

TRANSPORTATION COMMITTEE

July 20, 2007

AGENDA ITEM NO.: **1**

Action Requested: APPROVE

TRANSPORTATION COMMITTEE DISCUSSION AND ACTIONS MEETING OF JUNE 15, 2007

The meeting of the Transportation Committee was called to order by Vice Chair Jack Dale (East County) at 9.05 a.m. See the attached attendance sheet for Transportation Committee member attendance.

1. APPROVAL OF MEETING MINUTES

Action: Upon a motion by Deputy Mayor Jerry Rindone (South County) and a second by Chair Pro Tem Bob Emery (Metropolitan Transit System [MTS]), the Transportation Committee approved the minutes from the June 1, 2007, meeting.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Vice Chair Dale announced that the Transportation Committee meeting scheduled for July 6, 2007, is cancelled.

Michael Ann Merrick, representing TRIP (Traffic Relief is Possible), submitted written comments, which she then read, regarding SANDAG's decision to move funding from Highway 78 improvement projects to fund public transit. Ms. Merrick requested that SANDAG place on a future agenda an item to discuss regional development impact fees to fund shortfalls.

Pamela Stahl, representing TRIP, referenced the copies of letters submitted by Ms. Merrick regarding Proposition A and submitted a response letter from the City of Chula Vista. Ms. Stahl then read the response letter submitted to the City of Chula Vista and stated that TRIP supports the author's request to have the elected official from Chula Vista appointed to SANDAG support a regionwide development impact fee for transportation improvements.

CHAIR'S REPORT

3. STATE ROUTE 905 STATUS UPDATE (Information)

Jack Boda, Director, Mobility Management and Project Implementation (MM&PI), provided the monthly update of the State Route (SR) 905 Strike Team. Mr. Boda stated that the project was in the engineering phase, funds are secured for the project, and Caltrans is moving forward to construction, which is anticipated to start in January 2008. Current risks to the project are potential right-of-way legal actions and a delay in delivery of fill dirt from a developer.

Action: This item was presented for information only.

REPORTS

4. CAPITAL IMPROVEMENT PROGRAM BUDGET TRANSFERS (Recommend)

John Haggerty, Design Engineer, presented this item. Staff recommends two budget transfer actions. First, approval of a Memorandum of Understanding (MOU) with MTS for fund transfers from an MTS Capital Improvement Project (CIP) to a SANDAG project to fund installation of a crossover on C Street for a total cumulative amount of \$250,000. Second, staff recommends approval of a transfer of funds from the SANDAG Catenary Contact Wire Project to fully fund the L Street and West Park Crossing Rehabilitation Project. This project repairs two locations on the Blue Line where rail is severely corroded for a total cumulative amount of \$550,000. This project is currently in the design phase with construction anticipated to start in late FY 2008 and be accomplished over several fiscal years. The impact of transferring funds out of the Contact Wire Project at this time will be negligible, as MTS and SANDAG will have several fiscal years to prioritize and restore funding for wire replacement, as needed.

Mr. Haggerty stated that the City College Station is scheduled to open at the Smart Corner development on June 27 and construction will continue through October. The L Street and West Park crossings construction material has been ordered.

Action: Upon a motion by Chair Pro Tem Emery and a second by Chairman Ed Gallo (North County Transit District [NCTD]), the Transportation Committee recommended that the SANDAG Board of Directors: (1) approve a Memorandum of Understanding with MTS for fund transfers in an amount not to exceed \$250,000; and (2) approve a budget increase in same amount for the City College Station Realignment Project for installation of a crossover in C Street, and approve a budget transfer of \$200,000 from the Catenary Wire Project into the L Street and West Park Crossing Rehabilitation Project to fund the full cost of construction.

5. FOLLOW-UP REPORT ON AIRPORT PLANNING ISSUES (Information)

Dave Schumacher, Principal Regional Planner, and Miriam Kirshner, Senior Regional Planner, provided a follow-up report on aviation and ground access issues that were discussed with the Transportation Committee on May 18, 2007.

Mr. Schumacher addressed the two major concerns of the Transportation Committee. First, the short-term plan negatively impacts ground transportation and congestion and second, the short-term plan would not improve long-term airport operations.

Staff proposed several strategies for addressing the airport planning issues. Staff worked with the Airport Authority to develop a comprehensive plan to address both long-term and short-term airport operations needs. Long-term needs are to develop a regional air-rail network plan and to accelerate planning for long-term utilization of the airport in context of this air-rail network plan. Short-term needs are to evaluate other options for a revised Short-Term Master Plan that would work with the long-term needs and to identify ground

access improvements needed to support airport expansion, which include Amtrak, COASTER, trolley and bus improvements, as well as direct access ramps to/from Interstate 5 (I-5).

