



Presentation to Lake Forest City Council

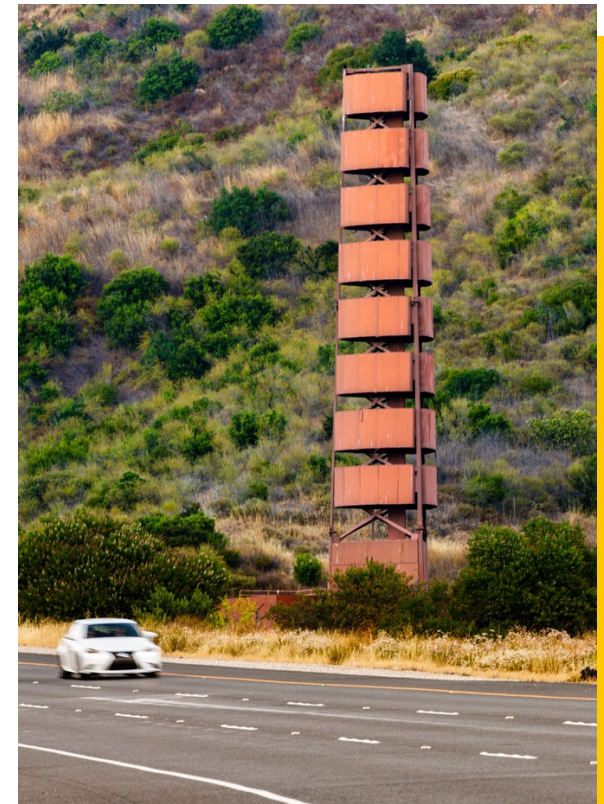
December 6, 2022



The Toll Roads: Overview

Transportation Corridor Agencies

- Planned by the County in the 1980s to mitigate current and future traffic congestion
- No state/federal funding available
- Self determination and self reliance
- TCA formed as a government agency (two separate JPAs) in 1986 by local leaders to build the planned roads as tolled facilities
- Financed by nonrecourse toll revenue bonds and Development Impact Fees



The Toll Roads: Governance Model

Transportation Corridor Agencies

- Two separate Boards – San Joaquin Hills and Foothill/Eastern
- Strong local oversight by elected officials from 17 member cities and county (currently 22 Board Members)
- Regional perspective

Foothill/Eastern

- Anaheim
- Dana Point
- Irvine
- Lake Forest
- Mission Viejo
- Orange
- Rancho Santa Margarita
- San Juan Capistrano
- Santa Ana
- Tustin
- Yorba Linda
- County of Orange (3rd, 4th and 5th Districts)

San Joaquin Hills

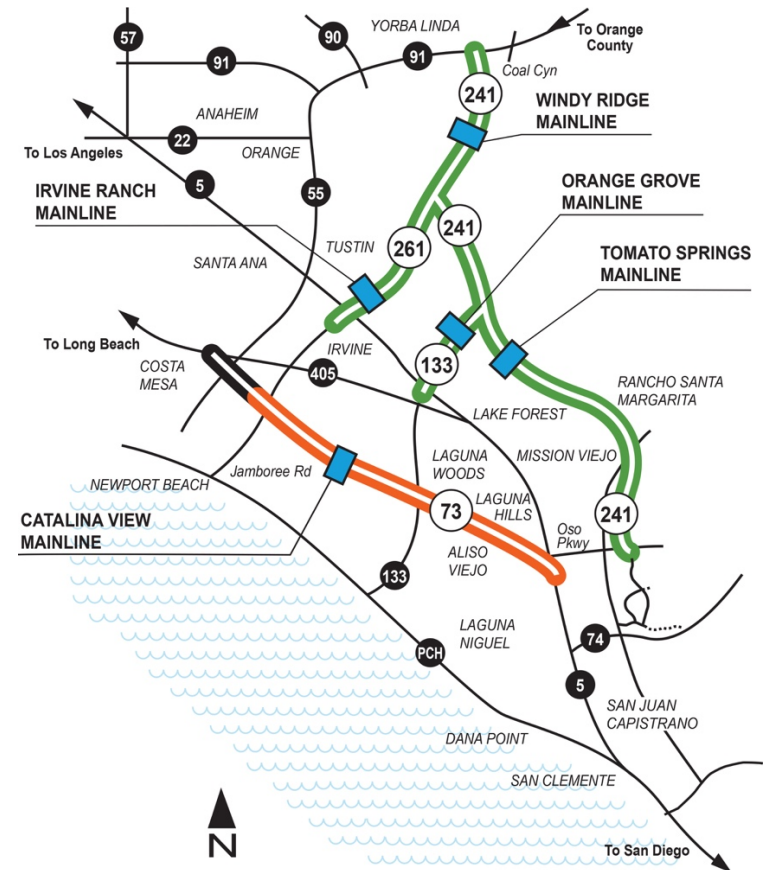
- Aliso Viejo
- Costa Mesa
- Dana Point
- Irvine
- Laguna Hills
- Laguna Niguel
- Laguna Woods
- Mission Viejo
- Newport Beach
- San Juan Capistrano
- Santa Ana
- County of Orange (3rd and 5th Districts)

