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TRANSPORTATION COMMITTEE AGENDA

Friday, May 16, 2003
9:00 a.m. – 12 Noon
SANDAG Board Room
401 B Street, 7th Floor
San Diego, CA 92101-4231

AGENDA HIGHLIGHTS

- **LOSSAN RAIL CORRIDOR SCREENING RECOMMENDATIONS**
- **REQUESTED CHANGE TO *TransNet* ORDINANCE FOR TRANSIT OPERATING SUPPORT**
- **CONSOLIDATED AGENCY TRANSIT POLICIES**

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TRANSPORTATION COMMITTEE AGENDA

Friday, May 16, 2003

Staff contact: Kim Kawada (619) 595-5394 or kka@sandag.org

ITEM

RECOMMENDATION

CONSENT ITEMS (1 to 2)

The Transportation Committee will take action on the consent agenda without further discussion and with one vote unless an item is pulled by a Committee member or by a member of the public for comment.

- + 1. **2002 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM (RTIP) ADMINISTRATIVE AMENDMENT NO. 10 – STATE ROUTE 905 (Jose Nuncio) – pp. 5-9** **APPROVE**

Due to the current suspension on Traffic Congestion Relief Program (TCRP) allocations, there is a \$3 million shortfall for the SR 905 project, which is in immediate need of funding to purchase a parcel for mitigation purposes. This administrative RTIP amendment would temporarily move \$3 million of Regional Surface Transportation Program (RSTP) funds from SANDAG's RSTP Reserve to cover the shortfall in TCRP funding. The RSTP funding is expected to be programmed back to the RSTP Reserve in January 2004, when federal Corridor and Borders Program funds can replace the RSTP funds. The Committee is asked to approve Administrative Amendment No. 10 to the 2002 RTIP.

- + 2. **CONGESTION MANAGEMENT PROGRAM (CMP) QUARTERLY REPORT (Mario Oropeza) – pp. 10-18** **INFORMATION**

This report summarizes the activities to date since the January 2003 adoption of the 2002 CMP update by the SANDAG Board of Directors. Four CMP workshops with local agencies have been held.

3. PUBLIC COMMENTS/COMMUNICATIONS

(Speakers limited to three minutes each.)

REPORTS

- + 4. **LOSSAN RAIL CORRIDOR SCREENING RECOMMENDATIONS (Linda Culp) – pp. 19-23** **SUPPORT**

The California High-Speed Rail Authority (CHSRA) and the California Department of Transportation (Caltrans) continue to work cooperatively on technical studies for the coastal rail corridor between Los Angeles and San Diego (LOSSAN) that will lead to a programmatic environmental impact report/environment impact statement (PEIR/EIS) for each agency. Several alternatives for improving the LOSSAN rail corridor have been evaluated through analysis of technical criteria as well as at a number of public meetings in the region. At this time, CHSRA and Caltrans staffs recommend continuing further evaluation of three of the five alignment alternatives in the Del Mar area, and three of the four alignment alternatives in the Encinitas area. The San Diego Regional High-Speed Rail Task Force also will be asked to support these screening recommendations at their May 9, 2003 meeting. The Transportation Committee is asked to support these recommendations. The Committee's position would be transmitted to the CHSRA Board of Directors, which is scheduled to take action on the recommendations on May 27, 2003.

| ITEM # | | RECOMMENDATION |
|--------|--|----------------|
| + 5. | <p>SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD (MTDB) OPERATING BUDGET UPDATE (Renee Wasmund, MTDB) – pp. 24-31</p> <p>MTDB has projected operating budget deficits for Fiscal Years 2004 through 2008. This report summarizes the agency’s multi-year operating budget issues, and policy direction provided by the MTD Board of Directors at its May 3, 2003 Finance Workshop. One of the strategies adopted by the MTD Board is a change in the level of operating support from the <i>TransNet</i> program (see Agenda Item No. 6).</p> | INFORMATION |
| + 6. | <p>REQUESTED CHANGE TO <i>TransNet</i> ORDINANCE FOR TRANSIT OPERATING SUPPORT (Craig Scott) – pp. 32-36</p> <p>The current <i>TransNet</i> Ordinance allows up to 20 percent of the <i>TransNet</i> funds available for transit purposes to be used for operating support. The Ordinance dedicates the remaining 80 percent toward the rail transit capital projects specified in the <i>TransNet</i> Expenditure Plan and bus capital projects to support express bus services in the I-15 corridor. The Ordinance also allows for changes to be made based on a two-thirds vote of SANDAG, acting as the San Diego County Regional Transportation Commission. At the request of the San Diego Metropolitan Transit Development Board (MTDB), a change to the Ordinance is being recommended to increase the maximum share of annual <i>TransNet</i> transit funds that can be used for transit operating purposes and for bus rapid transit (BRT) service improvements from 20 percent to 38 percent. The requested change is intended to help address MTDB’s projected multi-year operating budget deficits (see Agenda Item No. 5). The Transportation Committee is asked to recommend that the SANDAG Board of Directors amend the <i>TransNet</i> Ordinance to allow for the requested change.</p> | RECOMMEND |
| + 7. | <p>TRANSIT POLICIES BEING CONSIDERED FOR THE CONSOLIDATED AGENCY (Kim Kawada) – pp. 37-42</p> <p>As part of the transition process under SB 1703, SANDAG and transit agency staffs are reviewing the board policies in effect at SANDAG, the San Diego Metropolitan Transit Development Board (MTDB), and the North San Diego County Transit Development Board (NCTD) to determine whether new policies or updated policies should be adopted for consistency and in preparation for SANDAG’s new transit-related responsibilities. As a result of this review, staff has prepared a SANDAG Board of Directors policy on Transit Service Planning, which was previously approved by the Board as part of the initial transition plan for the transit planning and programming activities. The Transportation Committee is asked to recommend that the SANDAG Board approve the Transit Service Planning Policy at its June 27, 2003 meeting. This item also summarizes other potential transit policies for the consolidated agency, which are being evaluated by agency staffs for relevance and which may be brought to the Committee at a future date.</p> | RECOMMEND |

THE NEXT TRANSPORTATION COMMITTEE MEETING IS TENTATIVELY
SCHEDULED FOR FRIDAY, JUNE 20, 2003.