Staff stated they would return in 90 days and provide an update to the Short-Term Master Plan and a detailed scope of work for the Long-Term Master Plan for the airport and for the regional air-rail network. Staff will not incorporate the draft aviation white paper into the Regional Transportation Plan (RTP) but would include the currently adopted plans. Once these studies conclude, any recommendations would then be included in an amended RTP.

Action: This item was presented for information only.

6. FY 2008 TRANSPORTATION DEVELOPMENT ACT ALLOCATIONS AND PRODUCTIVITY IMPROVEMENT PROGRAM (Recommend)

Sookyung Kim, Financial Programming Manager, reported on this item. The Transportation Development Act (TDA) provides one-quarter percent of the state sales tax for operating and capital support of public transportation systems and non-motorized transportation projects. As the designated Regional Transportation Planning Agency for the San Diego region, SANDAG is responsible for the annual allocation of TDA funds to the region's cities, the County, and transit operators.

Ms. Kim reported that the revised apportionment of \$124 million reflects a slowdown in sales tax receipts. Staff notified the affected agencies as soon as it was reported to SANDAG. Based on the reduced estimates, MTS and NCTD reported back to SANDAG on their claims. MTS submitted a revised claim to reflect the lower estimate and balanced its budget with backfill and other funding sources. NCTD decided to submit its original claim and its budget now shows a deficit.

Dan Levy, Senior Regional Planner, stated that SANDAG is also responsible for approving transit operators' productivity improvement goals. TDA requires SANDAG to evaluate transit operator performance. Mr. Levy reported on the status of each agency's performance goals and which operations were evaluated. Overall, the two agencies met 52 of 68 goals. Issues that impacted their ability to meet goals were fuel prices, traffic congestion, and the effect of the economy on ridership growth. Many of the issues will be addressed with implementation of the Comprehensive Operational Analysis (COA). Staff developed new FY 2008 performance goals and will continue to work with transit agencies to redefine these goals.

Deputy Mayor Dave Druker (North County Coastal) commented that retail sales have increased by 14 percent over the previous year, and stated that SANDAG's decision to look at the impact of short-term sales tax growth was positive.

Paul Jablonski, MTS Chief Executive Officer, commented that the significant contribution to the budget increase was the cost of fuel, which was not reflected in this report.

Action: Upon a motion by Deputy Mayor Druker and a second by Chair Pro Tem Emery, the Transportation Committee recommended that the SANDAG Board of Directors approve the final FY 2008 TDA allocations and the FY 2008 productivity improvement program at its June 22, 2007, meeting.

7. DRAFT 2008 TRANSIT AGENCY OPERATING BUDGETS (Approve)

Renee Wasmund, Director of Finance, introduced the item. At the May 18, 2007, Transportation Committee meeting, MTS and NCTD presented their proposed FY 2008 budgets. At that time, the revised TDA estimates were not available. MTS and NCTD have since revised their budgets based on the new TDA estimates, which were presented to the Committee for review, discussion, and approval of the use of funding.

Mr. Jablonski reported on the MTS budget. MTS will carry over funds from FY 2007 to FY 2008 in the amount of \$3.5 million. Additionally, MTS is expecting approximately \$5.3 million in Compressed Natural Gas (CNG) fuel credits for a total of \$9.8 million. MTS will use this \$9.8 million to balance the FY 2008 budget. MTS will be looking at a long-term solution to balance future budgets. Mr. Jablonski stated that MTS is concerned with and watching for a solution to the state budget, which is critically important to the MTS budget for funding rehabilitation operations and replacement of aged fleet. MTS has initiated a process to review revenue enhancements such as fare increases and subsidies, advertising, and real estate to maximize short-term revenues. Also, MTS will review expense adjustments in service and operating budget reductions. The MTS Budget Development Committee will meet in July and produce an amended budget based on the data collected from these reviews.

Richard Hammisch (NCTD) reported that NCTD will look at short-term implications first and make one-time adjustments. NCTD is waiting for the state budget resolution as it also critically impacts the NCTD budget. Once the significant unknowns can be addressed, NCTD will amend its budget. For long-term goals, NCTD will look at one-time adjustments for future years and will also address revenue enhancements and expense adjustments to meet budget needs. Mr. Hammisch stated that the TDA estimates have significantly impacted NCTD budget and if the growth rate continues to decline, NCTD will look at real cuts on an inflation adjusted basis.

