

The 2013-2018 Annual Update

November 2016

Comprehensive Economic Development Strategy



Presented by

County of Orange

Orange County Development Board

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INTRODUCTION

In 2013, the Orange County Development Board (OCDB), then known as the Orange County Workforce Investment Board (OCWIB), created a five-year plan for preserving Orange County's competitive advantages, addressing the county's weaknesses, and making the most of future opportunities. The primary purpose of the CEDS is to identify cities, neighborhoods, and census tracts in Orange County which are struggling economically, failing to provide their populations with access to gainful employment opportunities, and highlighting key opportunities for community re-investment in these geographical locations that could aid in reversing these trends.

The 2013-2018 Comprehensive Economic Development Strategy (CEDS) has five overarching goals for Orange County:

1. Advancing the lives of its Red-Zone residents; a Red-Zone is defined as a census tract with an unemployment rate at least 2 percent higher than the national average and a Gross Domestic Product (GDP) of 80 percent or less of the national average.
2. Providing world-class education and workforce development opportunities
3. Planning and developing state-of-the-art infrastructure
4. Promoting competitive and growing Industry Clusters
5. Improving Orange County's competitiveness in a global economy

This CEDS update is an annual report created by Orange County Business Council (OCBC) with oversight from the Orange County Development Board that tracks the county's progress towards these goals in a changing economic climate. Since the 2013-2018 CEDS first took effect, the county's economy has undergone multiple significant changes: employment growth in several key industry clusters, rising home prices and rental rates, a reduction in bus ridership and corresponding increase in use of toll roads, the groundwork for an alternative fuel infrastructure. Furthermore, the county is currently in the middle of several long-term changes both at the local level, such as the transition towards an older and more ethnically diverse population, and at the national level, such as rapid technological advancement that threatens to replace many current jobs.

In last year's CEDS report, 72 "Red-Zone" census tracts were identified based on unemployment rates and per capita incomes which fell significantly below national averages. According to new data sets provided by the U.S. Census Bureau, the number of "Red-Zone" census tracts in the county fell slightly with several census tracts moving themselves off this list and others taking their place. This report provides an analysis at the census tract, city and county-wide level so that readers can gain the most

comprehensive image of the region at both macro- and micro-levels to help insure that the county adjusts to these changes while remaining on track to reach CEDS goals regarding improving the county's future prosperity for all residents. Based on this new, updated information, this report also looks to revise any goals and strategies previously mentioned in past reports which may have been recently attained or are no longer viable as well as create new, innovative strategies based on new, previously unknown data and trends that are manifesting themselves in the region. Armed with this report, Orange County can better craft policies and strategies aimed at improving the local and regional economic environment for all, but particularly "Red-Zone" neighborhoods and residents.

RED-ZONE ANALYSIS: 2016 UPDATE

In order to be classified as a Red-Zone, census tracts in Orange County must meet at least two conditions relating to unemployment rates and per capita income. These conditions include:

- An unemployment rate which is at least 2 percentage points above the United States average unemployment rate; and
- A per capita income which measures 80 percent or less of the United States per capita income average

Based on the conditions highlighted above and the 2014 U.S. unemployment rate of 9.2 percent and 2014 per capita income of \$28,555, the threshold for Red-Zones included an unemployment rate of 11.2 percent or more and

per capita income of \$22,844 or less. The data used in this report to identify current Red-Zones in Orange County is pulled from the U.S. Census's 2014 American Community Survey, the most up-to-date data provided at the census tract level. According to these data sets and analysis provided by the Orange County Business Council, the total number of Red-Zones in Orange County has decreased slightly over the past year indicating that economically troubled regions of the county have been improving. Yet, of the 583 census tracts making up Orange County, 71 census tracts or 12 percent of the total, have been identified as Red-Zones highlighting the need for additional, localized initiatives and investments in these areas so that they may eventually lift themselves out of the Red-Zone designation.

RED-ZONES BY CITY

While several cities were able to improve their economic standing enough to completely remove themselves from the Red-Zone list, other cities, with a traditionally high number of Red-Zones, seemed to falter over the past year erasing many improvements they had experienced between 2014 and 2015. Several Orange County cities were able to completely eliminate Red-Zone

census tracts in 2016: Buena Park, Mission Viejo, and San Juan Capistrano. Other cities experiencing significant improvements include Garden Grove, which reduced its Red-Zones from 11 to 9, and Costa Mesa and Fullerton, both of which reduced their number of Red-Zones by one. Many cities, however, added Red-Zone tracts. The number of Red Zones in Anaheim and

Santa Ana, for example, increased from 18 to 22 and 13 to 15, respectively, while La Habra has gained four Red-Zones since 2013. Figure 1 shows Orange County Red-Zone tracks by city over the past four years.

In addition to specific census tracts, several Orange County cities had average per capita incomes below the Red-Zone threshold of

\$22,844: Westminster (\$22,281), Garden Grove (\$21,241), Stanton (\$18,870), and Santa Ana (\$16,345). Stanton, which has an unemployment rate of 11.9 percent, is the only city in the county to meet both Red-Zone conditions. All other Orange County cities have unemployment rates below the Red-Zone threshold of 11.2 percent, indicating significant improvements in their overall labor markets.

RED-ZONES BY TRACT

As of 2016, Orange County has a total of 71 Red-Zone tracts, a small improvement from last year's total of 72. As mentioned above, Anaheim and Santa Ana added a combined 6 census tracts, while Buena Park, Costa Mesa, Fullerton, and Garden Grove saw improvements. 52 census tracts remained on the list while 20 tracts rose above Red-Zone thresholds and 19 fell beneath them. Irvine has had a census tract on the list in both 2015 and 2016 despite having a low unemployment rate of 7.1 percent and an

average per capita income of \$43,456, almost twice the Red-Zone threshold. This census tract is located near the University of California, Irvine, campus, which suggests that it is primarily composed of students. This explains both its low per capita income and high rate of unemployment, and emphasizes that Red-Zone status can reflect a number of different issues facing various communities. Comprehensive data on Orange County's Red-Zone tracts can be found in the appendix.

Red-Zone Tracts	2013	2014	2015	2016
Anaheim	19	22	18	22
Buena Park	1	2	2	0
Costa Mesa	1	3	3	2
Fullerton	4	6	7	6
Garden Grove	14	10	11	9
Huntington Beach	1	1	1	1
Irvine	0	0	1	1
La Habra	0	2	3	4

Mission Viejo	0	0	1	0
Orange	2	1	1	1
Placentia	2	2	1	1
Santa Ana	18	18	13	15
San Juan Capistrano	0	0	1	0
Stanton	4	5	5	5
Westminster	5	6	4	4

Source: OCBC Analysis of American Community Survey Data

SUMMARY

While Orange County has managed to slightly decrease its number of Red-Zone tracts over the past year, many previously identified Red-Zones remain on the list, indicating that these census tracts need additional support to overcome their economic hurdles. Ensuring that cities and census tracts stay off this list is equally important, as 19 new census tracts became Red-Zones this year. Policymakers and stakeholders must create policies specifically targeted to low-income, high-

unemployment areas as well as more macro-level policies that benefit cities and the entire county as a whole.

The next section of this report will provide an overview of recent economic and demographic trends in Orange County, a summary intended to provide readers a detailed picture of the current economic landscape as well as the foreseeable future.

CEDS GOALS AND THE CURRENT ORANGE COUNTY ECONOMIC CLIMATE

When Orange County selected its five overarching goals for the 2013-2018 CEDS, it targeted the relationship between workforce, infrastructure, and low-income residents as its chief areas to advance in tandem. Preparing residents of all income levels for new jobs and enabling them to utilize a multitude of travel methods to reach them is the fundamental approach used to increase regional prosperity.

The initial goals put forth by the CEDS are as follows:

- Goal 1: Advance the Lives of Red-Zone Residents
- Goal 2: Provide World-Class Education and Workforce Opportunities
- Goal 3: Plan and Develop State-of-the-Art Infrastructure
- Goal 4: Promote Competitive and Growing Clusters
- Goal 5: Improve Orange County's Economic Competitiveness in a Global Economy

The original 2013-2018 CEDS document describes the specifics of these five goals in greater detail. Although the goals themselves have not changed since last year, the climate in which they can be achieved has already seen significant changes. Thus far, Orange County's economic climate in 2016 has been characterized by:

- Employment improvements for several key industry sectors including: Construction, Health Care, and Leisure and Hospitality;
- Housing prices and employment levels surpassing pre-recession levels;
- Increasing concerns of affordability which may impact the region's ability to maintain a talented pool of qualified workers;
- A reduction in bus ridership but an increasing number of drivers using toll roads; and
- New groundwork increasing the economic viability of alternative fuel vehicles.

Additionally, there are several exciting new developments supporting CEDS implementation that have already launched this year. In this update, we hope to mention these and other changes in brief to summarize how Orange County is able to adapt to the shifting economic climate while remaining on track to achieve the 2013-2018 CEDS goals.

ORANGE COUNTY ECONOMIC OVERVIEW: 2015 TO PRESENT

During a period of great economic uncertainty, Orange County has remained an economic engine for Southern California during a period of economic and political uncertainty, driving the region's employment and economic growth. The county's fast recovery from the Great Recession in particular demonstrates the strength and resilience of its economy. This section provides an overview of the county's current economic climate, giving policymakers and stakeholders the information about economic and demographic trends they need to fuel further growth.

Since the beginning of 2015, Orange County has seen decreasing unemployment, increasing employment in high-growth, high-wage

industries, a surging housing market, and improvements in educational attainment rates. While these positive trends are expected to continue in the short-term, the interest rate environment, national political uncertainty, global economic issues and other factors prevent a clear long-term forecast and underscore the need to preserve the county's current competitive advantages. The county is also in the middle of several important demographic changes which may also affect its economic future.

DEMOGRAPHICS

Age and Diversity Continue to Increase

Orange County has seen its population grow older and more diverse since the turn of the millennium, a trend that is expected to continue for at least the short-term future. The county's median age was 37.8 in 2015, 1.7 years older than the median age of 36.1 in 2010 and 4.5 years older than the median age of 33.3 in 2000. This trend is driven by the aging of the Baby Boomers, America's second largest generation. While these statistics reflect an aging population at the national level, several factors mean that this development will have an especially dramatic impact on Orange County.

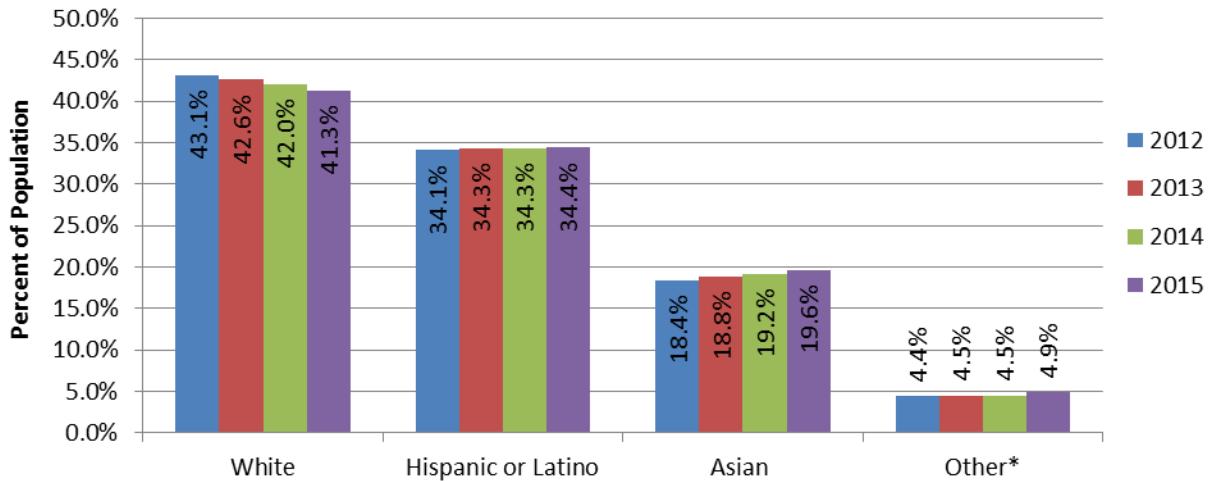
First, the aging of county's Baby Boomers has been accompanied by a decrease in the population of younger age groups, as seen in the following chart. County residents aged 15-19, for example, made up 6.6 percent of the total population in 2015, 0.6 percent less than in 2012; the percentage of residents aged 20-24 decreased by 0.2 percent during the same period. One explanation is that the county's high home prices and cost-of-living have encouraged many younger people to relocate to more affordable areas, as they are in many cases already burdened with severe student loan debt.

This potential exodus of young workers will make it harder for county employers to fill vacant jobs left by retirees. A rapidly aging population will exacerbate this strain on the job market by creating the need for additional Healthcare services, a further set of job openings that the county will need to fill.

Population by Age	2012	2013	2014	2015
Total	3,055,745	3,114,363	3,145,515	3,169,776
5 and Below	6.3%	6.1%	6.1%	6.0%
5-9	6.5%	6.3%	6.1%	6.2%
10-14	6.9%	6.7%	6.7%	6.3%
15-19	7.2%	6.9%	6.7%	6.6%
20-24	7.3%	7.4%	7.3%	7.1%
25-29	7.1%	7.1%	7.2%	7.4%
30-34	6.7%	6.8%	6.9%	6.8%
35-39	6.8%	6.5%	6.5%	6.3%
40-44	7.5%	7.3%	7.0%	7.0%
45-49	7.5%	7.3%	7.3%	7.3%
50-54	7.2%	7.3%	7.3%	7.3%
55-59	6.0%	6.3%	6.6%	6.6%
60-64	5.1%	5.1%	5.2%	5.4%
65-69	3.7%	4.1%	4.3%	4.5%
70-74	2.7%	3.0%	3.1%	3.2%
75-79	2.1%	2.1%	2.3%	2.4%
80-84	1.7%	1.8%	1.7%	1.7%
85 and Above	1.7%	1.8%	1.8%	1.8%

Source: U.S. Census Bureau, Population Estimates Program

Orange County Population by Ethnicity



Orange County’s population is also growing more diverse, as seen in the above chart. The percentage of the county’s population that identified as white, decreased by 1.8 percent between 2012 and 2015, while the county’s Asian and Hispanic or Latino populations increased by 1.2 percent and 0.3 percent, respectively, over the same period. The county’s population measured as “Other” –

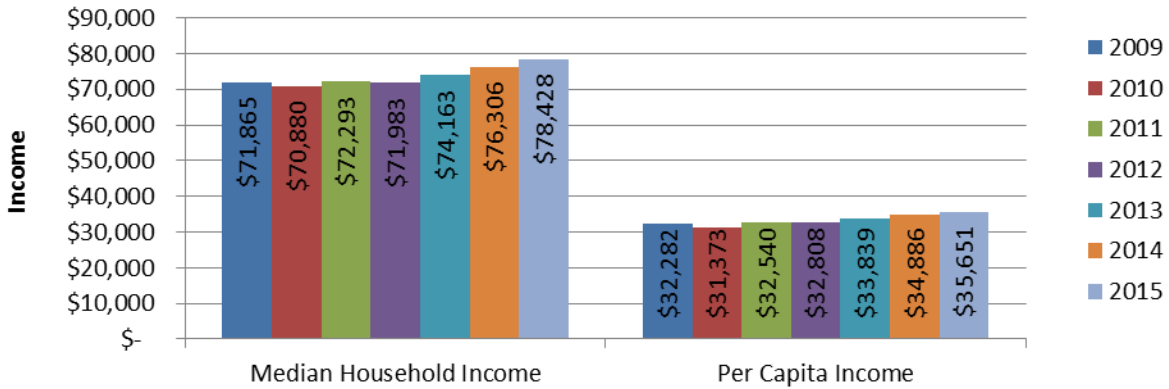
including African Americans, American Indians, Native Hawaiians, and residents of two or more races – increased by 0.5 percent between 2012 and 2015. As the county becomes increasingly diverse, policymakers and educators should focus on supporting increasing numbers of English language learners, ensuring that these students are prepared for success both in their education and in their future careers.

INCOME GROWTH RECOVERED AND IS ACCELERATING

Orange County’s ability to attract and retain first-class businesses has given the county a major competitive advantage over the past few decades; these businesses provide above-average wages and drive the strength of the county’s industry clusters. While median and per capita incomes fell during the Great Recession, Orange County’s strong economic foundations enabled it to make a strong recovery. Since then, wage increases have driven consumer spending and, in turn, regional GDP growth. The following chart shows changes in Orange County incomes over the past seven years. The county’s median household income reached \$78,428 in 2015, 2.7

percent higher than the previous year and 10.6 percent higher than 2010’s 5-year low of \$70,880. Per capita income has experienced similar growth, reaching \$35,651 in 2015. In terms of the disparity between male and female earnings, the median earnings for males in Orange County totaled \$55,895 in 2015, representing a premium of \$9,171 or 19.6 percent over median female earnings for the same year. The wages increases are especially welcome in Orange County, where, as previously mentioned, the high cost of living encourages many residents to consider moving to lower-cost areas.

Orange County Income Measures, 2009-2015

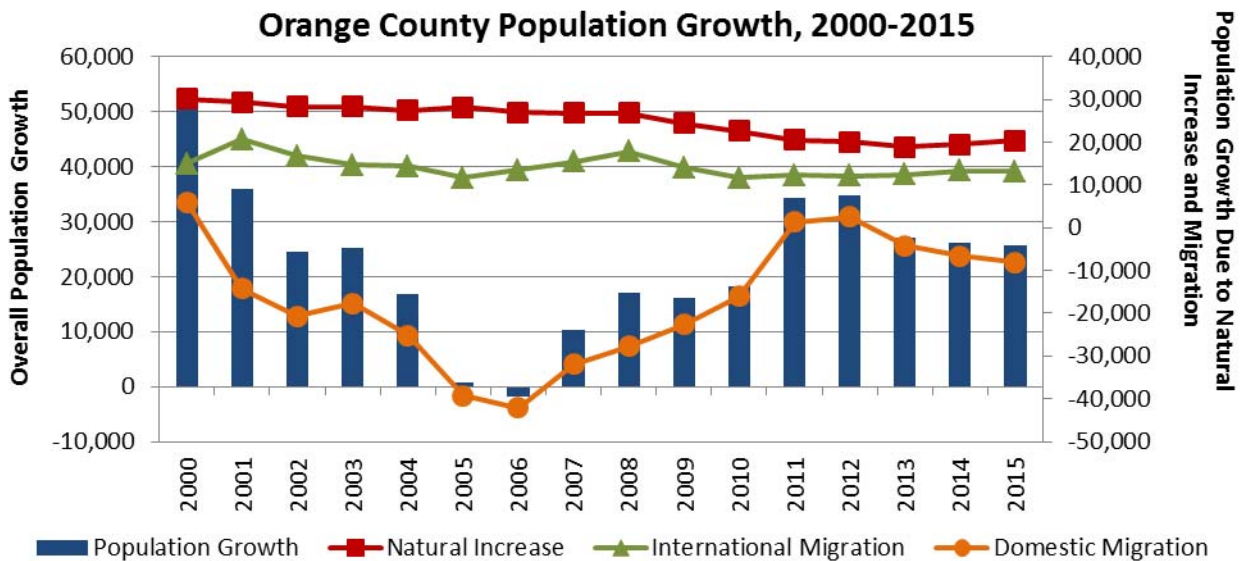


Source: American Community Survey

POPULATION GROWTH PROJECTED TO SLOW

During the 1970s and 1980s, Orange County’s population growth was primarily driven by migration from other areas rather than natural increase (births minus deaths), a trend that has reversed in recent years. Orange County’s population increased by 166,259 between 2010 and 2015; natural increase accounted for 122,100 new residents, 73.4 percent of this growth. In 2015, the county gained 20,460 residents from natural increase and 5,128 from natural

migration. While the Great Recession drastically reduced overall net migration, it has somewhat recovered in recent years due to an increase in international migration into Orange County. The county, however, continues to experience the consistently negative domestic migration that began in 2001. This trend, as mentioned before, derives in part from the county’s high cost-of-living compared to surrounding areas.



