-91 between SR-241 and SR-55. The concept is to generally add one new lane in each direction and improve the interchanges.

Today, this freeway carries about 314,000 vehicles every day. This volume is expected to increase by 36 percent, bringing it up to 426,000 vehicles by 2030.

Cost:
The estimated cost for these improvements to the SR-91 is $352.0 million.



Freeway Projects

San Diego Freeway (I-405)

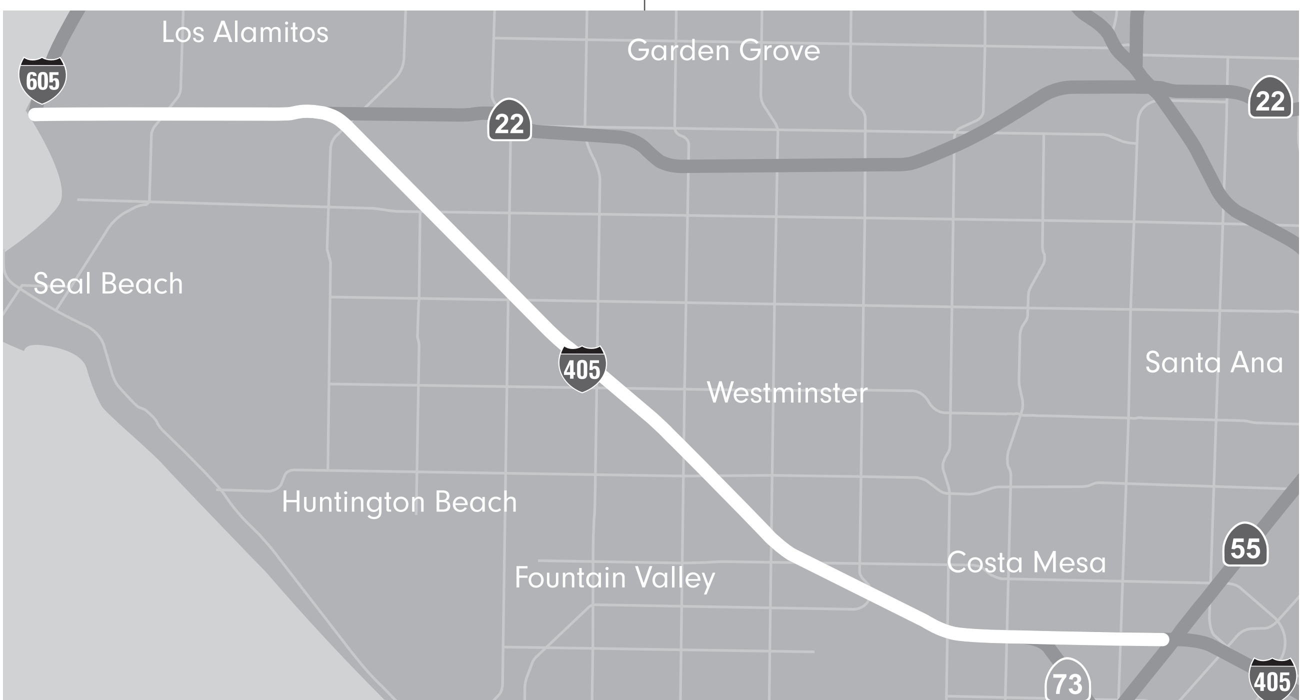
Project K

San Diego Freeway (I-405) Improvements between the I-605 Freeway in Los Alamitos area and Costa Mesa Freeway (SR-55)

Description:
Add new lanes to the San Diego Freeway between I-605 and SR-55, generally within the existing right-of-way. The project will make best use of available freeway property, update interchanges and widen all local overcrossings according to city and regional master plans. The improvements will be coordinated with other planned I-405 improvements in the I-405/SR-22/I-605 interchange area to the north and I-405/SR-73 improvements to the south. The improvements will adhere to recommendations of the Interstate 405 Major Investment Study (as adopted by the Orange County Transportation Authority Board of Directors on October 14, 2005) and will be developed in cooperation with local jurisdictions and affected communities.

Today, I-405 carries about 430,000 vehicles daily. The volume is expected to increase by nearly 23 percent, bringing it up to 528,000 vehicles daily by 2030. The project will increase freeway capacity and reduce congestion. Near-term regional plans also include the improvements to the I-405/SR-73 interchange as well as a new carpool interchange at Bear Street using federal and state funds.

Cost:
The estimated cost for these improvements to the I-405 is $1,072.8 million.



Project cost estimate amended on November 9, 2012.

Freeway Projects

San Diego Freeway (I-405)

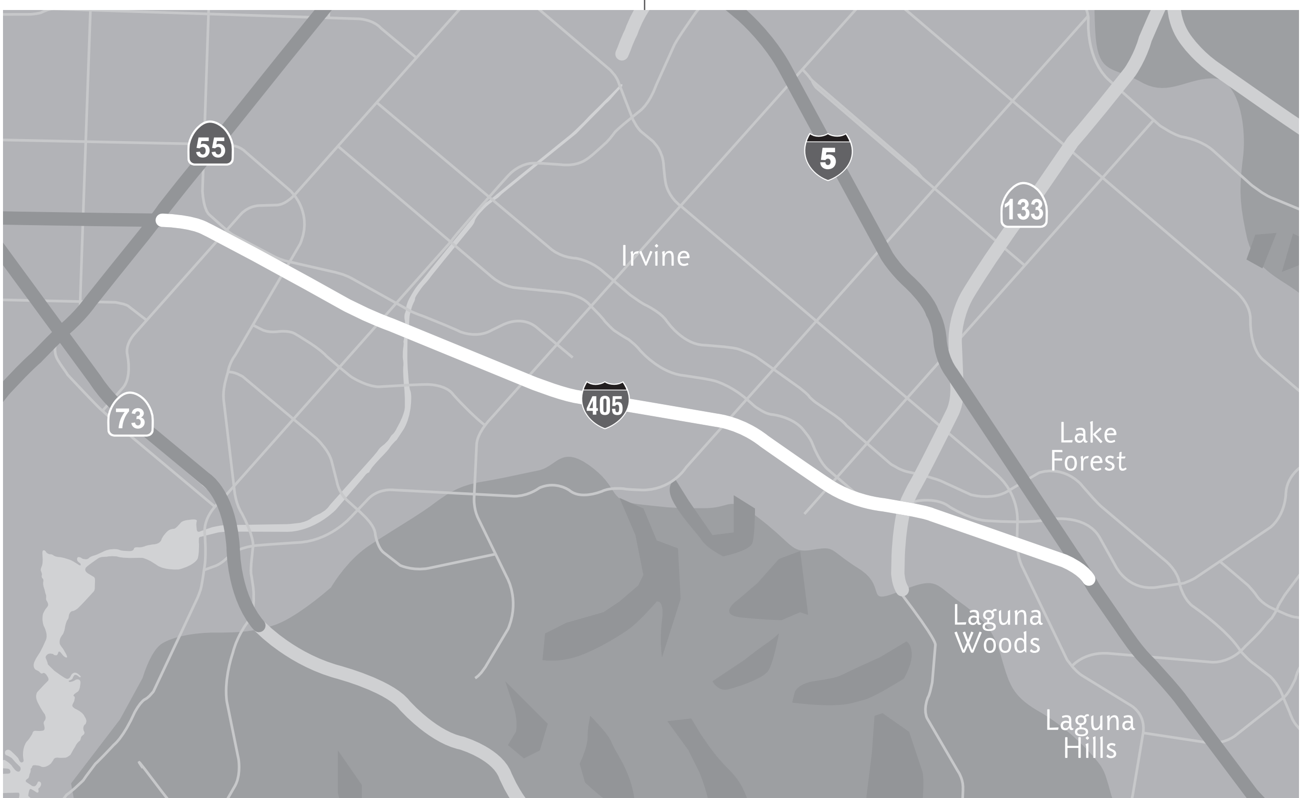
Project L

San Diego Freeway (I-405) Improvements between Costa Mesa Freeway (SR-55) and Santa Ana Freeway (I-5)

Description:
Add new lanes to the freeway from SR-55 to the I-5. The project will also improve chokepoints at interchanges and add merging lanes near on/off ramps such as Lake Forest Drive, Irvine Center Drive and SR-133 to improve the overall freeway operations in the I-405/I-5 El Toro "Y" area. The projects will generally be constructed within the existing right-of-way. Specific improvements will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

This segment of the freeway carries 354,000 vehicles a day. This number will increase by nearly 13 percent, bringing it up to 401,000 vehicles per day by 2030. The project will increase freeway capacity and reduce congestion. In addition to the projects described above, regional plans include a new carpool interchange at Von Karman Avenue using federal and state funds.