The Toll Roads Network



Transportation Corridor Agencies

- 420 lane miles
- 330,000 daily transactions
- 2.2 million accountholders
- Built as parallel alternatives to I-5, I-405 and SR-55 highways
- Even drivers who don't use The Toll Roads benefit



Financial Stability/Sustainability

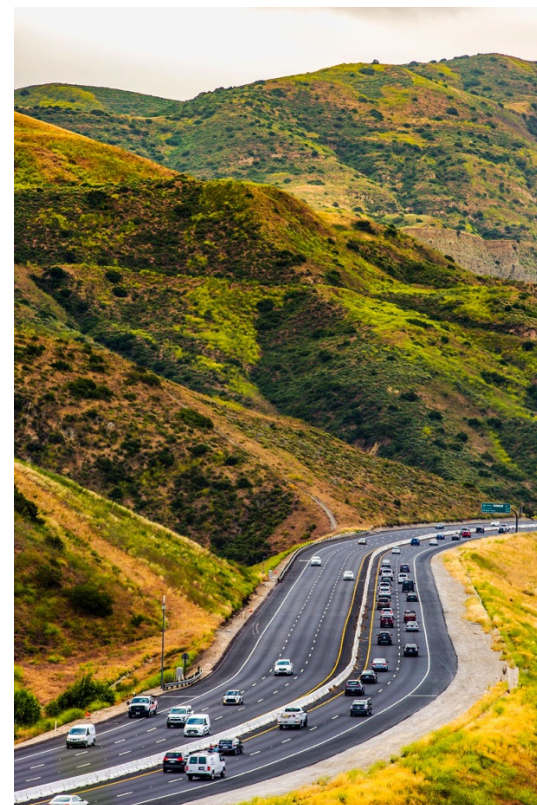
Transportation Corridor Agencies

- Nonrecourse toll revenue bonds
- Full value debt payments made timely since inception
- Refinancings in 2013 and 2014
 - Established debt structures to align with historical revenue growth
 - Keep toll rates low
 - Provide “rainy-day” fund
- Consistent rating upgrades from all three major credit rating agencies
 - Both Agencies’ bonds have “A” rating
 - Last 3 years - Saved over \$700 million in interest without extending bond maturity dates

MOODY'S

FitchRatings

S&P Global



Planning for the Future

Transportation Corridor Agencies



Orange County continues to grow and change,
and TCA's Boards of Directors are taking actions to ensure long-term success of the Agencies, like its founding members.



Acknowledging the current state of transportation and technology,
which has changed significantly since the inception of TCA and developing a roadmap to a successful future.