Source: California Department of Finance

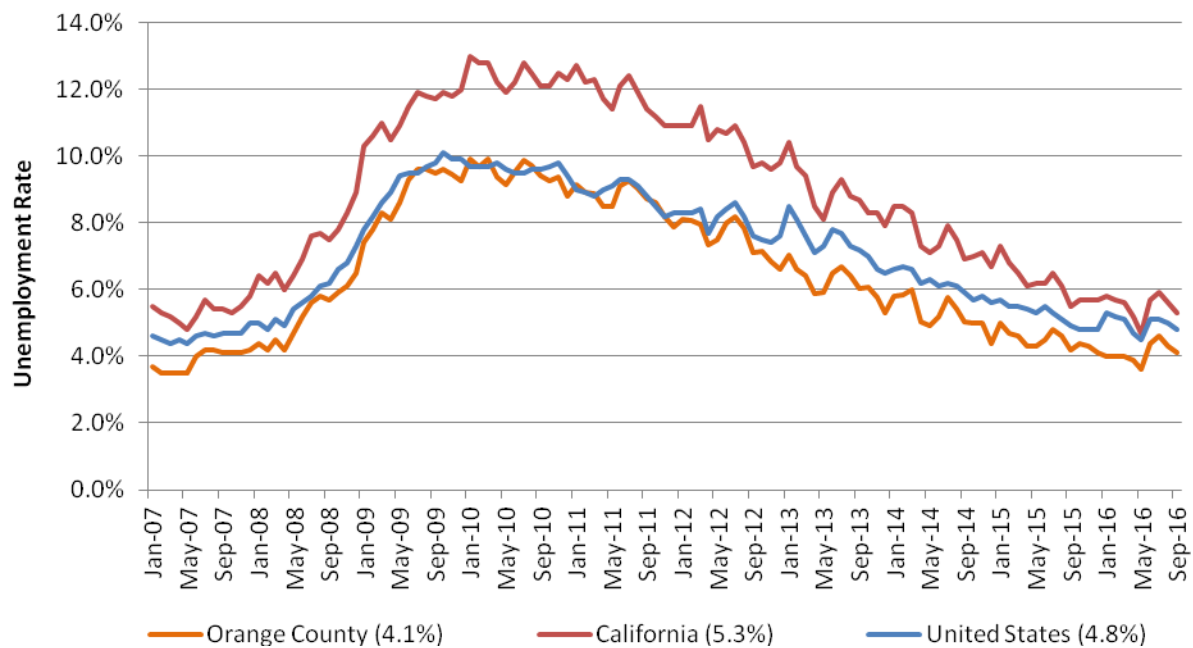
Employment Overview

PRE-RECESSION LEVELS OF EMPLOYMENT SURPASSED

Orange County's unemployment rate was 4.1 percent as of September 2016, significantly lower than the state and national unemployment rates of 5.3 percent and 4.8 percent, respectively. While county unemployment has consistently trended downward throughout 2015 and 2016, it did experience a small jump in June and July 2016 due to a large number of individuals rejoining the workforce rather than a decrease in employment; this trend was seen across the nation, reflecting college and university

graduations taking place around this time, and is thus not unique to the regional economy. The following graph shows county, state, and national unemployment rates from January 2007 to August 2016.

Orange County, California and U.S. Unemployment Rate Trends

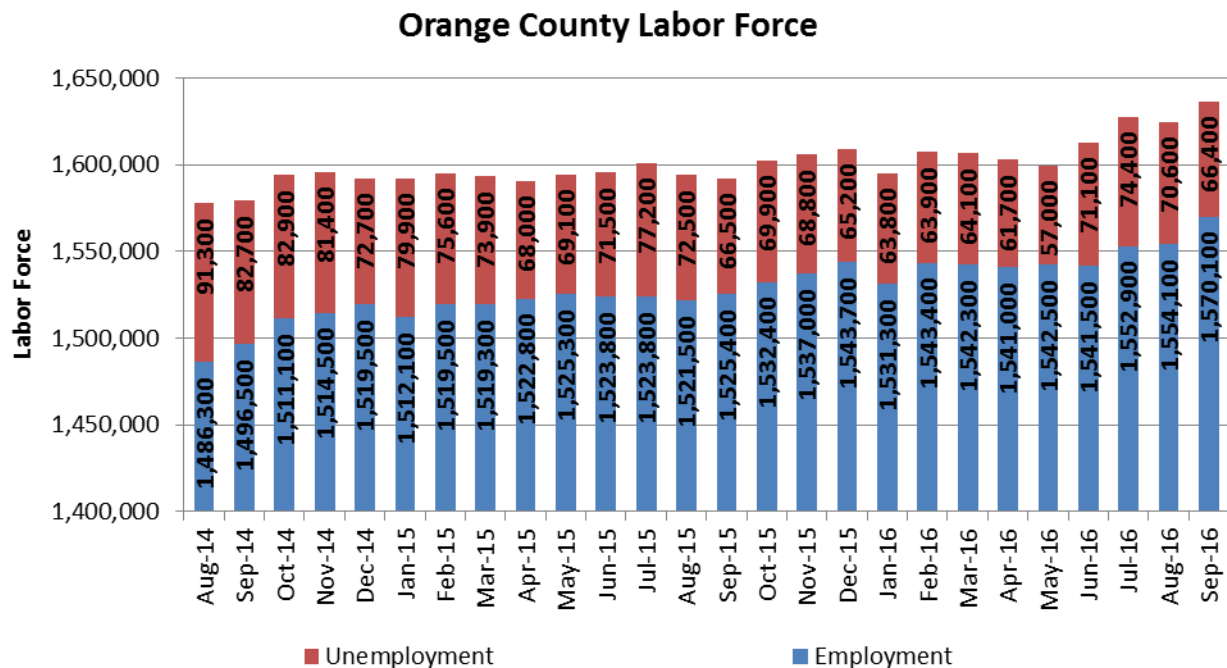


Source: California Employment Development Department

LABOR FORCE PARTICIPATION INCREASING

Orange County's total labor force grew to 1,663,400 in 2016, surpassing the county's historical peak of 1,625,600 in July 2008. As mentioned before, the county experienced a major increase in labor force participants during the summer, adding 13,100 in June and 14,700 in July. Timing suggests that many of these new participants are recent graduates whose education bodes well for their ability to find jobs as demonstrated by labor force increases in

August and September of this month. Unemployment in Orange County dropped by almost 4,000 between July and August, a trend expected to continue for the near future. In total, 1,570,100 county residents were employed as of September 2016, representing a year-over-year increase of almost 45,000. The following graph shows county employment and unemployment figures for the past three years.



Source: California Employment Development Department

INDUSTRY EMPLOYMENT CONTINUES STRONG GROWTH TRENDS

As of September 2016, Professional & Business Services, Leisure & Hospitality, and Education & Health Services continue to be the largest employment industries in Orange County, respectively providing 18.7 percent, 13.6 percent, and 13.2 percent of the county's total nonfarm

employment; the following graph illustrates changes in county employment by industry since January 2015. Professional & Business Services saw the largest absolute growth since 2015, adding 14,200 jobs, and remains the county's single largest industry with almost 300,000

employees. The Construction industry has seen the largest percentage growth over the past year, and a half, adding 17,500 jobs (an increase of 20.7 percent) since January 2015. Educational & Health Services and Other Services also saw significant job growth over the past year, with the former adding almost 10,000 jobs since January.

Several industries lost jobs despite overall

growth. Nondurable Goods Manufacturing saw the largest annual decrease, losing 1,600 jobs since January 2015. Retail Trade lost almost 1,000 jobs followed by Mining and Logging which lost approximately 100. Several industries also experienced significant short-term losses; 3,500 Government jobs were lost between January and September 2016 along with 2,000 Retail Trade jobs.

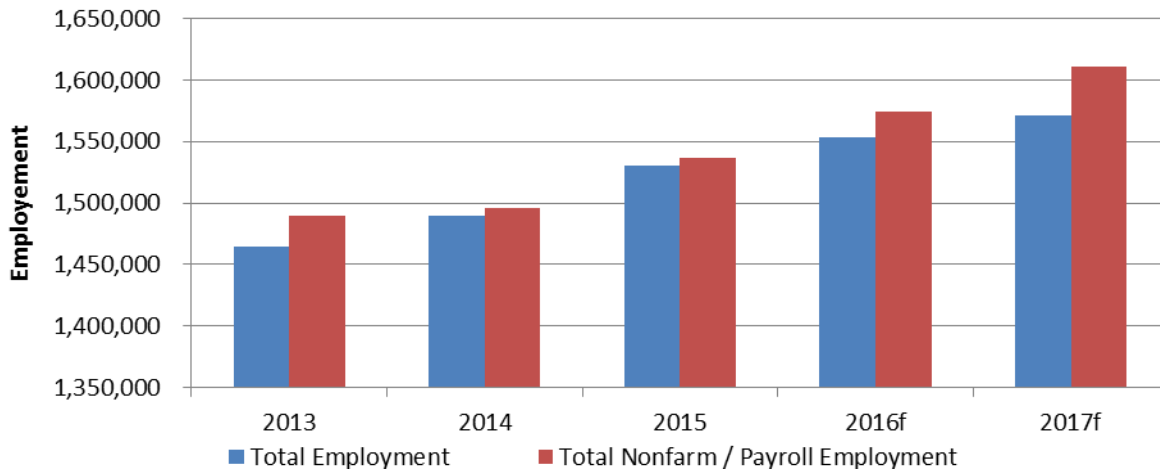
Orange County Industry Employment	January 2015	January 2016	September 2016
Mining and Logging	700	600	600
Construction	84,700	96,500	102,200
Durable Goods Manufacturing	114,500	114,000	117,400
Nondurable Goods Manufacturing	41,900	40,400	40,300
Wholesale Trade	80,300	82,400	84,300
Retail Trade	151,200	152,300	150,300
Transportation, Warehousing & Utilities	26,800	27,100	27,900
Information	24,900	25,700	26,000
Financial Activities	114,100	116,500	117,600
Professional & Business Services	280,900	283,600	297,800
Educational & Health Services	193,900	200,000	209,800
Leisure & Hospitality	194,700	204,500	216,100
Other Services	47,500	47,700	50,000
Government	153,200	157,000	153,500

EMPLOYMENT GROWTH PROJECTED TO CONTINUE IN 2017

California State University Fullerton's 2016 Economic Forecast estimates Orange County's total nonfarm employment to reach 1,573,800 at the end of this year and 1,610,800 in 2017; the California Employment Development Department

(EDD) estimates the county's current nonfarm employment at 1,593,800, suggesting that county employment is growing faster than predicted by CSUF. CSUF's forecast is illustrated in the following table.

CSUF - Orange County Employment Forecast



Source: OCBC Analysis of CSUF Economic Forecast 2016

NOT ALL RECOVERIES ARE CREATED EQUALLY

The table below shows changes in employment levels for Orange County’s major industries between October 2007, September 2015, and July and September 2016. California EDD data shows that not all of the county’s industries have returned to pre-recession levels of employment. Nondurable Goods Manufacturing, and Retail Trade, respectively employ 13,300 and 11,000 fewer Orange County workers than they did in October 2007; the Durable Goods Manufacturing, Government, Wholesale Trade, Information, and Financial Activities industries also saw significant contraction over the same period. Nondurable Goods Manufacturing experienced the greatest loss on a percentage basis, losing more than a quarter of its total employment – 13,300 jobs

over the past decade.

Many of the county’s industries, on the other hand, have surpassed pre-recession employment levels. Educational & Health Services has added more than 56,000 workers over the past decade, an increase of 36.8 percent, while Leisure & Hospitality and Professional & Business Services have also seen significant growth. The Construction industry, which was hit hard during the recession, has rebounded in the past few years and surpassed pre-recession totals in August 2016; the industry now employs more than 100,000 county workers. Orange County’s overall nonfarm employment increased by 67,000, or 4.4 percent, between October 2007 and September 2016.

Orange County Industry Employment Change Since 2007		Vs. August 2016		Vs. September 2015		Vs. Oct 2007	
Industry	September 2016	Actual Change	% Change	Actual Change	% Change	Actual Change	% Change
Civilian Labor Force	1,636,400	11,800	0.7%	44,500	2.8%	26,000	1.6%
Civilian Employment	1,570,100	16,000	1.0%	44,700	2.9%	26,100	1.7%
Civilian Unemployment	66,400	-4,200	-5.9%	-100	-0.2%	0	0.0%
Unemployment Rate	4.1%	-0.2%	-	-0.1%	-	0.0%	-
Total, All Industries	1,596,100	13,500	0.9%	43,800	2.8%	64,200	4.2%
Total Nonfarm	1,593,800	13,500	0.9%	43,900	2.8%	67,000	4.4%
Mining and Logging	600	0	0.0%	-100	-14.3%	0	0.0%
Construction	102,200	-700	-0.7%	9,200	9.9%	-400	-0.4%
Durable Goods Manufacturing	117,400	800	0.7%	1,900	1.6%	-7,900	-6.3%
Nondurable Goods Manufacturing	40,300	-300	-0.7%	-1,300	-3.1%	-13,300	-24.8%
Wholesale Trade	84,300	-100	-0.1%	3,000	3.7%	-3,300	-3.8%
Retail Trade	150,300	-500	-0.3%	-100	-0.1%	-11,000	-6.8%
Transportation, Warehousing & Utilities	27,900	100	0.4%	1,000	3.7%	-1,600	-5.4%
Information	26,000	-200	-0.8%	500	2.0%	-4,800	-15.6%
Financial Activities	117,600	-100	-0.1%	-700	-0.6%	-3,500	-2.9%
Professional & Business Services	297,800	-1,300	-0.4%	11,500	4.0%	21,200	7.7%
Educational & Health Services	209,800	4,000	1.9%	9,300	4.6%	56,400	36.8%
Leisure & Hospitality	216,100	2,000	0.9%	9,300	4.5%	40,700	23.2%
Other Services	50,000	1,300	2.7%	700	1.4%	2,100	4.4%
Government	153,500	8,500	5.9%	-300	-0.2%	-7,600	-4.7%

INCREASING WAGES HELP ADDRESS AFFORDABILITY CONCERNS

Orange County housing costs have also surpassed pre-Recession levels, a trend that makes the county's growing incomes even more

welcome. Overall, the county's average salary has increased by \$6,656 since Q1 2007, a growth of 12.9 percent. Industries experiencing

the highest percentage income growth over this period include Information Technology (41.4 percent), Agriculture, Forestry, Fishing, and Hunting (25.9 percent), and Real Estate and Rental and Leasing (24.7 percent.)

Despite this long-term growth, Orange County has experienced falling incomes in the short-term, with the county's average salary decreasing from \$62,826 in Q1 2015 to \$58,188 in Q1 2016, a year-over-year decrease of 7.4 percent. This decline is due to a massive 34.4 drop in income for the Professional and Technical Service industry driven by declines in many science-oriented sub-industries: Scientific Research and Development Services,

Physical/Engineering/Biological Research, and Other Physical and Biological Research. Industry salaries, however, remain \$16,120 higher than they were in October 2007. The Wholesale Trade and Finance and Insurance industries have also experienced wage decreases since last year.

The Information industry, on the other hand, experienced the greatest short-term growth in income since Q1 2015 with its average salary increasing by 4.8 percent; wages in the Construction and Agriculture, Forestry, Fishing and Hunting industries also saw significant income growth.

Orange County Industry Salary Change		Vs. Q1 2015 (January-March)		Vs. Q1 2007 (January-March)	
Industry	Q1 2016	Actual Change	Percent Change	Actual Change	Percent Change
Total, All Industries	\$58,188	-\$4,680	-7.4%	\$6,656	12.9%
Agriculture, Forestry, Fishing & Hunting	\$30,836	\$1,976	6.9%	\$6,344	25.9%
Construction	\$64,168	\$2,288	3.7%	\$8,372	15.0%
Manufacturing	\$73,476	-\$520	-0.7%	\$13,364	22.2%
Wholesale Trade	\$82,108	-\$5,980	-6.8%	\$7,644	10.3%
Retail Trade	\$35,100	\$884	2.6%	\$1,820	5.5%
Transportation and Warehousing	\$50,388	-\$520	-1.0%	\$7,696	18.0%
Information	\$104,676	\$4,784	4.8%	\$30,628	41.4%
Finance and Insurance	\$110,864	-\$2,912	-2.6%	\$14,092	14.6%
Real Estate and Rental and Leasing	\$74,256	-\$936	-1.2%	\$14,716	24.7%

Professional and Technical Services	\$88,296	-\$46,332	-34.4%	\$16,120	22.3%
Management of Companies and Enterprises	\$116,116	-\$416	-0.4%	\$26,676	29.8%
Administrative and Waste Services	\$39,936	\$988	2.5%	\$7,436	22.9%
Educational Services	\$36,452	\$52	0.1%	\$3,172	9.5%
Health Care and Social Assistance	\$47,632	\$312	0.7%	\$1,820	3.9%
Arts, Entertainment, and Recreation	\$29,952	-\$260	-0.9%	\$3,588	13.6%
Accommodation and Food Services	\$22,100	-	0.0%	\$3,016	15.8%
Other Services, Ex. Public Admin	\$35,204	\$1,040	3.0%	\$6,188	21.3%

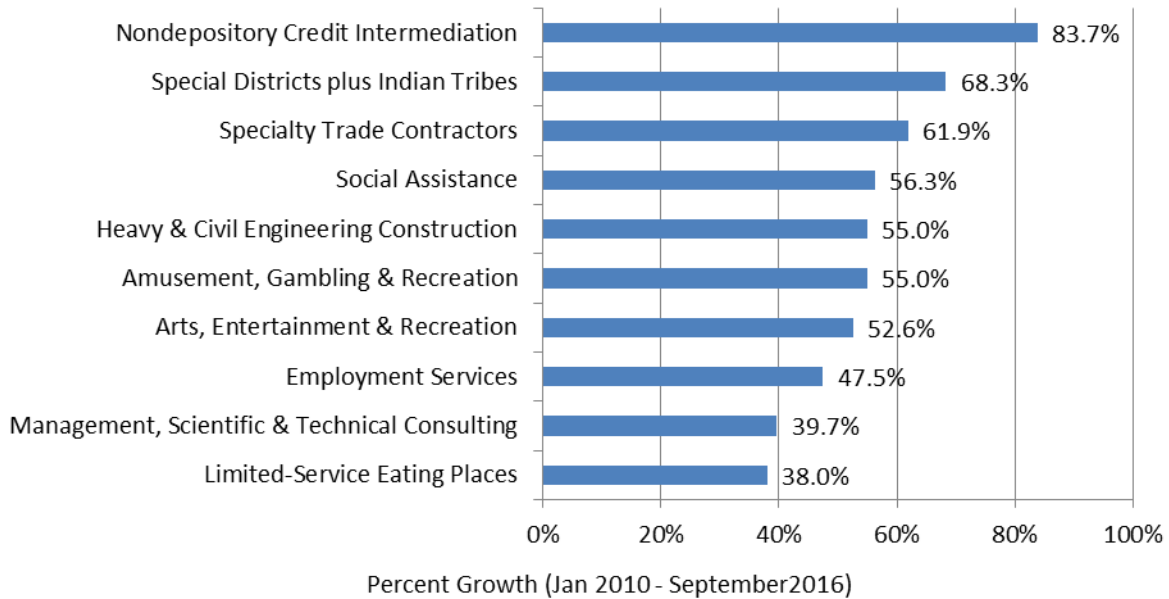
Source: California EDD

CONSTRUCTION THE CLEAR DRIVER OF EMPLOYMENT GROWTH

Non-Depository Credit Intermediation – a field including establishments that extend credit or lend funds raised by credit market borrowing – saw Orange County’s highest percentage employment growth between January 2010 and September 2016, growing by 83.7 percent. Special Districts plus Indian Tribes and Specialty Trade Contracts also saw major growth over the same period, increasing by 68.3 and 61.9 percent, respectively. One Construction-related industry, Heavy & Civil Engineering Construction, also saw

a major increase in employment as its workforce grew by 55 percent. This reflects recent growth in the county construction industry as a younger, professional population has spurred demand for the construction of new high-density residential apartments and mixed-use commercial developments. Construction, as mentioned before, has been a major part of the county’s post-Recession economic recovery. The following chart shows Orange County’s ten fastest-growing industries.