Deputy Mayor Rindone asked staff what savings would be realized if NCTD were forced to make adjustment to service on Sundays. Mr. Hammisch stated that would take significant study and analysis because significant service level adjustments have spillover effects to other areas such as fare revenue, ridership, and repairs.

Deputy Mayor Rindone asked if NCTD had contacted local legislative delegations for input into this crisis. Karen King, Executive Director, NCTD, stated that NCTD was working actively with state legislators to restore these funds and to find a long-term solution.

Discussion ensued among the members regarding presenting a united front among MTS, NCTD, SANDAG, and other agencies to the State Legislature in order to lobby for restoration of full State Transit Assistance (STA) funding and to coordinate a joint strategy to fully fund transit needs in the region. The consensus of the members was for SANDAG to take a leadership role to develop a joint strategy and coordination of services and programs that will improve the transit needs in the region, and to work with our legislators and the Governor's office to get full funding for these programs and services.

Action: Upon a motion by Deputy Mayor Rindone and a second by, Chair Pro Tem Emery, the Transportation Committee approved the NCTD and MTS FY 2008 operating budgets for funding (not to exceed the revised TDA and *TransNet* revenue estimates), and contingent upon approval by the respective Boards of each transit agency and the SANDAG Board of Directors approval of the TDA allocations on June 22, 2007.

8. INTERSTATE 15 MANAGED LANES CORRIDOR UPDATE (Information)

Jack Boda, Director, MM&PI, and Marney Cox, Chief Economist, presented this item. At its June 1, 2007, meeting, the Transportation Committee recommended that the Board of Directors approve a \$37.7 million budget increase to the I-15 Managed Lanes/Bus Rapid Transit project. This would increase the budget from \$1.25 billion to \$1.29 billion. Mr. Boda discussed the two major components of the transportation project, support and capital, and their six subcomponents. Mr. Boda presented the five project phases: the project study report, environmental, design, advertising, and construction. He stated that funding uncertainty declines during each phase. Mr. Boda discussed four factors that influence a project cost: scope changes; schedule delays; unit price increases such as steel, concrete and gasoline; and construction change orders. He explained how staff uses project contingencies to reflect risk at each level. At the project study phase, the risk is at 25 to 30 percent and that number decreases over each phase down to 5 percent at the construction phase. Once a project is awarded to a contractor, the unit prices and project estimate are fixed. Mr. Boda stated that based on his experience, he was confident that the estimates for this project are valid based on known quantities and an analysis of current bids across the field. The number of bids submitted is increasing and the cost estimate of the bids is decreasing.

Mr. Cox provided additional information on the construction cost index and the assumptions made to determine the cost increase for the project. Although the trend in the construction cost index from 1980 to 2000 was doubling every 20 years, the construction cost index since 2001 has shown a doubling every four years. The question is whether to use the 20-year index or the more recent trend since 2000. Mr. Cox stated that staff has confidence using the 20-year index and explained the reasoning for that decision. First, the existing preliminary project costs are updated based on actual construction price data from construction project bids received during 2006. The 2006 bid price for concrete reflects what the contractor expects to pay when the concrete is needed for the project, not the price of concrete at the time the bid is submitted. Contractors work with their suppliers to set these future bid prices. Most of the I-15 projects are scheduled to be sent out for competitive bid during 2008, making the bid prices received during 2006 appropriate for estimating construction prices in 2008.

Second, to this updated cost estimate, an additional escalation factor is needed to reflect how much construction prices might increase beyond 2008. The established procedure at SANDAG is to apply the long run annual cost escalation factor of 3.6 percent to the anticipated annual cash expenditures through the end of construction. Another important trend emerging statewide that could also help reduce the rate of increase in construction prices is a rise in the level of competition. Statewide, the number of contractors bidding on each new transportation job has increased from 3.5 bids per project to almost 6. Staff believes this increased competition, combined with the updated cost estimates based on recent and actual bid prices and a long run cost escalation factor that recognizes that the demand for construction material will likely remain strong, but not increase, makes the

estimate for this project valid. Also, this project is very close to going out to bid thus leaving little time for prices to increase. Some concerns that were discussed are unstable unit prices, project delays, and construction change orders but staff is confident that these concerns have been addressed in contingencies for the project.

NCTD Chairman Gallo asked whether SANDAG tracks actual numbers from right-of-way acquisition delays to use as a barometer for future projects. Pedro Orso-Delgado, Caltrans District 11 Director, replied that Caltrans tracks from a baseline schedule to actual numbers for right-of-way and other cost measures.

