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**THE ANAHEIM REGIONAL TRANSPORTATION
INTERMODAL CENTER**

SUMMARY

The development and construction of the Anaheim Regional Transportation Intermodal Center (ARTIC) will be a plus for the Orange County Area, and definitely an area that will see additional private investment in retail, restaurant and office space once constructed and up and running. The ridership and connectivity of buses, taxis and bicycles remain to be seen, but it is in the overall vision of the City of Anaheim. It should be noted that all funds are strictly for construction and that the City of Anaheim is responsible for the station operations once opened. Arguments for and against “**future planned high speed rail**” could be as far as 20 years off have been discussed and put aside. Yet the City of Anaheim moves ahead to construct this station with 2012 construction costs, not waiting 20 years to start.

REASON FOR INFORMATION PAPER

The Grand Jury’s responsibilities include examining allocations by Orange County Transportation Authority (OCTA) and making determinations as to whether taxpayers’ funds are spent in the best interests of the County’s citizens.

METHODOLOGY

THE 2011-2012 Orange County Grand Jury’s study of ARTIC included the following tasks:

- Conducted confidential interviews with knowledgeable parties, both for, against and neutral on the plans for ARTIC;
- Attended meetings of the Orange County Transit Authority’s Board of Directors;
- Reviewed minutes of the OCTA Board and the City of Anaheim’s council meetings;
- Reviewed Cooperative Agreements, resolutions, and financial reports of the OCTA and the City of Anaheim, and Resolutions passed by the agencies and financial reports of Anaheim and OCTA;
- Reviewed pertinent documents involved with the passage of Renewed Measure M and related projects; and

- Visited the web sites of the agencies, their publicists and news organizations.

FACTS

Measure M Transportation Investment Plan

In 1990 realizing that much-needed transportation improvements were not adequately funded by the state, Orange County citizens voted to tax themselves for transportation improvements. Measure M, effective in 1991, authorized a one-half of one percent (0.5%) sales tax to be collected and sent to the Orange County Transportation Agency (OCTA).¹ That raised the Orange County sales tax to 7.75%. It is distributed as follows:

- 6.25% to the state
- 1% to local jurisdictions²
- 0.5% to OCTA (Measure M)

After Measure M's passage, no Orange County driver could help but notice the ongoing construction and improvements on freeways, grade crossings, and surface streets. To date, revenues from the measure totaled \$5.5 billion, and OCTA earned a nationally recognized reputation for excellence.³ Projects were considered to be well managed and completed on time and within budget. This 20-year span of the measure's success is today referred to as "M1".

Renewed Measure M Transportation Investment Plan

In 2006 OCTA's Board of Directors, recognizing the need for long-term planning for major projects, placed "Renewed Measure M" on the ballot. Measure M (renewed) appeared on the November 7, 2006 Ballot stating:

*"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?"*⁴

The ballot described the projects as relieving freeway congestion, fixing streets, synchronize signals, reduce pollution, and form a Tax Payer Oversight Committee. The Sample Ballot was sent out to registered voters prior to the November 2006 election. It contained little more information than the actual ballot and did not describing any actual projects.⁵ M2 allocated expenditures into

¹ Measure M Orange County Transportation Improvement Plan

² La Habra's sales tax rate is 8.25%, with 1.5% going to the city.

³ Department of Transportation, Certificate of Excellence

⁴ General Election Ballot, County of Orange 7 November 2006

⁵ County of Orange, General Election, Voter Information Pamphlet

three primary categories: freeways, streets and roads, and public transit. During the life of M2, revenues are expected to be nearly twelve billion dollars. Bond issues secured by future revenues will be used to pay for construction projects. The ballot measure was approved by voters.

Shortly after the election, the Orange County Transportation Authority put together and issued the Renewed Measure M Transportation Investment Plan. The plan was a 31 page public document detailing all the eligible projects A thru Z that are now part of the Renewed Measure M plan.⁶ The City of Anaheim submitted its proposed project under the guidelines of Project T and R.⁷ Project T was to “Convert Metrolink Stations to Regional Gateways that Connect Orange County to High Speed Rail Systems. Project R was for High Frequency Metrolink Service”.

ARTIC

In conjunction with the Orange County Transportation Authority, the City of Anaheim went forward with the vision and design of a transportation hub, The Anaheim Regional Transportation Center Intermodal Center (ARTIC). This proposed hub would link rail lines, freeways, bus service, taxi service, and bike paths in one central location in Anaheim. The construction and operation of this site was to support all forms of transportation, enhance tourist accessibility to all tourist venues, and create business opportunities in Anaheim. The proposed structure was to be located near the Anaheim Stadium east of the 57 Freeway south of Katella Ave.

