September 10, 2012

Honorable Thomas J. Borris
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Dear Judge Borris:

The Orange County Transportation Authority (OCTA) is pleased to respond to the findings and recommendations of the June 29, 2012, report issued by the Orange County Grand Jury entitled, “The Anaheim Regional Transportation Intermodal Center.”

OCTA appreciates the Orange County Grand Jury’s civil responsibilities that include the examination of all aspects of county government, including special districts, to ensure the county is being governed honestly and efficiently and public funds are being handled appropriately.

In regards to this report, OCTA’s involvement with the Anaheim Regional Transportation Intermodal Center (ARTIC) project has spanned many years. As the report identifies, this involvement increased with the acquisition of property at the project site as well as with the passage of Measure M2 (M2) in November 2006. Since the publication of the Orange County Grand Jury’s report, the OCTA Board of Directors (Board) has approved the sale of the property to the City of Anaheim (City) where ARTIC will be built. The purchase agreement stipulates, among other items, that the City must utilize the property for a transportation center and that public transportation providers such as OCTA have free use and access rights to the property. While there is no correlation between the Orange County Grand Jury’s report and the Board’s action on the property, OCTA believes this is worth noting in light of the report’s content.

The report’s one recommendation is that the OCTA Board inform the public how OCTA revised the wording that changes the guidelines in M2 related to Project T, which funds the ARTIC project. Transparency with the public is among our highest priorities. In our attached response, we discuss how any changes to the guidelines in the M2 program were made in public meetings, how the voter-approved M2 ordinance itself explains revisions to the guidelines that may be made, as well as additional steps taken by OCTA in response to the Orange County Grand Jury’s finding. An important clarification is needed, in that the
Orange County Grand Jury’s report (page 4) refers to OCTA amending the Measure M ordinance. There was no amendment to the Measure M ordinance, there was a modification made to project guidelines.

Thank you again for the opportunity to respond to this report. If you have any questions, please feel free to contact me at (714) 560-5584.

Sincerely,

[Signature]

Will Kempton
Chief Executive Officer

WK:ds
Enclosure
Orange County Transportation Authority (OCTA)  
Proposed Responses to Findings and Recommendation to the June 29, 2012, Orange County Grand Jury Report

“ARTIC – The Anaheim Regional Transportation Intermodal Center”

FINDINGS

Finding 1(F1) – Anaheim Regional Transportation Intermodal Center (ARTIC) appears to be adequately funded by Federal, State and Measure M funds, and when constructed, will be a state of the art intermodal transportation hub.

OCTA agrees with this finding. While large public facilities such as ARTIC are funded through various sources, the project is adequately funded and is progressing as planned. As is often the case with such projects, funding of phases of project development occurs over several years and is dependent on committed state and federal funds remaining constant. Currently, $184.2 million is committed to this project and covers right-of-way acquisition, design, construction, and contingency. Funding comes from $81.6 million in Measure M (M2) Project T funding, $17.6 million in M2 Project R funding, $43.9 million in M2 Transit Revenue, $29.2 million in State Transportation Improvement Program funds, and $11.8 million from federal sources. Additional federal grants may reduce the Project T funds already committed.

OCTA and the City of Anaheim will continue to work collaboratively to deliver this project as outlined in M2. When complete, it will be a state of the art facility that will greatly enhance the county and regional transportation network.

Finding 2 (F2) – The foresight of the OCTA Board was shown when they were able to change their stated guidelines for Project T, despite the fact that high speed rail may be delayed for 20 years. The Board changed the criteria for expenditures from “connect to existing structures” to “relocating to another site” and from intending for ‘high speed rail’ to “for planned high speed rail” which allowed the project to continue.

OCTA agrees with this finding. The OCTA Board of Directors (Board) adopted Project T guidelines as guidance for eligible jurisdictions. The guidelines must be consistent with the language of M2, although they may also expand and explain the Board’s intent and process in approving applications for Project T funding. The OCTA Board is authorized to amend or revise the guidelines from time to time as it determines to be appropriate. The ARTIC project would have likely continued without this change, however, the modification eliminated any ambiguity as to whether the relocation of a Metrolink station will qualify for Project T funding.
RECOMMENDATIONS

Recommendation 1 (R1) – The OCTA Board of Directors should inform the public how the Authority revised the wording that changed the guidelines of the voter-approved Measure M2 – Project T.

This recommendation has been implemented. Deliberation and action on modifications to Project T guidelines occurred in public meetings of both the OCTA Board and OCTA Transit Committee. On February 10, 2011, the OCTA Transit Committee discussed and approved proposed modifications to Project T guidelines. On February 14, 2011, the OCTA Board unanimously approved the same modification. Additionally, the Taxpayer Oversight Committee, a committee comprised of members of the public selected by the Orange County Grand Jurors Association, receive regular updates on all M2 projects and programs, including the revision to Project T guidelines. Lastly, in response to the Orange County Grand Jury’s recommendation, OCTA staff has made modifications to the OCTA website that reflect the changes to Project T, as well as how those changes were made.

Public trust is absolutely critical to OCTA, and we are proud of the fact that the Measure M Taxpayer Oversight Committee has found OCTA in compliance with the Measure M ordinances (both the original Measure M and the current program) every year since the beginning of Measure M in 1991. OCTA will continue to strive to earn public trust in all that we do.