Ten Fastest Growth Industries by Percent Growth



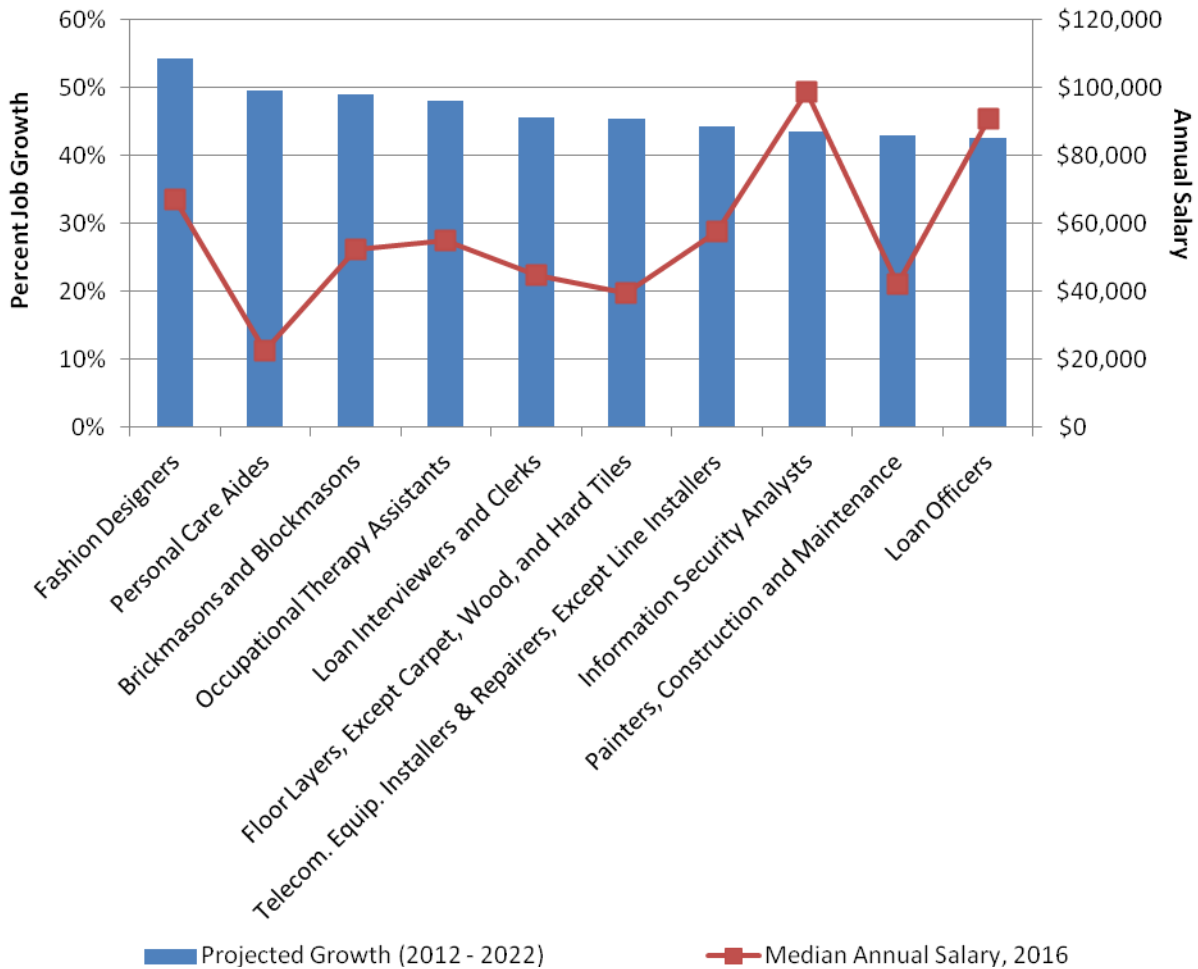
Source: California EDD

HIGH-GROWTH OCCUPATIONS REMAIN ATTRACTIVE CAREER OPPORTUNITIES

EDD projections show that Fashion Designers, Personal Care Aides, and Brick Masons and Block Masons will experience the highest occupational employment growth between 2012 and 2022, increasing by 54.3 percent, 49.6 percent and 49.0 percent, respectively; the latter two are part of the Healthcare and Construction industries, the two fastest-growing industries in Orange County. While these occupations' average wages range from \$20,000 to \$60,000, Information Security Analysts, which offered an average salary of

\$98,933 in Q1 2016, is also expected to experience major growth by 2022. The EDD predicts its employment to grow by 43.5 percent, good news for an industry whose employment growth has stalled. The EDD expects that Information Technology employment will increase in the near future as technology becomes more and more integral to the workplace. The high salaries offered to Information Security Analysts will help fill this demand by making the occupation an attractive career choice.

Average Salaries of Fastest Growing Occupations

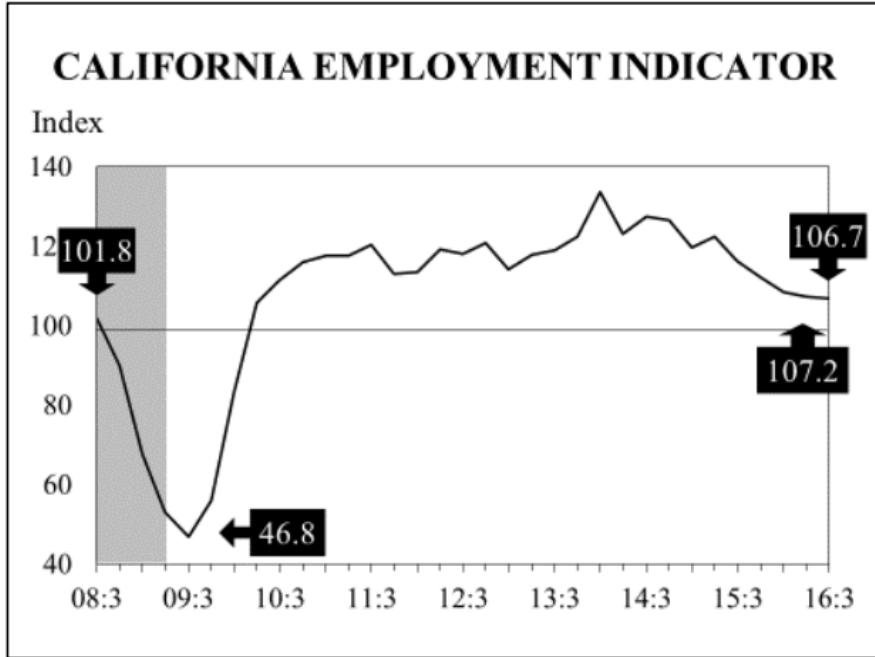


Source: OCBC Analysis of California EDD Data

CALIFORNIA EMPLOYMENT INDICATOR STABLE BUT DROPPING

Chapman University's California Employment Indicator (CEI) combines a variety of metrics – including lagged values of real GDP, real exports, the S&P 500, and California's total construction spending – to provide an index of the state's job growth. A score above 100 indicates positive job growth while one below 100 indicates statewide

employment contraction. After a record high score of 125.6 in 2014, the CEI has trended downward, falling to 107.2 in Q2 2016 and further to 106.7 in Q3 2016. While the CEI still reflects a growing rather than shrinking job market, its recent slide suggests a potential softening in California's economy.



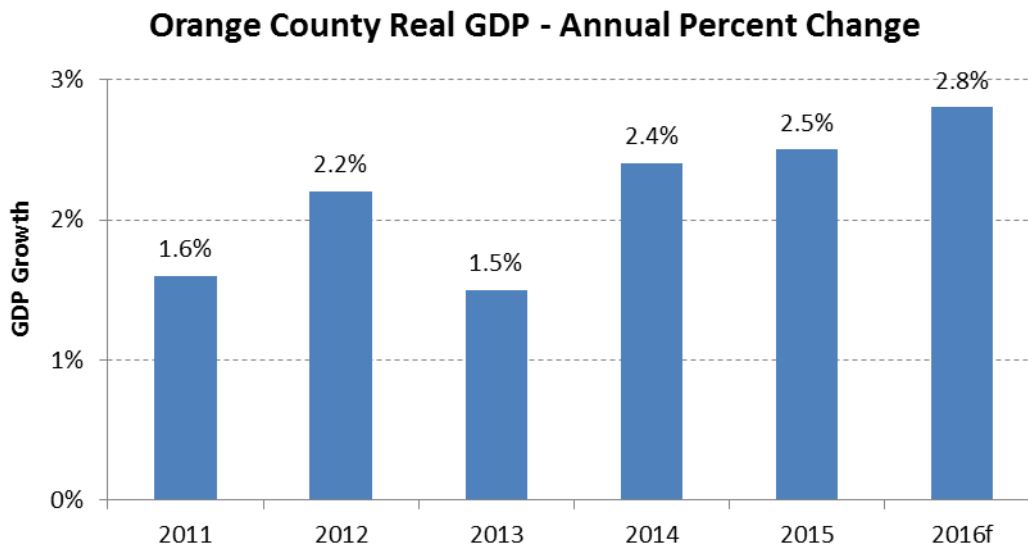
Source: Chapman University

ECONOMIC DEVELOPMENT

ORANGE COUNTY'S GDP CONTINUES SLOW CLIMB

Despite growing employment and increasing overall wages, Chapman University has once again lowered their predictions for Orange County's real GDP growth. Chapman researchers currently estimate that the county's real GDP will grow by 2.8 percent this year; while this still suggests economic growth in the short term, the constant revision of GDP projects reflects long-

term uncertainty, one that reflects global market uncertainty rather than the local or regional economy. Indeed, California's estimated real GDP growth of 2.8 percent is still significantly higher than Chapman (2.1 percent) and Fullerton's (1.9) predictions for annual national real GDP growth. This offers another sign of the county's relative economic strength.



Source: Chapman University Economic Forecast 2016 Midyear Update

MANUFACTURING AND BUSINESS EXPECTATIONS POSITIVE YET MODERATING

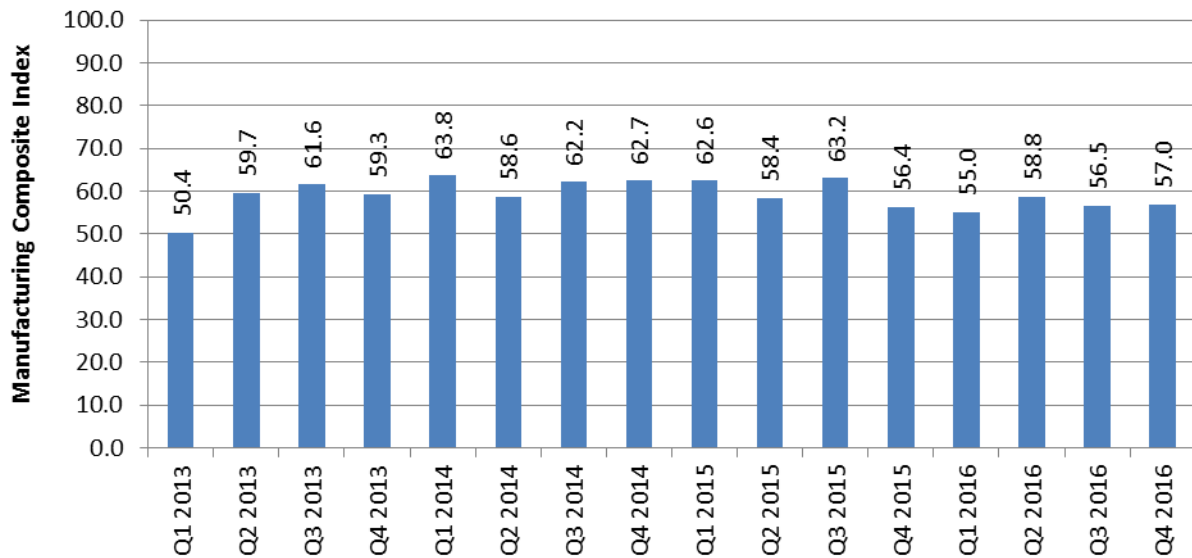
In addition to their real GDP growth projections, Chapman University also publishes the Orange County Manufacturing Index based on surveys by local purchasing managers. A score of 50 or above indicates general industry growth, while a score below 50 indicates industry contraction. Like Chapman's real GDP estimates, this index

also predicts slower growth in the short-term future. While recent Manufacturing Index scores have remained above fifty, they have decreased, falling from 61.8 in 2014 to 60.2 in 2015 to 56.5 as of Q3 2016. The Manufacturing industry's importance to the local, regional, and national economy makes this recent slowdown especially

concerning, as Manufacturing provides one of the largest multiplier effects of any industry and thus remains a cornerstone of the county's economy. While Chapman does predict continued expansion, the industry's slowing growth is a

concern for Orange County as a whole. The county scored 57 in Q4 2016, a slight increase from the previous quarter but still significantly below previous years.

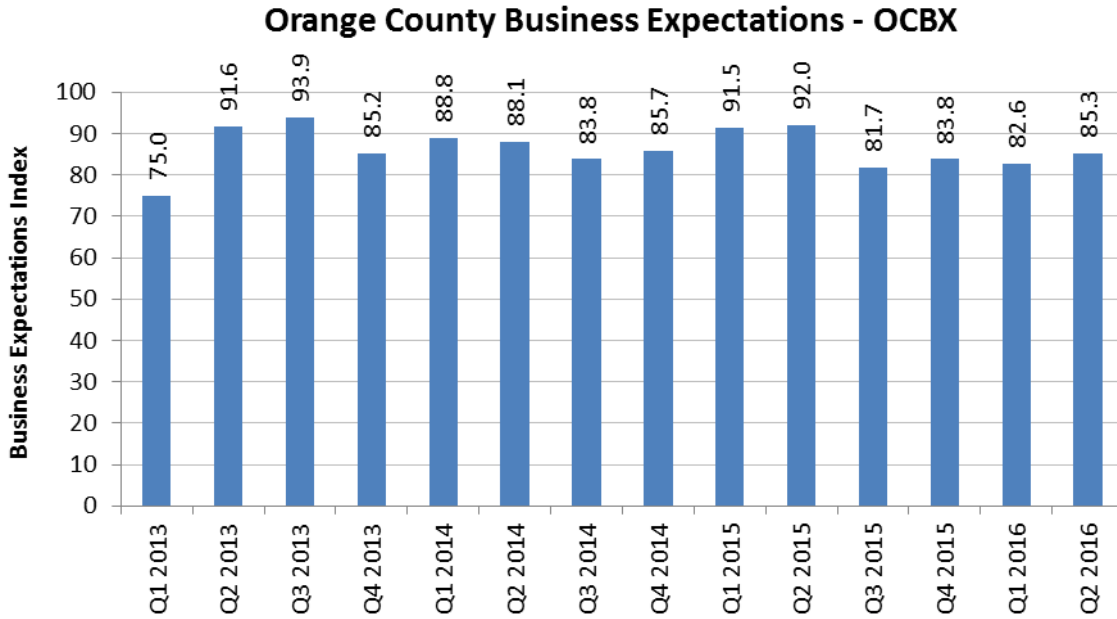
Orange County Manufacturing Composite Index



Source: Chapman University

California State University, Fullerton's Orange County Businesses Expectations Survey (OCBX), provides a compliment to Chapman's Orange County Manufacturing Index. The OCBX, based on surveys of local business leaders, uses a similar scoring system with a score of 50 or above indicating growth and a score of less than 50

indicating contraction. Like the Manufacturing Index, the OCBX records a recent decrease in growth, falling from 92.0 in Q2 2015 to 85.3 in Q2 2016; this is another worrying sign of a potentially stalling economy. The following chart shows OCBX scores since 2013.



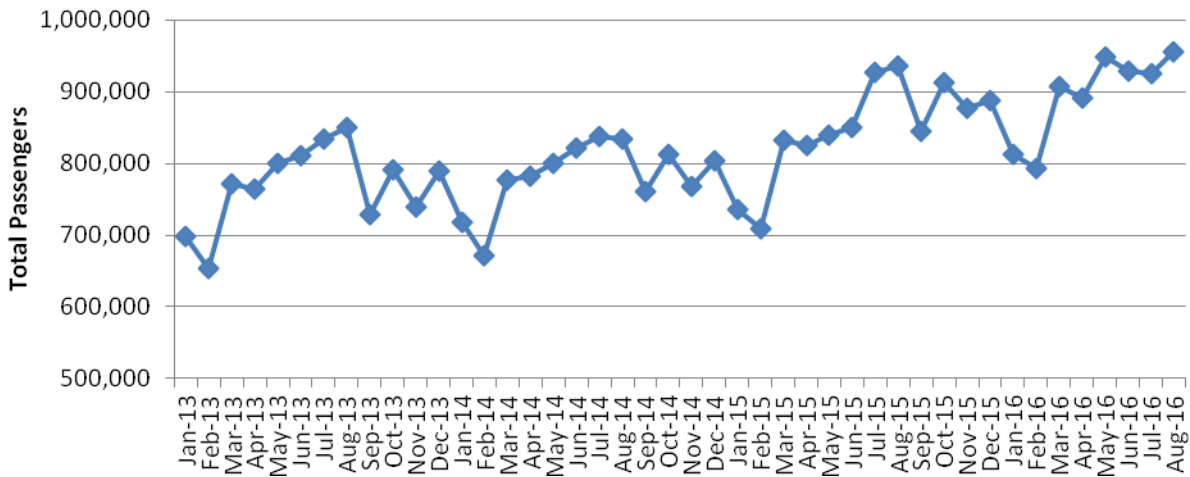
Source: Cal State Fullerton

TRAVEL CONTINUES TO BOOST TOURISM INDUSTRY

John Wayne Airport is the only airport in Orange County that provides commercial passenger and air cargo services and thus acts as a gateway to the county for millions of passengers every year. While following seasonal trends, total passenger volume has steadily increased since 2013, reflecting the strength of Orange County’s

tourism industry; as seen in the following chart, monthly passenger volume has grown from 769,399 in 2013 to 956,064 at the most recent count in August 2016. This surge in passengers reflects an improving business climate and an increase in disposable income that residents and visitors are able to spend on travel.

John Wayne Airport - Total Passengers



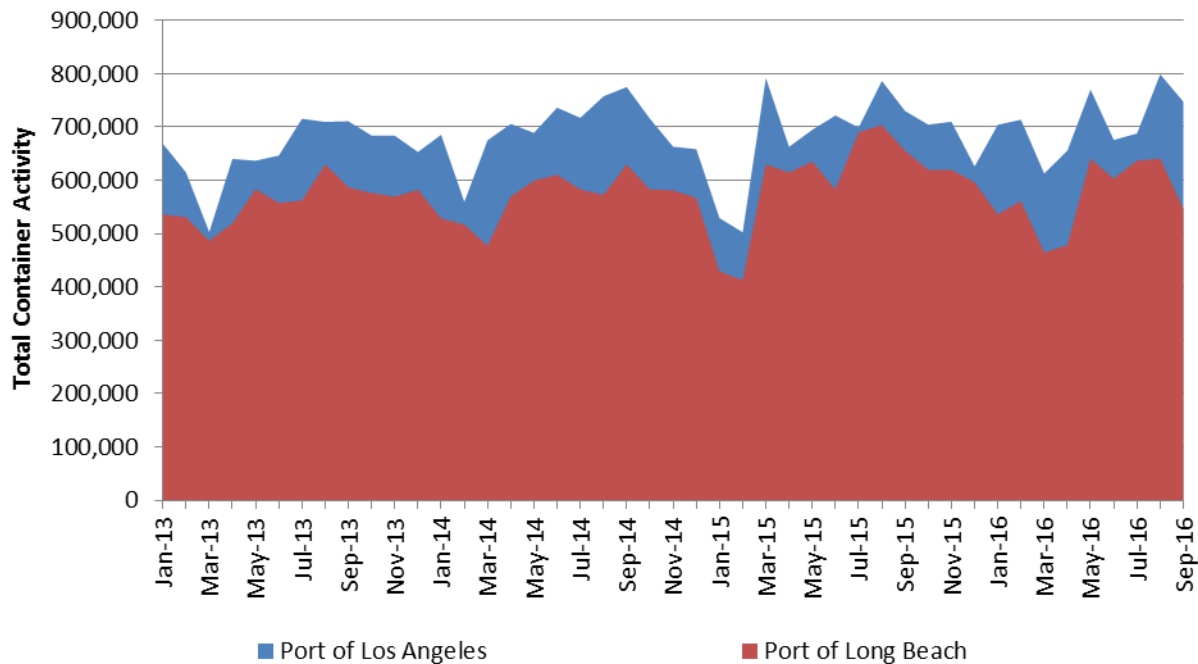
Source: John Wayne Airport

PORT ACTIVITY SHOWS STRENGTH IN LOS ANGELES TRADE AND A SLOWDOWN IN LONG BEACH

The graph below shows total container activity – measured in 20-foot-equivalent units or TEUs, which represents the size of a standard 20x8 shipping container – at the ports of Los Angeles and Long Beach. While the port of Los Angeles saw decreased activity from 2014 to 2015, it may be in the process of rebounding as monthly container activity in 2016 (707,567 TEUs) represents a significant increase over 2015 (680,038 TEUs.) Container activity at the port of Los Angeles reached almost 800,000 TEUs in August 2016, well above the yearly average so

far, but decreased by 6.4 percent to a total of 747,707 TEUS in September. September’s total, however, was still significantly higher than 2016’s monthly average. The port of Long Beach, on the other hand, has experienced a recent slowdown, seeing its average monthly container activity drop from 599,309 TEUs in 2015 to 567,791 TEUs in 2016. Long Beach container activity was measured at 546,805 TEUs in September 2016, representing a year-over-year decrease of more than 100,000 TEUS as a well as a decrease of 94,000 TEUS since August.

Port of Long Beach & Port of Los Angeles Total Container Activity



Source: Port of Long Beach, Port of Los Angeles

COMMERCIAL REAL ESTATE MARKET CONTINUES TO IMPROVE

Orange County’s commercial real estate market has historically enjoyed high rents and low vacancies due to the county’s successful businesses and high concentration of attractive class-A office buildings. Office vacancy rates have decreased by 3.1 percent over the past year, as seen in the following chart, while office rents have correspondingly increased by 13.2 percent over the same period. This high demand for office space has fueled construction; total space under construction reached approximately 2.4 million square feet in Q3 2016, a year-over-year increase of more than 300 percent. The industrial real estate market in Orange County has also grown

significantly over the past year. Industrial vacancy rates dropped from 2.5 percent in Q3 2015 to 2.3 percent in Q3 2016, while lease rates increased by 19.4 percent over the same period. This trend of increased industrial real estate demand can be attributed to the ongoing shift from brick-and-mortar retail stores to online stores with networks of warehouses. Additionally, the growing demand for new high-density residential and mixed-use properties has severely limited the construction of new industrial properties, which has, in turn, driven demand for pre-existing industrial real estate.