This agenda is sent to all members of the SANDAG/RTC Board of Directors
and alternates for informational purposes.

The Transportation Committee may take action on any item appearing on this agenda.

+ next to an agenda item indicates an attachment

TRANSPORTATION COMMITTEE

May 16, 2003

AGENDA ITEM NO.: **1**

Action Requested: APPROVE

2002 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM (RTIP)
ADMINISTRATIVE AMENDMENT NO. 10 – STATE ROUTE 905

Introduction

At its meeting on June 28, 2002, the SANDAG Board adopted the 2002 Regional Transportation Improvement Program (RTIP). The 2002 RTIP is a five-year program of major transportation projects in the San Diego region covering the period from FY 2003 to FY 2007. Caltrans has requested an administrative amendment to the 2002 RTIP for the State Route (SR) 905 project, as discussed below.

Recommendation

The Transportation Committee is asked to approve Administrative Amendment No. 10 to the 2002 RTIP.

Discussion

Due to the current suspension on Traffic Congestion Relief Program (TCRP) allocations, there is a \$3 million shortfall for the SR 905 project (Table 1, CAL 38). There is an immediate need of funding to purchase an 85-acre parcel that would provide the primary biological mitigation necessary for the construction of the six-mile SR 905 freeway. The parcel is at imminent risk of being acquired by local developers.

Caltrans has concurrence from the U.S. Fish and Wildlife Service (USFWS) and the California Department of Fish and Game (CDFG) that the parcel is suitable as a conservation site to mitigate the impacts of the SR 905 project. The parcel contains many of the sensitive habitats for the state- and federally-listed species, and it offers a unique opportunity to mitigate most of the SR 905 impacts on one single parcel. The parcel has hazardous materials clearance and has a determination of no adverse effect, with conditions, from the Office of Historic Preservation.

Caltrans does not have other similar mitigation sites identified. Loss of this parcel to development would force Caltrans to re-start the mitigation process by identifying an alternate site and obtain concurrence from USFWS and CDFG. This could result in a potential delay of up to two years to begin the SR 905 construction phase.

Caltrans has met with the property owners, who are willing to sell the parcel to Caltrans. In the past, it has proven very difficult to locate appropriate mitigation sites owned by willing sellers. A willing seller is a key factor, since the California Transportation Commission will not condemn mitigation sites.

Administrative Amendment

Administrative Amendment No. 10 to the 2002 RTIP would temporarily move \$3 million in Regional Surface Transportation Program funds (RSTP) from the SANDAG RSTP Reserve to fund the immediate acquisition of this mitigation parcel. In January 2004, the \$3 million in RSTP funds would be replaced with federal Corridor and Borders Program funds, after the approval of the final environmental impact statement. At that time, the RSTP funds would be reprogrammed back to the SANDAG RSTP Reserve.

Attachment 1 is a letter from Caltrans outlining the need for this urgent action and an understanding that the \$3 million in RSTP funds would eventually be returned to SANDAG.

The 2002 RTIP allows administrative amendments for minor or technical changes to projects already included in the RTIP. This proposed change is consistent with the guidelines for administrative amendments, which normally would be processed administratively by staff. However, because of the special circumstances related to this amendment (i.e., the immediate need to purchase the parcel and the temporary programming of SANDAG Reserve funds), the Transportation Committee is being asked to approve the proposed Administrative Amendment No. 10 prior to staff action.

Table 1
2002 Regional Transportation Improvement Program
Administrative Amendment No. 10
San Diego Region (in \$000s)

Caltrans

| MPO ID: CAL38 | | CAPACITY STATUS: CI | | | | | | | | |
|--|------------------|----------------------------|-----------------|------------------|--------------|--------------|--------------|-----------------|-----------------|------------------|
| TITLE: SR-905 Few Freeway | | | | | | | | | | |
| DESCRIPTION: I-805 to Otay Mesa Border Station - Construct 6-lane freeway (stages 2-4) | | | | | | | | | | |
| Change Reason: Temporarily add RSTP funds to purchase mitigation site, revise phase and fund type | | | | | | | | | | |
| FUND TYPE | TOTAL | PRIOR | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | PE | RW | CON |
| DEMO | \$40,485 | | \$38,858 | \$1,627 | | | | | \$38,858 | \$1,627 |
| CBI | \$21,368 | \$14,086 | \$7,282 | | | | | | \$21,368 | |
| STIP-IIP | \$97,748 | \$18,858 | | \$78,890 | | | | \$16,853 | \$2,005 | \$78,890 |
| STIP-RIP | \$22,496 | | | \$22,496 | | | | | | \$22,496 |
| TCRP | \$21,000 | | | \$21,000 | | | | | | \$21,000 |
| RSTP | \$3,000 | | \$3,000 | | | | | | \$3,000 | |
| TOTAL: | \$206,097 | \$32,944 | \$53,114 | \$120,039 | | | | \$16,853 | \$65,231 | \$124,013 |
| <i>PROJECT PRIOR TO AMENDMENT</i> | | | | | | | | | | |
| FUND TYPE | TOTAL | PRIOR | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | PE | RW | CON |
| DEMO | \$40,485 | | \$29,114 | \$11,371 | | | | | \$29,114 | \$11,371 |
| CBI | \$21,368 | \$14,086 | \$7,282 | | | | | \$14,086 | | \$7,282 |
| STIP-IIP | \$97,748 | \$18,858 | | \$78,890 | | | | \$16,853 | \$2,005 | \$78,890 |
| STIP-RIP | \$22,496 | | | \$22,496 | | | | | | \$22,496 |
| TCRP | \$21,000 | | \$21,000 | | | | | | \$21,000 | |
| TOTAL: | \$203,097 | \$32,944 | \$50,114 | \$120,039 | | | | \$30,939 | \$52,119 | \$120,039 |

