

TRANSPORTATION COMMITTEE

April 3, 2009

AGENDA ITEM NO.: **1**

Action Requested: APPROVE

TRANSPORTATION COMMITTEE DISCUSSION AND ACTIONS MEETING OF MARCH 20, 2009

The meeting of the Transportation Committee was called to order by Chair Jack Dale (East County) at 9:04 a.m. See the attached attendance sheet for Transportation Committee member attendance.

1. APPROVAL OF MEETING MINUTES

Action: Upon a motion by Supervisor Ron Roberts (County of San Diego) and a second by Vice Chair Matt Hall (North County Coastal), the Transportation Committee approved the minutes from the February 20, 2009, meeting.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Anna Daniels, a member of the public, asked the Committee to leverage the \$130 million from the federal economic stimulus and release *TransNet* funds to the transit operators. She commented that the Metropolitan Transit System's (MTS) fiscal emergency is not just its emergency it also is SANDAG's emergency.

Joyce Brown, a resident of City Heights, expressed concern about the transit service cuts, especially to Route 965. She works for the City Heights Community Development Corporation at affordable housing units and kept a tutoring service open until 7 p.m. MTS is now considering cutting out that service before 7 p.m. She wouldn't have been able to have that job without that bus service. She asked the Committee how service cuts impact livelihoods.

Maria Cortez, a resident of City Heights, expressed opposition to proposed fare increases. Fares were raised in January and are now proposed to be raised again in July. Senior citizens and disabled persons cannot afford this fare increase and will be impacted the most. She understands the transit agency's funding situation but another fare increase will take money away for food and children. She thought that ridership would decrease because people cannot afford to ride the public transit system.

Teresa Quiroz, a member of the public, stated that the Housing and Urban Development (HUD) department is now joining the interagency partnership with the federal Department of Transportation (DOT) and they have decided that transit and housing are inextricably linked. They will be setting up a plan to include housing in regional transportation plans. However, the way the transit system is going at the moment, it is failing the poor people that get the HUD money. She thought that when the Committee considers transit options it should be aware that San Diego might be at risk for losing HUD funding.

Harry Mathis, MTS Chair, thanked the public for their comments. It's very plain that everything we do at MTS impacts some folks. He hadn't heard about the latest development with HUD. If HUD wants to include additional funding for transit operations MTS would welcome that. However, if HUD is trying to operate its own transit system, then that is not a positive thing. We face additional funding deficits next year. He clarified that the disabled and elderly are the least financially impacted by the fare raises. We need to find a way to get past this continuing funding problem.

Supervisor Ron Roberts (County of San Diego) noted that any solution to this financial issue will affect someone in a negative way. This is not a City Heights or an MTS issue exclusively, it is a public transit issue throughout the State of California. He didn't think that it was likely that any of the members of the public were able to attend any hearings in Sacramento when major funds for public transit were cut. The state has made a commitment in Assembly Bill (AB) 32 to require public transit and housing to be interrelated to reduce global warming. However, at the same time that the state acknowledges public transit is the key to this, it has basically cut out all funding for public transit. In other words, they have cut the funding for the best solution for global warming. Transit agencies cannot pass these problems along; they have to deal with them. However, the only options are to decrease service and increase revenues. We are attempting to determine the feasibility of a ballot measure to provide additional funding for public transit, but that is at least one to two years away and, given the mood of the voters, it may not pass. We are doing what we can to ensure transit agencies are operating effectively. This issue will affect all areas of San Diego.

Bob Campbell, Chair, North County Transit District (NCTD), stated that NCTD is facing a \$20 million deficit. He said that we need the public to support us by contacting state legislators in Sacramento and opposing funding cuts for transit agencies.

Mayor Art Madrid (East County) commented that there is no doubt land use and transportation are interconnected. He said this Committee should listen to the public comments regarding cuts to public transit services in rural areas.

Mayor Madrid noted that we have been told over the last ten years that there should be a connection between land use and transportation. He suggested that SANDAG hold a workshop on emerging issues. We have the same issues today as we did ten years ago including energy, water, and public transportation.

Jerry Rindone, MTS, said that the State of California has cut the State Transit Assistance (STA) fund, which provided \$14 million to MTS in past years. It appears this fund will be cut for the next five years. It is lunacy to cut these funds at a time when we have the highest ridership figures.

Councilmember Todd Gloria (City of San Diego) spoke about the comments he has received from constituents. He recognized this is a state issue and we are going to advocate together in Sacramento. This is a problem that will face us for several years to come. We should entertain a conversation that looks at this issue more deeply and start on a path of self-reliance. We have shown leadership time and again of taking things into our own hands.