Orange County Office and Industrial Climate	Q3 2015 (July-September)	Q3 2016 (July-September)
Office Vacancy	10.51%	10.18%
Office Rents	\$2.20	\$2.49
Industrial Vacancy	2.51%	2.30%
Industrial Rents	\$0.67	\$0.80

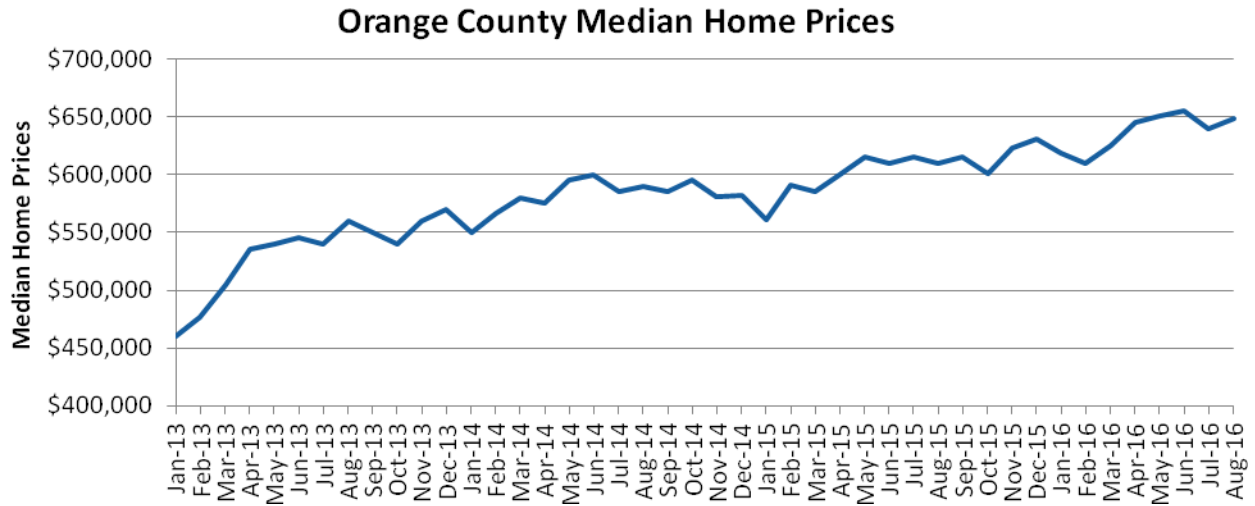
Source: Voitco

ORANGE COUNTY HOUSING MARKET

HOUSING COSTS CONTINUE TO CLIMB

The graph below illustrates the dramatic increase in Orange County home prices over the past four years. Driven by increasing demand and a low interest rate environment, the county’s median home price reached \$649,000 in August 2016, a 6.4 percent year-over-year increase and \$89,000 more than in August 2013. While rising home prices do reflect a welcome increase in overall economic activity, affordability issues threaten to negatively affect Orange County’s economy in the

near future. Combined with high healthcare and education costs, home prices – which are predicted to increase even further – may force low-income residents and young workers to relocate to other areas. If this trend continues, it could begin to limit or even diminish Orange County’s talent pool, a development that would make the county a much less attractive business environment.



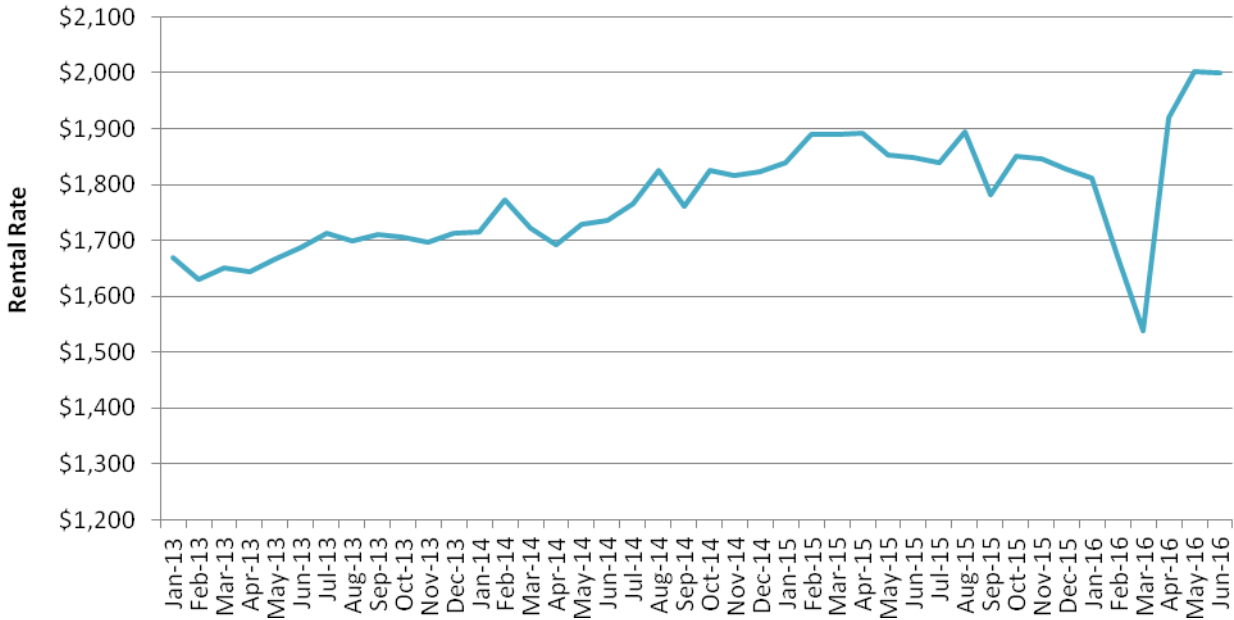
Source: Corelogic, Dataquick

RENTAL DEMAND SPURS RENTAL RATE INCREASES

Many attribute the growing demand for apartment space to the preferences of Millennials, who are thought to choose to live in city centers with more amenities and better access to public transportation than the suburbs. Affordability issues, however seem to be an equally important factor in this trend. Rising home prices, healthcare costs, and tuition fees have prevented many younger Orange County residents from buying homes of their own; this, in turn, has increased demand for apartment

rentals. The average monthly apartment rent in Orange County reached approximately \$2,001 in June 2016, a \$152 year-over-year increase. Several Orange County cities saw their average monthly rent increase much more than the county average: rents in Anaheim and Orange both increased by \$522 since last year, followed by rent in Fullerton which increased by \$359 over the same period. Huntington Beach, on the other hand, saw its average rent increase by less than the Orange County average.

Orange County Average Apartment Rental Rate

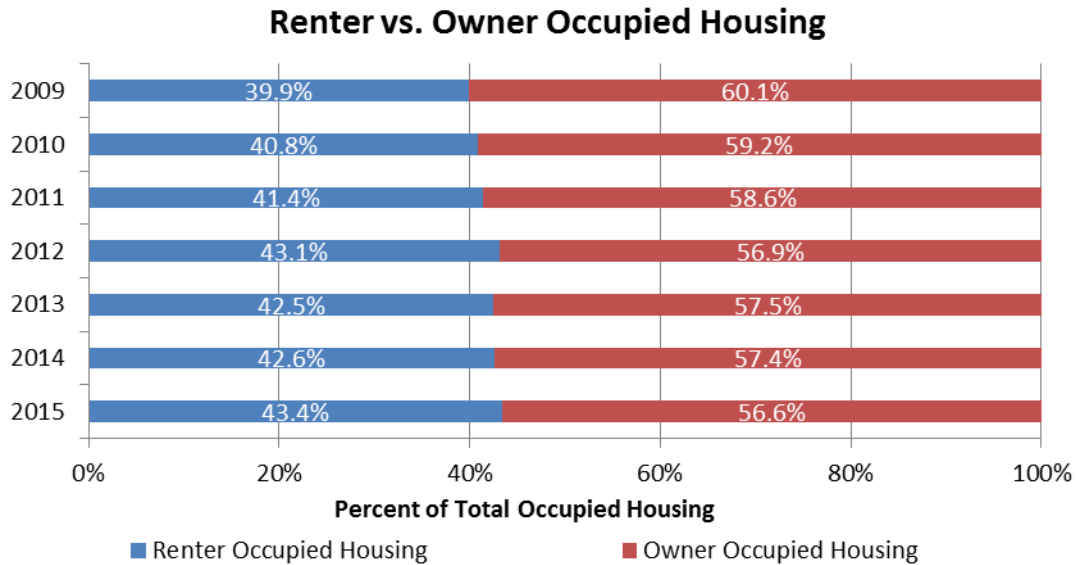


Source: RentBits

OWNER-OCCUPIED HOUSING DECLINES AS RENTING INCREASES

The aforementioned rising home prices and generational housing preferences have changed Orange County's ratio of renters to homeowners. According to the U.S. Census American Community Survey, the county's percentage of owner-occupied housing decreased from 60.1 percent in 2009 to 56.6 percent in 2015, while renter-occupied housing increased from 39.9 percent to 43.4 percent over the same period. Affordability remains a significant issue despite rising wages and employment levels, which suggests that increasing home prices have outpaced incomes. While many young people have highlighted advantages such as flexibility and access amenities as reasons for renting

instead of buying, the high cost of living and the inability of many younger workers to afford homes are equally important causes of this generational shift. High initial down payments provide a particular barrier to homeownership for first-time buyers, as many younger workers must save for a long time in order to pay for this expense. Affordable housing will play a key role in ensuring Orange County's continued ability to attract and retain talented young workers, as the county's high cost of living has encouraged many current county workers to move to less expensive areas and commute; long commute times have already begun to take a toll on productivity.



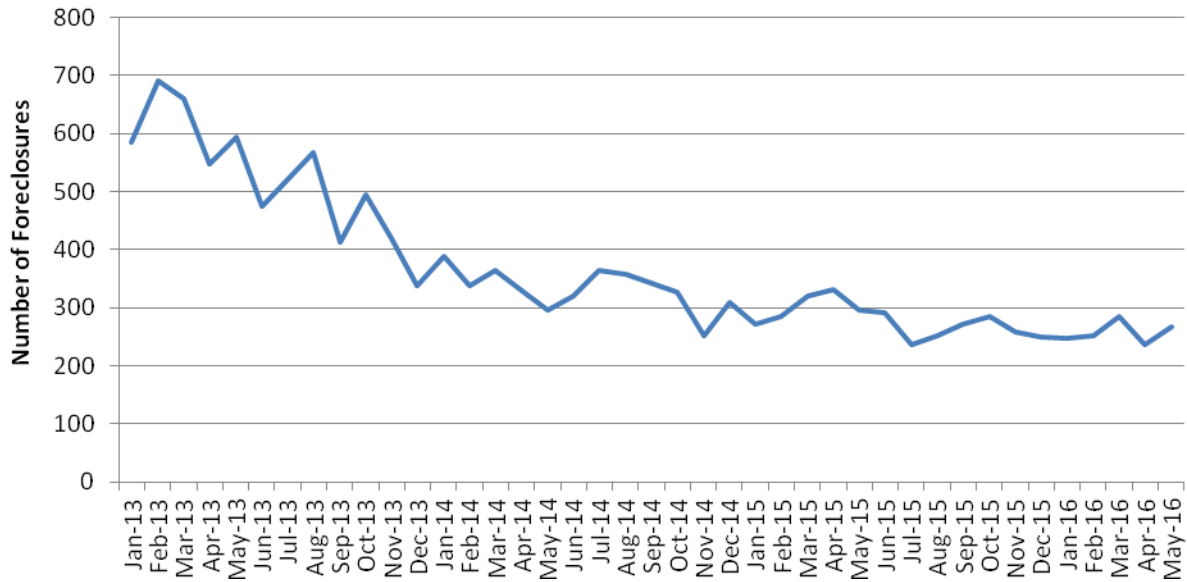
Source: U.S. Census Bureau

FORECLOSURES TRENDS HAVE STABILIZED

The following graph illustrates the steep decline in county foreclosures since 2013; only 268 county properties were foreclosed in May of this year compared to almost 700 in February 2013. There has been an average of 258 foreclosures per month in 2016 so far, less than half of 2013's

monthly average. The majority of this drop, however, took place in 2013 and 2014, with average monthly foreclosures falling from 525 in 2013 to 332 in 2014 to 279 in 2015. Orange County foreclosures have plateaued since July 2015.

Orange County Foreclosures



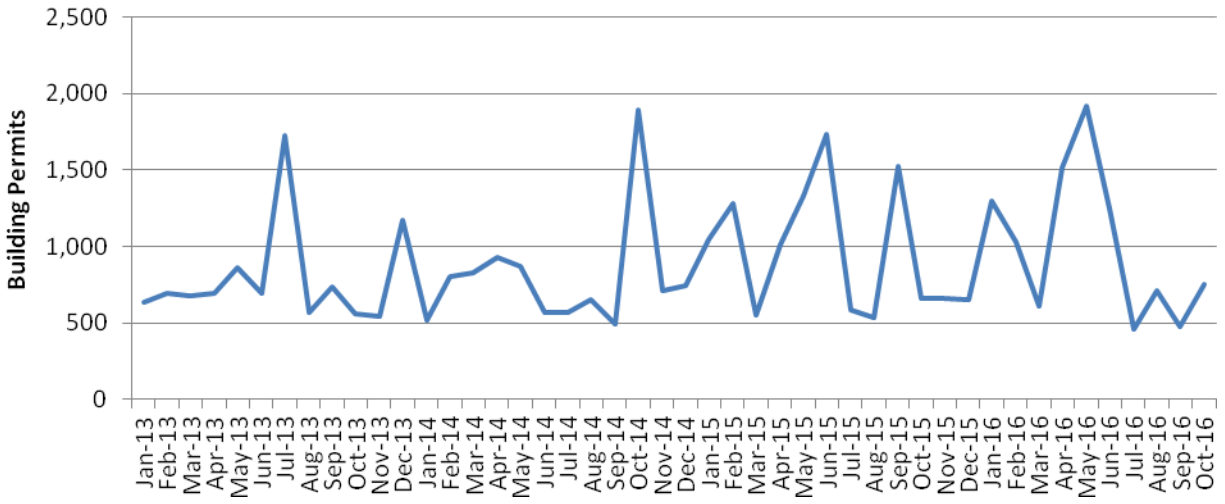
Source: Foreclosure Radar

BUILDING PERMIT ISSUANCE PICKING UP SPEED

The number of building permits issued in Orange County increased by almost 2,000 between 2014 and 2015, an upward trend that has continued thus far in 2016. As of June 2016, the year has averaged 1,098 building permits issued per month, a substantial improvement over the 2014 and 2015 monthly averages of 798 and 963, respectively. May 2016 saw a three-year peak in building permits with a total of 1,917 issued. Construction in Irvine has fueled building permit

growth in Orange County, accounting for 3,399 permits, 39 percent of all building permits issued this year. Several factors explain Irvine’s housing growth: the city’s status as Orange County’s *de facto* business hub, its central location in Orange County, proximity to John Wayne Airport and state freeways, and reputation as one of the nation’s safest cities. The following graph shows monthly Orange County building permits since January 2013.

Orange County Building Permits



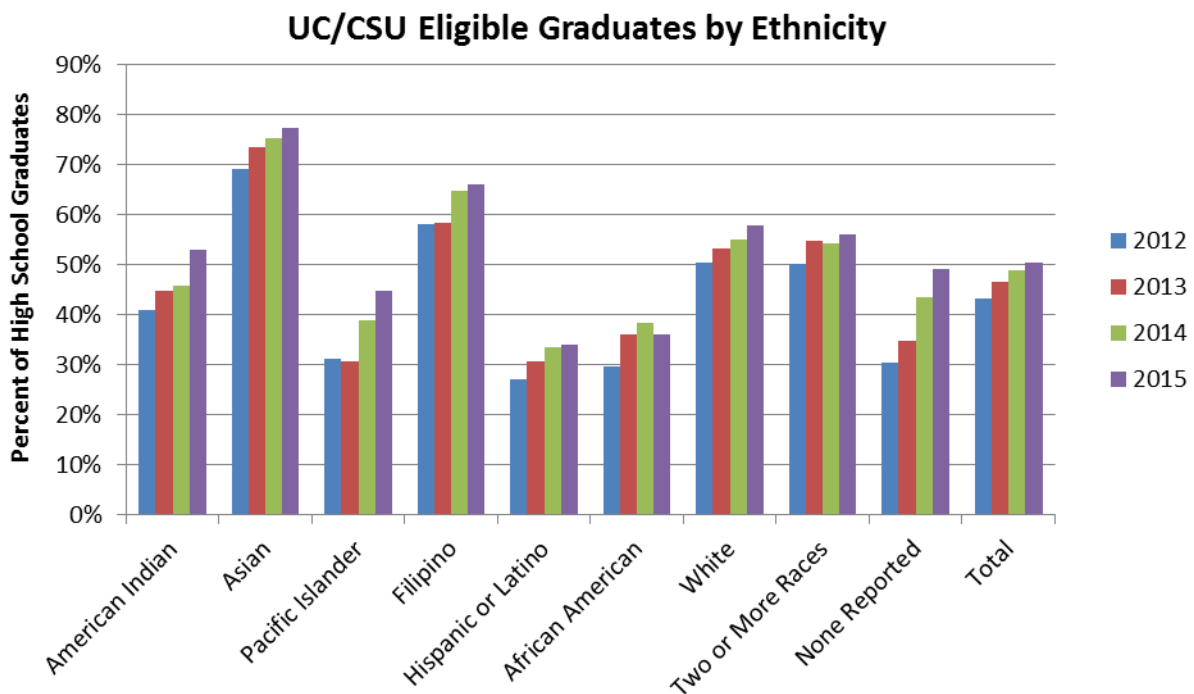
Source: U.S. Census Bureau

EDUCATION

EDUCATIONAL ATTAINMENT REMAINS A COMPETITIVE ADVANTAGE

Orange County continues to boast a well-educated workforce in 2016; 50.4 percent of its high school graduates are eligible for the UC and CSU systems, a 1.5 percent increase over the previous year's figures. Increased UC/CSU eligibility rates were measured across all of the county's ethnic groups, as shown in the graph

below, with Hispanic and Latino students experiencing particular success. Much of this increase in college eligibility, however, has been fueled by college preparatory courses unavailable in many diverse, lower-income areas of the county.



Source: California Department of Education

ENGLISH LANGUAGE LEARNERS DECREASE

123,001 Orange County high school students, almost 25 percent of the total, were English Language Learners during the 2015-2016 school year, a decrease of 1.1 percent from the previous year. Orange County's relatively high concentration of English Language Learners –

24.9 percent of the county's high school students compared to 22.4 percent statewide – makes it imperative that state policymakers continue to support programs designed to prepare these students for success in their educations and careers.

High School English Language Learners			
	Year	Orange County	California
Total Enrollment	2015	497,116	6,235,520
	2016	493,030	6,133,182
Number of English Learners	2015	129,390	1,392,263
	2016	123,001	1,373,724
Percent English Language Learners	2015	26.00%	22.30%
	2016	24.90%	22.40%

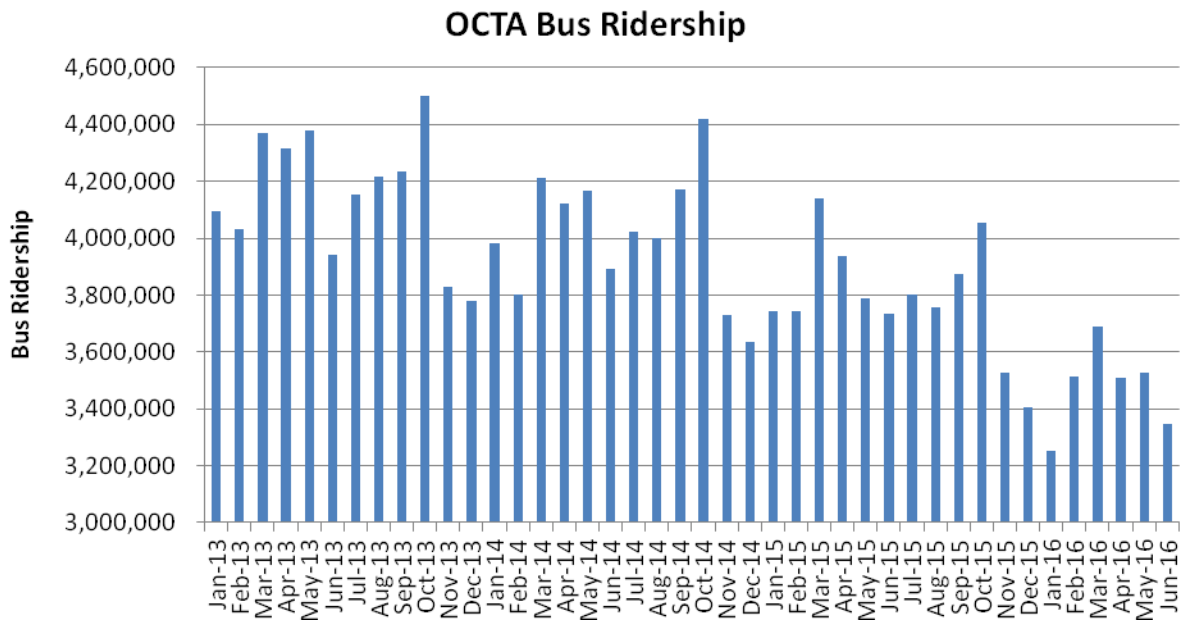
Source: California Department of Education

TRANSPORTATION INFRASTRUCTURE

BUS RIDERSHIP CONTINUES TO FALL

Data provided by the Orange County Transportation Authority (OCTA) shows that county bus ridership levels have continued their recent downward trend in 2016. 3.34 million passengers rode county buses in June of this year, for example, which represents a year-over-year decrease of 391,633. Over the past few years, average monthly bus ridership has fallen from 4.15 million in 2013 to 4.0 million in 2014 to 3.79 million in 2015 to 3.47 million in 2016. While public transportation has historically been less popular in Orange County than in neighboring regions, several new trends could explain the recent drop in bus ridership.