- BTA = Bicycle Transportation Account
- CMAQ = Congestion Mitigation and Air Quality
- CBI = Corridors and Borders Infrastructure
- CDBG = Community Development Block Grants
- DEMO = Demonstration
- HBRR = Highway Bridge Repair & Replacement
- IBRC = Innovative Bridge Research & Construction
- RSTP = Regional Surface Transportation Program
- RTP = Recreational Trails Program
- SHOPP = State Highway Operation & Protection Program (for Caltrans use only)
- STIP-IIP = State Transportation Improvement Program - Interregional Program
- STIP-RIP = State Transportation Improvement Program - Regional Improvement Program
- TCI = Transit Capital Improvement Program
- TCRP = Transportation Congestion Relief Program
- TCSP = Transportation & Community & System Preservation
- TSM = Transportation Systems Management
- TDA = Transportation Development Act
- TDA-B = Transportation Development Act-Bicycle & Pedestrian Facilities
- TEA = Transportation Enhancement Activities Program
- TransNet-H = Prop. A Local Transportation Sales Tax - Highway
- TransNet-L = Prop. A Local Transportation Sales Tax - Local Streets & Roads
- TransNet-H = Prop. A Local Transportation Sales Tax - Transit
- Section 5307 = Federal Transit Administration Urbanized Area Formula
- Section 5309 = Federal Transit Administration Discretionary
- Section 5309 NS = Federal Transit Administration Discretionary - New Starts
- Section 5309 R = Federal Transit Administration Discretionary - Rail Modernization
- Section 5311 = Federal Transit Administration Rural Program
- Section 5310 = Federal Transit Administration Elderly & Disabled Program

The attachments to the Agenda Item may be obtained by contacting SANDAG's Public Information Office at (619) 595-5347.

TRANSPORTATION COMMITTEE

May 16, 2003

AGENDA ITEM NO.: **2**

Action Requested: INFORMATION

CONGESTION MANAGEMENT PROGRAM (CMP) QUARTERLY REPORT

Introduction

On January 24, 2003, the Board of Directors adopted the 2002 Congestion Management Program (CMP) update. Major changes in the 2002 CMP update consisted of:

- More emphasis on low cost, near-term congestion mitigation strategies
- Increased use of Deficiency Plans to identify and address congestion “hot spots”
- Greater SANDAG participation in CMP implementation and monitoring

Since the adoption of the update, there have been a number steps taken to implement the CMP that are summarized in this report.

Discussion

Local Agency Workshops

Several workshops have been held to educate local agencies about the 2002 CMP Update. On March 5, 2003, an initial local agency workshop was held to discuss the major changes contained within the 2002 CMP Update as well as general CMP legislative requirements. Approximately 30 local agency representatives attended the workshop. Additional workshops that covered congestion mitigation strategies and Deficiency Plans (discussed below) also were held in April or scheduled for May.

Congestion Mitigation Strategies

A key recommendation of the CMP update is to increase the number of congestion mitigation options available to local agencies through the following strategies:

- Develop a toolbox of congestion mitigation strategies for local agency use to mitigate new development impacts and to prepare Deficiency Plans;
- Prepare a model Transportation Demand Management (TDM) program and ordinance for local agency use; and
- Modify Traffic Impact Study (TIS) guidelines to reflect new smart growth strategies and mixed use development projects.

SANDAG hired a consultant to assist with the development of the toolbox, model TDM program/ordinance, and modifications to the TIS guidelines. To date, background literature and

other agency research has been completed, and a local agency workshop was held on March 26, 2003 reporting on and soliciting local agency input about the initial research findings. A follow up workshop is being held on May 15 to review the draft toolbox of congestion mitigation strategies. A separate workshop is scheduled later in May to present the draft TDM program and ordinance. The consultant also is working with SANDAG's San Diego Traffic Engineer's Council (SANTEC) regarding proposed changes to the TIS guidelines.

Final research recommendations will be presented at a second round of subregional workshops with local agencies in mid-August 2003 prior to presentation to the Transportation Committee in September 2003.

Deficiency Plans

The Level of Service (LOS) analysis contained within the 2002 CMP Update identified over 40 roadway segments exceeding the CMP LOS standard of E. State law and CMP policy require the preparation of a Deficiency Plan for each roadway segment that does not meet the CMP LOS standard. The purpose of a Deficiency Plan is to further evaluate the causes of congestion and recommend specific actions to bring the roadway segment up to the standard.

A Deficiency Plan workshop was held on April 24, 2003 at a joint meeting of the Cities/County Transportation Advisory Committee and the Regional Planning Technical Working Group. The purpose for the workshop was to review CMP Deficiency Plan requirements, group the individual deficient roadway segments into common corridors or study areas, agree upon a standard study scope of work, establish priorities for preparation of the plans, and review agency responsibilities. Based upon the results of the workshop, work on the first round of Deficiency Plans will begin early in Fiscal Year 2004.

Environmental Document Review

The CMP requires local agencies to implement an enhanced California Environment Quality Act (CEQA) review of all large projects in order to assess their impacts, if any, on the CMP roadway system. Local agencies regularly submit environmental documents to SANDAG, and these documents are reviewed by staff to determine if the CMP requirements are met. In addition, SANDAG monitors the State Clearinghouse Web site and requests documents that have not been otherwise sent by local agencies. For the period January 1 through March 31, 2003, 18 environmental documents were reviewed by SANDAG. The results of the reviews are summarized below:

| # Reviewed | Disposition of Review |
|------------|---|
| 5 | Project did not meet CMP large project definition |
| 9 | CMP review pending |
| 1 | Document received after comment deadline |
| 3 | CMP comment letters sent |

Copies of the three CMP comment letters sent are included as Attachment 1. In instances where significant impacts were not fully mitigated, SANDAG comments focused on encouraging use of alternative mitigation measures such as increased transit service, establishment of TDM programs

promoting or providing incentives for carpools or vanpools, construction of bicycle or pedestrian facilities, and use of related design guidelines to encourage other modes of travel.