Paul Jablonski, MTS Executive Director, stated that we have obviously been dealing with the issue of the STA cuts for quite some time. That fund elimination became permanent in late February. Our budget development committee has been meeting to deal with a \$17 million budget deficit this year. We can temporarily cover that deficit with a fare increase and service cuts. We are hoping the economy will improve over the next year. We held a public hearing on service cuts and will address the comments that were made. We were able to reduce the service cuts to \$4.7 million. We tried to keep the service cuts to nights and weekends, and reduced the number of routes eliminated in their entirety. The MTS Board recommends that the Adult monthly pass be increased with a corresponding increase in the Youth pass and Senior/Disabled pass. The other significant change is that there are three or four feeder routes that have \$1.00 fares and those will be standardized to the rest of the fare system. The current \$1.25 downtown trolley fare will be raised to a standard flat fare. In addition, we propose to raise the eligibility age for seniors from 60 to 65 on a year-by-year increase over the next five years. This age-increase proposal is consistent with every other transit agency across the state.

Dave Schumacher, Principal Planner, reported that SANDAG has responsibility for the Fare Ordinance. We will schedule two public hearings in April; one in North County and one in South County. We also have tentatively scheduled two readings of the Fare Ordinance, the first reading is on April 24 and the second reading is on May 8. These hearings would be in time to implement the proposed fare increases on July 1.

Chair Dale thanked the public for their comments.

CONSENT ITEMS (3 through 7)

3. FEDERAL TRANSIT ADMINISTRATION SECTION 5311 PROGRAM OF PROJECTS REVISION (RECOMMEND)

At its December 19, 2008, meeting, the Board of Directors approved the Program of Projects for the Federal Transit Administration (FTA) Section 5311 rural funding program. NCTD has requested a change for the use of this fund source from capital to operating, necessitating a revision to the Program of Projects. The Transportation Committee is asked to recommend that the Board of Directors approve revision to the FTA Section 5311 Program of Projects as described in the staff report.

4. APPOINTMENT OF VISTA COUNCILMEMBER BOB CAMPBELL TO CONSOLIDATED TRANSPORTATION SERVICES AGENCY BOARD (APPROVE)

SANDAG Board Policy No. 001 requires the Transportation Committee to provide oversight and approvals for Consolidated Transportation Services Agency (CTSA) matters and appoint a Transportation Committee representative to the CTSA Board of Directors. Full Access & Coordinated Transportation (FACT) is the designated CTSA for San Diego County. The Transportation Committee is asked to approve the appointment of Vista Councilmember Bob Campbell as the Transportation Committee representative on the CTSA Board.

5. LOS ANGELES-SAN DIEGO-SAN LUIS OBISPO RAIL CORRIDOR AGENCY BOARD OF DIRECTORS MEETING REPORT (INFORMATION)

The Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Agency seeks to increase ridership, revenue, capacity, reliability, and safety on the coastal rail line from San Diego to Los Angeles to San Luis Obispo. Known as Amtrak's Pacific Surfliner corridor, it is the second busiest intercity passenger rail corridor nationwide and Amtrak's fastest growing. The report summarizes the actions from the LOSSAN Board meeting held on February 11, 2009.

6. PUBLIC NOTICE OF INTENT TO ADOPT A MITIGATED NEGATIVE DECLARATION FOR THE BAYSHORE BIKEWAY PROJECT (INFORMATION)

SANDAG proposes to construct an approximate 4.5-mile-long portion of the planned Bayshore Bikeway along the eastern San Diego Bayfront in the cities of San Diego, National City, and Chula Vista. The Mitigated Negative Declaration for the Bayshore Bikeway Project is available for public review with comments due by March 30, 2009. After public comments are received, the document will be presented for adoption at the May 1, 2009, Transportation Committee meeting.

7. SPRINTER PROJECT STATUS REPORT (INFORMATION)

This item provides a monthly status report on the SPRINTER rail project including discussion of implementation and effectiveness of project cost control measures.

Action: Upon a motion by Vice Chair Hall and a second by Councilmember Carrie Downey (South County), the Transportation Committee approved Consent Items 3 through 7.

CHAIR'S REPORT (8)

Chair Dale stated that Item No. 13 would be postponed to the next Committee meeting. He reminded Committee members of the Diamond Awards event on Friday, March 27, at 8 a.m., in the SANDAG Board Room. These awards honor employers for their congestion reduction efforts.

8. STATE ROUTES 905 AND 11 STATUS UPDATE (INFORMATION)

Chair Dale asked Bill Figge, Caltrans, to provide the monthly update of what was discussed by the State Routes (SR) 905 and SR 11 strike team.

Mr. Figge stated that SR 905 is being constructed in two phases. The first is under construction and is a little ahead of schedule. Phase 1B of SR 905 is ready to go out to bid, pending the availability of funds. We planned to use Proposition 1B funds on this phase. It is hoped that the federal economic stimulus package will provide funding for that project instead of the Proposition 1B bond funds. Bids will be opened in late April. SR 11, Otay Mesa East, is moving forward on schedule. Our Mexican partners are acquiring property for the port of entry on the Mexican side. We are working on the traffic studies.

Action: This item was presented for information only.

REPORTS (9 through 16)

9. 2008 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM AMENDMENT NO. 6 (APPROVE)

With the state budget impasse and the suspension of payments for highway projects, the Board of Directors at its January 23, 2009, meeting approved a cash management strategy that among other things exchanged funding between Interstate 15 (I-15) North and I-15 South projects in order to keep the projects on schedule. This action was approved at the February California Transportation Commission (CTC) meeting. Since then the state budget passed and the CTC has directed that SANDAG unwind the changes to these I-15 projects.