Cost:
The estimated cost for these improvements to the I-405 is $319.7 million.



Project M

I-605 Freeway Access Improvements

Description:
Improve freeway access and arterial connection to I-605 serving the communities of Los Alamitos and Cypress. The project will be coordinated with other planned improvements along SR-22 and I-405. Specific improvements will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

Regional plans also include the addition of new freeway-to-freeway carpool ramps to the I-405/I-605 interchange using federal and state funds. This improvement will connect to interchange improvements at I-405 and SR-22 as well as new freeway lanes between I-405 and I-605.

Cost:
The estimated cost to make these I-605 interchange improvements is $20.0 million.

Project N

Freeway Service Patrol

Description:
The Freeway Service Patrol (FSP) provides competitively bid, privately contracted tow truck service for motorists with disabled vehicles on the freeway system. This service helps stranded motorists and quickly clears disabled vehicles out of the freeway lanes to minimize congestion caused by vehicles blocking traffic and passing motorists rubbernecking.

Currently Freeway Service Patrol is available on Orange County freeways Monday through Friday during peak commuting hours. This project would assure that this basic level of service could be continued through 2041. As demand and congestion levels increase, this project would also permit service hours to be extended throughout the day and into the weekend.

Cost:
The estimated cost to support the Freeway Service Patrol Program for thirty years beyond 2011 is $150.0 million.

Streets and Roads Projects Overview

Orange County has more than 6,500 lane miles of aging streets and roads, many of which are in need of repair, rejuvenation and improvement. Intersections need to be widened, traffic lights need to be synchronized, and potholes need to be filled. And, in many cases, to make Orange County's transportation system work smoothly, we need to add additional lanes to existing streets.

Thirty-two percent of net revenues from the Renewed Measure M Transportation Investment Plan is dedicated to maintaining streets, fixing potholes, improving intersections and widening city streets and county roads.

Making the System Work

Making the existing system of streets and roads work better—by identifying spot intersection improvements, filling potholes, repaving worn-out streets—is the basis of making a countywide transportation system work. That basis has to be the first priority. But to operate a successful, countywide system of streets and roads, we need more: street widenings and traffic signals synchronized countywide. And there's more. Pedestrian safety near local schools needs to be improved. Traffic flow must be smoothed. Street repairs must be made sooner. And, perhaps most importantly, cities and the county must work together—collaboratively—to find simple, low-cost traffic solutions.

Renewed Measure M provides financial incentives for traffic improvements that cross city and county lines, providing a seamless, county-wide transportation system that's friendly to regional commuters and fair to local residents.

Better Cooperation

To place a higher priority on cooperative, collaborative regional decision-making, Renewed Measure M creates incentives that encourage traffic lights to be coordinated across jurisdictional lines, major street improvements to be better coordinated on a regional basis, and street repair programs to be a high priority countywide. To receive Measure M funding, cities and the county have to cooperate.

The Streets and Roads program in Renewed Measure M involves shared responsibilities—local cities and the county set their local priorities within a competitive, regional framework that rewards cooperation, honors best practices, and encourages government agencies to work together.

Orange County Streets and Roads Projects

O Regional Capacity Program page 18
(not mapped)
Nearly 1,000 miles of new lanes

P Regional Traffic Signal Synchronization Program page 19
(see grid above)
Over 750 miles of roadway
Over 2,000 coordinated signals

Q Local Fair Share Program page 20
(not mapped)
Street maintenance and improvements

Regional Capacity Program

Project O

Regional Capacity Program

Description:
This program, in combination with local matching funds, provides a funding source to complete the Orange County Master Plan of Arterial Highways (MPAH). The program also provides for intersection improvements and other projects to help improve street operations and reduce congestion. The program allocates funds through a competitive process and targets projects that help traffic the most by considering factors such as degree of congestion relief, cost effectiveness, project readiness, etc.

Local jurisdictions must provide a dollar-for-dollar match to qualify for funding, but can be rewarded with lower match requirements if they give priority to other key objectives, such as better road maintenance and regional signal synchronization.

Roughly 1,000 miles of new street lanes remain to be completed, mostly in the form of widening existing streets to their ultimate planned width. Completion of the system will result in a more even traffic flow and efficient system.

Another element of this program is funding for construction of railroad over or underpass grade separations where high volume streets are impacted by freight trains along the Burlington Northern Santa Fe railroad in northern Orange County.

Cost:
The estimated cost for these street improvement projects is $1,132.8 million.

Streets and Roads Projects

Regional Traffic Signal Synchronization Program

Project P

Regional Traffic Signal Synchronization Program

Description:
This program targets over 2,000 signalized intersections across the County for coordinated operation. The goal is to improve the flow of traffic by developing and implementing regional signal coordination programs that cross jurisdictional boundaries.

Most traffic signal synchronization programs today are limited to segments of roads or individual cities and agencies. For example, signals at intersections of freeways with arterial streets are controlled by Caltrans, while nearby signals at local street intersections are under the control of cities. This results in the street system operating at less than maximum efficiency. When completed, this project can increase the capacity of the street grid and reduce the delay by over six million hours annually.

To ensure that this program is successful, cities, the County of Orange and Caltrans will be required to work together and prepare a common traffic signal synchronization plan and the necessary governance and legal arrangements before receiving funds. In addition, cities will be required to provide 20 percent of the costs. Once in place, the program will provide funding for ongoing maintenance and operation of the synchronization plan. Local jurisdictions will be required to publicly report on the performance of their signal synchronization efforts at least every three years. Signal equipment to give emergency vehicles priority at intersections will be an eligible expense for projects implemented as part of this program.

Cost:
The estimated cost of developing and maintaining a regional traffic signal synchronization program for Orange County is $453.1 million.

Streets and Roads Projects

Local Fair Share Program

Project Q

Local Fair Share Program

Description:
This element of the program will provide flexible funding to help cities and the County of Orange keep up with the rising cost of repairing the aging street system. In addition, cities can use these funds for other local transportation needs such as residential street projects, traffic and pedestrian safety near schools, signal priority for emergency vehicles, etc.

This program is intended to augment, rather than replace, existing transportation expenditures and therefore cities must meet the following requirements to receive the funds.

1. Continue to invest General Fund monies (or other local discretionary monies) for transportation and annually increase this commitment to keep pace with inflation.
2. Agree to use Measure M funds for transportation purposes only, subject to full repayment and a loss of funding eligibility for five years for any misuse.
3. Agree to separate accounting for Measure M funds and annual reporting on actual Measure M expenditures.
4. Develop and maintain a Pavement Management Program to ensure timely street maintenance and submit regular public reports on the condition of streets.
5. Annually submit a six-year Capital Improvement Program and commit to spend Measure M funds within three years of receipt.
6. Agree to assess traffic impacts of new development and require that new development pay a fair share of any necessary transportation improvements.
7. Agree to plan, build and operate major streets consistent with the countywide Master Plan of Arterial Highways to ensure efficient traffic flow across city boundaries.
8. Participate in Traffic Forums with neighboring jurisdictions to facilitate the implementation and maintenance of traffic signal synchronization programs and projects. This requires cities to balance local traffic policies with neighboring cities—for selected streets—to promote more efficient traffic circulation overall.
9. Agree to consider land use planning strategies that are transit-friendly, support alternative transportation modes including bike and pedestrian access and reduce reliance on the automobile.

The funds under this program are distributed to cities and the County of Orange by formula once the cities have fulfilled the above requirements. The formula will account for population, street mileage and amount of sales tax collected in each jurisdiction.

Cost:
The estimated cost for this program for thirty years is $2,039.1 million.

Transit Overview

Building streets, roads and freeways helps fix today's traffic problems. Building a visionary transit system that is safe, clean and convenient focuses on Orange County's transportation future.

Twenty-five percent of net revenues from the Renewed Measure M Transportation Investment Plan is allocated towards building and improving rail and bus transportation in Orange County. Approximately twenty percent of the Renewed Measure M funds is allocated to developing a creative countywide transit program and five percent of the revenues will be used to enhance programs for senior citizens and for targeted, localized bus service. All transit expenditures must be consistent with the safeguards and audit provisions of the Plan.