The emergence of ride-sharing services such as Uber and Lyft, for example, have reduced dependence on bus routes by providing convenient, low-cost travel; these services are able to compete with public transportation much more effectively than traditional taxi services. Environmental concerns and high gas prices have increased demand for alternative fuel vehicles, which offer fuel economies that make them an increasingly attractive option for county drivers, thus providing further competition for public bus lines. The chart below shows monthly OCTA bus ridership over the past four year.

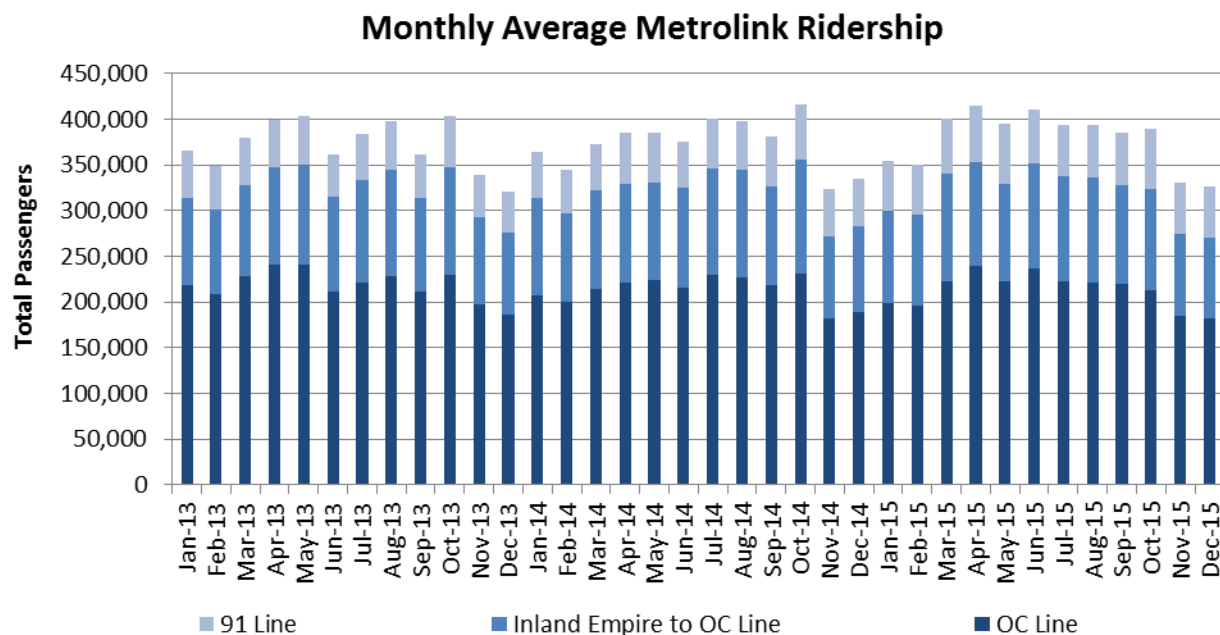


Source: Orange County Transportation Authority

METROLINK USAGE REMAINS STEADY

Orange County Metrolink usage has generally remained steady, as seen in the following chart, experiencing only marginal year-over-year changes. The Orange County line, for example, saw an increase of only 2,115 riders between 2014 and 2015, which represents less than one percent. One major exception is the 91 Perris Valley Line, which saw a 10.6 percent increase in ridership, a total of 67,464 riders, between 2014

and 2015. This increase reflects the aforementioned trend of Orange County workers commuting from less expensive areas in order to take advantage of the county's higher wages, and can be expected to continue in at least the near future. Overall, the Orange County Line, Inland Empire to Orange County Line, and 91 Line respectively averaged 213,538, 106,478, and 58,593 monthly riders in 2015.



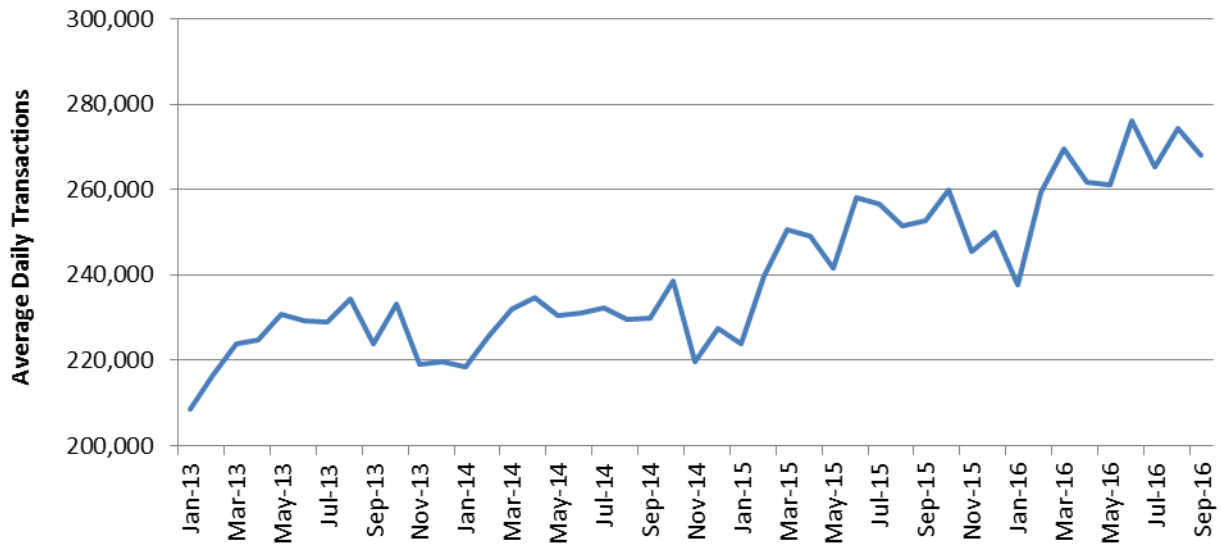
Source: Southern California Regional Rail Authority

TOLL ROADS CONTINUE TO OFFER RESPITE FOR ORANGE COUNTY RESIDENTS

Orange County's traffic problems have become notorious in recent years, especially congestion on the 405 freeway. A growing number of both visitors and county residents have opted to use toll roads in order to reduce commute times. The number of drivers using the Foothill and San Joaquin toll roads has averaged 263,670 per month thus far in 2016, an increase of 6.2

percent over 2015's monthly average; approximately 268,101 drivers used county toll roads during September 2016 for a 6.1 percent year-over-year increase. These figures reflect the importance of county toll roads, and suggest the need for a more efficient freeway system that will increase productivity and quality of life by decreasing commute times.

Average Daily Transaction, Foothill / Eastern & San Joaquin Toll Roads



Source: *TheTollRoads.com*

SUMMARY

Orange County, which enjoys increasing employment, a strong housing market, and improving educational attainment rates, continues to drive economic growth in Southern California. The county surpassed pre-Recession levels of economic activity in 2015 and has grown even further since then thanks to strategies that support regional strengths while improving areas of weakness. While certain issues remain, such as housing affordability,

Orange County is on a generally positive trajectory for the near future, and county policymakers and stakeholders should take steps to ensure that this upswing continues for the long-term. The next section of this report provides an overview of initiatives taken to address potential shortcomings and keep Orange County on track to achieve its CEDS benchmarks.

SUPPORTING RED-ZONE INVESTMENT

A HEALTHIER EMPLOYMENT CLIMATE

The CEDS' first goal for Orange County through 2018 is, to target economically disadvantaged neighborhoods, fostering full-time employment opportunities and improving educational outcomes to better prepare the local workforce for emerging job areas. Encouraging business interaction is just as important in this process as educators are, and only by working together can these two groups create clear pathways to career success for low-income residents throughout

Orange County. Orange County made great strides in reducing unemployment countywide; over 100,000 residents were unemployed on average in 2013, 86,400 in 2014, and averaged only 71,500 unemployed residents in 2015. This has led to an unemployment rate of 4.5 percent on average in 2015, down 1.0 percentage points from last year. For Red-Zones, unemployment rates have also generally decreased year-over-year.

EDA PROJECTS IN THE PIPELINE

The Economic Development Administration (EDA) has continued to provide investments for Orange County to study and pursue new ways to enrich the lives of residents living in Red-Zone regions.

One new project on the horizon is centered in Huntington Beach. The Center for Entrepreneurship & Leadership at Golden West College is a new endeavor to support workforce and economic development. The Center for Entrepreneurship & Leadership at Golden West College will provide both leadership development

and enterprise development for small business, social enterprise and micro enterprise for the Oak View community, as well as for other residents and future leaders in Huntington Beach. The program is a collaborative effort of the Oak View Renewal Partnership and Golden West College. This Center will support the CEDS goals #1 and #2 to advance lives of red zone residents living in the Oak View community, as well as citizens throughout Huntington Beach who will have access to the available programs and opportunities.

Although no new Orange County projects were awarded by the EDA since the past year, a number of new projects were awarded in neighboring counties since the original CEDS submission that may have an impact in Orange County, including:

- \$371,399 in Local Technical Assistance funds to the University of Southern California, Los Angeles, California, to support the development of an investment operations strategy for EDA's Seattle Regional Office. This project will provide a summary of economic trends, opportunities, and challenges within this 8 state region and result in a Knowledge Sharing Training forum for best practices. This investment is part of a \$560,191 project.

- \$200,000 in Economic Adjustment Assistance-IMCP funds to the University of Southern California, Los Angeles, California, to develop a manufacturing strategy for the state of California by assessing the existing industrial ecosystem. This project will identify gaps and opportunities, and leverage existing assets and comparative advantages, while forging new partnerships between the public and private sector and educational institutions. The resulting state-wide strategy will expand, strengthen and enhance advanced manufacturing. This investment is part of a \$440,578 project.

EDUCATIONAL INVOLVEMENT FOR PARENTS

Programs for minority and low-income communities are also taking new steps in 2016 to motivate parents to become meaningfully involved in educational success for their children. The Latino Educational Attainment (LEA) initiative reports several new accomplishments in 2016 supporting this goal:

- Completed a longitudinal study demonstrating that LEA has made a positive impact in student performance and increased parental knowledge about the California education system. Some highlights included:
 - Intermediate school students, whose parents participated in the “10 Education Commandments for Parents” training sessions, significantly increased from Basic to Proficient levels in Math, Language Arts and Science.
 - Elementary and intermediate school students in the experimental group achieved higher scores in citizenship grades, demonstrating greater work ethic, attitude, decision-making ability, and preparedness for learning.
- LEA manual currently being designed that guides how to teach LEA principles and expand outreach to communities of disadvantaged parents with expected release in 2017.
- Updated the “10 Education Commandments for Parents” to include the Common Core State Standards and the Next Generation Science Standards, preparing parents and students to be college and career ready.

CAREER TECHNICAL EDUCATION FOR SKILL-BUILDING IN RED-ZONE REGIONS

The Community for Innovation, Entrepreneurship, Leadership and Opportunities (CIELO), founded by a collaborative effort between Oak View Renewal Partnership (OVRP) and Golden West Community College, is an organization which serves to connect and cultivate relationships between various community partners and residents in order to facilitate financial prosperity. The OVRP’s mission is to narrow the cultural, social, educational,

health and economic gaps between the Oak View community and the rest of Huntington Beach by facilitating and incubating beneficial projects until they become self-sustaining. CIELO is the most recent project to come out of the OVRP and serves to support local entrepreneurs with a network of experts dedicated to helping guide and cultivate the skills and creativity of participating individuals. CIELO offers one-on-one mentoring and training, providing individuals with

a roadmap on how to navigate through the complicated process of developing and implementing business ideas. CIELO strategically invests in local ventures providing entrepreneurs with financial experts who are able to strengthen the financial standings of these start-ups so that they may secure large funding sources and further grow their ventures. On top of providing entrepreneurial support, CIELO additionally offers various workforce programs and career paths designed to improve an individual's skills and marketability; green initiatives to increase

sustainability and inspire innovation; and the Social Enterprise program which focuses on community development and environmental protection. Centered in a low-income region of Huntington Beach, the success of OVRP's efforts in rolling out CIELO should serve as a model on how organizations could potentially improve the quality-of-life and financial prosperity of other low-income, red-zone designated communities in Orange County.

EDUCATION AND WORKFORCE OPPORTUNITIES

CAREER PATHWAYS PARTNERSHIP TARGETS THE 21ST CENTURY WORKFORCE

The CEDS aims to help create a cutting-edge workforce throughout Orange County that relies on a quality education system, improving career preparedness. The bridge between employers and educators is once again particularly important for Orange County to achieve this goal – retaining high-skill graduates in the region is only possible if the jobs opportunities they have been trained for are available at home.

May 2014 saw an exciting new project for career readiness through the efforts of the Orange County Department of Education. The Orange County Career Pathways Partnership (OCCPP) was awarded \$15 million by the California

Department of Education to form new career pathways programs in K-12 schools throughout the region with a special emphasis on high-tech, high-growth career track preparation. Students in the pathway programs will participate in career exploration and on-the-job training that prepare them to earn certificates, associate degrees, baccalaureate degrees, and advanced degrees in three target sectors: Health Care/Biotechnology; Engineering/Advanced Manufacturing and Design; and Information Communication Technology/Digital Media. The goal of this initiative is to enroll 17,000 Orange County students in career pathways within these sectors by 2017-18.

INFRASTRUCTURE AND NEW CAPACITY IN OC

MEASURE M2 HIGHWAY PROJECTS MOVING FORWARD

Based on the success of M1, Measure M2 was passed in November 2006 by 70% of Orange County voters to continue with transportation investments funded by the local half cent sales

tax for another 30 years, financing road improvements, and new transit centers from 2011 to 2041. Of the 40 projects proposed through 2022, twelve have been completed so

far, with four more scheduled to be completed by the end of 2016. The table below describes the twelve projects which have been completed since the implementation of M2, six of which were completed since the previous report update. The Anaheim Regional Transportation Intermodal Center (ARTIC) is a particularly major milestone

for Anaheim, serving as a central access point for Metrolink, Amtrak, OCTA buses, Anaheim Resort Transportation, shuttles, taxis, and charter buses. A full list of Measure M2 projects and their estimated completion dates is located in the appendix.

Measure M2 Projects and Programs		
Project	Description	Stage
E	SR-22. Access Improvements	Complete
G	SR-57 (NB), Katella to Lincoln	Open to Traffic
G	SR-57 (NB), Orangethorpe to Yorba Linda	Complete
G	SR-57 (NB), Yorba Linda to Lambert	Complete
H	SR-91 (WB), I-5 to SR-57	Complete
J	SR-91, SR-241 to SR-55	Complete
J	SR-91 (EB), Riv. County Line to SR-241	Complete
O	Placentia Grade Separation	Complete
O	Kraemer Grade Separation	Complete
R	Sand Canyon Grade Separation	Open to Traffic
R	Rail-Highway Grade Crossing Safety Enhancement	Complete
R,T	Anaheim Regional Trans Intermodal Center	Complete

Source: Orange County Transportation Authority

OCTA BUDGET

The Orange County Transportation Authority (OCTA) 2016-2017 budget covers all projects and programs administered by OCTA, including sustaining bus and rail service levels, closing out Measure M1, continuing Measure M2 improvements and operating the 91 Express Lanes. The budget is allocated to provide:

- \$345 million for bus operations
- \$196 million for streets and roads improvements
- \$271 million for freeway projects
- \$144 million for Metrolink service, rail and station projects in Orange County
- \$7 million for motorists and taxi services

DROUGHT MEASURES AND THE STATE OF EMERGENCY

In response to the record-setting dry year of 2013, Governor Brown declared a drought emergency in January 2014 and asked that all Californians voluntarily reduce their water use by 20 percent. In order to best assess the current situation regarding California's diminished groundwater levels, the Orange County Water District (OCWD) recently updated its Groundwater Management Plan in 2015, right after the passing of the California Sustainable Groundwater Management Act passed in 2014. Encouragingly, this new law provides authority for agencies, such as OCWD, to develop and implement Groundwater Sustainability Plans which demonstrated the basin has operated within its sustainable yield over a period of at least ten years. The primary goal include: (1) protect and enhance groundwater quality, (2) protect and increase the sustainable yield of the basin in a cost-effective manner, and (3) increase the efficiency of District operations.

While efforts to conserve water use in the state remain a major priority, it should be noted that groundwater supplies are improving, indicating that efforts by the OCWD and the general public have been successful in curbing water use. According to OCWD, as of September 2016, groundwater storage is approximately 19 percent full, an improvement of 1.4 percent compared to last year and groundwater recharge has improved by 4.4 percent during the same time period.

While the metrics above indicate strides have been made in conserving water in the state and Orange County, it is imperative than residents continue to implement water saving habits so that groundwater levels can continue to be rebuilt helping to potentially stave off any future disastrous drought conditions, which may return if water use is not properly mitigated.

2016 ORANGE COUNTY INFRASTRUCTURE REPORT CARD

New State The 2016 Orange County Infrastructure Report Card represents a collaborative effort by 12 working committees of infrastructure, public agencies, consulting firms and watchdog groups who aggregated data, reported on and provided grades based on the condition, capacity, performance, and resiliency of 12 different Orange County infrastructure sectors. The various grades these sectors received are detailed below and together amount to an overall Orange County infrastructure grade of C+, indicating county infrastructure is in better condition than at the national level which was graded at a D+ yet also representing no improvement to the 2010 Orange County Infrastructure Report Card which yielded an overall grade of C+. With over 3.1 million residents calling Orange County home, having an efficient, well-designed and maintained infrastructure is paramount to preserving and further driving residents' lifestyles, worker productivity, industry competitiveness and general economic well-being. The table below highlights the various grades received by different infrastructure sectors in Orange County helping local county stakeholders to gain a better understanding of the current condition of these sectors, where improvements are needed, and what projects have been the most successful. Through this understanding, policy-makers can better choose and streamline improvement projects and provide residents with the enhanced quality-of-life many have come to associate with Orange County.

ASCE Report Card 2016 www.ascecareportcard.org	
Aviation	A-
Electric Power	C-
Flood Control And Levees	C-
Ground Transportation	C
Natural Gas	B-
Oil	B-
Parks, Recreation, and Environment	C+
School Facilities	C
Solid Waste	B
Surface Water Quality	D+
Wastewater	B
Water Supply	B
OC's Infrastructure GPA	C+

Aviation – Grade A-

The commercial aviation demand in Orange County will continue to grow with the population. While commercial traffic at John Wayne Airport approaches the current negotiated passenger limit of only 10.8 million annual passengers until 2020, both general aviation and military demand fall short of meeting Orange County’s available capacity. One solution for commercial demand may be to develop high-speed rail transportation to underutilized regional airports. The condition of John Wayne Airport is excellent

Electric Power – Grade C-

The electric power infrastructure system reliability may decline due to limited investment in system upgrades and replacements. Prior rate increases approved by the California Public Utilities Commission for Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E) may be adequate to maintain minimum reliability standards, yet be insufficient to fund the pace of work necessary to replace and upgrade the region-wide and county-wide facilities on which we depend for a high degree of reliability. As electric power infrastructure continues to age, the potential exists for less reliable service.

Flood Control and Levees – Grade C-

The backbone flood control and drainage systems serving Orange County, including 380 miles of flood control channels of which 114 miles are levees (non-incised), 34 retarding basins, 15 dams and 13 pump stations, vary widely in condition and capacity to reduce flooding risk from major storms. Generally the condition of the levees is fair and we continue to work with FEMA and USACE to meet their standards. Funding shortfalls for needed upgrades to bring regional flood control facilities in the County to its standards continue to be in excess of \$2.7 billion. Insufficient funding for capital projects along with maintaining our aging flood channel system presents challenges.

Ground Transportation – Grade C

Orange County provides bus, commuter rail, regional rail, freight movement, local streets and freeway including toll roads and carpool lanes that transport goods and people within the county and provide connectivity for the region. The existing funding sources are inadequate to meet the current and future demand. There is a dire need for additional funding, estimated at \$133 million a year (2015 dollars), from local, state and federal sources to maintain, improve, and expand our transportation network. Deferred maintenance during the recent recession has exacerbated today's need. Infrastructure investment can elevate Orange County's quality of life, spur economic growth and support local jobs. The time is now to evaluate various sources of infrastructure funding including private sources, user fees and bonds, in order to relieve congestion, improve the quality of our transportation systems and continue to maintain them.

Natural Gas – Grade B-

Southern California Gas Company (SoCalGas) is the nation's largest natural gas distribution utility with 21.6 million consumers through 5.9 million meters in more than 500 communities. SoCalGas' service territory encompasses approximately 20,000 square miles in diverse terrain throughout Central and Southern California, from Visalia to the Mexican border. SoCalGas is regulated by the California Public Utilities Commission (CPUC) and follows State and Federal pipeline safety and other regulations to meet the CPUC's requirements. The natural gas system provides the fuel for home heating, cooking, manufacturing, generating electricity, powering trucks and buses throughout Southern California including in Orange County.