Gary Gallegos, Executive Director, stated that the type of acquisition for right-of-way, whether friendly or unfriendly condemnation, can impact project timelines and costs, and there is no way to know ahead of time exactly what that impact would be.

NCTD Chairman Gallo stated that if the method of tracking shows an average, staff should use that average for all future projects as a tool when planning. Chairman Gallo also requested clarification of tracking prices for a bid and whether SANDAG or the contractor would benefit if a quote within a bid came in lower. Mr. Boda explained that once the bid is awarded, we accept a fixed price so if a contractor can buy the product cheaper, they benefit.

Sandor Shapery, Regional Planning Stakeholders Working Group, stated that in private enterprise many challenges are eliminated or reduced by utilizing the Design-Build model, and asked whether SANDAG was considering utilizing this tool.

Mr. Boda stated that SANDAG is considering Design-Build as a tool but that the contractor assumes the risk in this model and builds in high upfront contingencies to cover the risk. With the Design-Bid-Build process, the risk is shifted away from the contractor.

Discussion ensued regarding Design-Build versus Design-Bid-Build, and other models, such as Job Order Contracting, and the benefits and risks of these different models.

Supervisor Ron Roberts, (Chairman, County of San Diego) noted that the Committee needs to consider the long-term concern of local resource availability, such as local quarries, and the increasing costs of these resources. He stated that many decisions this Committee makes, as well as many other factors beyond its control, drive up the cost of local basic resources.

Mr. Gallegos stated that staff acknowledges the numerous uncertainties for the long-term and that there is a need to develop a plan of action to address these uncertainties and improve our cost escalation predictions. The I-15 project will go to bid within the next few months and the numbers are the best we can predict at this time.

Deputy Mayor Rindone stated that he supports considering Design-Build as a tool for SANDAG but there still needs to be an assessment of whether this is the best tool to use. If SANDAG does decide to utilize this tool, Deputy Mayor Rindone volunteered himself and his city staff to meet with SANDAG staff for further discussion and assessment.

Action: This item was presented for information only.

9. SPRINTER PROJECT STATUS REPORT AND SANDAG INDEPENDENT ASSESSMENT (Information)

Jim Linthicum, Transit Engineering and Construction Division Director, provided a monthly status report on the SPRINTER rail project, including discussion of implementation and effectiveness of project cost control measures. Mr. Linthicum discussed the current progress of the project including completed and ongoing portions. He summarized the Settlement Agreement that NCTD entered into with the contractor to include impact damages and contractor acceleration payments. Staff feels that the Settlement Agreement is balanced and in the best interests of NCTD and affords NCTD a much greater confidence level with both cost and schedule. A workshop was held on May 29th to review the assumptions made in the amended recovery plan for contingency and final quantities and the assumptions made for various future costs. The result is a tentative estimate at completion (EAC) of \$460 million. The EAC includes the maximum value of the Settlement Agreement but excludes adjustments made for future costs and the settlement recently made with the City of Vista. Mr. Linthicum stated future risks to cost are potential overruns of construction quantities and change orders. The EAC will remain tentative until final adjustments are made and final quantities are determined. Mr. Linthicum also expressed concern that until the contractor submits a new baseline schedule, a revenue operations date can not be determined.

Action: This item was presented for information only.

10. SPRINTER BUS SERVICE REDESIGN (Information)

Karen King, NCTD Executive Director, introduced the item and stated that the presentation today reflects more than a year's worth of work with the goal to provide the best and most efficient service possible. The service plan presented today is likely to be reduced based on actual TDA revenues and state budget impacts. Unless NCTD can fund the budget as presented, this service plan would need to be reduced and the reductions would have to be approved by the Transportation Committee. If NCTD will need to make reductions in service, additional public hearings would need to be held to address these reductions. Ms. King stated that NCTD will also be researching other funding opportunities.

Stefan Marks, NCTD Manager of Service Development, provided the Transportation Committee with a brief overview of the proposed changes. NCTD has implemented an extensive outreach program including an interactive web guide for trip planning. Mr. Marks reviewed the proposed system design goals, which include building a coordinated network of arrivals and departures, allocating services efficiently for maximum ridership, creating faster trips, and building in flexibility to expand the network. NCTD has developed a service concept to present a Transit Network that is needed to maximize travel demand and meet all-day needs. The Transit Network is made up of two different networks, the Baseline Network, which includes the service changes presented today, and the Optimum Network, which includes all the additional services that NCTD would like to make available as funding is identified. Since 2000, NCTD has implemented changes to the BREEZE routes focusing on work, school, and college trips providing a faster, more reliable east-west trip. The SPRINTER will allow NCTD to increase the capacity along the east-west corridor. Three routes were changed or eliminated to either support the SPRINTER routes or are replaced by the SPRINTER. These routes are Route 302, Route 318 and Route 320. NCTD has reviewed the feedback received as a result of the out reach program. The feedback has been positive with

requests for earlier service in some areas, more service to business parks, later evening services, and retention of some services that were reduced or eliminated.