A New Transit Vision

The key element of the Renewed Measure M transit program is improving the 100-year old Santa Fe rail line, known today as the Los Angeles/San Diego (LOSSAN) rail corridor, through the heart of the county. Then, by using this well-established, operational commuter rail system as a platform for future growth, existing rail stations will be developed into regional transportation hubs that can serve as regional transportation gateways or the centerpiece of local transportation services. A series of new, well-coordinated, flexible transportation systems, each one customized to the unique transportation vision the station serves, will be developed. Creativity and good financial sense will be encouraged. Partnerships will be promoted. Transportation solutions for each transportation hub can range from monorails to local mini-bus systems to new technologies. Fresh thinking will be rewarded.

The new, localized transit programs will bring competition to local transportation planning, creating a marketplace of transportation ideas where the best ideas emerge and compete for funding. The plan is to encourage civic entrepreneurship and stimulate private involvement and investment.

Transit Investment Criteria

The guiding principles for all transit investments are value, safety, convenience and reliability. Each local transit vision will be evaluated against clear criteria, such as congestion relief, cost-effectiveness, readiness, connectivity, and a sound operating plan.

In terms of bus services, more specialized transit services, including improved van services and reduced fares for senior citizens and people with disabilities, will be provided. Safety at key bus stops will be improved. And a network of community-based, mini-bus services will be developed in areas outside of the central county rail corridor.

Orange County Transit Projects

R **High Frequency Metrolink Service** (= existing rail line/stations) page 23

S **Transit Extensions to Metrolink** page 23

T **Metrolink Gateways** (not mapped) page 24

U **Expand Mobility Choices for Seniors and Persons with Disabilities** (countywide; not mapped) page 24

V **Community Based Transit/Circulators** (countywide; not mapped) page 25

W **Safe Transit Stops** (countywide; not mapped) page 25

Transit Projects

High Frequency Metrolink Service
Transit Extensions to Metrolink

Project R

High Frequency Metrolink Service

Description:
This project will increase rail services within the county and provide frequent Metrolink service north of Fullerton to Los Angeles. The project will provide for track improvements, more trains, and other related needs to accommodate the expanded service.

This project is designed to build on the successes of Metrolink and complement service expansion made possible by the current Measure M. The service will include upgraded stations and added parking capacity; safety improvements and quiet zones along the tracks; and frequent shuttle service and other means, to move arriving passengers to nearby destinations.

The project also includes funding for improving grade crossings and constructing over or underpasses at high volume arterial streets that cross the Metrolink tracks.

Cost:
The estimated cost of capital and operations is $1,129.8 million.

Project S

Transit Extensions to Metrolink

Description:
Frequent service in the Metrolink corridor provides a high capacity transit system linking communities within the central core of Orange County. This project will establish a competitive program for local jurisdictions to broaden the reach of the rail system to other activity centers and communities. Proposals for extensions must be developed and supported by local jurisdictions and will be evaluated against well-defined and well-known criteria as follows:

- Traffic congestion relief
- Project readiness, with priority given to projects that can be implemented within the first five years of the Plan
- Local funding commitments and the availability of right-of-way
- Proven ability to attract other financial partners, both public and private
- Cost-effectiveness
- Proximity to jobs and population centers
- Regional as well as local benefits
- Ease and simplicity of connections
- Compatible, approved land uses
- Safe and modern technology
- A sound, long-term operating plan

This project shall not be used to fund transit routes that are not directly connected to or that would be redundant to the core rail service on the Metrolink corridor. The emphasis shall be on expanding access to the core rail system and on establishing connections to communities and major activity centers that are not immediately adjacent to the Metrolink corridor. It is intended that multiple transit projects be funded through

Project R cost estimate amended on December 14, 2015.

Metrolink Gateways

Expand Mobility Choices for Seniors and Persons with Disabilities

a competitive process and no single project may be awarded all of the funds under this program.

These connections may include a variety of transit technologies such as conventional bus, bus rapid transit or high capacity rail transit systems as long as they can be fully integrated and provide seamless transition for the users.

Cost:
The estimated cost to implement this program over thirty years is $1,000.0 million.

Project T

Convert Metrolink Station(s) to Regional Gateways that Connect Orange County with High-Speed Rail Systems

Description:
This program will provide the local improvements that are necessary to connect planned future high-speed rail systems to stations on the Orange County Metrolink route.

The State of California is currently planning a high-speed rail system linking northern and southern California. One line is planned to terminate in Orange County. In addition, several magnetic levitation (MAGLEV) systems that would connect Orange County to Los Angeles and San Bernardino Counties, including a link from Anaheim to Ontario airport, are also being planned or proposed by other agencies.

Cost:
The estimated Measure M share of the cost for these regional centers and connections is $57.9 million.

Project U

Expand Mobility Choices for Seniors and Persons with Disabilities

Description:
This project will provide services and programs to meet the growing transportation needs of seniors and persons with disabilities as follows:

- One and forty-seven hundredths percent (1.47%) of net revenues will stabilize fares and provide fare discounts for bus services, specialized ACCESS services and future rail services
- One percent of net revenues will be available to continue and expand local community van service for seniors through the existing Senior Mobility Program
- One percent will supplement existing countywide senior non-emergency medical transportation services

Over the next 30 years, the population age 65 and over is projected to increase by 93 percent. Demand for transit and specialized transportation services for seniors and persons with disabilities is expected to increase proportionately.

Cost:
The estimated cost to provide these programs over 30 years is $392.8 million.

Project T and U cost estimates amended on December 14, 2015.

Transit Projects

Community Based Transit/Circulators

Safe Transit Stops

Project V

Community Based Transit/Circulators

Description:
This project will establish a competitive program for local jurisdictions to develop local bus transit services such as community based circulators, shuttles and bus trolleys that complement regional bus and rail services, and meet needs in areas not adequately served by regional transit. Projects will need to meet performance criteria for ridership, connection to bus and rail services, and financial viability to be considered for funding. All projects must be competitively bid, and they cannot duplicate or compete with existing transit services.

Cost:
The estimated cost of this project is $226.5 million.

Project W

Safe Transit Stops

Description:
This project provides for passenger amenities at 100 busiest transit stops across the County. The stops will be designed to ease transfer between bus lines and provide passenger amenities such as improved shelters, lighting, current information on bus and train timetables and arrival times, and transit ticket vending machines.

Cost:
The estimated cost of this project is $25.0 million.

Environmental Cleanup Overview

Every day, more than 70 million gallons of oily pollution, litter, and dirty contamination washes off streets, roads and freeways and pours onto Orange County waterways and beaches. When it rains, the transportation-generated pollution increases tenfold, contributing to the increasing number of beach closures and environmental hazards along the Orange County coast.

Prior to allocation of funds for freeway, street and transit projects, two percent of gross revenues from the Renewed Measure M Transportation Investment Plan is set aside to protect Orange County beaches from transportation-generated pollution (sometimes called "urban runoff") and improving ocean water quality.

Countywide Competitive Program
Measure M Environmental Cleanup funds will be used on a countywide, competitive basis to meet federal Clean Water Act standards for controlling transportation-generated pollution by funding nationally recognized Best Management Practices, such as catch basins with state-of-the-art biofiltration systems; or special roadside landscaping systems called bioswales that filter oil runoff from streets, roads and freeways.

The environmental cleanup program is designed to supplement, not supplant, existing transportation-related water quality programs. This clean-up program must improve, and not replace, existing pollution reduction efforts by cities, the county, and special districts. Funds will be awarded to the highest priority programs that improve water quality, keep our beaches and streets clean, and reduce transportation-generated pollution along Orange County's scenic coastline.

Environmental Cleanup

Project X

Environmental Cleanup

Description:
Implement street and highway related water quality improvement programs and projects that will assist Orange County cities, the County of Orange and special districts to meet federal Clean Water Act standards for urban runoff.

The Environmental Cleanup monies may be used for water quality improvements related to both existing and new transportation infrastructure, including capital and operations improvements such as:

- Catch basin screens, filters and inserts
- Roadside bioswales and biofiltration channels
- Wetlands protection and restoration
- Continuous Deflective Separation (CDS) units
- Maintenance of catch basins and bioswales
- Other street-related "Best Management Practices" for capturing and treating urban runoff

This program 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. In addition, all new freeway, street and transit capital projects will include water quality mitigation as part of project scope and cost.