Action: Upon a motion by Councilmember Downey and a second by Mayor Jim Desmond (North County Inland), the Transportation Committee approved Amendment No. 6 to the 2008 RTIP.

10. ANNUAL *TransNet* BUDGET AND PLAN OF FINANCE UPDATE (RECOMMEND)

Muggs Stoll, *TransNet* Program Manager, stated that key changes over the last year in the cost and revenue projections were presented at the February meeting. This report will focus on adjustments to the Capital Improvement Program (CIP). The resulting programming status is similar to where we were last year. He noted that this exercise does not take into account any money that may be received from the federal economic stimulus package and assumes that Proposition 1B will be available as currently programmed. It is likely that we will need to update this Plan of Finance (POF) again soon. This POF was presented to the Independent Taxpayers Oversight Committee (ITOC) and it agreed with the recommendation for approval. There were some concerns about waiting on the update, but the ITOC members understood that it is tied to the timing of the SANDAG budget process.

Mr. Stoll reviewed the joint SANDAG/Caltrans effort to update the costs from 2002 to 2008 dollars. The financial model was escalated to the year of expenditure, it incorporates recent trends in the Construction Cost Index, includes a historical perspective of revenues and costs, and it notes that there was an unprecedented rise from 2004 to 2007 and an unprecedented decline in 2007-2008.

Mr. Stoll said that the program revenue update included years 2009-2013 based on funds committed and/or authorized. The future federal, state, and local funds were based on historic experience and included 50 percent federal participation in New Starts for major transit projects. This effort reflected the substantial downturn in sales tax receipts. He introduced Principal Engineer Richard Chavez to discuss changes to the CIP.

Mr. Chavez reported that the *TransNet* Early Action Program (EAP) schedules were used as input for the POF for the major corridors. Eight new projects were added to the budget as a result of the Trade Corridors Improvement Fund (TCIF). We are proposing to split several projects to improve the *TransNet* Project Office's ability to track and monitor program and project progress. The recommended budget for this year's *TransNet* Major Corridors Program is \$39 million, which is a 0.7 percent increase from last year's FY 2008/2009 Budget of \$5.528 billion. This increase is offset by a \$10 million contribution from the state Traffic Congestion Relief Program (TCRP) for the SR 94 environmental document necessary for the

completion of the South Bay Bus Rapid Transit (BRT) project and a \$30 million fair-share mitigation contribution towards the SR 76 East project.

Supervisor Roberts asked how the cost estimate for a new project, the Mid-Range Transit Plan, was developed. He said that given the current funding issues, \$1 million seems to be generous for a consultant to develop this scope of work.

Jack Boda, Director of Mobility Management and Project Implementation, said that this is not just consultant work but an ongoing process to pull together design specifications. We currently don't have a specific set of guidelines.

Supervisor Roberts understood the purpose of the project but questioned the amount. Mr. Boda responded that it is a multi-year budget that takes coordination with the transit operators. The work product will take longer than a year to develop.

Supervisor Roberts asked for a more detailed explanation of this project. He said it seems to him that we have a lot of expertise at the transit agencies and should be able to develop standards for a lot less money.

Gary Gallegos, Executive Director, agreed to bring back a detailed itemized work plan. He stated that in the long-term, this effort will save us time and money.

Mayor Desmond noted that both construction rates and sales tax revenues have decreased and asked if the forecasted escalation rates include this information. Mr. Stoll replied that we included the rate of increase that is anticipated for sales tax revenues in the future.

Chair Dale noted that there were several requests to speak on this item.

Duncan McFetridge, Executive Director, Save Our Forests and Ranchlands (SOFAR), expressed his disappointment with the response to the public comments made earlier in the meeting. This is a catastrophic crisis and if you permit MTS to go ahead with these service cuts you will bear responsibility for a long-term structural deadline. SANDAG has the ability to amend the *TransNet* Ordinance to provide additional funds for the transit operators. He thought that MTS is acting prematurely with proposing fare increases and service cuts for two reasons: first, SANDAG is part of a settlement agreement that requires it to undertake a comprehensive study of impediments to maintaining long-term public transit ridership throughout San Diego County. He didn't think that MTS could make decisions on service cuts or fare increases without that study. He suggested that SANDAG find out how Portland, Oregon, is responding to the economic crisis.

Jim Schmidt, a member of the public, spoke in opposition to a letter from Mr McFetridge regarding transit-based community planning. He said that transit planning has been good locally, but the state has divested money from public transit. We need to get things straightened out in Sacramento.

Teresa Quiroz, a member of the public, commented that the lack of operating funds has resulted in the decimation of our transit system. She said that it is SANDAG's responsibility to fulfill the needs of the public transit system. She suggested taking \$20 million from the Mid-Coast project or the I-15 Express Lanes and transferring that money to the transit

operators to cover this year's funding shortfall. The law requires this body to take action to support public transit.