Local Agency CMP Conformance Finding

The CMP requires that local jurisdictions, on a regular basis, certify by resolution their continued compliance with the provisions of the CMP. The conformance finding for the 2002 CMP Update is due to SANDAG by July 1, 2003. A memo reminding local jurisdictions of this requirement was mailed out in early May.

TRANSPORTATION COMMITTEE

May 16, 2003

AGENDA ITEM NO.: **4**

Action Requested: SUPPORT

LOSSAN RAIL CORRIDOR SCREENING RECOMMENDATIONS

Introduction

Since August 2001, the California High-Speed Rail Authority (CHSRA) and Caltrans have worked cooperatively on technical studies for the coastal rail corridor between Los Angeles and San Diego. These studies will lead to a program-level environmental impact report/environmental impact statement (PEIR/EIS) for each agency to be used as a basis for improvements to the rail corridor. Draft documents from both agencies are expected in fiscal year 2004.

Throughout this process, several alternative alignments have been evaluated. CHSRA and Caltrans staffs are recommending further evaluation of three of the five alternatives in the Del Mar area, and three of the four alternatives in the Encinitas area (Attachment 1). In addition to the technical analysis, criteria were developed and applied, and an extensive public outreach effort was conducted, in order to arrive at these recommendations.

The San Diego Regional High-Speed Rail Task Force was formed in 1999 by the SANDAG Board to oversee these efforts and provide comments on the technical aspects of the project. The Task Force reviewed these screening recommendations at their March 14 and May 9, 2003 meetings and will make a verbal recommendation to the Transportation Committee on May 16.

Recommendation

Pending a recommendation from the Task Force, the Transportation Committee is asked to support the LOSSAN rail corridor screening recommendations and transmit this position to Caltrans and to the CHSRA Board of Directors at their May 27, 2003 meeting.

Discussion

The rail corridor under study is part of the Los Angeles-San Diego-San Luis Obispo (LOSSAN) rail corridor, Amtrak's fastest growing intercity passenger rail corridor in the country (Attachment 2). Commuter rail operators, Coaster and Metrolink, also make extensive use of the corridor, and Burlington Northern Santa Fe provides freight service. The railway was first constructed in the 1880s, and nearly two-thirds of San Diego's coastal rail corridor is currently single track.

CHSRA/Caltrans Study

Improvements to the LOSSAN corridor would enhance passenger rail travel between the Los Angeles, Orange and San Diego County major metropolitan areas; provide for a better interface with transit and highways; and provide added capacity to help meet increases in intercity travel demand in Southern California in a manner sensitive to and protective of California's unique natural resources. The overall goal is to improve mobility and reliability in this congested corridor.

The CHSRA is charged with developing and implementing a statewide high-speed passenger rail system. This is a 700-mile system that would connect our region with points north, making it possible to travel from San Diego to San Francisco in under four hours. Five corridors are currently under study by the CHSRA, two of which serve the San Diego region. The Coastal Corridor connects our region to Los Angeles via Orange County and the Inland Corridor connects our region to Los Angeles via I-15 through Riverside County.

In 2001, the CHSRA concluded that only non-electric steel-wheel-on-rail train technology should be investigated further for the coastal rail corridor between San Diego and Irvine. This technology would provide an enhanced conventional rail service that would improve intercity and commuter rail operations and provide a "feeder" service to the statewide high speed passenger rail system. Electrified, fully grade-separated service continues to be studied for the Inland Corridor.

The CHSRA will use the technical studies and screening recommendations in their draft statewide PEIR/EIS, which is expected in August 2003.

Caltrans oversees, maintains, and subsidizes intercity passenger rail service in California and has a long history in the Pacific Surfliner corridor. For nearly 30 years, the State of California has supported the coastal rail corridor both with capital and operating assistance. Caltrans will use the technical studies and screening recommendations for a corridor-specific PEIR/EIS, a draft of which is planned for early 2004.

Review of Screening Recommendations

As shown in Attachment 1, staff proposes in the Del Mar area to continue the no build, Camino Del Mar #1 tunnel, and Penasquitos bypass tunnel alternatives for further study and screen out the trench on bluffs and Camino Del Mar Tunnel #2 alternatives. In the City of Encinitas, staff proposes to continue studying the no build, at grade with grade separations, and short trench alternatives and screen the long trench alternative from further study. Similar screenings are recommended for the Cities of Dana Point, San Clemente, and San Juan Capistrano in south Orange County.

Staff from SANDAG, NCTD, MTDB, and Caltrans have reviewed the technical aspects of this work through participation in the Coastal Rail Working Group, an interagency working group that also includes Amtrak, Metrolink, and the Port of San Diego.

SANDAG's San Diego High-Speed Rail Task Force members include members of the Transportation Committee, additional Board members from coastal and I-15 cities, Caltrans, MTDB, NCTD, Department of Defense, and the LOSSAN Rail Corridor Agency. The Task Force reviewed these recommendations at their March 14 and May 9, 2003 meetings.