Oil – Grade B-

Orange County receives 100% of its transportation fuel needs from three transportation fuel manufacturing centers on the West Coast: Pacific Northwest, San Francisco, and Los Angeles. Orange County's 2.5 million vehicles are consuming about 3 million gallons of transportation fuels a day. While California's 200,000 electric vehicles are the most that any state has, they represent less than 1 percent of total vehicles. The other 99 percent of California's 32 million vehicles that do not run on electricity are consuming more than 40 million gallons of transportation fuels, gasoline and diesel, every day, excluding jet fuel for the numerous airports. The reliability of supply to Orange County for transportation fuels and

other fossil fuel products has been impacted by the fact that California is an “energy island.” This has led to periodic transportation fuel price spikes resulting from significant unplanned refinery outages.

Parks, Recreation, and Environment – Grade C+

The condition and capacity of parks, recreation and environment facilities have been relatively steady in the past five year. The 2015 overall grade of C+ remains the same as it was in 2010. Currently, Orange County operates a total of 22 regional parks. Additionally, each of the 34 cities within Orange County operates and maintains local parks within its jurisdiction. While several new developments and improvements to existing facilities have been completed, challenges such as the current California drought, slow recession recovery, insufficient funding, and growing population prevented improvement to the overall grade. A projected expenditure of \$525 million for the entire Orange County would be required over the next five years in order to raise the overall rating to a grade of B.

School Facilities – Grade C

There are a total of 13 Elementary School Districts, three (3) Union High School Districts, and 12 Unified School Districts in Orange County serving approximately 500,000 students in grades kindergarten through twelfth. Collectively, the districts manage and maintain nearly 600 school facilities. The condition of schools facilities that serve the needs of Orange County have declined in the past five years due to lack of facilities funding. The majority of school districts’ enrollment has either decreased or remained constant easing near term demand to expand and add new facilities. Deferred maintenance and upgrading of older school buildings continues to be a daunting problem to solve.

Solid Waste – Grade B

Recycling and waste diversion programs have been established and expanded since enactment of the Integrated Waste Management Act of 1989 to significantly reduce the amount of waste disposed in landfills. The solid waste industry will be faced with new challenges to develop programs to further enhance recycling of commercial and organic waste to meet state mandates. This will require expanding existing infrastructure and innovation of new technologies in a highly regulated environment. The statewide diversion rate has continued to steadily increase from 10% in 1989 to 66% in 2014 as compared to the national average of 34.3% as reported by the Environmental Protection Agency in 2013. Orange County’s per resident disposal rate is comparable to the national average at 4.5 pounds/resident/day. Public education and awareness has greatly increased recycling efforts and will be essential towards reaching the State’s goal of 75% recycling.

Surface Water Quality – Grade D+

Good surface water quality is critical to ensuring safe recreation in our coastal waters and is vital to the overall health of Orange County’s watersheds which provide wildlife habitat and replenish drinking water sources among other beneficial uses. Surface water quality infrastructure generally includes devices, systems, structures, facilities, and areas designed and engineered to filter, treat, divert,

infiltrate, and/or capture, stormwater and non-stormwater runoff. Due to increased volume of stormwater runoff during storm events, existing surface water quality infrastructure in Orange County does not have nearly the capacity to meet wet weather demands. Although currently operations and maintenance of stormwater quality infrastructure is manageable additional infrastructure to increase capacity will make operations and maintenance challenging in the future. Also, unlike water supply and wastewater treatment, stormwater management is not considered a utility. Projects, programs, and services that protect and improve surface water quality must compete for general fund dollars. A shift to an innovative, integrated approach for water supply, wastewater treatment, and stormwater management is needed in order to raise the grade in this category

Wastewater – Grade B

Assets and workforce are well managed. Sustainability has improved by providing more reclaimed water for aquifer recharge. Upgrades to comply with state and federal requirements are ongoing. All infrastructure must continue to be inspected, rehabilitated, and replaced to meet performance and asset management criteria. Additional stressors will emerge and need to be managed.

Water Supply – Grade B

The overall condition level of the infrastructure (pipelines, pumping stations, and reservoirs) in Orange County is good. Most agencies are planning on significant capital improvement projects to enhance the water supply infrastructure over the next three to five years. Water quality continues to be an issue with public concern heightened by news stories such as water contaminated by lead leaching from pipes in Flint, Michigan, to news about contaminated groundwater in the Central Valley of California. The groundwater basin that serves the northern two-thirds of Orange County has two areas that present an ongoing concern. The Orange County Water District is working with regulatory agencies for a long term cleanup solution. Finally, water conservation is essential to the long term interests of not only Orange County, but also California. With the recent impacts from the latest drought, water is becoming a more vital and precious resource. We have been mired in an ongoing five year drought in Southern California. We have fallen short, as a state, of meeting the Governor’s goal of a 25% reduction in our water usage as compared to usage in 2013.

ADVANCEMENTS IN GLOBAL COMPETITIVENESS

NEW STATE-LEVEL INCENTIVES PLAY TO ORANGE COUNTY’S STRENGTHS

The CEDS calls for Orange County to harness its unique strengths while establishing a business-friendly economic environment that can match up favorably with other states and countries. A new law implemented on July 1, 2014 allows

businesses to obtain a partial exemption of sales and use tax on certain manufacturing and research and development equipment purchases by companies engaged in manufacturing or biotechnology research and development.

Although this is a statewide initiative, both key industries are critical players in Orange County's long-term growth plan and the county stands to greatly benefit from the law relative to its peers. The Sales Tax Exemption law allows businesses to exclude the first \$200 million in equipment purchases from the state share of sales tax (4.19%).

Additionally, the New Employment Credit (NEC) supports the Orange County CEDS' Red-Zone

targeted employment efforts by granting incentives to employers who hire residents for work in low-income neighborhoods. The credit is available from 2014 through 2021 to qualified taxpayers hiring full-time employees paid experience-commensurate wages in a designated census tract or economic development area. In order to be allowed a credit, the qualified taxpayer must have a net increase in full-time employees in California, determined on an annual full-time equivalent basis.

EMERGING ALTERNATIVE FUEL OPPORTUNITIES DEVELOPING IN ORANGE COUNTY

In 2013, the California Workforce Investment Board awarded the Orange County Workforce Investment Board (OCWIB) a \$248,000 grant for developing a greater presence in the alternative fuels and advanced transportation cluster,

through California's Regional Industry Cluster of Opportunity (RICO) program.

RICO II PROGRAM SUMMARY AND ACTIVITY UPDATES

Three years after the initial RICO grant program began, launching a partnership between the Orange County Workforce Investment Board (OCWIB), Pacific Gateway Workforce Investment Network (PGWIN) and the Orange County Business Council (OCBC), efforts to further advance the California Energy Commission's (CEC) Alternative and Renewable Fuel and Vehicle Technology (ARFVT) initiative aimed at accelerating the support and adoption of alternative/renewable fuel, advanced vehicle technology and alternative energy industries continues through two extension projects, Talent Pipeline and Sustainability highlighted below. In March 2016, the final deliverable was submitted by the OCWIB providing a cluster investment diagnosis and strategic action plan that identifies fruitful areas of investment that improve alternative fuel infrastructure and workforce

training in advanced transportation, detailing the employer parties involved in implementation and timelines required for chosen investment areas. This final report also highlights the various outcomes of several project partnerships, outreach services and events which manifested as a result of this grant. As mentioned above, two projects still driving RICO grant activity include the Talent Pipeline and Sustainability projects, both of which continually serve to advanced alternative fuel and vehicle awareness and adoption. With Orange and Los Angeles counties serving as ground-zero for the commercial adoption of hydrogen fuel cell vehicles while boasting a continually expanding, well-educated 'Green' workforce and supportive educational environment with programs aimed at encouraging industry participation. With the Talent Pipeline project serving to support and

drive industry development and growth while the Sustainability project serves support and drive industry innovation and adoption, both projects have drastically increased the awareness regarding the financial and environmental

benefits of various alternative energy technologies. The next portion of this report will highlight both of these projects and their major milestones and outcomes:

Focus Area #1 – Sustainability

As a result of the various RICO activities performed over the past few years, several significant partnership have been formed and leveraged between major industry participants including First Element Fuel, the California Fuel Cell Partnership, UC Irvine’s Advanced Power and Energy Program (APEP), the OCWIB, PGWIN and SCAQMD. Overall, the various projects and initiatives implemented have yielded activities which have influenced infrastructure developments, promoted awareness of hydrogen fuel cell technologies, increased awareness of educational programs and highlighted the opportunities within the labor market which could provide gainful employment opportunities for many local residents. Numerous other successes have been realized from the Sustainability initiative and include:

- OCBC members and partners marketing Cleantech OC’s 2015 conference and working with them to make Orange County the hub of the Advanced Transportation Center of Southern California. Additionally, OCBC, its members, and partners marketed the Solar Decathlon extensively prior to and during the event through committee meetings, board and committee reports and email blasts where recipients included nearly 15,000 local business leaders.
- Increased outreach to educational institutions such as Long Beach City College and other regional educators to help develop new pathways and connections to employers in alternative fuel and vehicle technology clusters. Additional outreach was done in the form of presentation to colleges including Saddleback College, Golden West College, Irvine Valley College, South OC Community College District, Cypress College, Santa Ana College, Fullerton College and UC Irvine.
- The development of LocationOC industry cluster mapping by OCBC which will include alternative fuel and vehicle technology and other advanced transportation companies.

Focus Area #2 – Talent Pipeline

The Talent Pipeline project is specifically geared to increase student and general public awareness of the financial and environmental benefits of alternative fuel and vehicle technologies through partnerships with workforce and education development institutions. Increasing awareness and education of this industry is expected to contribute to the overarching goal of sustained and increasing workforce

development skills so that this industry can continue to flourish. Below are various accomplishments and outcomes realized by the Talent Pipeline project:

1. Leveraged and built upon partnerships with local educational institutions and employers.

Educational institutions which have shown continued interest in promoting the alternative fuel technologies include Saddleback College which mentioned creating a dedicated hybrid specialist training program, Cypress College which plans to maintain and reinforce an introduction to alternative fuels class. Major employers in the region serving to continually drive alternative energy adoption include Hyundai Motors which recently become the leading producer of hydrogen vehicles – efforts which are local to Orange County and the International Brotherhood of Electric Workers (IBEW) which is currently preparing its workforce for the implementation and commercial roll-out of electric vehicle infrastructure.

2. Encouraged the creation and student participation in awareness campaigns, training programs, internships, mentorships and career development programs.

Various organizations have greatly contributed to spreading awareness regarding the benefits of alternative fuel technologies including: the Orange County Sanitation Department which continues to operate its fueling location which also serves as a model to inspire others to develop similar fueling sites further spreading awareness; CleantechOC which hosted the Clean Transportation Conference Panel connecting industry research with potential industry participants; and South Coast Air Quality Management District (SCAQMD) which has planned events for safety, awareness and other best practices for city planners.

Other programs geared specifically towards Orange County students include: Orange County Green Champions of Tomorrow program, 2015 Solar Decathlon and Vital Link which promotes STEM and the Arts Career Showcase for alternative fuel vehicles. Additionally, two new internships programs have been developed with ARFVT RICO II components for 2016-2017 by Orange County United Way and Cal State Fullerton.

3. Promoted transfer readiness and postsecondary enrollment coupled with further transitory pathways to appropriate employment, apprenticeships or job training.

A major push by the Orange County Department of Education has resulted in the development and incorporation of new and expanded curricula in twenty-seven Orange County School Districts. Once students have graduated from their respective programs, supportive organizations partnered with local educational institutions provide transitory help so students can effectively enter the 'Green' workforce. These programs include a fuel training program focused on incumbent training opportunities provided by Long

Beach City College; the UC Irvine Graduate Division which through its Graduate Professional Success Program (GPS) helps graduate students develop strong professional identities and career plans; and The Community for Innovation, Entrepreneurship, Leadership and Opportunities (CIELO) created through a partnership between Golden West Community College and Oak View Renewal Partnership which provides young professionals with various services include coaching, mentoring, training and access to entrepreneurial experts able to guide them through the various stages of potential endeavors.

4. Continued efforts for employer engagement and education partnerships.

Employer and education engagement mirrors similar outreach efforts highlighted above (networking, industry association, meetings, conferences) and also includes: tracking of development and implementation of new and emerging alternative fuel and vehicle technologies; weaving RICO into future Workforce and Economic Development initiatives; research and distribution of industry-related labor market information; encouragement of employer internships related to alternative fuel and vehicle technologies; and the solicitation for partners to solicit for their opinions needs, feedback and identification of other potential partnership opportunities.

The OCDB continually engages educational institutions providing them with labor market information, primarily through the Orange County Development Board's Annual Workforce Indicators Report, allowing them to further refine advanced fuel and vehicle technology courses, certifications and degrees so that they line up with current and future labor market requirements from employers.

PROGRESS TOWARD PERFORMANCE STANDARDS

The CEDS has identified four benchmarks of progress for Orange County to meet from 2013 to 2018: jobs created after implementation of the five-year CEDS plan, number of investments undertaken in the region, number of jobs

retained in the region, and private sector investments made post-implementation. Each standard had made significant progress even in the CEDS period’s first year, highlighted by new job growth and major new investments coming to fruition in 2016.

JOB'S CREATED

Orange County is aiming to create 50,000 cumulative new jobs in the region from June 2013 through June 2018, and thus far is showing good progress in growing overall employment. As

of September 2016, the total Orange County labor force has grown by 63,200 while total employment has increased by 104,500.

Orange County Population	June 2013	September 2016
Civilian Labor Force	1,573,200	1,636,400
Civilian Employment	1,465,600	1,570,100

Source: California Employment Development Department

RED-ZONE INVESTMENTS

During CEDS implementation, **Orange County must undertake at least two Red-Zone specific economic investment projects involving infrastructure and transit-transportation centers**. Orange County has no shortage of new transit-focused projects enabling low-income resident access to everything the county has to offer, and several major projects are already nearing completion within the CEDS timeframe.

well as provides parking and dining options to those passing through the center. Serving as the new transportation hub in Anaheim, ARTIC effectively connects a number of different transportation modes providing both local residents and visitors with access to a mix of public and private transportation options. ARTIC’s central location in Anaheim ideally serves a region of the county which contains the highest number of Red-Zone census tracts providing struggling communities with improved infrastructure allowing them to potentially access certain job markets which may not have been

Launched in 2014 and recently completed, Anaheim’s Regional Trans Intermodal Center (ARTIC) is a 16-acre transportation hub which connects freeway, rail, bus, taxi and bike lines as

previously in their reach. This state-of-the-art transit center not only serves to better connect both the city of Anaheim and the entire County of Orange, but it's iconic design and stunning interior have also turned it into a photography and filming destination having been recently featured on HBO's original series "True Detective".

Additionally, the Santa Ana/Garden Grove fixed guideway project, which is expected to be completed by 2020, provides a new street car system to travel along an east-west corridor between the Santa Ana Regional Transportation Center (SARTC) and a new multi-modal transit hub on Harbor Boulevard in Garden Grove. The

system would provide transit service for commuters traveling from the train station to employment and activity centers in the heart of Orange County and to residents and visitors wanting to circulate throughout the area. Approximately \$12 million in Project S and additional funds have been awarded to the Santa Ana/Garden Grove team. The environmental clearance was completed in 2014, and construction to begin in 2018.

Both are funded in part by Measure M2 funds – These and other projects through the half-cent sales tax are set to propel Orange County's infrastructure needs forward and adequately fulfill this CEDS goal.

CONSTRUCTION, MANUFACTURING AND FINANCE EMPLOYMENT

By June 2018, **Orange County is targeting 5,000 new jobs in each of the Construction, Manufacturing, and Financial Services clusters.** Construction employment has increased by over 24,800 since June 2013 and Financial Activities jobs increased by 3,800 while Manufacturing actually shrunk by 300 jobs. The massive growth

in Construction is a healthy boon to Orange County's infrastructure growth, but more efforts will need to be made to open up training and employment opportunities for Manufacturing, which experienced harsh declines during the recent Recession and continues to struggle today.

Orange County Employment	June 2013	September 2016
Construction	77,400	102,200
Manufacturing	158,000	157,700
Financial Activities	113,800	117,600

Source: California Employment Development Department

THE END RESULT: NEW PRIVATE-SECTOR INVESTMENT IN TRANSPORTATION-TRANSIT

The CEDS anticipates that **private investment in Orange County will be at least \$50 million after the CEDS is successfully implemented.** Expediting the successful implementation of the CEDS are

projects such as ARTIC or the OC Streetcar Project which serve to increase mobility in the county especially in low-income regions. With the recent completion of ARTIC which has served to

drastically improve transportation issues in Anaheim, the OC Streetcar is projected to do the same in Santa Ana. Expected to begin construction in 2018 and operations in 2020, the OC Streetcar will connect the Santa Ana Regional Transportation Center (SARTC) to a new multimodal hub located in Garden Grove. The OC

Streetcar will connect 18 OCTA bus routes and serve the historic downtown Santa Ana and Civic Center which includes a number of government offices, restaurants, shops, colleges and community enrichment organizations; effectively providing enhanced access along its 4.15-mile route.

CONCLUSION

Orange County is capitalizing well on opportunities aligned with the 2013-2018 CEDS goals through successful infrastructure projects. A solid first wave of OCTA-supported road improvements and transit centers are rapidly coming online, and the region has taken preemptive measures to keep Orange County's water supply intact in the prolonged drought aftermath. Moving forward, Orange County needs to be ready to combat the rise in Red-Zones at the tract level; alleviating the hardship of residents in Red-Zone neighborhoods

is at the core of achieving all planned CEDS goals, and Orange County should intensify its efforts to open up new employment and transit options for low-income residents. The Information Technology cluster is a bright spot for such opportunities, and Orange County has made great strides in bridging the gap between educators and employers through its IT Cluster Competitiveness Project. In total, a solid baseline of strategies, goals and action projects are in place to capitalize on Orange County's economic assets in this successful year of rapid expansion.

APPENDIX A: RED-ZONE DATA TABLES

Red-Zone Census Tracts by City			
City	Census Tract(s)	Unemployment	Per Capita
Anaheim	863.01	13.3	\$19,302
	864.02	15.9	\$18,999
	864.04	13.0	\$16,597
	865.02	12.9	\$12,928
	866.01	16.7	\$11,657
	866.02	11.4	\$17,732
	867.01	14.3	\$21,753
	867.02	12.0	\$19,595
	868.02	13.7	\$16,821
	869.01	11.9	\$16,065
	870.01	13.7	\$19,849
	870.02	15.7	\$21,057
	871.06	12.4	\$19,035
	873.00	11.3	\$19,729
	874.03	16.4	\$12,251
	874.04	11.4	\$12,481
	874.05	21.9	\$10,295
	875.05	14.5	\$15,280
877.03	14.2	\$19,224	
Costa Mesa	636.05	14.3	\$16,630
	637.02	11.3	\$22,822
Fullerton	18.01	15.3	\$16,402
	18.02	15.6	\$14,335
	19.02	14.9	\$21,298
	19.03	12.0	\$21,217
	111.02	15.6	\$19,875
	115.04	11.3	\$16,984
Garden Grove	880.01	11.4	\$21,531
	882.01	16.6	\$19,340
	882.03	18.9	\$20,297
	884.02	12.1	\$16,573
	885.01	11.6	\$19,964
	887.01	13.8	\$18,253
	889.01	14.3	\$16,453
	889.02	12.9	\$18,362

	890.03	15.4	\$14,602
Huntington Beach	994.02	14.4	\$12,973
Irvine	626.26	11.3	\$13,557
La Habra	11.03	11.5	\$18,900
	12.02	15.7	\$15,602
	14.02	14.0	\$21,614
	14.04	11.2	\$17,385
Orange	762.05	11.6	\$17,349
Placentia	117.20	12.4	\$ 9,325
Santa Ana	740.04	13.1	\$20,059
	741.09	12.5	\$14,143
	744.03	12.3	\$ 8,951
	745.01	12.9	\$ 9,159
	745.02	12.2	\$12,389
	746.01	11.6	\$12,324
	748.02	11.4	\$11,539
	748.06	13.9	\$11,875
	752.02	17.7	\$15,936
	753.02	14.8	\$19,893
	890.01	13.1	\$15,618
	890.04	14.1	\$14,149
	891.04	16.8	\$12,888
	891.05	11.4	\$12,738
	992.47	11.2	\$14,298
Stanton	878.01	12.0	\$20,987
	878.03	14.1	\$11,911
	878.06	13.7	\$15,046
	879.01	14.2	\$19,261
	879.02	13.8	\$14,685
Westminster	889.05	14.2	\$19,507
	998.01	11.8	\$19,621
	998.02	11.7	\$17,938
	999.03	11.8	\$18,265

Tracts Moved Into Red-Zone Status			
City	Census Tract	Unemployment	Per Capita Income
Anaheim	867.01	14.3	\$21,753
	868.03	11.4	\$22,716
	869.03	11.6	\$18,395
	871.02	11.7	\$17,346
	875.05	14.5	\$15,280
Costa Mesa	637.02	11.3	\$22,822
Fullerton	115.04	11.3	\$16,984
Garden Grove	884.02	12.1	\$16,573
	889.01	14.3	\$16,453
Irvine	626.26	11.3	\$16,557
La Habra	14.04	11.2	\$17,385
Santa Ana	740.04	13.1	\$20,059
	741.09	12.5	\$14,143
	890.01	13.1	\$15,618
	891.05	11.4	\$12,738
	992.47	11.2	\$14,298
Stanton	879.01	14.2	\$19,261
Westminster	998.01	11.8	\$19,621
	998.02	11.7	\$17,938