Action: This item was presented for information only.

11. SAN DIEGO TROLLEY FARE INSPECTION (Information)

Peter Tereschuck, General Manager, San Diego Trolley MTS Rail Division, and Bill Burke, Director of MTS Security, presented this item. Mr. Burke stated that MTS uses a combination of code enforcement and private contract security personnel in both uniform and plain clothes to enforce various patrol measures. Security officers randomly inspect fares onboard trains and in fare-paid zones, and have the option to issue warnings, write citations, or detain with the offender to purchase a fare. All fare-paid zones have signs in both English and Spanish stating that all persons within the zone must have a ticket. Paid-fare zones improve the quality of life in the region by discouraging loiters. All inspectors can inspect fares, though private security officers cannot write citations. Mr. Burke explained the schedule and methods in place for inspection and enforcement for rail and bus. Additionally, MTS inspectors perform a 100 percent saturation detail one day a week in one assigned station. A saturation inspection provides MTS with a very accurate fare evasion rate. Due to this type of enforcement, the MTS fare evasion rate is less than 2 percent. Bus drivers are efficient at checking for tickets and fares and, on occasion, a security or code enforcement officer will also be assigned to check fares. Mr. Burke stated that MTS Security also performs Swarm Saturation Details. MTS assigns officers to a certain area and they board the train and check 100 percent of fares in a designated route. Mr. Burke stated that officers write an average of 1700 citations per month and revenue collections are approximately \$6 per citation after state and local courts collect their fees. Mr. Burke presented the comparison data with other counties for fare evasion and inspections which showed that, in comparison, San Diego has a much higher inspection rate with a low fare evasion percentage.

Action: This item was presented for information only.

Vice Chair Dale requested that SANDAG staff send a copy of this report to Mayor Art Madrid.

12. UPCOMING MEETINGS

The next meeting of the Transportation Committee is scheduled for July 20, 2007.

13. ADJOURNMENT

Vice Chair Dale adjourned the meeting at 10:50 a.m.

Attachment: Attendance Sheet

CONFIRMED ATTENDANCE
SANDAG TRANSPORTATION COMMITTEE MEETING
June 15, 2007

GEOGRAPHICAL AREA/ ORGANIZATION	JURISDICTION	NAME	MEMBER/ ALTERNATE	ATTENDING
North County Coastal	City of Del Mar	David Druker	Member	Yes
	City of Oceanside	Jerry Kern	Alternate	Yes
North County Inland	City of Escondido	Lori Holt Pfeiler	Member	Yes
	City of Vista	Bob Campbell	Alternate	Yes
East County	City of Santee	Jack Dale (Vice Chair)	Member	Yes
	City of La Mesa	Art Madrid	Alternate	No
South County	City of Chula Vista	Jerry Rindone	Member	Yes
	City of Coronado	Phil Monroe	Alternate	No
City of San Diego	----	Jim Madaffer (Chair)	Member	No
	----	Scott Peters	Alternate	No
	----	Ben Hueso	Alternate	No
County of San Diego	----	Ron Roberts	Member	Yes
	----	Bill Horn	Alternate	Yes
	----	Greg Cox	Alternate	No
Metropolitan Transit System	City of Poway	Bob Emery	Member	Yes
	MTS	Harry Mathis	Alternate	Yes
North County Transit District		Ed Gallo	Member	Yes
		Jerome Stocks	Alternate	No
		David Druker	Alternate	?
San Diego County Regional Airport Authority		Paul Nieto	Member	No
		Charlene Zettel	Alternate	Yes
ADVISORY/LIAISON Caltrans	----	Pedro Orso-Delgado	Member	Yes
	—	Bill Figge	Alternate	No
Regional Planning Stakeholders Working Group	—	Sandor Shapery	Member	Yes
		Gary Nordstrom	Alternate	No
		Kathy Keehan	Alternate	No
SCTCA	—	Kevin Siva	Member	No
		Albert Phoenix	Alternate	Yes