The proposed design is truly an iconic structure. The main structure is 120 feet tall and includes 56,000 square feet; with 23,000 square feet of retail and restaurant space (construction of the retail space is set aside for private investment and not in current plans). Original plans called for parking structures, but these are not in the current plan, just surface parking lots. The location on Katella Avenue is more accessible to cars and buses than the current Anaheim train station on Fourth Street that it will replace. The structure is to sit beside the existing Metrolink lines and include three parking lots and an access tunnel under the 57 Freeway to Angel Stadium.

The preconstruction activities of the project are underway with Request for Proposal being issued May 29, 2012. Bids are due July 12, 2012, and the construction contract is to be awarded August 23, 2012. Construction is to begin in late September 2012, with completion in September off 2014.

⁶ Orange County Transportation Authority, Renewed Measure M Transportation Investment Plan.

⁷ OCTA, Renewed Measure M Investment Plan, pages 23 and 24.



How did OCTA get there?

The Orange County Transportation Authority, in its role as the administrator of transportation related funding, has Ordinance 2 and Ordinance 3, that delineate in detail roles, responsibility and authority for administration of public funds. In January of 2011 at the OCTA Transit Committee Meeting⁸, the committee sent to the full Board for their February 11, 2011 meeting the following amendment to Measure M2 Project T Program Guideline Modifications;

*“...the changes consist primarily of adjustments to the Objectives section of the guidelines. The original statement made in this section indicated that the purpose of the program was to modify existing Metrolink stations to accommodate **future high speed rail service** (emphasis added). This is now revised to state the purpose to convert Metrolink stations to regional gateways that connect Orange County with **planned future high speed rail systems** (emphasis added).”*

Also recommended for adoption in this transmittal to the directors was an amendment to all other applicable sections of Project T especially in the eligibility and project participation section. Within

⁸ OCTA Transit Committee Members are rotating Board of Directors.

this amendment “**relocation**” of a Metrolink station is said to meet the intent of “**convert**” in the original measure. With these approved amendments to guidelines, eligibility and project participation, the City of Anaheim has been allocated funds from M2 and is proceeding with the Request for Proposal Process.

The Board of Directors on the advice of counsel **took the authority** to amend its ordinances to relocate the station and allocate the funds to this project in the City of Anaheim.⁹

OCTA has allocated \$100 million of M2 funds to the Anaheim Regional Transportation Center (ARTIC), bringing the total to \$184 million including expenditures from M1, the state of California and the federal government.

Current funding as of 2 May 2012 is as follows¹⁰

1. Measure M2/Project T&R (84.1 mil Proj. T)	99.2 million
2. Measure M Transit Revenue	43.9 million
3. 2008 State Transportation Improvement Program	29.2 million
4. Federal Sources (includes grants)	11.8 million
	Total 184.1 million

(Does not include the 3.6 million for environmental impact report)¹¹

The current project meets all the guidelines set by OCTA and other sources.

Findings/Conclusions

In accordance with *California Penal Code* Sections 933 and 933.05, the 2011-2012 Grand Jury requires responses from each agency affected by the **Findings/Conclusions** presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

F1. The Anaheim Regional Transportation Intermodal Center (ARTIC) appears to be adequately funded by federal and state grants and local Proposition M2 taxes, and when constructed, will be a state of the art intermodal transportation hub.

⁹ OCTA, Board Committee Transmittal, dated February 2011

¹⁰ Artinfo.com, Funding Sources, 10/28/11

¹¹ Artinfo.com, Funding Sources, 10/28/11

F2. The foresight of the OCTA Board of Directors was shown when they were able to change their stated guidelines for M2-T, Despite the fact that high speed rail maybe delayed for 20 years, they changed the criteria for expenditures from “for 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.

Recommendations

In accordance with *California Penal Code* Sections 933 and 933.05, the 2011-2012 Grand Jury requires responses from each agency affected by the **Recommendations** presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on the research of the Anaheim Regional Transportation Intermodal Center the 2011-2012 Orange County Grand Jury puts forth the following **recommendations**:

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.

Responses

“In accordance with *California Penal Code* Sections 933 and 933.05, the 2011-2012 Grand Jury requires responses from each agency affected by the **Findings** and **Recommendations** presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

“ Not later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section §914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations...”

Comments to the Presiding Judge of the Superior Court in compliance with the Penal code Section 933.05 are requested or required as shown below:

	OCTA		OCTA
F1	X	R1	X
F2	X		