Councilmember Anthony Young (City of San Diego) thought it would be worth the Committee's time to discuss the possibility of how we can fulfill these budgetary gaps, including the possibility of using *TransNet* funds. However, he expressed concern with doing that. The transit agencies' operating deficits cannot be solved using one-time monies.

Chair Dale stated that the *TransNet* money has been set aside for various highway and transportation projects, and if we transfer those funds to the transit operators, those projects will not be implemented. There are funding commitments in the *TransNet* Ordinance to implement specific projects.

Mayor Madrid agreed that this issue deserves further discussion.

Supervisor Roberts stated that, fundamentally, you should not use one-time funding to solve long-term problems. Every city and county is going to be faced with a lot of pressure through AB 32 with respect to a whole series of issues. State government is passing rules on local government without considering the financial impacts to those entities. He agreed that a further discussion of the long-term financial picture for the transit operators should be held.

Mr. Gallegos said that there is an ordinance that governs the *TransNet* revenues. We are less than one year into the 40-year program. The voters approved implementation of very specific projects. To complete the projects in the Ordinance assumes the ability to leverage *TransNet* dollars with state and federal dollars. Over the last several years we have been successful in doing that. There are provisions within the Ordinance that can be changed by a two-thirds vote, but it is a zero-sum game. The Regional Transportation Plan (RTP) is updated every four years, with the next cycle in 2011. At the state level, the rules are changing dramatically and we will be required to develop a sustainable community strategy to show how transportation and land use are working together to reduce greenhouse gas (GHG) emissions. There are diverse opinions on how to do this. We are in uncharted territory here.

Councilmember Tom King (South County) thought we should look at the possibility of shifting some funds. The people that are most affected at the local level are those who are using the mass transit system. Some of the freeway projects are essential for future growth of the region, but they fall in to a different category related to human impacts. We need to take a hard look at the alternatives.

Councilmember Downey said that mass transit is one of the options to reduce GHG emissions but you have to get people off the highway and into public transit. She suggested that perhaps our communities should get more involved in this effort. As we move forward, that's where we should be spending our money.

MTS Chair Mathis commented a concern that if we backfill the loss of STA funds, the state will think that we will continue to do that every time the state cuts funding for public transit. He said that we have to keep pressure on the state to keep its funding obligations, and do our job at the same time.

NCTD Chair Campbell acknowledged that using one-time money has an endpoint and then everything collapses. He appreciated the fact that this Committee wants to have further discussion of this issue.

Councilmember Young asked when staff could report back. Mr. Gallegos replied that staff would report back within the next month.

Councilmember Young clarified that he was not inclined to transfer *TransNet* funds, but wanted to hear what the staff has to say on this subject.

Vice Chair Hall said that this item will move forward with the understanding that staff will report back later.

Action: Upon a motion by Vice Chair Hall and a second by Councilmember Downey, the Transportation Committee recommended that the SANDAG Board of Directors approve the budget adjustments and the resulting *TransNet* POF Update as detailed in the report and Attachments 1 through 6.

11. FEDERAL ECONOMIC STIMULUS: STATUS AND PROGRAMMING RECOMMENDATION (RECOMMEND)

Mr. Gallegos stated that the American Recovery and Reinvestment Act (ARRA) provides funding for transportation projects through various programs. Some of these funds, in particular, those distributed through the Federal Highway Administration (FHWA), have definite timelines for their obligation and use. California's share of these funds is about \$2.57 billion. The language in ARRA specifies that this funding be distributed to the states through existing formulas, with 30 percent subvented directly to regions through the Surface Transportation Program (STP), and 70 percent to the CTC for use through the state's State Highway Operations and Preservation Program (SHOPP) and the State Transportation Improvement Program (STIP). ARRA includes stringent use-it or lose-it milestones to ensure that these federal funds are put to work in an expedited manner to stimulate the economy and create jobs. At its March 12, 2009, meeting the CTC requested that each regional agency submit its recommendation for programming of these funds by March 27, 2009. At the same time, the State Legislature is considering a one-time exception to its usual process for the distribution of FHWA economic stimulus funds by splitting the \$2.57 billion into two major elements. About 37.5 percent (approximately \$964 million) would go to the state, which would include funding for the SHOPP as well as to backfill Proposition 1B programs currently on hold due to the state budget crisis. The remaining 62.5 percent (about \$1.606 billion) would be distributed to the regions according to the existing RTIP formula. One additional requirement would be that individual regions would need to consider distributing funding to cities and counties at a minimum 40 percent share. The major objective of this alternative method is to bypass the time-consuming CTC process of programming, allocating, and managing the funds. To be prepared for both the existing law and process, and the proposed legislation, staff has prepared various distribution options. In order to reflect current conditions, the staff recommendation is based on existing law; with a backup recommendation should the legislation be approved after the Board meeting on March 27, 2009.

Mr. Gallegos stated that staff is recommending that we focus investment on a couple of big projects then back out *TransNet* money for cities with the aim of trying to reduce the costs of tracking these funds. He added that no federal rules were relaxed for these funds.