The Environmental Cleanup program is subject to the following requirements:

- Development of a comprehensive countywide capital improvement program for transportation related water quality improvements
- A competitive grant process to award funds to the highest priority, most cost-effective projects
- A matching requirement to leverage other federal, state and local funds for water quality improvements
- A maintenance of effort requirement to ensure that funds augment, not replace existing water quality programs
- Annual reporting on actual expenditures and an assessment of the water quality benefits provided
- A strict limit on administrative costs and a requirement to spend funds within three years of receipt
- Penalties for misuse of any of the Environmental Cleanup funds

Cost:
The estimated cost for the Environmental Cleanup program is $237.2 million. In addition it is estimated that new freeway, road and transit projects funded by the Renewed Measure M Transportation Investment Plan will include more than $165 million for mitigating water quality impacts.

Taxpayer Safeguards and Audits Overview

When new transportation dollars are approved, they should go for transportation and transportation alone. No bait-and-switch. No using transportation dollars for other purposes. The original Measure M went solely for transportation. The Renewed Measure M will be just as airtight.

And there will be no hidden costs in the program.

Prior to allocation of funds for freeway, street and transit projects, one percent of gross revenues from the Renewed Measure M Transportation Investment Plans is set aside for audits, safeguards, and taxpayer protection. By state law, one and one half percent of the gross sales taxes generated by Measure M must be paid to the California State Board of Equalization for collecting the countywide one-half percent sales tax that funds the Transportation Investment Program.

Special Trust Fund
To guarantee transportation dollars are used for transportation purposes, all funds must be kept in a special trust fund. An independent, outside audit of this fund will protect against cheaters who try to use the transportation funds for purposes other than specified transportation uses. A severe punishment will disqualify any agency that cheats from receiving Measure M funds for a five-year period.

The annual audits, and annual reports detailing project progress, will be sent to Orange County taxpayers every year and will be reviewed in public session by a special Taxpayer Oversight Committee that can raise fiscal issues, ask tough questions, and must independently certify, on an annual basis, that transportation dollars have been spent strictly according to the Renewed Measure M Investment Plan.

Back to the Voters
Of course, over the next 30 years, things will change. Minor adjustments can be made by a 2/3 vote of the Taxpayer Oversight Committee and a 2/3 vote of the Orange County Local Transportation Authority Board of Directors. Major changes must be taken back to voters for authorization. And, every ten years, and more frequently if necessary, the Orange County Local Transportation Authority must conduct a thorough examination of the Renewed Measure M Investment Plan and determine if major changes should be submitted to the voters.

There are other important taxpayer safeguards, all designed to insure the integrity of the voter-authorized plans. But each is focused on one goal: guaranteeing that new transportation dollars are devoted to solving Orange County's traffic problems and that no transportation dollars are diverted to anything else.

Taxpayer Safeguards and Audits

Taxpayer Safeguards and Audits

Description:
Implement and maintain strict taxpayer safeguards to ensure that the Renewed Measure M Transportation Investment Plan is delivered as promised. Restrict administrative costs to one percent (1%) of total tax revenues and state collection of the tax as prescribed in state law [currently one-and-one-half (1.5%) percent].

Administration of the Transportation Investment Plan and all spending is subject to the following specific safeguards and requirements:

Oversight
- All spending is subject to an annual independent audit
- Spending decisions must be annually reviewed and certified by an independent Taxpayer Oversight Committee
- An annual report on spending and progress in implementing the Plan must be submitted to taxpayers

Integrity of the Plan
- No changes to the Plan can be made without review and approval by 2/3 vote of the Taxpayer Oversight Committee
- Major changes to the Plan such as deleting a project or shifting projects among major spending categories (Freeways, Streets & Roads, Transit, Environmental Cleanup) must be ratified by a majority of voters
- The Plan must be subject at least every ten years to public review and assessment of progress in delivery, public support and changed circumstances. Any significant proposed changes to the Plan must be approved by the Taxpayer Oversight Committee and ratified by a majority of voters.

Fund Accounting
- All tax revenues and interest earned must be deposited and maintained in a separate trust fund. Local jurisdictions that receive allocations must also maintain them in a separate fund.
- All entities receiving tax funds must report annually on expenditures and progress in implementing projects
- At any time, at its discretion, the Taxpayer Oversight Committee may conduct independent reviews or audits of the spending of tax funds
- The elected Auditor/Controller of Orange County must annually certify that spending is in accordance with the Plan

Spending Requirements
- Local jurisdictions receiving funds must abide by specific eligibility and spending requirements detailed in the Streets & Roads and Environmental Cleanup components of the Plan
- Funds must be used only for transportation purposes described in the Plan. The penalty for misspending is full repayment and loss of funding eligibility for a period of five years.
- No funds may be used to replace private developer funding committed to any project or improvement
- Funds shall augment, not replace existing funds
- Every effort shall be made to maximize matching state and federal transportation dollars

Taxpayer Safeguards and Audits

Taxpayer Oversight Committee

- The committee shall consist of eleven members—two members from each of the five Board of Supervisor's districts, who shall not be elected or appointed officials—along with the elected Auditor/Controller of Orange County
- Members shall be recruited and screened for expertise and experience by the Orange County Grand Jurors Association. Members shall be selected from the qualified pool by lottery.
- The committee shall be provided with sufficient resources to conduct independent reviews and audits of spending and implementation of the Plan

Collecting the Tax

- The State Board of Equalization shall be paid one-and-one-half (1.5) percent of gross revenues each fiscal year for its services in collecting sales tax revenue as prescribed in Section 7273 of the State's Revenue and Taxation Code

Cost:

The estimated cost for Safeguards and Audits over thirty years is $296.6 million.

Measure M Investment Summary

LOCATION		PROJECTS	COSTS 2005 estimates in millions	
Freeway Projects (in millions)				**$4,871.1**
I-5	Santa Ana Freeway Interchange Improvements	A	$470.0	
I-5	Santa Ana/San Diego Freeway Improvements	B C D	1,185.2	
SR-22	Garden Grove Freeway Access Improvements	E	120.0	
SR-55	Costa Mesa Freeway Improvements	F	366.0	
SR-57	Orange Freeway Improvements	G	258.7	
SR-91	Riverside Freeway Improvements	H I J	908.7*	
I-405	San Diego Freeway Improvements	K L	1,392.5*	
I-605	Freeway Access Improvements	M	20.0	
All	Freeway Service Patrol	N	150.0	
Streets & Roads Projects (in millions)				**$3,625.0**
Regional Capacity Program		O	$1,132.8	
Regional Traffic Signal Synchronization Program		P	453.1	
Local Fair Share Program		Q	2,039.1	
Transit Projects (in millions)				**$2,832.0**
High Frequency Metrolink Service		R	$1,129.8*	
Transit Extensions to Metrolink		S	1,000.0	
Metrolink Gateways		T	57.9*	
Expand Mobility Choices for Seniors and Persons with Disabilities		U	392.8*	
Community Based Transit/Circulators		V	226.5	
Safe Transit Stops		W	25.0	
Environmental Cleanup (in millions)				**$237.2**
Clean Up Highway and Street Runoff that Pollutes Beaches		X	$237.2	
Taxpayer Safeguards and Audits (in millions)				**$296.6**
Collect Sales Taxes (State charges required by law)			$178.0	
Oversight and Annual Audits			118.6	
Total (2005 dollars in millions)				**$11,861.9**

*Asterisk notes project estimates that have been amended since 2006.

ATTACHMENT B

ALLOCATION OF NET REVENUES

I. DEFINITIONS.

For purposes of the Ordinance the following words shall mean as stated.

A. "Capital Improvement Program": a multi-year-year funding plan to implement capital transportation projects and/or programs, including but not limited to capacity, safety, operations, maintenance, and rehabilitation projects.

B. "Circulation Element": an element of an Eligible Jurisdiction's General Plan depicting planned roadways and related policies, including consistency with the MPAH.

C. "Congestion Management Program": a program established in 1990 (California Government Code 65089), for effective use of transportation funds to alleviate traffic congestion and related impacts through a balanced transportation and land use planning process.

D. "Eligible Jurisdiction": a city in Orange County or the County of Orange, which satisfies the requirements of Section III A.

E. "Encumbrance": the execution of a contract or other action to be funded by Net Revenues.

F. "Environmental Cleanup": street, highway, freeway and transit related water quality improvement programs and projects as described in the Plan.

G. "Environmental Cleanup Revenues": Two percent (2%) of the Revenues allocated annually plus interest and other earnings on the allocated revenues, which shall be maintained in a separate account.