Tracts Moved Out of Red-Zone Status			
City	Census Tract	Unemployment	Per Capita Income
Anaheim	876.01	11.0	\$18,593
Buena Park	1102.02	10.8	\$21,932
	1103.02	9.6	\$21,678
Costa Mesa	636.04	9.7	\$21,252
	637.01	11.1	\$14,588
Fullerton	116.02	10.3	\$17,485
Garden Grove	881.05	11.4	\$23,085
	884.01	10.1	\$22,911
	884.03	11.2	\$23,276
	888.02	9.4	\$16,907
Irvine	524.04	9.2	\$27,148
Mission Viejo	320.22	12.6	\$23,425
San Juan Capistrano	423.12	11.1	\$17,283
Santa Ana	741.02	9.6	\$17,444
	752.01	9.9	\$12,702
	992.02	10.0	\$18,572
Stanton	881.06	11.0	\$20,493
Westminster	889.04	10.8	\$19,934
	996.01	9.8	\$18,291

APPENDIX B: MEASURE M2 PROJECT SCHEDULE

Measure M2 Projects			
Project	Stage	Description	Completion Date
E	Completed	SR-22 Access Improvements	Complete
G	Completed	SR-57 (NB), Katella to Lincoln (Open to Traffic)	Complete
G	Completed	SR-57 (NB), Orangethorpe to Yorba Linda	Complete
G	Completed	SR-57 (NB), Yorba Linda to Lambert	Complete
J	Completed	SR-91, SR-241 to SR-55	Complete
J	Completed	SR-91 (EB), Riv. County Line to SR-241	Complete
O	Completed	Placentia Grade Separation	Complete
O	Completed	Kraemer Grade Separation	Complete
R	Completed	Rail-Highway Grade Crossing Safety Enhancement	Complete
R,T	Completed	Anaheim Regional Trans Intermodal Center	Complete
R	Completed	Sand Canyon Grade Separation (Open to Traffic)	Complete
H	Completed	SR-91 (WB), I-5 to SR-57	Complete
D	Construction	I-5, I-5/Ortega Interchange	2016
I	Construction	SR-91 (WB), Tustin Interchange to SR-55	2016
O	Construction	Orangethorpe Grade Separation	2016
O	Construction	Tustin/Rose Grade Separation	2016
O	Construction	Lakeview Grade Separation	2017
C	Construction	I-5, PCH to San Juan Creek Rd.	2018
B	Environmental	I-5, I-405 to SR-55 (Further Schedule TBD)	2018
C	Construction	I-5, Vista Hermosa to Pacific Coast Highway	2018
L	Environmental	I-405, I-5 to SR-55 (Further Schedule TBD)	2018
C,D	Construction	I-5, Pico to Vista Hermosa/ Pico Interchange	2018
I	Environmental	SR-91, SR-55 to SR-57 (Further Schedule TBD)	2018
M	Environmental	I-605, I-605/Katella Interchange (Further Schedule TBD)	2018

		TBD)	
O	Construction	Raymond Grade Separation	2018
O	Construction	State College Grade Separation (Fullerton)	2018
G	Environmental	SR-57 (NB), Orangewood to Katella (Further Schedule TBD)	2018
S	Environmental	Anaheim Rapid Connection	2019
F	Environmental	SR-55, I-5 to SR-91 (Further Schedule TBD)	2019
D	Environmental	I-5, I-5/El Toro Interchange (Further Schedule TBD)	2019
G	Environmental	SR-57 (NB), Lambert to County Line (Envn. Cleared/Further Schedule TBD)	2019
A	Design, Advertise & Award	I-5, SR-55 to SR-57	2020
S	Design, Advertise & Award	OC Streetcar	2020
C	Design, Advertise & Award	I-5, Alicia Pkwy to El Toro Road	2022
C,D	Design, Advertise & Award	I-5, SR-73 to Oso Pkwy/Avery Pkwy Interchange	2022
C,D	Design, Advertise & Award	I-5, Oso Pkwy to Alicia Pkwy/La Paz Road Interchange	2022
F	Environmental	SR-55, I-405 to I-5	2022
K	Design, Advertise & Award	I-405, Euclid to I-605 (Design Build)	2022
J	Environmental	SR-91, Riv. County Line to SR-241 (Envn. Cleared/ Further Schedule TBD)	TBD

APPENDIX C: CITY UPDATES

City of Dana Point / County of Orange

Project Summary

Project Name: Dana Point Harbor Revitalization

Project Dates: 2016-2018

Description: The \$150 million revitalization project includes renovation of 13 of the harbor's commercial and boater-support buildings, replacing them with seven larger structures that will add 30,000 square feet of retail, restaurant, commercial and office space. A two-level parking structure will add 545 parking spaces. The harbor has an annual economic impact of over \$82 million and provides employment for over 1,200 people.

Purpose / Justification: To improve accessibility, modernize facilities and increase usage of the Harbor area

Other Agencies Involved: California Coastal Commission

Operating Budget Impact: TBD

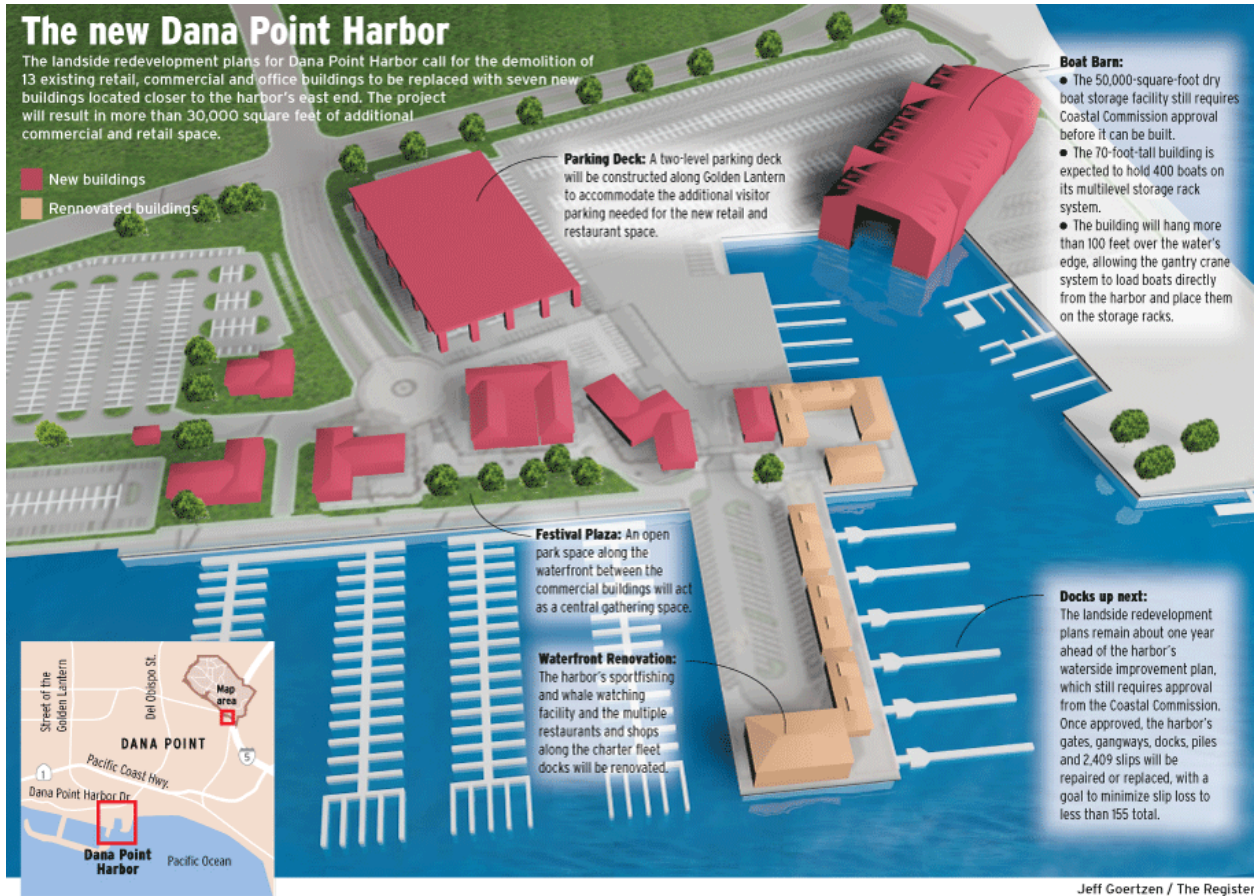
Cost Estimate: TBD



The new Dana Point Harbor

The landside redevelopment plans for Dana Point Harbor call for the demolition of 13 existing retail, commercial and office buildings to be replaced with seven new buildings located closer to the harbor's east end. The project will result in more than 30,000 square feet of additional commercial and retail space.

- New buildings
- Renovated buildings



Parking Deck: A two-level parking deck will be constructed along Golden Lantern to accommodate the additional visitor parking needed for the new retail and restaurant space.

Festival Plaza: An open park space along the waterfront between the commercial buildings will act as a central gathering space.

Waterfront Renovation: The harbor's sportfishing and whale watching facility and the multiple restaurants and shops along the charter fleet docks will be renovated.

Boat Barn:

- The 50,000-square-foot dry boat storage facility still requires Coastal Commission approval before it can be built.
- The 70-foot-tall building is expected to hold 400 boats on its multilevel storage rack system.
- The building will hang more than 100 feet over the water's edge, allowing the gantry crane system to load boats directly from the harbor and place them on the storage racks.

Docks up next: The landside redevelopment plans remain about one year ahead of the harbor's waterside improvement plan, which still requires approval from the Coastal Commission. Once approved, the harbor's gates, gangways, docks, piles and 2,409 slips will be repaired or replaced, with a goal to minimize slip loss to less than 155 total.

Jeff Goertzen / The Register

City of Fountain Valley

Project Summary

Project Name: Draft Fountain Valley Crossings Specific Plan

Project Dates: TBD

Description: The City of Fountain Valley Planning Department has embarked on the creation of a draft Fountain Valley Crossings Specific Plan. The Specific Plan is intended to provide new policy direction, guidance, zoning regulations, and design standards for the geographic area generally located north of Ellis Avenue, south of Talbert Avenue, east of the Santa Ana River Channel, and west of Ward Street.

Purpose / Justification: The purpose of the Fountain Valley Crossings Specific Plan will be to provide a policy and zoning framework that will allow for additional land-uses in the project area.

The city's goal is to encourage current and future property owners to invest in their property through added land-use flexibility. This added value will not only allow property owners and businesses to continue to operate as they do today, but will also provide a design in which a activity center district can be created through private investment.

The Draft Fountain Valley Crossings Specific Plan, includes a vision, development regulations, streetscape designs, public space improvements, and a range of implementation measures that will foster the comprehensive re-use and reinvestment in properties in the specific plan area in the future. The specific plan will use a form-based code to incorporate these elements. A form-based code is a land development regulation that fosters predictable built results and a high-quality public realm by using physical form (rather than separation of uses) as the organizing principle for the code. A form-based code is a regulation, not a mere guideline, adopted into city law.

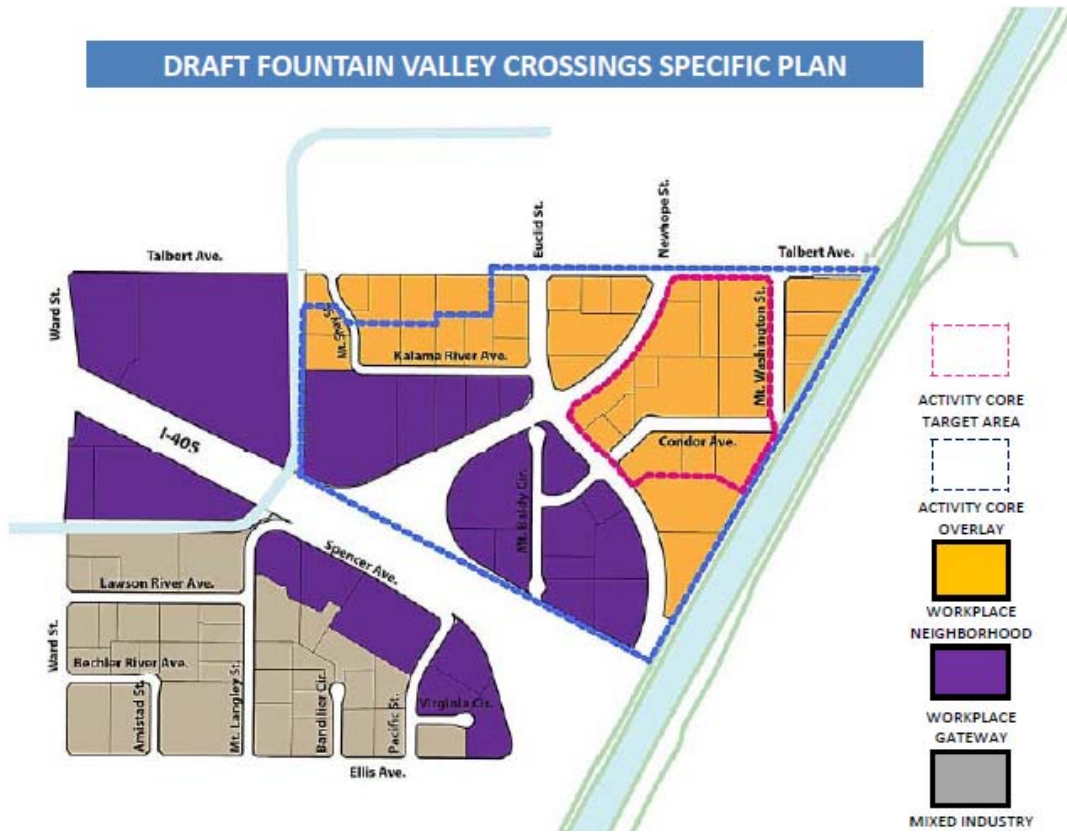
The project will include the preparation of an Environmental Impact Report (EIR) to identify potential impacts of change and mitigation measures to reduce those impacts.

Other Agencies Involved: This is the City's effort in streamlining the approval process to attract new businesses to re-energize the community. The City does not own any of the land within the Fountain Valley Crossings Specific Plan.

Operating Budget Impact: We have plans to improve the right-of-way in the project area. We have not identified the cost for the improvements in the project. That is to be determined at a future date.

Cost Estimates: The City has not analyzed and/or conducted a cost estimates for the right-of-way improvements in the project area.

DRAFT FOUNTAIN VALLEY CROSSINGS SPECIFIC PLAN



City of Garden Grove

Project Summary

Project Name: SCG America (Site C)

Project Dates: Construction 2nd Qtr 2017

Description: SCG America has an Agreement with the City for the construction of an upper upscale select and service hotel with a maximum of 769 rooms, 39,000 square feet of conference space, 45,000 square feet of restaurant space, a parking structure, a resort pool, and potentially up to two additional limited service hotels on the 5.18 acre site.

Purpose / Justification: The project is expected to create 750 permanent jobs.

Other Agencies Involved: None

GROVE DISTRICT RESORT—HOTEL(S) DEVELOPMENT (SITE C)

Property Highlights

Site:	5+ acres
Location:	Garden Grove, Orange County, California
Guestrooms:	769 suites
Restaurants:	45,000 square feet—four venues
Meeting:	39,000 square feet with multiple break out room configurations
Parking:	Approximately 1,297 space structure
Total Cost:	Approximately \$450 million
Timing:	Entitlements complete—shovel ready

Community Benefits (Estimates)

Construction Jobs:	750
Total Tax Increment:	\$1.5M/Year (escalating)
Total Sales Tax:	\$1.6—3M/Year (escalating)
Total Bed Tax:	\$3.5—4.5M/Year (escalating)
Revitalization:	Removal of Blight



City of Garden Grove

Project Summary

Project Name: Newage Brookhurst LLC (Brookhurst Place)

Project Dates: Construction 2nd Qtr 2018

Description: As provided for by the DDA with New Age Brookhurst, LLC, the residential component will include up to 600 residential units with up to 120 affordable units along with up to 80,000 square feet of commercial retail space. The project is estimated to generate an additional \$3,100,000 in gross tax increment annually.

Purpose / Justification: The project is expected to create approximately 200-400 permanent jobs.

Other Agencies Involved: Garden Grove Agency

Operating Budget Impact: The project is estimated to generate an additional \$3,100,000 in gross property tax annually.

Cost Estimates: The Total cost of this development is approximately \$45-50MM Per Building



City of Garden Grove

Project Summary

Project Name: Grove District Street Improvements

Project Dates: 2013-2019

Description: Cost for design plans and development of Street improvements on Harbor Boulevard including roads, relocation of water mains, sewer line improvements, removal of utility pipes, installation of new traffic signals, Installation of, Construction of wayfinding and monument signs, construction of new curb and gutter, median improvements and landscaping, construction of bus stop/pedestrian areas, street lighting, installation of street furniture, and creation of area monuments and entrance sign to the district. Jobs will be created in connection with the aforementioned Hotel Development Site C and, Site B-2Projects and BN Hotel Group connecting the southern resort form Harbor and Westminster and Harbor Boulevard to Palm Street and Harbor Boulevard.

Purpose / Justification: The project is expected to create new permanent jobs.

Other Agencies Involved: None

Operating Budget Impact: The project is estimated to generate an additional \$5-\$15MM in gross revenue annually.

Cost Estimates: The Total cost of this development is approximately \$45-50MM Per Building



City of Garden Grove

Project Summary

Project Name: BN Hotel Group

Project Dates: Construction 3-4th Qtr 2017

Description: BN Hotel Grove LLC has an Agreement with the City to purchase City owned property at 13650 Harbor Boulevard for Hotel Development at 13650 Harbor Boulevard south of the SR 22 Freeway.

Purpose / Justification: The project is expected to create new permanent jobs via the related site B-2 and Site C and BN Hotel.

Other Agencies Involved: None

Operating Budget Impact: The initial phase of the improvements cost \$5.9 MM and the gross revenue generated from this development is approximately \$1M to \$1.5M in TOT hotel tax, and \$16,000 to \$36,000 in sales tax.

Cost Estimates: The Total cost of this development is approximately \$35-\$40MM



City of Garden Grove

Project Summary

Project Name: New Age Garden Grove B-2

Project Dates: Construction 3-4th Qtr 2017

Description: New Age Garden Grove B-2 Agreement with the Agency for developing a new Marriott Springhill Suites with approximately 180 rooms. The project is expected to create approximately 45 new permanent jobs. The project is located on the west side of Harbor Boulevard and north of Twintree Lane.

Purpose / Justification: The project is expected to create new 45 permanent jobs via the related site B-2.

Other Agencies Involved: None

Operating Budget Impact: The Projects and generate approximately \$800,000 in City bed taxes and \$300,000 in tax increment annually.

Cost Estimates: The Total cost of this development is approximately \$35-\$40MM



City of Huntington Beach

Project Summary

Project Name: Commercial Façade Rehabilitation Program

Project Dates: 2016 – 2017

Description: The City of Huntington Beach's Commercial Façade Rehabilitation Program provides both loan and grant funding for commercial property owners and/or tenants to cooperatively update and improve their commercial properties. **Grants** - Commercial properties may receive one grant per five-year period of up to \$25,000 depending on the activity. Receipt of the grant is subject to project inspection by City and the submission of complete documentation of project costs, invoices, and contracts. If conditions of the grant agreement are met, the funds dispersed through this grant program are not required to be repaid. Awarded funds will automatically be utilized first in the payment of any city fees associated with the project (for example: planning application fees or building permit fees). **Low-Interest Loans** - The Commercial Façade Rehabilitation Program provides an opportunity to apply for a secured loan of up to \$100,000 with 3% simple interest. Loan repayment will be based on a 3-10 year amortization schedule. The City will expedite the planning review process for projects participating in the revolving loan or grant program.

Purpose / Justification: Businesses are encouraged to apply for these programs, which help draw and retain both customers and quality tenants to the property. Priority is given to applicants seeking funding for improvements needed to comply with City codes and design guidelines, and property owners willing to go the extra mile and make additional investments in the improvements also receive priority for funding. Depending on the project, applicants may take advantage of the opportunity to be provided both a grant and loan.

Other Agencies Involved: Orange County Health could recommend the program to buildings that require updates.

Operating Budget Impact: Currently \$400,000 is budgeted for loans and grants, the upgrades will be seen in both property and sales tax increases. In addition, lower calls for services may be seen due to better lighting and other upgrades. Maintenance of the improvements made through the Façade Rehabilitation Program must meet the standards set by the City throughout the loan term or time designated in the grant agreement. Properties not adequately maintained will be ineligible for future assistance on commercial façade improvements and will need to be restored to compliance with the City's maintenance standards at property owner's expense. Grant and/or loan funds may also be subject to immediate repayment.

Cost Estimates: \$400,000 is currently budgeted for program.