Jose Nuncio, Manager of Financial Programming and Project Control, explained the existing CTC distribution process through the SHOPP and STIP programs. At this time, the CTC has approved a \$625.7 million set-aside for the SHOPP, leaving about \$1.17 billion for the STIP. Assuming the usual share of funds, the San Diego region would receive approximately \$64.6 million, including about \$4.2 million in Transportation Enhancement (TE) funds. Existing Board policy dictates that 94 percent of the STIP money will be set aside for *TransNet* Early Action Program (EAP) projects. The remaining 6 percent would go to non-*TransNet* EAP projects. ARRA provides for 30 percent of the funds (\$771 million) to be distributed to the various regions by formula. The San Diego region's share would be \$62.8 million. Using existing Board policy that would mean 94 percent, or \$59 million, would be for *TransNet* EAP projects, with 6 percent, or \$3.8 million, for non-*TransNet* EAP projects. If the State Legislature approves a one-time exception to the existing state distribution process for the FHWA economic stimulus funds, the region would receive \$3.4 million more than the amount under existing law, assuming a \$625.7 million off-the-top distribution for the SHOPP. Pending legislation language is flexible in that it would allow each region to determine its own distribution of funding among its local jurisdictions. Staff will continue to monitor this legislation closely.

Mr. Nuncio said that to respond quickly to obligate the federal funds, deal with the extensive management and reporting requirements, and distribute funds to cities and the County as intended by the draft legislation, staff recommends a series of one-time exceptions to Board policy as follows: (1) consider setting aside the TE funds for regional TE-eligible projects that are ready to go; (2) in accordance with draft legislation, a one-time increase in the non-*TransNet* EAP to 40 percent from the current 6 percent; (3) one-time distribution of the non-*TransNet* EAP to local jurisdictions, with distributions determined by the *TransNet* Local Streets and Roads formula, and (4) exchange the federal funds that local jurisdictions would get with *TransNet* funds—all *TransNet* rules apply.

Mr. Nuncio described the various funding scenarios under the existing and draft laws. Options 1A and 2A would follow the 94/6 split, where TE funds are set aside for TE-eligible projects that are ready to go, and the share of the RSTP and STIP funds previously directed to non-*TransNet* EAP projects (6 percent) is redirected to local jurisdictions and distributed according to the *TransNet* Local Streets and Roads formula. Options 1B and 2B would change that formula to a 60/40 split where TE funds are set aside for TE-eligible projects that are ready to go, the share of RSTP and STIP funds previously directed to non-*TransNet* EAP projects (6 percent) is increased to 40 percent; and the share of RSTP and STIP funds previously directed to non-*TransNet* EAP projects is redirected to local jurisdictions and distributed according to the *TransNet* Local Streets and Roads formula. Staff suggests that the Transportation Committee recommend that the SANDAG Board of Directors approve: (1) the distribution of new funds according to Option 1B, and (2) an exchange of approximately \$49.3 million in *TransNet* and federal economic stimulus funds for Local Streets and Roads projects; (3) programming approximately \$105.1 million for State Route 76 (Middle) in federal economic stimulus funds; (4) programming approximately \$18.1 million for I-805/Carroll Canyon Road project in federal economic stimulus funds; (5) programming approximately \$4.2 million in TE funds for the Grossmont Station Pedestrian Enhancement project, and amending the FY 2009 Budget for this project to

reflect the programming change; and (6) due to time constraints, authorize SANDAG to submit a programming package that would substantially reflect the stated goal of implementing the four exceptions to the extent allowed by revised legislation.

Mr. Nuncio stated that the following projects would receive economic stimulus dollars: (1) TransNet EAP SR 76 (Middle): \$105.1 million; (2) TransNet EAP I-805/Carroll Canyon Road: \$18.1 million; and (3) Grossmont Station Pedestrian Enhancement: \$4.2 million, totaling \$127.4 million. In addition, Caltrans is committed to funding: (1) I-805/SR 54 to E Street Auxiliary Lanes: \$16.8 million; and (2) SR 905 Freeway Phase 1B: \$91.6 million, totaling \$108.4 million. He showed the geographic location of these projects. He noted that the CTC has requested that we submit a list of projects by March 27, 2009.

Chair Dale noted there were several requests to speak on this item.

Kathy Keehan, San Diego County Bicycle Coalition, expressed support for Option 1B, and in particular the 60/40 split that will carry the emphasis on the statewide level that improves conditions on the existing roadways. She also supported using TE on the Grossmont Station project as it frees up \$1 million in *TransNet* funds, and the 60/40 split for local projects. She asked that if you are swap the federal funds for *TransNet* funds and relieve the administrative burden on local jurisdictions that those *TransNet* dollars include the standard ordinance requirement to improve conditions for bicyclists and pedestrians. On the two large regional projects, she asked that you ensure those projects improve conditions for bicyclists and pedestrians as well.

Deanna Weeks, CEO of the East County Economic Development Corporation (EDC), expressed support for Option 1B, and commended the Committee for the 60/40 split. Should the state approve the proposed legislation, then they support Option 2B. They also support the Grossmont Station project. She said that here is a lot of angst about the stimulus funding due to the very short turnaround time. There is concern in the smaller cities regarding the prioritization for projects. She noted that there is a lot of support for SANDAG with appreciation for what you do.