H. "Expenditure Report": a detailed financial report to account for receipt, interest earned and use of Measure M and other funds consistent with requirements of the Ordinance.

I. "Freeway Project": the planning, design, construction, improvement, operation or maintenance necessary for, incidental to, or convenient for a state or interstate freeway.

J "Local Fair Share Program": a formula-based allocation to Eligible Jurisdictions for Street and Road Projects as described in the Plan.

K. "Local Traffic Signal Synchronization Plan": identification of traffic signal synchronization street routes and traffic signals within a jurisdiction.

L. "Master Plan of Arterial Highways (MPAH)": a countywide transportation plan administered by the Authority defining the ultimate number of through lanes for arterial streets, and designating the traffic signal synchronization street routes in Orange County.

M. "Net Revenues": The remaining Revenues after the deduction for: (i) amounts payable to the State Board of Equalization for the performance of functions incidental to the administration and operation of the Ordinance, (ii) costs for the administration of the Ordinance, (iii) two percent (2%) of the Revenues annually allocated for Environmental Cleanup, and (iv) satisfaction of debt service requirements of all bonds issued pursuant to the Ordinance that are not satisfied out of separate allocations.

N. "Pavement Management Plan": a plan to manage the preservation, rehabilitation, and maintenance of paved roads by analyzing pavement life cycles, assessing overall system performance and costs, and determining alternative strategies and costs necessary to improve paved roads.

O. "Permit Streamlining": commitments by state and federal agencies to reduce project delays associated with permitting of freeway projects through development of a comprehensive conservation strategy early in the planning process and the permitting of multiple projects with a single comprehensive conservation strategy.

P. "Programmatic Mitigation": permanent protection of areas of high ecological value, and associated restoration, management and monitoring, to comprehensively compensate for numerous, smaller impacts associated with individual transportation projects. Continued function of existing mitigation features, such as wildlife passages, is not included.

Q. "Project Final Report": certification of completion of a project funded with Net Revenues, description of work performed, and accounting of Net Revenues expended and interest earned on Net Revenues allocated for the project.

R. "Regional Capacity Program": capital improvement projects to increase roadway capacity and improve roadway operation as described in the Plan.

S. "Regional Traffic Signal Synchronization Program": competitive capital and operations funding for the coordination of traffic signals across jurisdictional boundaries as included in the Traffic Signal Synchronization Master Plan and as described in the Plan.

T. "Revenues": All gross revenues generated from the transactions and use tax of one-half of one percent (1/2%) plus any interest or other earnings thereon.

U. "State Board of Equalization": agency of the State of California responsible for the administration of sales and use taxes.

V. "Street and Road Project": the planning, design, construction, improvement, operation or maintenance necessary for, incidental to, or convenient for a street or road, or for any transportation purpose, including, but not limited to, purposes authorized by Article XIX of the California Constitution.

W. "Traffic Forums": a group of Eligible Jurisdictions working together to facilitate the planning of traffic signal synchronization among the respective jurisdictions.

X. "Traffic Signal Synchronization Master Plan": an element of the MPAH to promote smooth traffic flow through synchronization of traffic signals along designated street routes in the County.

Y. "Transit": the transportation of passengers by bus, rail, fixed guideway or other vehicle.

Z. "Transit Project": the planning, design, construction, improvement, equipment, operation or maintenance necessary for, or incidental to, or convenient for transit facilities or transit services.

AA. "Watershed Management Areas": areas to be established by the

County of Orange, in cooperation with local jurisdictions, or by another public entity with appropriate legal authority, for the management of water run-off related to existing or new transportation projects.

II. REQUIREMENTS.

The Authority may allocate Net Revenues to the State of California, an Eligible Jurisdiction, or the Authority for any project, program or purpose as authorized by the Ordinance, and the allocation of Net Revenues by the Authority shall be subject to the following requirements:

A. Freeway Projects

1. The Authority shall make every effort to maximize state and federal funding for Freeway Projects. No Net Revenues shall be allocated in any year to any Freeway Project if the Authority has made findings at a public meeting that the state or the federal government has reduced any allocations of state funds or federal funds to the Authority as the result of the addition of any Net Revenues.

2. All Freeway Projects funded with Net Revenues, including project development and overall project management, shall be a joint responsibility of Caltrans, the Authority, and the affected jurisdiction(s). All major approval actions, including the project concept, the project location, and any subsequent change in project scope shall be jointly agreed upon by Caltrans, the Authority, and the project sponsors, and where appropriate, by the Federal Highway Administration and/or the California Transportation Commission.

3. Prior to the allocation of Net Revenues for a Freeway Project, the Authority shall obtain written assurances from the appropriate state agency that after the Freeway Project is constructed to at least minimum acceptable state standards, the state shall be responsible for the maintenance and operation of such Freeway Project.

4. Freeway Projects will be built largely within existing rights of way using the latest highway design and safety requirements. However, to the greatest extent possible within the available budget, Freeway Projects shall be implemented using

Context Sensitive Design, as described in the nationally recognized Federal Highway Administration (FHWA) Principles of Context Sensitive Design Standards. Freeway Projects will be planned, designed and constructed using a flexible community-responsive and collaborative approach to balance aesthetic, historic and environmental values with transportation safety, mobility, maintenance and performance goals. Context Sensitive Design features include: parkway-style designs; environmentally friendly, locally native landscaping; sound reduction; improved wildlife passage and aesthetic treatments, designs and themes that are in harmony with the surrounding communities.

5. At least five percent (5%) of the Net Revenues allocated for Freeway Projects shall fund Programmatic Mitigation for Freeway Projects. These funds shall be derived by pooling funds from the mitigation budgets of individual Freeway Projects, and shall only be allocated subject to the following:

a. Development of a Master Environmental Mitigation and Resource Protection Plan and Agreement (Master Agreement) between the Authority and state and federal resource agencies that includes:

(i) commitments by the Authority to provide for programmatic environmental mitigation of the Freeway Projects,

(ii) commitments by state and federal resource agencies to reduce project delays associated with permitting and streamline the permit process for Freeway Projects,

(iii) an accounting process for mitigation obligations and credits that will document net environmental benefit from regional, programmatic mitigation in exchange for net benefit in the delivery of transportation improvements through streamlined and timely approvals and permitting, and

(iv) a description of the specific mitigation actions and expenditures to be undertaken and a phasing, implementation and maintenance plan.

(v) appointment by the Authority of a Mitigation and Resource Protection Program Oversight Committee ("Environmental Oversight

Committee") to make recommendations to the Authority on the allocation of the Net Revenues for programmatic mitigation, and to monitor implementation of the Master Agreement. The Environmental Oversight Committee shall consist of no more than twelve members and be comprised of representatives of the Authority, Caltrans, state and federal resource agencies, non-governmental environmental organizations, the public and the Taxpayers Oversight Committee.

b. A Master Agreement shall be developed as soon as practicable following the approval of the ballot proposition by the electors. It is the intent of the Authority and state and federal resource agencies to develop a Master Agreement prior to the implementation of Freeway Projects.

c. Expenditures of Net Revenues made subject to a Master Agreement shall be considered a Freeway Project and may be funded from the proceeds of bonds issued subject to Section 5 of the Ordinance.

B. Transit Projects

1. The Authority shall make every effort to maximize state and federal funding for Transit Projects. No Net Revenues shall be allocated in any year for any Transit Project if the Authority has made findings at a public meeting that the state or the federal government has reduced any allocations of state funds or federal funds to the Authority as the result of the addition of any Revenues.

2. Prior to the allocation of Net Revenues for a Transit Project, the Authority shall obtain a written agreement from the appropriate jurisdiction that the Transit Project will be constructed, operated and maintained to minimum standards acceptable to the Authority.

C. Street and Road Projects

Prior to the allocation of Net Revenues for any Street and Road Project, the Authority, in cooperation with affected agencies, shall determine the entity(ies) to be responsible for the maintenance and operation thereof.

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III. REQUIREMENTS FOR ELIGIBLE JURISDICTIONS.

A. In order to be eligible to receive Net Revenues, a jurisdiction shall satisfy and continue to satisfy the following requirements.

1. Congestion Management Program. Comply with the conditions and requirements of the Orange County Congestion Management Program (CMP) pursuant to the provisions of Government Code Section 65089.

2. Mitigation Fee Program. Assess traffic impacts of new development and require new development to pay a fair share of necessary transportation improvements attributable to the new development.