Slide 6

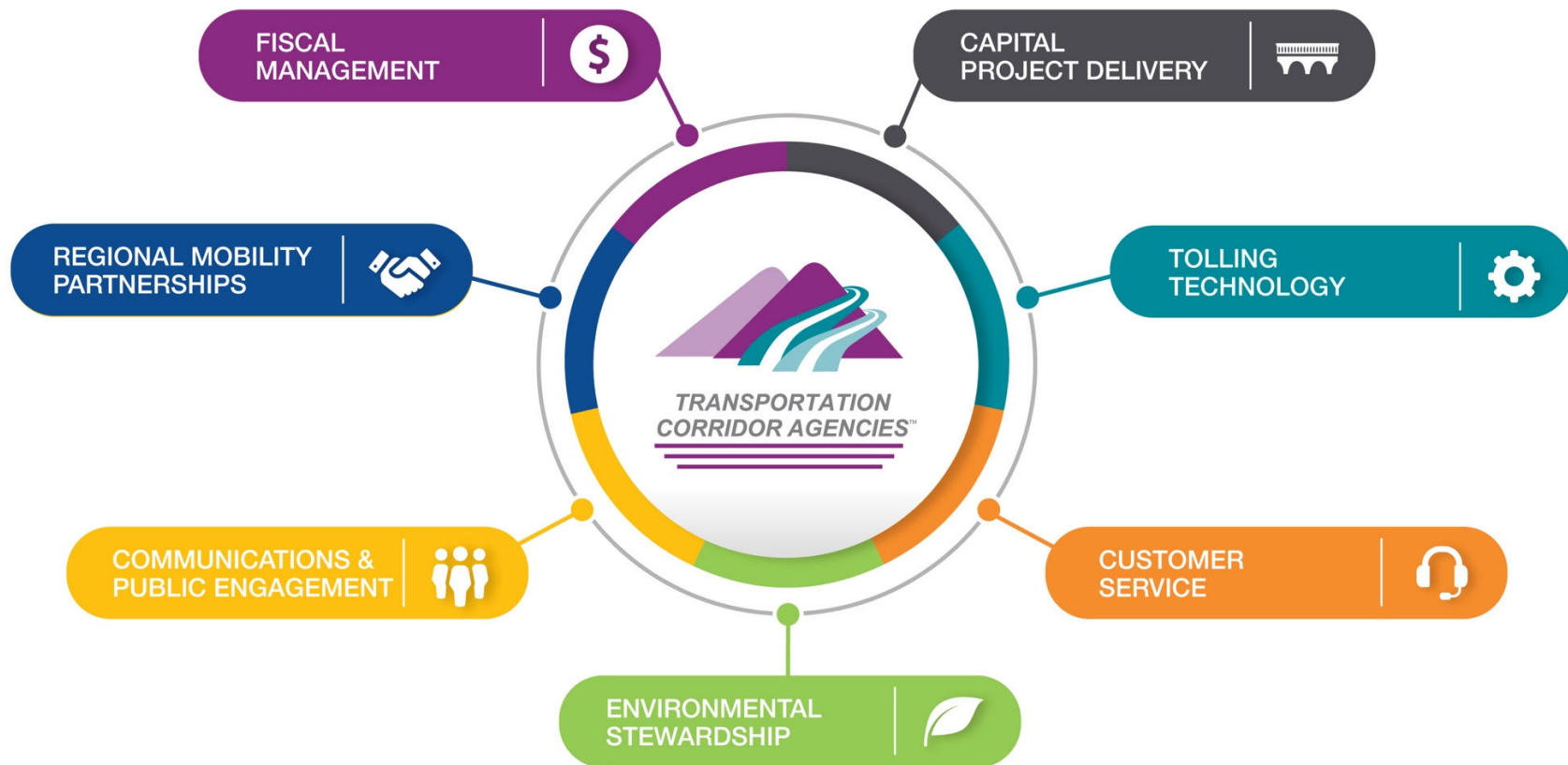
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Strategic Plan's Seven Focus Areas

Transportation Corridor Agencies



Fiscal Management

Activities

- Execute steps to allow Board approval of approximately **\$600 million in early debt paydown, saving \$670 million**
- Recommend adoption of **liquidity and pension policies**
- Complete **financial needs and system assessment**
- Prepare debt fact sheets that provide **accurate information on the Agencies' financial strength**
- Produce **annual updates** to seven-year cash flow projections

Fiscal Management

Fiscal Years 2023–2029



Goal

Continue to fulfill the Agencies' commitment to maintaining a long-term sustainable financial position.