Elise Lowe, Executive Director of Move San Diego, expressed support for Option 1B, and thanked the Committee for including the Grossmont Project. She also expressed appreciation for the Committee's agreement to further discussion about the transit financing issue. They look forward to participating in that discussion.

Councilmember Downey commented that the way to get people out of their cars and into transit is to make transit fast and competitive with driving.

Francisco Rivera, Chair of the Cities/County Transportation Advisory Committee (CTAC), agreed with the staff recommendation of Option 1B, and if the proposed state legislation is approved they would support Option 2B. The CTAC also supports a *TransNet* and federal fund exchange. He noted that local cities have been severely impacted by funding cuts.

Sheila Walson, a member of the public, supported Option 1B. She was also thrilled to receive the construction escalation rate schedule on behalf of the Rainbow Municipal Water District. On the SR 76 Middle section, they will be requesting a utility easement for the future six-lane footprint. It will cost us \$1 million to move our pipes and we don't have that money. Caltrans did an outstanding job of allaying commuter fees on the high-occupancy

vehicle (HOV) lanes on I-15. There have been very few inconveniences for commuters. She asked that the shoulders on SR 76 continue to be graded for safety purposes until this highway can be widened.

Gerald Walson, a member of the public, expressed support for Option 1B but asked for clarification on several issues related to SR 76 related to funding and schedule.

Stephen Russell, representing the City Heights CDC, suggested that as you free up the *TransNet* money you could provide some money to stabilize public transit services. The SANDAG Board has the power to adjust the *TransNet* formula to allow more dollars to flow to the transit operators. SANDAG is required to review that formula every 10 years.

Zoubir Ouadah, representing the City of Poway, spoke in support of the staff recommendation, especially exchanging the federal economic stimulus funding with *TransNet* dollars to alleviate the local jurisdictions from the federal administrative requirements.

Supervisor Roberts asked if we can stay with the amended SRTP schedule for jurisdictions that have ready-to-go projects Mr. Gallegos responded that this recommendation moves forward with concentrating all the dollars on those projects. We will turnaround *TransNet* dollars to the local jurisdictions.

Supervisor Roberts asked how we can get the amendments completed quickly. Mr. Nuncio answered that local agencies can start submitting projects now, and action will go to the Transportation Committee on May 1 for approval.

Mr. Gallegos added that we can continue to bring those amendments on a meeting-by-meeting basis.

Mayor Desmond asked what happens to the *TransNet* money that is freed up by the economic stimulus dollars. Mr. Gallegos reiterated that we are less than a year into this program, so it would mean that we would borrow less money, and other EAP projects can use those funds.

Mayor Desmond asked if the I-805 lanes require matching funds. Mr. Nuncio replied that those are SHOPP dollars and they don't require a match.

Councilmember Gloria stated that the concerns expressed by Kathy Keehan are required in the *TransNet* program.

Mayor Madrid said that an East County policymaker had written a letter to the Transportation Committee about how to use the federal economic stimulus money. He wrote a letter to Transportation Committee asking it to disregard those comments. East County is in support of the staff recommendation.

Vice Chair Hall clarified that the recommendation is to go with Option 1B unless the state law passes and in that case we would go with Option 2B.

Chair Dale asked that staff meet with Mr. Walson and respond to his questions.

Action: Upon a motion by Supervisor Roberts and a second by Mayor Desmond, the Transportation Committee recommended that the SANDAG Board of Directors approve: (1) the distribution of new funds according to Option 1B; (2) an exchange of approximately \$49.3 million in *TransNet* and federal economic stimulus funds for local street and road projects; (3) programming approximately \$105.1 million for SR 76 (Middle) in federal economic stimulus funds; (4) programming \$18.1 million for the I-805/Carroll Canyon Road project in federal economic stimulus funds; and (5) programming approximately \$4.2 million in Transportation Enhancement federal economic stimulus funds for the Grossmont Station Pedestrian Enhancement project; and amending the FY 2009 Budget to reflect this programming change. In addition, the Transportation Committee recommends that the SANDAG Board of Directors authorize the Executive Director to submit a programming package that would substantially reflect the stated goals of implementing the four exceptions to the Board Policy discussed in the agenda report for distribution and programming to the extent allowed by the revised legislation, and to report any changes to both the Transportation Committee and the Board of Directors.

12. FY 2008 *TransNet* COMPLIANCE AUDITS – EXTENSION REQUESTS (APPROVE)

The cities of Oceanside, San Diego, San Marcos, and Solana Beach, and the County of San Diego have requested *TransNet* audit extensions through April 30, 2009. This action would allow these cities and the county to continue to receive *TransNet* funds up until the extension date. If any such audit is not completed by the approved extension date, the affected jurisdiction would not receive any additional *TransNet* funds until the audit is completed or the Transportation Committee approves another extension.