3. Circulation Element. Adopt and maintain a Circulation Element of the jurisdiction's General Plan consistent with the MPAH.

4. Capital Improvement Program. Adopt and update biennially a six-year Capital Improvement Program (CIP). The CIP shall include all capital transportation projects, including projects funded by Net Revenues, and shall include transportation projects required to demonstrate compliance with signal synchronization and pavement management requirements.

5. Traffic Forums.

Participate in Traffic Forums to facilitate the planning of traffic signal synchronization programs and projects. Eligible Jurisdictions and Caltrans, in participation with the County of Orange and the Orange County Division of League of Cities, will establish the boundaries for Traffic Forums. The following will be considered when establishing boundaries:

a. Regional traffic routes and traffic patterns;

b. Inter-jurisdictional coordination efforts; and

c. Total number of Traffic Forums.

6. Local Traffic Signal Synchronization Plan. Adopt and maintain a Local Traffic Signal Synchronization Plan which shall identify traffic signal synchronization street routes and traffic signals; include a three-year plan showing costs, available funding

and phasing of capital, operations and maintenance of the street routes and traffic signals; and include information on how the street routes and traffic signals may be synchronized with traffic signals on the street routes in adjoining jurisdictions. The Local Traffic Signal Synchronization Plan shall be consistent with the Traffic Signal Synchronization Master Plan.

7. Pavement Management Plan. Adopt and update biennially a Pavement Management Plan, and issue, using a common format approved by the Authority, a report every two years regarding the status of road pavement conditions and implementation of the Pavement Management Plan.

a. Authority, in consultation with the Eligible Jurisdictions, shall define a countywide management method to inventory, analyze and evaluate road pavement conditions, and a common method to measure improvement of road pavement conditions.

b. The Pavement Management Plan shall be based on: either the Authority's countywide pavement management method or a comparable management method approved by the Authority, and the Authority's method to measure improvement of road pavement conditions.

c. The Pavement Management Plan shall include:

(i) Current status of pavement on roads;

(ii) A six-year plan for road maintenance and rehabilitation, including projects and funding;

(iii) The projected road pavement conditions resulting from the maintenance and rehabilitation plan; and

(iv) Alternative strategies and costs necessary to improve road pavement conditions.

8. Expenditure Report. Adopt an annual Expenditure Report to account for Net Revenues, developer/traffic impact fees, and funds expended by the Eligible Jurisdiction which satisfy the Maintenance of Effort requirements. The Expenditure

Report shall be submitted by the end of six (6) months following the end of the jurisdiction's fiscal year and include the following:

a. All Net Revenue fund balances and interest earned.

b. Expenditures identified by type (i.e., capital, operations, administration, etc.), and program or project .

9. Project Final Report. Provide Authority with a Project Final Report within six months following completion of a project funded with Net Revenues.

10. Time Limits for Use of Net Revenues.

a. Agree that Net Revenues for Regional Capacity Program projects and Regional Traffic Signal Synchronization Program projects shall be expended or encumbered no later than the end of the fiscal year for which the Net Revenues are programmed. A request for extension of the encumbrance deadline for no more than twenty-four months may be submitted to the Authority no less than ninety days prior to the deadline. The Authority may approve one or more requests for extension of the encumbrance deadline.

b. Agree that Net Revenues allocated for any program or project, other than a Regional Capacity Program project or a Regional Traffic Signal Synchronization Program project, shall be expended or encumbered within three years of receipt. The Authority may grant an extension to the three-year limit, but extensions shall not be granted beyond a total of five years from the date of the initial funding allocation.

c. In the event the time limits for use of Net Revenues are not satisfied then any retained Net Revenues that were allocated to an Eligible Jurisdiction and interest earned thereon shall be returned to the Authority and these Net Revenues and interest earned thereon shall be available for allocation to any project within the same source program.

11. Maintenance of Effort. Annual certification that the Maintenance of Effort requirements of Section 6 of the Ordinance have been satisfied.

12. No Supplanting of Funds. Agree that Net Revenues shall not be

used to supplant developer funding which has been or will be committed for any transportation project.

13. Consider, as part of the Eligible Jurisdiction's General Plan, land use planning strategies that accommodate transit and non-motorized transportation.

B. Determination of Non-Eligibility

A determination of non-eligibility of a jurisdiction shall be made only after a hearing has been conducted and a determination has been made by the Authority's Board of Directors that the jurisdiction is not an Eligible Jurisdiction as provided hereinabove.

IV. ALLOCATION OF NET REVENUES; GENERAL PROVISIONS.

A. Subject to the provisions of the Ordinance, including Section II above, use of the Revenues shall be as follows:

1. First, the Authority shall pay the State Board of Equalization for the services and functions;

2. Second, the Authority shall pay the administration expenses of the Authority;

3. Third, the Authority shall satisfy the annual allocation requirement of two percent (2%) of Revenues for Environmental Cleanup; and

4. Fourth, the Authority shall satisfy the debt service requirements of all bonds issued pursuant to the Ordinance that are not satisfied out of separate allocations.

B. After providing for the use of Revenues described in Section A above, and subject to the averaging provisions of Section D below, the Authority shall allocate the Net Revenues as follows:

1. Forty-three percent (43%) for Freeway Projects;

2. Thirty-two percent (32%) for Street and Road Projects; and

3. Twenty-five percent (25%) for Transit Projects.

C. The allocation of thirty-two percent (32%) of the Net Revenues for

Street and Road Projects pursuant to Section B 2 above shall be made as follows:

1. Ten percent (10%) of the Net Revenues shall be allocated for Regional Capacity Program projects;

2. Four percent (4%) of the Net Revenues shall be allocated for Regional Traffic Signal Synchronization Program projects; and

3. Eighteen percent (18%) of the Net Revenues shall be allocated for Local Fair Share Program projects.

D. In any given year, except for the allocations for Local Fair Share Program projects, the Authority may allocate Net Revenues on a different percentage basis than required by Sections B and C above in order to meet short-term needs and to maximize efforts to capture state, federal, or private transportation dollars, provided the percentage allocations set forth in Sections B and C above shall be achieved during the duration of the Ordinance.

E. The Authority shall allocate Net Revenues for programs and projects as necessary to meet contractual, program or project obligations, and the Authority may withhold allocations until needed to meet contractual, program or project obligations, except that Net Revenues allocated for the Local Fair Share Program pursuant to Section C above shall be paid to Eligible Jurisdictions within sixty days of receipt by the Authority.

F. The Authority may exchange Net Revenues from a Plan funding category for federal, state or other local funds allocated to any public agency within or outside the area of jurisdiction to maximize the effectiveness of the Plan. The Authority and the exchanging public agency must use the exchanged funds for the same program or project authorized for the use of the funds prior to the exchange. Such federal, state or local funds received by the Authority shall be allocated by the Authority to the same Plan funding category that was the source of the exchanged Net Revenues, provided, however, in no event shall an exchange reduce the Net Revenues allocated for Programmatic Mitigation of Freeway Projects.

G. If additional funds become available for a specific project or program described in the Plan, the Authority may allocate the Net Revenues replaced by the receipt of those additional funds, in the following order of priority: first, to Plan projects and programs which provide congestion relief in the geographic region which received the additional funds; second, to other projects and programs within the affected geographic region which may be placed in the Plan through an amendment to the Ordinance; and third, to all other Plan projects and programs.

H. Upon review and acceptance of the Project Final Report, the Authority shall allocate the balance of Net Revenues for the project, less the interest earned on the Net Revenues allocated for the project.

V. <u>ALLOCATION OF NET REVENUES; STREETS AND ROADS PROGRAMS/ PROJECTS</u>

A. Regional Capacity Program.

1. Matching Funds. An Eligible Jurisdiction shall contribute local matching funds equal to fifty percent (50%) of the project or program cost. This local match requirement may be reduced as follows:

a. A local match reduction of ten percent (10%) of the eligible cost if the Eligible Jurisdiction implements, maintains and operates in conformance with the Traffic Signal Synchronization Master Plan.

b. A local match reduction of ten percent (10%) of the eligible cost if the Eligible Jurisdiction either:

(i) has measurable improvement of paved road conditions during the previous reporting period as determined pursuant to the Authority's method of measuring improvement of road pavement conditions, or

(ii) has road pavement conditions during the previous reporting period which are within the highest twenty percent of the scale for road pavement conditions as determined pursuant to the Authority's method of measuring improvement of road pavement conditions.

c. A local match reduction of five percent (5%) of the eligible cost if the Eligible Jurisdiction does not use any Net Revenues as part of the funds for the local match.

