

## **Meeting of October 9, 2023**

### **Measure M Expected to Generate \$14.8 Billion Through 2041**

The Orange County Transportation Authority's board of directors received its updated annual long-term forecast for Measure M, showing that the Orange County voter-approved sales tax is expected to generate \$14.8 billion for transportation improvements through 2041.

The updated forecast represents a \$0.2 billion decrease from last year's forecast of \$15 billion as a result of shifting economic conditions. Final Measure M sales tax receipts for fiscal year 2022-23 came in at \$439 million, which is the highest amount ever received.

OCTA will continue to monitor the short- and long-term impacts of inflation, interest rates, Orange County's population growth, and the likelihood of a mild recession on Measure M sales tax revenues to ensure that all promises to voters are kept. An update will be presented to the board in November when they will be asked to consider the 2023 Measure M Next 10 Delivery Plan, which sets a course for delivering transportation improvements over the next decade.

### **Board Receives Forecast of Construction Market Conditions**

OCTA's board was presented with a report analyzing and forecasting construction market conditions to provide insight into factors that may impact the cost of Measure M projects as part of the Next 10 Delivery Plan.

The report included economic trends and conditions, material costs and labor costs. Other project cost drivers include the decline of building permits, a slight increase in unemployment rates in California and moderating construction wages.

The update predicts a gradual decline of inflation from the market conditions forecasted in spring 2023. The analysis concluded that OCTA may experience a return to a normal inflationary environment in 2024, followed by a low inflationary period in 2025 and 2026.

### **Board Approves Nine State Project Program Recommendations**

The OCTA board approved nine projects to be submitted through the 2024 State Transportation Improvement Program.

The nine projects, totaling \$222.33 million, include active transportation, transit capital improvement, freeway and managed lane projects. These include the Santa Ana to Garden Grove Rails to Trails project, a segment of the OC Loop in La Habra, digital bus stop signage, and improvements to I-5 and SR-57.

OCTA will submit the projects for consideration to the Southern California Association of Governments and the California Transportation Commission by Dec. 15. The commission is expected to adopt the final program by March 2024.