2030 Regional Transportation Plan

SANDAG recognizes the importance of passenger rail service to the region. MOBILITY 2030 calls for double-tracking the coastal rail corridor from Oceanside to San Diego with tunnels at Del Mar and University City, conditional upon the appropriate environmental impact analyses, enhanced parking at stations, grade separations, and other safety and operational improvements. SANDAG also continues to advocate for high-speed passenger rail service along the Inland I-15 Corridor.

| LOSSAN CORRIDOR SCREENING RECOMMENDATIONS IN THE SAN DIEGO COASTAL RAIL CORRIDOR | |
|---|----------------------------|
| Recommendations for Alternative Alignments in the City of Del Mar | |
| <i>Alternative</i> | <i>Recommendation</i> |
| <p>No Build Existing conditions alternative.</p> | Continue for further study |
| <p>Camino Del Mar Tunnel #1 The Camino Del Mar tunnel would provide an alternative to retaining the rail line on Del Mar's sensitive bluffs by relocating the track into a tunnel which would run under Camino Del Mar. This alternative would improve train performance and would reduce environmental impacts from the existing conditions—providing considerable benefits to the environment and community. This alternative will increase track capacity and its grade separation and smoother curves will provide for reduced running times. Safety and reliability would also improve. This alternative has received considerable amount of support from the community and resource agencies.</p> | Continue for further study |
| <p>Penasquitos Lagoon Bypass Tunnel This alternative would relocate the tracks into a double-tracked tunnel under I-5 between the Penasquitos and San Dieguito lagoons. This alternative will have the same benefits to the Del Mar bluffs as the Camino Del Mar tunnel, but would be considerably more expensive. An additional benefit would be to reduce lagoon impacts. Resource agencies have indicated this alternative should be investigated further.</p> | Continue for further study |
| <p>Trench on Bluffs This alternative would follow the existing rail alignment but would provide two mainline tracks in a concrete trench, partially covered, along the Del Mar Bluffs. This alternative would have severe construction impacts and major environmental impacts due to the required bluffs stabilization. Public and agency input has been nearly unanimous in favor of removing the track from the bluffs. This alternative would be strongly opposed by both the community and resource agencies.</p> | Screen from further study |
| <p>Camino Del Mar Tunnel #2 The Camino Del Mar tunnel #2 is a variation of tunnel option #1 above. Curve straightening in the #2 option would take the tunnel beneath a residential area at the southern end of Del Mar and the northern edge of San Diego. This alternative would be more costly and create more community and potential environmental impacts than the tunnel #1 option, while providing only minimal travel time benefits.</p> | Screen from further study |

Recommendations for Alternative Alignments in the City of Encinitas

| <i>Alternative</i> | <i>Recommendation</i> |
|---|----------------------------|
| <p>No Build Existing conditions alternative.</p> | Continue for further study |
| <p>Short Trench This alternative will construct a double-tracked cut and cover tunnel in the downtown area, approximately 1.5 miles, with grade separations at Leucadia Boulevard, Pacific Coast Highway/Vulcan Drive, and Birmingham Drive. This alternative would improve train performance, capacity, and safety and would reduce environmental impacts from the existing conditions. This alternative would improve community cohesion and coastal access. Public acceptability has been very positive with this alternative.</p> | Continue for further study |
| <p>At Grade with Grade Separations This alternative would provide at-grade double-tracking throughout the City of Encinitas with new grade separations at Leucadia Boulevard, Pacific Coast Highway/Vulcan Drive, and Birmingham Drive. New pedestrian crossings would be provided. Train capacity and safety are greatly improved as part of this alternative as pedestrian and vehicles would be separated from trains at major locations along the alignment. Although this concept does not have the level of community support as the short trench, the grade separations at Leucadia Boulevard and Birmingham Drive are supported and would provide significant benefits to the community.</p> | Continue for further study |
| <p>Long Trench This alternative would locate a double-tracked open trench that would extend the length of the City, approximately seven miles. The trench would be covered through the downtown area, and new pedestrian crossings would be provided at other locations. The major train service benefits associated with this alternative would also be provided by the Short Trench alternative. This alternative would have considerably more construction impacts and cost. Although this alternative has seen strong public support in the past, its high cost and constructability issues make this alternative considerably less feasible than the short trench alternative.</p> | Screen from further study |

The attachments to the Agenda Item may be obtained by contacting SANDAG's Public Information Office at (619) 595-5347.

TRANSPORTATION COMMITTEE

May 16, 2003

AGENDA ITEM NO.: **4**

Action Requested: SUPPORT

LOSSAN RAIL CORRIDOR SCREENING RECOMMENDATIONS

Introduction

Since August 2001, the California High-Speed Rail Authority (CHSRA) and Caltrans have worked cooperatively on technical studies for the coastal rail corridor between Los Angeles and San Diego. These studies will lead to a program-level environmental impact report/environmental impact statement (PEIR/EIS) for each agency to be used as a basis for improvements to the rail corridor. Draft documents from both agencies are expected in fiscal year 2004.

Throughout this process, several alternative alignments have been evaluated. CHSRA and Caltrans staffs are recommending further evaluation of three of the five alternatives in the Del Mar area, and three of the four alternatives in the Encinitas area (Attachment 1). In addition to the technical analysis, criteria were developed and applied, and an extensive public outreach effort was conducted, in order to arrive at these recommendations.

The San Diego Regional High-Speed Rail Task Force was formed in 1999 by the SANDAG Board to oversee these efforts and provide comments on the technical aspects of the project. The Task Force reviewed these screening recommendations at their March 14 and May 9, 2003 meetings and will make a verbal recommendation to the Transportation Committee on May 16.

Recommendation

Pending a recommendation from the Task Force, the Transportation Committee is asked to support the LOSSAN rail corridor screening recommendations and transmit this position to Caltrans and to the CHSRA Board of Directors at their May 27, 2003 meeting.

Discussion

The rail corridor under study is part of the Los Angeles-San Diego-San Luis Obispo (LOSSAN) rail corridor, Amtrak's fastest growing intercity passenger rail corridor in the country (Attachment 2). Commuter rail operators, Coaster and Metrolink, also make extensive use of the corridor, and Burlington Northern Santa Fe provides freight service. The railway was first constructed in the 1880s, and nearly two-thirds of San Diego's coastal rail corridor is currently single track.