2. Allocations shall be determined pursuant to a countywide competitive procedure adopted by the Authority. Eligible Jurisdictions shall be consulted by the Authority in establishing criteria for determining priority for allocations.

B. Regional Traffic Signal Synchronization Program.

1. Traffic Signal Synchronization Master Plan.

The Authority shall adopt and maintain a Traffic Signal Synchronization Master Plan, which shall be a part of the Master Plan of Arterial Highways. The Traffic Signal Synchronization Master Plan shall include traffic signal synchronization street routes and traffic signals within and across jurisdictional boundaries, and the means of implementing, operating and maintaining the programs and projects, including necessary governance and legal arrangements.

2. Allocations.

a. Allocations shall be determined pursuant to a countywide competitive procedure adopted by the Authority. Eligible Jurisdictions shall be consulted by the Authority in establishing criteria for determining priority for allocations.

b. The Authority shall give priority to programs and projects which include two or more jurisdictions.

c. The Authority shall encourage the State to participate in the Regional Traffic Signal Synchronization Program and Authority shall give priority to use of transportation funds as match for the State's discretionary funds used for implementing the Regional Traffic Signal Synchronization Program.

3. An Eligible Jurisdiction shall contribute matching local funds equal to twenty percent (20%) of the project or program cost. The requirement for matching local funds may be satisfied all or in part with in-kind services provided by the Eligible Jurisdiction for the program or project, including salaries and benefits for employees of the Eligible Jurisdiction who perform work on the project or programs.

4. An Eligible Jurisdiction shall issue a report once every three years regarding the status and performance of its traffic signal synchronization activities.

5. Not less than once every three years an Eligible Jurisdiction shall review and revise, as may be necessary, the timing of traffic signals included as part of the Traffic Signal Synchronization Master Plan.

6. An Eligible Jurisdiction withdrawing from a signal synchronization project shall be required to return Net Revenues allocated for the project.

C. Local Fair Share Program.

The allocation of eighteen percent (18%) of the Net Revenues for Local Fair Share Program projects shall be made to Eligible Jurisdictions in amounts determined as follows:

1. Fifty percent (50%) divided between Eligible Jurisdictions based on the ratio of each Eligible Jurisdiction's population for the immediately preceding calendar year to the total County population (including incorporated and unincorporated areas) for the immediately preceding calendar year, both as determined by the State Department of Finance;

2. Twenty-five percent (25%) divided between Eligible Jurisdictions based on the ratio of each Eligible Jurisdiction's existing Master Plan of Arterial Highways ("MPAH") centerline miles to the total existing MPAH centerline miles within the County as determined annually by the Authority; and

3. Twenty-five percent (25%) divided between Eligible Jurisdictions based on the ratio of each Eligible Jurisdiction's total taxable sales to the total taxable sales of the County for the immediately preceding calendar year as determined by the State Board of Equalization.

VI. <u>ALLOCATION OF NET REVENUES; TRANSIT PROGRAMS/PROJECTS</u>.

A. Transit Extensions to Metrolink.

1. The Authority may provide technical assistance, transportation planning and engineering resources for an Eligible Jurisdiction to assist in designing Transit

Extensions to Metrolink projects to provide effective and user-friendly connections to Metrolink services and bus transit systems.

2. To be eligible to receive Net Revenues for Transit Extension to Metrolink projects, an Eligible Jurisdiction must execute a written agreement with the Authority regarding the respective roles and responsibilities pertaining to construction, ownership, operation and maintenance of the Transit Extension to Metrolink project.

3. Allocations of Net Revenues shall be determined pursuant to a countywide competitive procedure adopted by the Authority. This procedure shall include an evaluation process and methodology applied equally to all candidate Transit Extension to Metrolink projects. Eligible Jurisdictions shall be consulted by the Authority in the development of the evaluation process and methodology.

B. Metrolink Gateways.

1. The Authority may provide technical assistance, transportation planning and engineering resources for an Eligible Jurisdiction to assist in designing Regional Transit Gateway facilities to provide for effective and user-friendly connections to the Metrolink system and other transit services.

2. To be eligible to receive Net Revenues for Regional Gateway projects, an Eligible Jurisdiction must execute a written agreement with the Authority regarding the respective roles and responsibilities pertaining to construction, ownership, operation and maintenance of the Regional Gateway facility.

3. Allocations of Net Revenues shall be determined pursuant to a countywide competitive procedure adopted by the Authority. This procedure shall include an evaluation process and methodology applied equally to all candidate Regional Gateway projects. Eligible Jurisdictions shall be consulted by the Authority in the development of the evaluation process and methodology.

C. Mobility Choices for Seniors and Persons with Disabilities.

1. An Eligible Jurisdiction may contract with another entity to perform all or part of a Mobility Choices for Seniors and Persons with Disabilities project.

2. A senior is a person age sixty years or older.

3. Allocations.

a. One percent (1%) of the Net Revenues shall be allocated to the County to augment existing senior non-emergency medical transportation services funded with Tobacco Settlement funds as of the effective date of the Ordinance. The County shall continue to fund these services in an annual amount equal to the same percentage of the total annual Tobacco Settlement funds received by the County. The Net Revenues shall be annually allocated to the County in an amount no less than the Tobacco Settlement funds annually expended by the County for these services and no greater than one percent of net revenues plus any accrued interest.

b. One percent (1%) of the Net Revenues shall be allocated to continue and expand the existing Senior Mobility Program provided by the Authority. The allocations shall be determined pursuant to criteria and requirements for the Senior Mobility Program adopted by the Authority.

c. One and forty-seven hundredths percent (1.47%) of the Net Revenues shall be allocated to partially fund bus and ACCESS fares for seniors and persons with disabilities in an amount equal to the percentage of partial funding of fares for seniors and persons with disabilities as of the effective date of the Ordinance, and to partially fund train and other transit service fares for seniors and persons with disabilities in amounts as determined by the Authority.

d. In the event any Net Revenues to be allocated for seniors and persons with disabilities pursuant to the requirements of subsections a, b and c above remain after the requirements are satisfied then the remaining Net Revenues shall be allocated for other transit programs or projects for seniors and persons with disabilities as determined by the Authority.

D. Community Based Transit/Circulators.

1. The Authority may provide technical assistance, transportation planning, procurement and operations resources for an Eligible Jurisdiction to assist in

designing Community Based Transit/Circulators projects to provide effective and user-friendly transit connections to countywide bus transit and Metrolink services.

2. To be eligible to receive Net Revenues for Community Based Transit/Circulators projects, an Eligible Jurisdiction must execute a written agreement with the Authority regarding the respective roles and responsibilities pertaining to construction, ownership, operation and maintenance of the Community Based Transit/Circulators project.

3. Allocations of Net Revenues shall be determined pursuant to a countywide competitive procedure adopted by the Authority. This procedure shall include an evaluation process and methodology applied equally to all candidate Community Based Transit/Circulator projects. Eligible Jurisdictions shall be consulted by the Authority in the development of the evaluation process and methodology.

4. An Eligible Jurisdiction may contract with another entity to perform all or part of a Community Based Transit/Circulators project.

VII. <u>ALLOCATION OF NET REVENUES; ENVIRONMENTAL CLEANUP PROGRAMS/PROJECTS.</u>

A. An Eligible Jurisdiction may contract with any other public entity to perform all or any part of an Environmental Cleanup project.

B. Allocation Committee.

1. The Allocation Committee shall not include any elected public officer and shall include the following twelve (12) voting members:

(i) one (1) representative of the County of Orange;

(ii) five (5) representatives of cities, subject to the requirement for one (1) representative for the cities in each supervisorial district;

(iii) one (1) representative of the California Department of Transportation;

(iv) two (2) representatives of water or wastewater public entities;

(v) one (1) representative of the development industry;

(vi) one (1) representative of the scientific or academic community;

(vii) one (1) representative of private or non-profit organizations involved in environmental and water quality protection/enforcement matters;

In addition, one (1) representative of the Santa Ana Regional Water Quality Control Board and one (1) representative of the San Diego Regional Water Quality Control Board shall be non-voting members of the Allocation Committee.