Objectives

- Conduct financial planning that supports Agencies' Capital Improvement Plan, debt management strategy and other initiatives while maintaining strong credit ratings.
- In accordance with Agencies' Debt Management Policies, monitor economic environment and look for opportunities to further enhance the Agencies' strong finances.
- Develop cashflow scenarios that include opportunities for the early pay down of bonds per call provisions and strategic plans' horizon years.
- Recommend the establishment of policies that support the Boards of Directors' strategic priorities.
- Continue to provide for transparency through annual audits, transactional data and debt fact sheets to promote investor, Board and public confidence.

Activities

- Recommend adoption of liquidity policies in support of the Agencies' emergency reserve and credit rating strategy, and other financial policies such as maintaining the Agencies' fully funded pension liabilities.
- Produce annual updates to seven-year cash flow projections to include CIP, other agency initiatives and debt management.
- Execute steps necessary to allow Board approval of approximately \$600 million in early debt paydown as follows:
 - San Joaquin Hills: FY25, FY26 and FY27
 - Foothill/Eastern: FY23, FY24, and FY28
- Work with the Communications team to prepare debt fact sheets providing accurate information on the Agencies' financial strength.

Transportation Corridor Agencies

8

FY23 Strategic Plan | March 10, 2022

Agencies' Strong Liquidity Provides Flexibility

Transportation Corridor Agencies

**Boards' commitment to sound financial practices
and supporting policies has resulted in:**



Improved **credit ratings**/significant refunding **savings**



Strong liquidity that **protected** against pandemic



Ability to **fund** capital program with **cash**



Ability to **paydown** bonds **early**


Customer Service

Discount Plan

- Drivers with a prepaid FasTrak account are eligible for a monthly frequent driver discount.
- Drivers who spend \$40 in tolls on The Toll Roads during a statement period receive \$1 off every toll accumulated on The Toll Roads the following statement period.
- FasTrak accounts can be open through the TCA website or App.

Customer Service

Fiscal Years 2023–2029



Goal Maintain high levels of customer satisfaction, convenience and operational efficiencies by leveraging new and emerging technologies and service models.	Objectives <ul style="list-style-type: none">• Maintain "A" rating in customer satisfaction and Net Promoter Score of 70+ across all customer types.• Retain and/or reduce per transaction costs for toll operations.• Increase customer convenience through expanded payment options, third-party models and expanded interoperability.• Improve revenue recovery and account resolution for unpaid tolls and penalties.
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Activities

- Make investments to enhance and/or upgrade key customer facing systems including:
 - Telephone and automated voice response system
 - TheTollRoads.com
 - The Toll Roads app
- Leverage partnership with PayNearMe to expand payment locations and tools for all customer types.
- Support emerging Mobility as a Service (MaaS) and connected vehicle imbedded solutions through continued expansion of fleet accounts with private companies (Innovator Fleet Accounts).
- Expand efforts to resolve delinquent accounts (Resolutions Plus Program) and evaluate use of third-party collections service provider.
- Reconsider building rehabilitation plans considering reduced space requirements.
- Ensure operating practices and approaches to penalty mitigation are effective.
- Explore partnerships with other agencies, Caltrans and the California Transportation Commission to leverage TCA's existing systems and reduce costs through road user charge pilots.

Transportation Corridor Agencies 10 FY23 Strategic Plan | March 10, 2022

Capital Project Delivery

Transportation Corridor Agencies

- Deliver the Boards' adopted **Capital Improvement Plan projects**
 - SR 241/91 Express Connector
 - SR 73 Catalina View Improvements
 - SR 241 Loma Improvements
- Recently completed projects
 - Los Patrones Parkway (County Led, TCA Funded)
 - Oso Parkway Bridge
- Enhance **project delivery**
- Conduct periodic **traffic studies**
- **Research, studies and pilot programs**



Environmental Stewardship

Transportation Corridor Agencies

Activities

- Continue active management of **conservation lands and environmental programs**
- **Advance evaluation, planning and implementation of recreational uses** in connection with environmental projects and programs
- **Broaden environmental education** and knowledge of TCA's contributions
- **Incorporate additional wildlife fencing** along The Toll Roads
- **Initiate planning for long-term management** of perpetual obligations