CHSRA/Caltrans Study

Improvements to the LOSSAN corridor would enhance passenger rail travel between the Los Angeles, Orange and San Diego County major metropolitan areas; provide for a better interface with transit and highways; and provide added capacity to help meet increases in intercity travel demand in Southern California in a manner sensitive to and protective of California's unique natural resources. The overall goal is to improve mobility and reliability in this congested corridor.

The CHSRA is charged with developing and implementing a statewide high-speed passenger rail system. This is a 700-mile system that would connect our region with points north, making it possible to travel from San Diego to San Francisco in under four hours. Five corridors are currently under study by the CHSRA, two of which serve the San Diego region. The Coastal Corridor connects our region to Los Angeles via Orange County and the Inland Corridor connects our region to Los Angeles via I-15 through Riverside County.

In 2001, the CHSRA concluded that only non-electric steel-wheel-on-rail train technology should be investigated further for the coastal rail corridor between San Diego and Irvine. This technology would provide an enhanced conventional rail service that would improve intercity and commuter rail operations and provide a "feeder" service to the statewide high speed passenger rail system. Electrified, fully grade-separated service continues to be studied for the Inland Corridor.

The CHSRA will use the technical studies and screening recommendations in their draft statewide PEIR/EIS, which is expected in August 2003.

Caltrans oversees, maintains, and subsidizes intercity passenger rail service in California and has a long history in the Pacific Surfliner corridor. For nearly 30 years, the State of California has supported the coastal rail corridor both with capital and operating assistance. Caltrans will use the technical studies and screening recommendations for a corridor-specific PEIR/EIS, a draft of which is planned for early 2004.

Review of Screening Recommendations

As shown in Attachment 1, staff proposes in the Del Mar area to continue the no build, Camino Del Mar #1 tunnel, and Penasquitos bypass tunnel alternatives for further study and screen out the trench on bluffs and Camino Del Mar Tunnel #2 alternatives. In the City of Encinitas, staff proposes to continue studying the no build, at grade with grade separations, and short trench alternatives and screen the long trench alternative from further study. Similar screenings are recommended for the Cities of Dana Point, San Clemente, and San Juan Capistrano in south Orange County.

Staff from SANDAG, NCTD, MTDB, and Caltrans have reviewed the technical aspects of this work through participation in the Coastal Rail Working Group, an interagency working group that also includes Amtrak, Metrolink, and the Port of San Diego.

SANDAG's San Diego High-Speed Rail Task Force members include members of the Transportation Committee, additional Board members from coastal and I-15 cities, Caltrans, MTDB, NCTD, Department of Defense, and the LOSSAN Rail Corridor Agency. The Task Force reviewed these recommendations at their March 14 and May 9, 2003 meetings.

2030 Regional Transportation Plan

SANDAG recognizes the importance of passenger rail service to the region. MOBILITY 2030 calls for double-tracking the coastal rail corridor from Oceanside to San Diego with tunnels at Del Mar and University City, conditional upon the appropriate environmental impact analyses, enhanced parking at stations, grade separations, and other safety and operational improvements. SANDAG also continues to advocate for high-speed passenger rail service along the Inland I-15 Corridor.

| LOSSAN CORRIDOR SCREENING RECOMMENDATIONS IN THE SAN DIEGO COASTAL RAIL CORRIDOR | |
|---|----------------------------|
| Recommendations for Alternative Alignments in the City of Del Mar | |
| <i>Alternative</i> | <i>Recommendation</i> |
| <p>No Build Existing conditions alternative.</p> | Continue for further study |
| <p>Camino Del Mar Tunnel #1 The Camino Del Mar tunnel would provide an alternative to retaining the rail line on Del Mar's sensitive bluffs by relocating the track into a tunnel which would run under Camino Del Mar. This alternative would improve train performance and would reduce environmental impacts from the existing conditions—providing considerable benefits to the environment and community. This alternative will increase track capacity and its grade separation and smoother curves will provide for reduced running times. Safety and reliability would also improve. This alternative has received considerable amount of support from the community and resource agencies.</p> | Continue for further study |
| <p>Penasquitos Lagoon Bypass Tunnel This alternative would relocate the tracks into a double-tracked tunnel under I-5 between the Penasquitos and San Dieguito lagoons. This alternative will have the same benefits to the Del Mar bluffs as the Camino Del Mar tunnel, but would be considerably more expensive. An additional benefit would be to reduce lagoon impacts. Resource agencies have indicated this alternative should be investigated further.</p> | Continue for further study |
| <p>Trench on Bluffs This alternative would follow the existing rail alignment but would provide two mainline tracks in a concrete trench, partially covered, along the Del Mar Bluffs. This alternative would have severe construction impacts and major environmental impacts due to the required bluffs stabilization. Public and agency input has been nearly unanimous in favor of removing the track from the bluffs. This alternative would be strongly opposed by both the community and resource agencies.</p> | Screen from further study |
| <p>Camino Del Mar Tunnel #2 The Camino Del Mar tunnel #2 is a variation of tunnel option #1 above. Curve straightening in the #2 option would take the tunnel beneath a residential area at the southern end of Del Mar and the northern edge of San Diego. This alternative would be more costly and create more community and potential environmental impacts than the tunnel #1 option, while providing only minimal travel time benefits.</p> | Screen from further study |