City of Irvine
Project Summary

Project Name: Marine Way Roadway Improvement

Project Dates: TBD

Description: Marine Way is an approximately four mile proposed arterial connection from Sand Canyon on the north end at the I-5 off-ramp to Bake Parkway on the south end near the I-5. This backbone infrastructure project is anticipated to be completed in multiple phases over the next 7 years with an approximate cost of \$111 million. The City is now constructing the first phase and in design and right of way acquisition for the next phase, from Sand Canyon to Ridge Valley, that will realign the roadway to the off ramp at Interstate 5. The arterial will provide connectivity for the residents of the newly developing south eastern areas of the City to transit, transportation and recreation. Marine Way falls within the CEDS Goal 3, "Provide and Develop State of the Art Infrastructure" by improving the deteriorating two lane El Toro Marine Base maintenance access road. The roadway is proposed to be widened to four lanes, realigned to connect with the I-5 off ramp at Sand Canyon, add 8' class II bike lanes in each direction, and additional lighting and landscaping to improve safety and development of the area. The project requires extensive coordination Caltrans and OCTA to redevelop the maintenance facilities that currently exist in the proposed right of way as well as BNSF, OCPW, and private landowners. When completed the approximately four miles of improved roadway will be an arterial connection to the Irvine Transportation Center, the newly developing Great Park Neighborhoods and provide the primary entrance for the Orange County Great Park.

Purpose / Justification: The development of this backbone infrastructure provides economic opportunities across the county by connecting the community to the Irvine Transportation Center and Interstate-5 both critical access points for economic development.

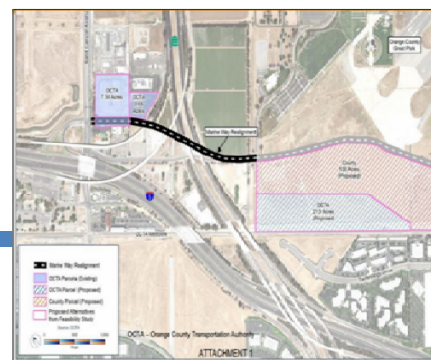
Other Agencies Involved: Caltrans, OCTA, BNSF, County of Orange, City of Irvine Public Works

Cost Estimates: Project Completion is estimated at \$111 million

Project Overview



Phase 2 – Sand Canyon to Ridge Valley



City of La Habra

Project Summary

Project Name: The Olson Company - 50-unit Residential Condominium

Project Dates: March 2016 (application submittal). Planning Commission - TBD

Description: Construction of a 50-unit residential unit (for sale) with range of 2 BR, 3 BR, and 4 BR units. Project will utilize State affordable housing incentive and 10% of units will be set at low/mod income level.

Purpose / Justification: Project is undergoing environmental review and is not entitled at this time.

Other Agencies Involved: None

Operating Budget Impact: No impact to City budget

Cost Estimates: TBD

Front Elevation: 1801 W. La Habra Blvd, La Habra, CA



City of La Habra

Project Summary

Project Name: Public Storage – New Self-Storage Building
999 E. Lambert Road, La Habra, CA

Project Dates: Entitled October 2015 – Project Completion Spring 2017

Description: Construction of a new 132,512 square foot self-storage building

Purpose / Justification: To meet consumer demand

Other Agencies Involved: None

Cost Estimates: \$6 million



City of La Habra

Project Summary

Project Name: La Habra Northgate Market Center Upgrades
1231-1465 W. Whittier Blvd, La Habra, CA

Project Dates: Entitled July 2016 – Project Completion Spring 2017

Description: Construction of retail center upgrades, façade improvements, and addition of 8,000 square feet of retail space – anchor tenant Northgate Market

Purpose / Justification: Revitalization of outdated retail center;

Other Agencies Involved: CalTrans, Southern California Edison

Cost Estimates: TBD



City of La Habra

Project Summary

Project Name: Kaiser Permanente facility in La Habra

Project Dates: estimated completion 2018

Description: Kaiser Foundation Health Plan, Inc. will open a 28,294-square-foot facility in La Habra. The facility will be a LEED certified medical office building on the property located at the northeast corner of Imperial Highway and Leslie Street. The project is currently underway as framing has begun. The General Plan land use designation for this site is Commercial Industrial.

Overall, the new building will provide a variety of member and community amenities that include: a thrive path located around the building and throughout the property for contemplative walks that include fitness equipment. The facility will also include outdoor seating areas, a gathering area, an area for farmer's market to be potentially operated by the city of La Habra Community Services Department; a 700 square foot conference center within the building. Kaiser Permanente's medical proactive is supported by industry leading technology and advances and tools for health promotion, disease prevention, and state of the art care delivery and world class chronic disease management. Kaiser Permanente is also dedicated to care innovations, clinical research, health education, and support of community health.

Cost Estimates: \$24 million



City of Laguna Beach

Project Summary

Project Name: Laguna Canyon Road (SR-133) Mobility Improvements

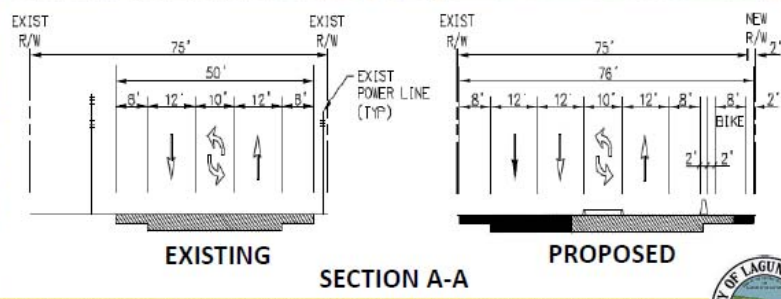
Project Dates: Issuance of Building Permit April 2017

Description: This is to further the development of bike and pedestrian improvements along Laguna Canyon Road from El Toro to downtown Laguna Beach and further undergrounding of utilities along this roadway.

Other Agencies Involved: Caltrans

Operating Budget Impact: TBD

Cost Estimates: \$26 million (3 lane concept) to \$30 million (4 lane concept)



Laguna Canyon Road Corridor Improvement Assessment – El Toro Road to Canyon Acres Drive



City of Laguna Beach

Project Summary

Project Name: Coast Highway Sidewalks

Project Dates: TBD

Description: This project is to add sidewalks and rehabilitate existing sidewalk to provide a safe, continuous path of travel for pedestrian along Coast Highway for over 5 miles in Laguna Beach.

Purpose / Justification: Provide a safe, continuous path of travel for pedestrian

Other Agencies Involved: Caltrans

Operating Budget Impact: TBD

Cost Estimates: TBD

City of Laguna Beach

Project Summary

Project Name: Laguna Beach Village Entrance Project

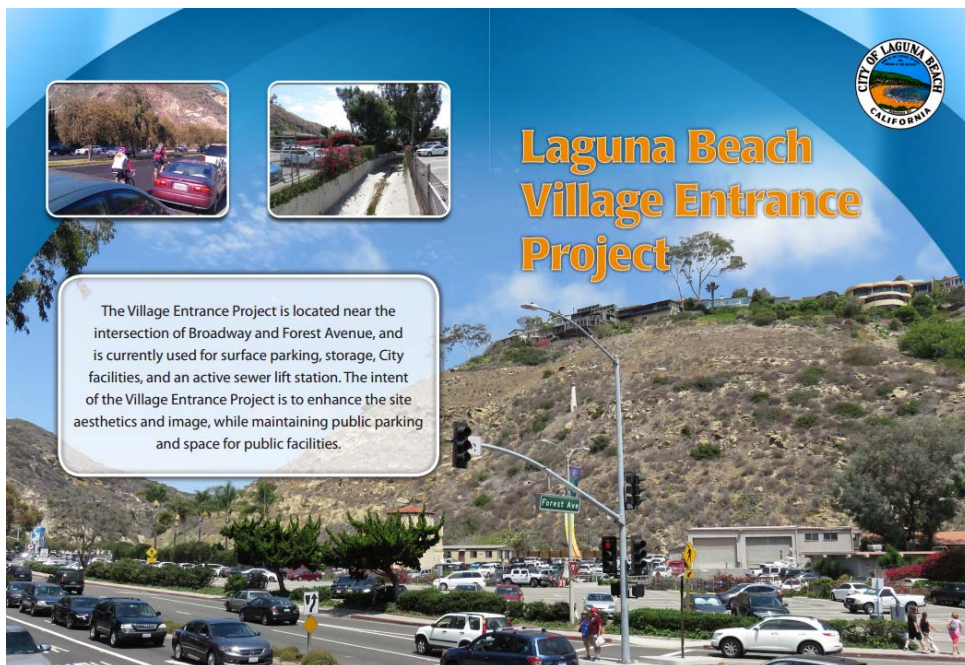
Project Dates: TBD

Description: Village Entrance Project: This is to enhance the visitor experience entering the City by improving pedestrian and bicycle connection between the festivals and downtown and implementing a beautification project along Laguna Canyon Road.

Other Agencies Involved: None

Operating Budget Impact: TBD

Cost Estimates: TBD



City of Laguna Hills

Project Summary

Project Name: Five Lagunas (Laguna Hills Mall Redevelopment)

Project Dates: January 2017 to summer 2018

Description: Merlone Geier Partners submitted initial plans for the redevelopment of the Laguna Hills Mall in March of this year. The Five Lagunas Project was approved March 22, 2016. The redevelopment plan will result in a complete renovation to the Mall bringing nearly 1,000 housing units to the area and result in the redevelopment of over 300,000 square feet of commercial building area.

The construction phase is expected to create more than 2,400 full-time jobs. Once the project is built out, there will be 186 businesses with 2,000 permanent jobs

Cost Estimate: \$500 million redevelopment project



City of Laguna Hills

Project Summary

Project Name: Oakbrook Village Redevelopment

Project Dates: Ongoing

Description: In the on-going redevelopment of Oakbrook Village, a commercial shopping center, the City expects the property owner to move forward with the construction of up to 200 dwelling units and 58,000 square feet of new retail space.

Operating Budget Impact: TBD

Cost Estimates: TBD



City of Los Alamitos

Project Summary

Project Name: Village 605 Neighborhood Shopping Center

Project Dates: Issuance of Building Permit April 2017

Description: The Village 605 Neighborhood Shopping Center is being proposed on Katella Avenue just east of the 605 Freeway. The project would demolish two existing office buildings and construct a new 113,880-square-foot retail shopping center. The proposed project will consist of seven buildings and is anticipated to provide a mix of retail, commercial and restaurant tenants, inclusive of a market, retail stores, commercial services, and other retailers that offer a variety of products. Major Tenants include Whole Foods 365 and PetCo.

Purpose / Justification: Redevelopment of an office complex into a Neighborhood Commercial Shopping Center.

Operating Budget Impact: Potential for \$142,000.00 annual Sales Tax Revenue

Cost Estimates: TBD



City of Los Alamitos
Project Summary

Project Name: Los Alamitos Blvd Beautification Project

Project Dates: Ground Breaking January 2017

Description: The project includes a redesign of Los Alamitos Boulevard in order to beautify the area, reduce the scale of this Major Highway, provide pedestrian refuge, and reduce existing pedestrian/automobile conflicts. The Project includes the provision of left turn pockets for vehicular traffic to queue and stack when making the left turns and U-turns movements and a new midblock pedestrian refuge/crosswalk on Los Alamitos Boulevard to be located between Catalina Street East to Sausalito Street/Briggeman Drive. The figure below presents the conceptual plan for Los Alamitos Boulevard between Katella Avenue and Cerritos Avenue with the installation of a median provided by the City of Los Alamitos. As shown, the proposed Project will include the construction of landscaped medians along four segments of Los Alamitos Boulevard including new complimentary signage, lighting and Hardscape.

Purpose / Justification: Beautification, Improving traffic flow and increased safety.

Other Agencies Involved: None

Operating Budget Impact: \$1,410,000.00

Cost Estimates: \$1,410,000.00



City of Los Alamitos
Project Summary

Project Name: Marriott Fairfield Inn

Project Dates: Issuance of Building Permit December 2016

Description: The development of a 61,643 sq. ft., 108 room, Marriott Fairfield Inn & Suites Hotel to be located on a 2.3 acre vacant site at 10650 Los Alamitos Boulevard. The proposed hotel will include a porte-cochere entryway, one board room, two conference rooms (with partition), breakfast service area, gym, a small food market, and a pool. All parking will be at grade. Further, a quality hotel will encourage the creation of daytime, nighttime, and weekend activity. A quality hotel can increase the City's fiscal sustainability and economic development by diversifying the City's tax base.

Purpose / Justification: This development promotes a unique town center around Los Alamitos Boulevard. This development invests in public improvements to transform a vacant underutilized lot into an attractive economic engine. The development of a hotel adds to the diverse businesses and activities and will attract a variety of shopping, dining, and entertainment options for residents and visitors.

Other Agencies Involved: None

Operating Budget Impact: This hotel has the potential of generating \$250,000 in annual TOT.

Cost Estimates: Construction Costs are Private



City of Santa Ana

Project Summary

Project Name: Continued Support of the Fixed Guideway Project

Project Dates: TBD

Description: The cities of Santa Ana and Garden Grove in cooperation with the Orange County Transportation Authority (OCTA) are proposing to build a Fixed Guideway (Streetcar) Transportation system between the Santa Ana Regional Transportation Center (SARTC) and a new transportation center in Garden Grove. The system would provide transit service for commuters traveling from the train station to employment and activity centers in the heart of Orange County and to residents and visitors wanting to circulate throughout the area.

Purpose / Justification: The proposed streetcar project would service Santa Ana's historic downtown which includes government offices, federal, state and local courthouses, unique businesses, and artists' village, several colleges and a variety of organizations that cater to the community's needs. While the most recent cost estimate assumes the street car would cost up to \$250 million to build and funding is slated to come from a variety of sources including Renewed Measure M, Orange County's half-cent tax for transportation, as well available state and federal transportation funding sources, the streetcar's operation and maintenance must be fully funded, including security and other ancillary transit benefits which will maximize mobility ridership, helping business clientele come and go, and stimulating housing and business intensification.

Other Agencies Involved: OCTA, City of Garden Grove

Operating Budget Impact: TBD

Cost Estimates: \$250 Million



City of Santa Ana

Project Summary

Project Name: Development Opportunity of city owned parking structure on Third and Broadway by the Artists Village.

Project Dates: TBD

Description: The City constructed the 440-space parking garage located on 3rd Street and Broadway in the early 1980s. The three-level garage is situated on approximately 61,243 square feet of land area and encompasses approximately 146,000 square feet of building area. The 3rd Street Garage is not currently encumbered by any debt. The construction costs for this public parking garage were funded by a tax-exempt bond. A portion of the bond debt service payment obligations on the bond were funded with assessments imposed on property owners within a defined district.

Purpose / Justification: The City has determined that the parking garage is at the point of functional obsolescence. The land value supported by vacant land is estimated at \$3.36 million. The City is currently looking at options to privately develop this land.

Other Agencies Involved: N/A

Operating Budget Impact: TBD

Cost Estimates: TBD

Example Drawing:



City of Santa Ana

Project Summary

Project Name: Develop the City's Fiber-Optic Network Infrastructure for residents and businesses

Project Dates: TBD

Description: Install and connect new fiber directly to the home, creating a fiber-to-the-home (FTTH) network.

Purpose / Justification: This would enable the City to provide a very fast service at much lower cost to homes and businesses alike. From an Economic Development perspective, these faster speeds and affordable prices can be a lifeline for smaller businesses that cannot afford thousands of dollars per month for the faster connections generally available.

Other Agencies Involved: N/A

Operating Budget Impact: TBD

Cost Estimates: TBD

City of Santa Ana

Project Summary

Project Name: Support Regional Infrastructure

Project Dates: TBD

Description: Alton Overcrossing at SR-55: The cities of Santa Ana and Irvine, in corporation with California Department of Transportation (Caltrans), propose to build an overcrossing structure over SR-55, the Costa Mesa Freeway, between the western terminus of Alton Avenue in the City of Santa Ana and the eastern terminus of Alton Parkway in the City of Irvine, Orange County.

Purpose / Justification: The proposed project will include the construction of an overcrossing on Alton Avenue/Parkway over SR-55, the widening Alton Avenue between Main Street to Standard Avenue in the City of Santa Ana, the addition of bike lanes, and the relocation of an existing drainage channel.

Other Agencies Involved: Caltrans, City of Irvine

Operating Budget Impact: TBD

Cost Estimates: TBD

City of Santa Ana

Project Summary

Project Name: Continue to Support local Infrastructure Improvements

Project Dates: TBD

Description:

- a. Santa Ana Blvd. Grade Separation:** The project proposes to grade separate the existing Santa Ana Boulevard/OCTA Metrolink at-grade railroad crossing. The grade separation will eliminate the at-grade crossing of Santa Ana Boulevard and the OCTA Metrolink tracks to improve pedestrian and bicycle user safety, enhance traffic operations, improve emergency response times, reduce existing traffic congestion and reduce greenhouse gas emissions to improve air quality along Santa Ana Boulevard.
- b. 17th St Grade Separation (OCTA Lead):** The project proposes to grade separate the existing 17th St. and Lincoln intersection from the OCTA Metrolink at-grade railroad crossing. The grade separation will eliminate the at-grade crossing of 17th Street and the OCTA Metrolink tracks to improve pedestrian and bicycle user safety, enhance traffic operations, improve emergency response times, reduce existing traffic congestion and reduce greenhouse gas emissions to improve air quality along 17th Street.
- c. Grand Avenue Grade Separation (OCTA Lead):** The project proposes to grade separate the existing Grand Avenue/OCTA Metrolink at-grade railroad crossing. The grade separation will eliminate the at-grade crossing of Grand Avenue and the OCTA Metrolink tracks to improve pedestrian and bicycle user safety, enhance traffic operations, improve emergency response times, reduce existing traffic congestion and reduce greenhouse gas emissions to improve air quality along Grand Avenue.

Other Agencies Involved: OCTA

Operating Budget Impact: TBD

Cost Estimates: TBD

City of Santa Ana

Project Summary

Project Name: Continue to support local street Improvements

Project Dates: TBD

Description:

- a. Bristol Street Improvements - 17th to Santiago Creek: Improvements include landscaped medians; landscaped buffers for pedestrians in the parkways; bike lanes; storm drain improvements; undergrounding overhead utilities; upgrade of street lighting and the building of sound walls where necessary. The street will also be widened from two to three lanes in each direction.
- b. Warner Avenue Improvements - Main to Grand: Improvements include landscaped medians; landscaped buffers for pedestrians in the parkways; bike lanes; storm drain improvements; undergrounding overhead utilities; upgrade of street lighting and the building of sound walls where necessary. The street will also be widened from two to three lanes in each direction.
- c. Fairview Improvements - Civic Center to 17th: Improvements include a new wider bridge over the Santa Ana River to accommodate sidewalks, bike lanes, medians, and 3 lanes in each direction. The roadway approaches to the bridge would also be improved to include landscaped medians; landscaped buffers for pedestrians in the parkways and bike lanes. The street leading to and from the bridge will also be widened from two to three lanes in each direction.
- d. Dyer Road Improvements - SR-55 to RR Crossing E/O Pullman: Improvements include landscaped medians; landscaped buffers for pedestrians in the parkways; bike lanes; storm drain improvements and the upgrade of street lighting. The street will also be widened from three to four lanes in each direction.
- e. Grand Avenue Improvements - 4th to 17th: Improvements include landscaped medians; landscaped buffers for pedestrians in the parkways; bike lanes; storm drain improvements; undergrounding overhead utilities; upgrade of street lighting and the building of sound walls where necessary. The street will also be widened from two to three lanes in each direction.

Other Agencies Involved: N/A

Operating Budget Impact: TBD

Cost Estimates: TBD

City of Santa Ana

Project Summary

Project Name: Support the City's Climate Action Plan

Project Dates: TBD

Description: A roadmap to reducing greenhouse gas emissions within the City of Santa Ana. The Plan is scheduled to go to Council on December 15, 2015 for adoption. The Plan includes measures in the following sectors: Transportation and Land Use, Energy, and Water, Waste Water, and Solid Waste.

Purpose / Justification: Implementation has already begun on a few measures, with most implementation beginning in 2016. Many of the measures will create jobs within the city, such as retro-commissioning of commercial and industrial buildings. Other benefits include improved air quality, lower energy usage, reduced fossil fuel reliance, reduced traffic congestion, and improved public health.

Other Agencies Involved: N/A

Operating Budget Impact: TBD

Cost Estimates: TBD

City of Santa Ana

Project Summary

Project Name: “Drinking It from the Tap” Water Quality Campaign

Project Dates: TBD

Description: A public outreach campaign to inform and promote the value of tap water service and the need for continued infrastructure investment.

Purpose / Justification: Water utility customers are looking at an increase in water rates over the next few years, so it is important to convey this message, but also to point out water reliability.

Other Agencies Involved: N/A

Operating Budget Impact: TBD

Cost Estimates: TBD

City of Santa Ana

Project Summary

Project Name: Safe Mobility Santa Ana

Project Dates: TBD

Description: A comprehensive plan which will result in a reduction of pedestrian and bicycle collisions.

Purpose / Justification: The plan would position the City to successfully apply for active transportation and traffic safety grants intended to enhance efficiency of alternative forms of transportation, including walking, biking and transit use.

Other Agencies Involved: N/A

Operating Budget Impact: TBD

Cost Estimates: TBD