Environmental Stewardship

Fiscal Years 2023–2029



Goal Continue to advance the Agencies' legacy of environmental stewardship and innovative leadership to protect and support Orange County's natural environment and threatened species for future generations.	Objectives <ul style="list-style-type: none">• Support TCA's lands management program incorporating:<ul style="list-style-type: none">— Environmentally friendly methods including use of nontoxic materials for weed abatement.— Implementing measures to support environmental sustainability and resilience for ongoing and future CIPs.• Evaluate opportunities to implement or support relevant, beneficial conservation programs or activities utilizing TCAs Habitat Conservation Fund.
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Activities

- Continue active management of more than 2,000 acres of conservation lands and environmental programs.
- Advance the site plan and process for recreational and mitigation purposes at the Saddle Club Preservation Property.
- Reestablish educational tours for Orange County teachers and students, and work to develop periodic content for distribution.
- Incorporate additional wildlife fencing along sections of The Toll Roads when improvements are made to the extent feasible.
- Continue discussions with member cities, regional partners and environmental coalition members to identify solutions and opportunities to improve and conserve the environment, including:
 - Hybrid uses that support improved environmental outcomes and social/recreational uses
 - Establishment of habitat for urban farms
 - Enhanced support for wildlife migratory paths
 - Creation, restoration and/or preservation of resilient habitats
- Initiate planning for long-term management to comply with resource agency permit requirements and perpetual protections of habitat and wildlife, while incorporating opportunities for self-funded future enhancements.

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Innovative Environmental Stewardship

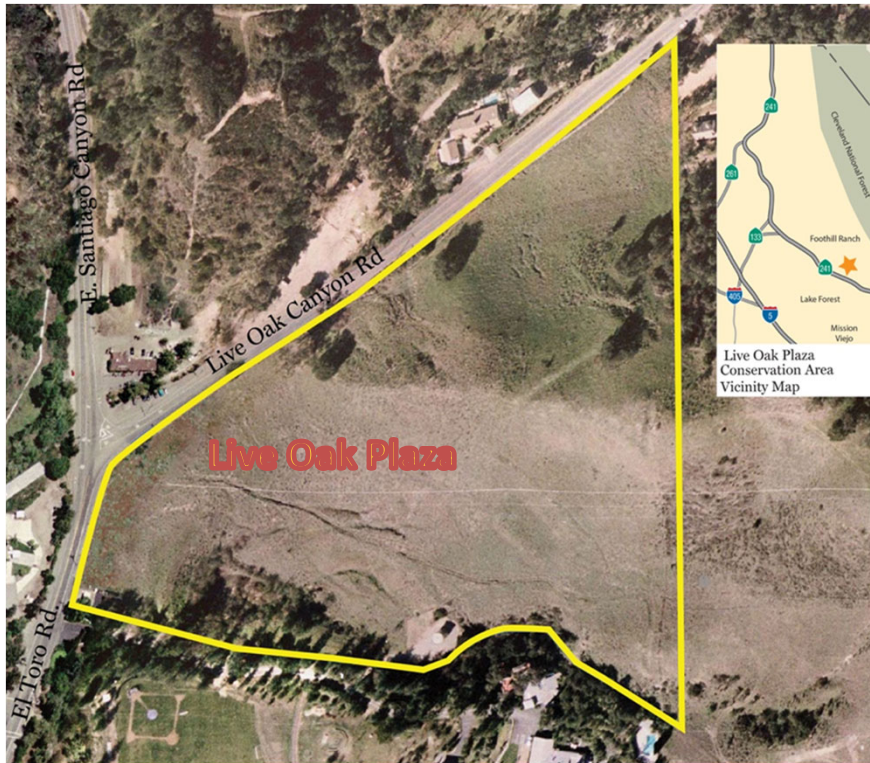
Transportation Corridor Agencies

- 25 years of environmental success
- More than 2,200 acres of native habitat
- Over \$125M on environmental programs
- Home to multiple species, including:
 - Coastal California Gnatcatcher
 - Brodiaea
 - Coastal Cactus Wren
 - Mountain Lion
- Wildlife monitoring and movement studies
- Provides improved air quality
- Education and service



Live Oak Grazing Program

Transportation Corridor Agencies



Grazing Program Next Steps

Transportation Corridor Agencies



Maintaining Wildlife Corridors and Connectivity

Transportation Corridor Agencies

Wildlife Crossing



Conclusion

Transportation Corridor Agencies

Questions/Discussion