Recommendations for Alternative Alignments in the City of Encinitas

| <i>Alternative</i> | <i>Recommendation</i> |
|---|----------------------------|
| <p>No Build Existing conditions alternative.</p> | Continue for further study |
| <p>Short Trench This alternative will construct a double-tracked cut and cover tunnel in the downtown area, approximately 1.5 miles, with grade separations at Leucadia Boulevard, Pacific Coast Highway/Vulcan Drive, and Birmingham Drive. This alternative would improve train performance, capacity, and safety and would reduce environmental impacts from the existing conditions. This alternative would improve community cohesion and coastal access. Public acceptability has been very positive with this alternative.</p> | Continue for further study |
| <p>At Grade with Grade Separations This alternative would provide at-grade double-tracking throughout the City of Encinitas with new grade separations at Leucadia Boulevard, Pacific Coast Highway/Vulcan Drive, and Birmingham Drive. New pedestrian crossings would be provided. Train capacity and safety are greatly improved as part of this alternative as pedestrian and vehicles would be separated from trains at major locations along the alignment. Although this concept does not have the level of community support as the short trench, the grade separations at Leucadia Boulevard and Birmingham Drive are supported and would provide significant benefits to the community.</p> | Continue for further study |
| <p>Long Trench This alternative would locate a double-tracked open trench that would extend the length of the City, approximately seven miles. The trench would be covered through the downtown area, and new pedestrian crossings would be provided at other locations. The major train service benefits associated with this alternative would also be provided by the Short Trench alternative. This alternative would have considerably more construction impacts and cost. Although this alternative has seen strong public support in the past, its high cost and constructability issues make this alternative considerably less feasible than the short trench alternative.</p> | Screen from further study |



TRANSPORTATION COMMITTEE

May 16, 2003

AGENDA ITEM NO.: **5**

Action Requested: INFORMATION

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD (MTDB)
OPERATING BUDGET UPDATE

Introduction

Since 1993, when California and the United States suffered an economic recession, MTDB has been dealing with an operating “structural deficit,” whereby recurring revenues are not sufficient to cover recurring expenses. This structural deficit has been bridged each year by using non-recurring resources (totaling in excess of \$90 million), along with operating efficiencies and cost control measures. At its May 3, 2003 Finance Workshop, the MTD Board of Directors approved a plan to balance the FY 2004 and FY 2005 operating budgets. The plan includes several actions, which are discussed in this report.

Discussion

Background

MTDB’s five-year projection of recurring transit operating revenue and expenditures (Attachment 1) is summarized as follows:

| | FY 2004 to FY 2008 Projected Surplus/(Deficit) (in \$millions) | |
|---------|--|-----------|
| | Range | Mid-Range |
| FY 2004 | (\$32.4) | (\$32.4) |
| FY 2005 | (\$38.1)-(\$30.9) | (\$34.5) |
| FY 2006 | (\$43.1)-(\$34.2) | (\$38.7) |
| FY 2007 | (\$44.5)-(\$34.2) | (\$39.4) |
| FY 2008 | (\$45.3)-(\$33.5) | (\$39.4) |
| Total | (\$203.4)-(\$165.2) | (\$184.4) |

The projected “structural deficit” represents the excess of recurring costs over recurring revenues. The projections are presented in a range, with the worst-case scenario assuming higher costs and lower revenues, and the best-case scenario assuming lower costs and higher revenues. The mid-range deficit also is shown for each fiscal year.

Other than Mission Valley East (MVE) light rail transit (LRT) operations being initiated in FY 2005, and minor (quality of service) improvements, there are **no** service enhancements included in these figures.

This “structural deficit” is nothing new; it is a situation MTDB has been dealing with for over 10 years. During this time period, the structural deficit has been bridged through a combination of cost saving measures and the use of non-recurring resources. Examples of cost savings measures implemented over the years are as follows:

- Implemented Interlining at San Diego Transit Corporation (SDTC). In March 2003, SDTC implemented efficiency measures that are projected to save at least \$2 million in annual subsidies. Interlining is the combining of pieces or segments of routes together in the most cost-effective and efficient fashion possible to maximize people and equipment resources.
- Competitively Contracted Bus Service. Since 1994, MTDB Contract Services has competitively bid 29 fixed-bus routes for a total of 5.9 million revenue miles, saving the region approximately \$15 million in subsidy each year.
- Consolidated Corporate Functions. Over the years, MTDB has consolidated Marketing, Graphics, Information Technology, and Risk Management functions. Previously, these functions existed separately at the corporate entities as well as at MTDB. Consolidating these functions has resulted in more effective use of resources, translating into cost savings and at the same time providing better service to both internal and external customers.
- Pooled all Metropolitan Transit System (MTS) Resources and Implemented Consolidated Budget Process. Since 1990, a significant amount of time and money has been spent on the formula for funding regional MTS services. In FY 2002, an agreement was reached among all the MTDB-area jurisdictions to consolidate all transit resources under MTDB, along with the budget process. This has resulted in a more efficient budget process and a more equitable method of spending the region’s transit dollars.

Attachment 1 summarizes total recurring expenses, and total recurring and non-recurring revenues for MTS operators from FY 1997 to FY 2008. Attachment 2 depicts the MTS operating budget from 1997 to 2003, showing the level of non-recurring resources used to bridge the structural deficit. Examples of these non-recurring resources are:

- Sale/Leaseback and Lease/Leaseback of Light Rail Vehicles (LRVs) and Buses. Beginning with safe harbor leases in the 1980s, MTDB has taken advantage of this financing technique, which provides up-front discretionary funds at little risk. In all of these transactions, the underlying principle is that MTDB is selling its tax benefits (which it cannot use since it is tax-exempt) in return for a payment. MTDB has taken advantage of this technique with virtually all of its LRVs, which has generated \$17.5 million in discretionary funds to the agency. MTDB completed one transaction that dealt with buses, but found that the net benefit is negligible (\$500,000). MTDB has had continuing discussions with various parties about a possible transaction on the rail line itself, but nothing has come to fruition to date.