Action: Upon a motion by Vice Chair Hall and a second by Supervisor Roberts, the Transportation Committee approved *TransNet* audit extension requests for the Cities of Oceanside, San Diego, San Marcos, and Solana Beach, and the County of San Diego through April 30, 2009.

13. FUTURE CONGESTION MANAGEMENT PROGRAM PROCESS (RECOMMEND)

This item was postponed to the next meeting.

14. *TransNet* TRIENNIAL PERFORMANCE AUDIT DRAFT REPORT AND RECOMMENDATION RESPONSES (INFORMATION/POSSIBLE ACTION)

The *TransNet* Extension Ordinance requires the ITOC to conduct Triennial Performance Audits on the *TransNet* Program. The first of these has been conducted and the draft report from the auditors has been received. In accordance with the Ordinance, the draft report is to be submitted to the Transportation Committee for review and comment prior to its completion and presentation to the Board of Directors. An overview of the draft report, including its recommendations and responses to them by the *TransNet* program team, will be presented to the Transportation Committee to facilitate its review process.

Chair Dale stated that this item will back come to us at the next meeting for action.

Charles "Muggs" Stoll, *TransNet* Program Manager, introduced Hamid Bahadori, Vice Chair of ITOC.

Mr. Bahadori recognized ITOC chair John Meyer. He said he listened to the earlier discussion. *TransNet* was approved with vary specific conditions. At the time of its approval, there were commitments that certain projects would be delivered. *TransNet* funds were meant to supplement but not replace existing transit funds. The *TransNet* Extension was also based on certain projects being completed. One of the safeguards put in place was a triennial performance audit. This is the first audit for this program, and the first of its kind in the state. The purpose is to look at the performance of the regional transportation agency in conjunction with the local Caltrans district with regard to expending local sales tax funds. This program is being used as a model for other areas. We will look at the consultant's recommendations more specifically and may come back with revised recommendations. This was a challenging process. He thanked Mr. Gallegos, Muggs Stoll and all SANDAG staff, the consultant, and Caltrans staff. He introduced Cathy Brady, project manager with Sjoberg Evashenk, the independent auditing firm.

Ms. Brady stated that they received a lot of cooperation and had unfettered access to anything they requested. She reviewed the audit scope, which focused on progress made on the EAP in the prior three years (FY 2006-2008). They also met with MTS and NCTD staffs. She reviewed the major areas of focus: project delivery process, project/program cost estimates and controls, project/program schedule controls, contracting processes, construction management, and permitting. Additional areas of focus were technology and communication tools, including the Dashboard; performance measures; the ITOC annual reports and actions; the debt structure and Plan of Finance; quarterly reports; and comparison with peers, "best practices," and industry norms. She explained that the benefits of auditing before the Ordinance 40-year start allows early identification of possible needed changes in course. However, most projects are in the early stages and there is limited project data to draw upon. Thus, the audit looked at infrastructure, processes, and the foundation that has been established. She stated that the report organization provides recommendations for consideration with sufficient detail to form the basis of their conclusions and recommendations. The Executive Summary concludes that an appropriate foundation has been put in place for governance and oversight; solid management exists to monitor cost, schedule, and scope; revenue and cost models are practical, and project delivery methods are sound. However, several improvements would enhance the program. The recommendations relate to strengthening oversight, performance monitoring, budget change documentation, and project practices.

Ms. Brady reviewed the following recommended actions: develop project Report Cards summarizing the detail on budget, schedule, and scope as well as performance indicators; strengthen ITOC agendas, status reports, and meeting matrices on action items and decisions; revisit the intent and vision of the Dashboard as well as refine data to ensure accuracy and clarity of information; define, use, and track performance goals, targets, and measures; continue to monitor/review debt service; establish a mechanism to track historic changes from planned projects and amounts to current projects and budgets; ensure consistent use of post-evaluation forms; and memorialize transit practices and apply uniform filing systems. There will be further discussion on how to implement the 25 recommendations. We did not find any major deficiencies. She noted that Attachment 2 to the agenda item are the actual staff responses to the recommendations.

Mr. Bahadori stated that this process was started last summer and looked at the structure that has been in place. For the most part, we have a very good process. The ITOC has expressed concerns about changes in the forecasts and long-term anticipated revenues, but

you have been informed of those concerns. We are required to present this report and ask for your comments. We will present a final report to the SANDAG Board.

Mayor Desmond said this was a great report. He suggested that in the future a cost-benefit analysis be added to the recommended actions.

Chair Dale said there was one request to speak on this item.

Teresa Quiroz, a member of the public, stated that the *TransNet* Extension ballot language included three mandates. The first two are projects; but the third is related to an increase in transit. Increasing transit is what the people voted on. This report doesn't even mention that this mandate exists. There has been a 50 percent increase in the Senior Pass price since this measure was approved. In that respect, the voter mandate has failed miserably and there are no processes in place to deal with that. Funding for transit operations has been cut since the measure was passed. Service continues to be cut as fares rise. She thought it was inappropriate for this Committee to accept this audit. When the voters voted to increase transit that is what they meant. When they asked ITOC to ensure that the mandates were met, that includes all the mandates. We need to be fair and discuss all of the voter mandates.