2. The Allocation Committee shall recommend to the Authority for adoption by the Authority the following:

a. A competitive grant process for the allocation of Environmental Cleanup Revenues, including the highest priority to capital improvement projects included in a Watershed Management Area. The process shall give priority to cost-effective projects and programs that offer opportunities to leverage other funds for maximum benefit.

b. A process requiring that Environmental Cleanup Revenues allocated for projects and programs shall supplement and not supplant funding from other sources for transportation related water quality projects and programs.

c. Allocation of Environmental Cleanup Revenues for proposed projects and programs.

d. An annual reporting procedure and a method to assess the water quality benefits provided by completed projects and programs.

ATTACHMENT C

TAXPAYER OVERSIGHT COMMITTEE

I. PURPOSE AND ORGANIZATION. A Taxpayer Oversight Committee ("Committee") is hereby established for the purpose of overseeing compliance with the Ordinance as specified in Section IV hereof. The Committee shall be organized and convened before any Revenues are collected or spent pursuant to the Ordinance.

II. COMMITTEE MEMBERSHIP. The Committee shall be governed by eleven members ("Member"). The composition of the Committee membership shall be subject to the following provisions.

A. Geographic Balance. The membership of the Committee shall be geographically balanced at all times as follows:

1. There shall be two Members appointed from each of the County's supervisorial districts (individually, "District"); and

2. The Auditor-Controller shall be a Member and chairman ("Chair") of the Committee.

B. Member Term. Each Member, except the Auditor-Controller and as provided in Section III B 2 below, shall be appointed for a term of three years; provided, however, that any Member appointed to replace a Member who has resigned or been removed shall serve only the balance of such Member's unexpired term, and no person shall serve as a Member for a period in excess of six consecutive years.

C. Resignation. Any Member may, at any time, resign from the Committee upon written notice delivered to the Auditor-Controller. Acceptance of any public office, the filing of an intent to seek public office, including a filing under California Government Code Section 85200, or change of residence to outside the District shall constitute a Member's automatic resignation.

D. Removal. Any Member who has three consecutive unexcused absences from meetings of the Committee shall be removed as a Member. An absence from a Committee meeting shall be considered unexcused unless, prior to or after such absence (i) the Member submits to each of the other Members a written request to excuse such absence, which request shall state the reason for such absence and any special circumstances existing with respect to such absence; and (ii) a majority of the other Members agree to excuse such absence.

E. Reappointment. Any former Member may be reappointed.

III. APPOINTMENT OF MEMBERS.

A. Membership Recommendation Panel.

1. The Authority shall contract with the Orange County Grand Jurors' Association for the formation of a committee membership recommendation panel ("Panel") to perform the duties set forth in this subsection III A. If the Orange County Grand Jurors' Association refuses or fails to act in such capacity, the Authority shall contract with another independent organization selected by the Authority for the formation of the Panel.

2. The Panel shall have five members who shall screen and recommend potential candidates for Committee membership.

3. The Panel shall solicit, collect and review applications from potential candidates for membership on the Committee. No currently elected or appointed officer of any public entity ("Public Officer") will be eligible to serve as a Member, except the Auditor-Controller, and a Public Officer shall complete an Intent to Resign form, which shall be provided as part of the application and submitted as part of the initial application process. Failure to submit an Intent to Resign form will deem such Public Officer ineligible for consideration to serve as a Member. In addition, a person who has a financial conflict of interest with regard to the allocation of Revenues will be deemed ineligible for consideration to serve as a Member. A Member shall reside within the District the Member is appointed to represent. Subject to the foregoing restrictions, the Panel shall evaluate each potential candidate on the basis of the following criteria:

a. Commitment and ability to participate in Committee meetings;

b. Demonstrated interest and history of participation in community activities, with special emphasis on transportation-related activities; and

c. Lack of conflicts of interest with respect to the allocation of Revenues.

4. For initial membership on the Committee, the Panel shall recommend to the Authority at least five candidates from each of the two Districts that are represented by one member on the Ordinance No. 2, Citizens Oversight Committee ("COC") as of the date the Authority appoints the initial Members. Thereafter, the Panel shall recommend to the Authority at least five candidates for filing each vacancy on the Committee.

B. Initial Members.

1. The COC members, as of the date the Authority appoints the initial Members of the Committee, shall be appointed as initial Members of the Committee. These Members shall each serve until each of their respective terms as a member of the COC expires.

2. Two additional initial Members shall be appointed. The Authority shall place the names of the candidates recommended by the Panel on equally-sized cards which shall be deposited randomly in a container. In public session, the Chairman of the Authority will draw a sufficient number of names from said container to allocate Committee membership in accordance with the membership requirements and restrictions set forth in Section II hereof. The first person whose name is drawn shall be appointed to serve a term of three years. Thereafter, the person whose name is drawn who is not from the same District as the first person whose name is drawn shall be appointed to serve a term of two years.

C. Member Vacancy. A member vacancy, however caused, shall be filled by the Authority. A Member shall be appointed on or about July 1 to replace a Member whose term has expired. A Member may be appointed at any time as necessary to replace a Member who has resigned or been removed. The Authority shall place the names of the candidates recommended by the Panel for the appointment on equally-sized cards which shall be deposited randomly in a container. In a public session, the Chairman of the Authority will draw one name from said container for each vacancy on the Committee. The person whose name is so drawn shall be appointed by the Authority to fill the vacancy.

IV. DUTIES AND RESPONSIBILITIES. The Committee is hereby charged with the following duties and responsibilities:

A. The initial Members shall convene to adopt such procedural rules and regulations as are necessary to govern the conduct of Committee meetings, including, but not limited to, those governing the calling, noticing and location of Committee meetings, as well as Committee quorum requirements and voting procedures. The Committee may select its own officers, including, but not limited to, a Committee co-chair who will be the primary spokesperson for the Committee.

B. The Committee shall approve, by a vote of not less than two thirds of all Committee members, any amendment to the Plan proposed by the Authority which changes the funding categories, programs or projects identified on page 31 of the Plan.

C. The Committee shall receive and review the following documents submitted by each Eligible Jurisdiction:

1. Congestion Management Program;
2. Mitigation Fee Program;
3. Expenditure Report;
4. Local Traffic Signal Synchronization Plan; and
5. Pavement Management Plan.

D. The Committee shall review yearly audits and hold an annual public hearing to determine whether the Authority is proceeding in accordance with the Plan. The Chair shall annually certify whether the Revenues have been spent in compliance with the Plan. In addition, the Committee may issue reports, from time to time, on the progress of the transportation projects described in the Plan.

E. The Committee shall receive and review the performance assessment conducted by the Authority at least once every three years to review the performance of the Authority in carrying out the purposes of the Ordinance.

F. Except as otherwise provided by the Ordinance, the Committee may contract, through the Authority, for independent analysis or examination of issues within the Committee's purview or for other assistance as it determines to be necessary.

G. The Committee may submit a written request to the Authority to explain any perceived deviations from the Plan. The Authority's Chair must respond to such request, in writing, within sixty days after receipt of the same.

Measure M2 Amendments
Staff Reports

September 24, 2012	Measure M2 Transportation Investment Plan Amendment
November 9, 2012	Public Hearing on Amendment of the Measure M Freeway Category: State Route 91 (Project J), Interstate 405 (Project K)
October 11, 2013	Proposal to amend Orange County Local Transportation Authority Ordinance No. 3 *(Attachment C)* to Modify Taxpayer Oversight Committee Membership Eligibility
November 25, 2013	Public Hearing to amend Orange County Local Transportation Authority Ordinance No. 3 *(Attachment C)* to Modify Taxpayer Oversight Committee Membership Eligibility
October 26, 2015	Proposed Amendment to the Measure M2 Transportation Investment Plan *(and Ordinance No. 3)*
December 14, 2015	Public Hearing to Amend Orange County Local Transportation Authority Ordinance No. 3 and Renewed Measure M Transportation Investment Plan for the Transit Program
March 14, 2016	Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update (*corrected scrivener error)*
May 11, 2020	Proposed Amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3
June 22, 2020	Public Hearing to Amend the Measure M2 Orange County Local Transportation Authority Ordinance No. 3 *(temporary change to the maintenance of effort requirement due to economic impacts of coronavirus pandemic)*
April 12, 2021	Proposed Amendment to the Orange County Local Transportation Authority Ordinance No. 3
May 24, 2021	Public Hearing to Amend the Measure M2 Orange County Local Transportation Authority Ordinance No. 3 *(temporary change to the maintenance of effort requirement due to economic impacts of coronavirus pandemic)*