Mr. Bahadori mentioned that all ITOC meetings are open to the public to attend.

Action: This report was presented for information only.

15. INTERSTATE 15 EXPRESS LANES PROJECT UPDATE (INFORMATION)

Gustavo Dallarda, I-15 Corridor Director, provided a video of the work on the I-15 Express Lanes (Middle) Segment. Last Monday we opened the last 3.5-miles of Express Lanes, between Rancho Bernardo and Centre City Parkway. The Middle section has been under construction for five years. We had three ongoing landscaping projects and the transit center project. About 15,000 vehicles have traveled on these lanes, which is a 6 percent increase due to large increase in the HOV section. Traffic on opening day was 16,000 vehicles. He also showed pictures for each of the Express Lanes segments (Middle, South, and North). The South segment has three contracts. In the North segment ten bridges will be widened.

Mr. Dallarda mentioned the keepSanDiegomoving.com website, the quarterly newsletters, and the construction bulletins/news releases that are all part of an extensive outreach campaign. The public can also sign up to receive email updates. This was the number one congested corridor in the County. We are on track for completion of all of the Express Lanes.

NCTD Chair Bob Campbell noted that it took him 20 minutes less time to come to this meeting than before the Express Lanes were opened.

Vice Chair Hall thanked Caltrans for all of the work on this project.

Action: This item was presented for information only.

16. MID-COAST CORRIDOR TRANSIT PROJECT UPDATE (INFORMATION)

Leslie Blanda, Project Development Program Manager, reported that the Mid-Coast Corridor Transit Project is in the *TransNet* EAP, and will extend San Diego Trolley service from the Old Town Transit Center to University City, serving major activity centers such as the University of California, San Diego (UCSD) and University Towne Centre (UTC). In January 2009, it was reported that the development and evaluation of alternatives for potential inclusion in the environmental document was proceeding. The build alternatives, which include the Light Rail Transit (LRT), Bus Rapid Transit (BRT) and commuter rail, are being developed and evaluated using a three-step process. The first step identified, defined, and evaluated various alignment segments for all three transit modes. Those alignment segments which included fatal flaws were eliminated from further consideration. This step has been completed. In the second step, conceptual alternatives were defined and are under development. This second step is nearing completion. In the third step the remaining viable conceptual alternatives are further refined to improve cost-effectiveness and minimize potential environmental impacts. The forecast of ridership and user benefits used to calculate cost benefits are nearly complete, and we have gained Federal Transit Administration (FTA) acceptance of this model. This effort has taken longer than expected, and is about two months behind schedule. Cost effectiveness is a critical step. We will present another update to the Committee in May. Public scoping meetings will be held in late May or early June. She reviewed the key stakeholders involved in this project. The alternatives development and evaluation process will impact the schedule for two months, but the overall project schedule will not be impacted. Portions of the work can be advanced and others can be expedited. We are still scheduled for draft documents to be completed by 2010.

Action: This item was presented for information only.

17. UPCOMING MEETINGS

The next meeting of the Transportation Committee is scheduled for April 3, 2009, at 9 a.m.

18. ADJOURNMENT

Chair Dale adjourned the meeting at 11:23 a.m.

Attachment: Attendance Sheet

**CONFIRMED ATTENDANCE
SANDAG TRANSPORTATION COMMITTEE MEETING
MARCH 20, 2009**

GEOGRAPHICAL AREA/ ORGANIZATION	JURISDICTION	NAME	MEMBER/ ALTERNATE	ATTENDING
North County Inland	City of San Marcos	Jim Desmond	Member	Yes
	City of Vista	Judy Ritter	Alternate	Yes
North County Coastal	City of Carlsbad	Matt Hall (Vice Chair)	Member	Yes
	City of Del Mar	Carl Hilliard	Alternate	Yes
South County	City of Coronado	Carrie Downey	Member	Yes
	City of Imperial Beach	Jim King	Alternate	Yes
East County	City of Santee	Jack Dale (Chair)	Member	Yes
	City of La Mesa	Art Madrid	Alternate	Yes
City of San Diego	----	Anthony Young	Member	Yes
	----	Todd Gloria	Alternate	Yes
	----	Marti Emerald	Alternate	No
County of San Diego	----	Ron Roberts	Member	Yes
	----	Greg Cox	Alternate	No
	----	Bill Horn/Slater-Price	Alternate	No
Metropolitan Transit System	MTS	Harry Mathis	Member	Yes
	MTS	Jerry Rindone	Alternate	Yes
North County Transit District	NCTD	Bob Campbell	Member	Yes
	NCTD	Dave Roberts	Alternate	No
	NCTD	Jerome Stocks	Alternate	No
San Diego County Regional Airport Authority		Tom Smisek	Member	Yes
		Charlene Zettel	Alternate	No
ADVISORY/LIAISON				
Caltrans	----	Pedro Orso-Delgado	Member	No
	---	Bill Figge	Alternate	Yes
SCTCA	---	Albert Phoenix	Member	Yes
		Francine Kupsch	Alternate	No