- Use of *TransNet* Interest. In FY 1997, MTDB worked with SANDAG to change the method in which interest was allocated to be consistent among the capital and operating programs. This provided an additional \$5 million for operating purposes.
- Use of MTDB Contingency Reserves. The MTDB Contingency Reserve has been funded in a variety of ways over the years, primarily through budget savings in the MTDB General Fund or from the transit operators. The funds in the Contingency Reserve are available for use at the Board's discretion. MTDB has used \$19 million of reserves to fund operations over the past ten years.
- Use of Capital Replacement Reserves. Capital Replacement Reserves have traditionally been used as the local match to the federal capital funds. However, over the past seven years, the MTD Board has approved use of \$5.2 million in Capital Replacement Reserves for operations.
- Consolidation of Liability Claims Reserve. Prior to 1995, MTDB, SDTC, and San Diego Trolley, Inc. (SDTI), maintained separate liability claims reserves to cover the respective self-insured retentions. MTDB consolidated the insurance programs, and at the same time consolidated the reserve, bringing the level down to the combined self-insured retention limit of \$2 million. This provided almost \$3 million in funds that were used for operating purposes.
- Increased Use of Federal Capital Funds for Operating. MTDB starts the budget process with the assumption that it will use 15 percent of its federal formula program for operating purposes. Over the years, MTDB has used \$22 million in excess of that 15 percent level.
- Exchange of Federal Capital Funds for Local Transportation Development Act (TDA) Operating Funds. Prior to the consolidation of MTS transit resources, and when federal formula funds were more restricted in their use for operating purposes, MTDB took advantage of several opportunities to exchange federal capital funds with local jurisdictions in return for more flexible TDA funds, which were then used for operations. This has totaled \$9.5 million over the years.
- Use of Federal Congestion Mitigation and Air Quality (CMAQ) Funds for LRT Operations. MTDB has used federal CMAQ funds for the first three years of operations on new LRT extensions (i.e., Santee, Old Town, and Mission Valley West). This has totaled \$10.5 million.
- Release of County TDA Reserve. During the last budget process, MTDB worked with SANDAG and the County Auditor to reduce the level of the County TDA Reserve, which made an additional \$2 million available.

MTDB has been close to pulling out of the structural deficit a couple of times, only to be set back by negative economic trends. At one point, MTDB projected that the structural deficit would be eliminated in FY 2001. However, that same year, the agency was hit very hard with the energy crisis, experiencing record highs in the prices paid for electricity, diesel, and compressed natural gas (CNG) fuel. Those prices have never gone back to the pre-2001 levels, and MTDB is still paying high energy/fuel prices.

In last year's MTDB budget process, a plan of difficult choices was developed that included fare increases, service reductions, use of reserves, and doubling the use of federal capital funds for

operations. Implementing this plan would have put the agency into a balanced position by the end of FY 2007. However, despite the proactive steps that MTDB has taken to implement operational efficiencies and minor service reductions, increases in expenses beyond MTDB's control put that plan in a precarious position. Besides the continually escalating energy/fuel costs, rising costs are occurring in workers compensation, insurance premiums and claims, health insurance, etc. In addition, MTDB's revenues are closely tied to the health of the economy. These revenues, which include both sales-tax based funding (e.g., *TransNet* and TDA) and fare revenue, also are being negatively affected.

Costs continue to rise at a faster pace than revenue. As a result, even with the fare increase scheduled for implementation on July 1, 2003, MTDB's farebox recovery ratio is predicted to decrease slightly in FY 2004 to 38.9 percent for the entire MTS area. This is compared to the projected farebox recovery ratio for FY 2003 of about 40 percent and an actual farebox recovery ratio for FY 2002 of 43.1 percent.

MTD Board Action

The MTD Board recognizes the difficulty in solving a budget deficit of this magnitude. The choices have not been easy ones, and the plan that the MTD Board approved (at the May 3, 2003 Finance Workshop) to balance the FY 2004 and FY 2005 operating budgets uses a combination of difficult actions. There were six primary policy choices that the MTD Board used to help balance the FY 2004 and FY 2005 operating budgets:

1. Reducing the Level of Reserves. MTDB has steadily been reducing its reserves over the last few years. Even though it is maintaining a working capital reserve of \$8 million, MTDB will no longer be holding a "rainy day" fund to cover operating costs if fare revenues fall significantly short, or if energy/fuel prices increase substantially. These are situations that have occurred in the past for which MTDB has relied on reserves to get through the year.
 - MTD Board Action: Maintain an operating reserve (MTDB Contingency Reserve) at a level approximating 5 percent of the total operating budget (\$8 million), and use the balance of \$12 million for FY 2004 and FY 2005 operations.
2. Deferral of Capital Projects. While deferring capital projects is something that can be done for a couple years, it is not a fiscally prudent strategy to rely on indefinitely. In order to obtain an additional \$21 million in federal funds out of the capital program to use for FY 2004 operations, MTDB is deferring some projects from FY 2004 to FY 2005, and others from FY 2005 to FY 2006. If the agency continues this approach for FY 2005, then it would be deferring more projects from FY 2005 to FY 2006 and from FY 2006 to FY 2007. This would ultimately impair MTDB's ability to provide quality service to its customers. Continued reliance on this strategy would result in not being able to replace buses or keep up with the rehabilitation of LRVs and the LRT infrastructure. Further, deferral of capital projects, if continued indefinitely, will in the future add to operations and maintenance costs.
 - MTD Board Action: (1) Increase the amount of federal formula funds used for preventive maintenance (operations) from 15 percent to 55 percent for FY 2004 and FY 2005 (\$29 million/year); (2) seek assistance from the San Diego Association of Governments (SANDAG) for funding of non-service major capital improvement

projects; and (3) request SANDAG to amend the 2002 Regional Transportation Improvement Program (RTIP) to reflect the revised federal program of projects.

3. Reduce Costs by Eliminating Unproductive Service. There is always some level of unproductive service that can be eliminated to benefit overall system performance. In order to achieve a sustainable level of service, MTDB needs to cut costs, which will need to be done sooner rather than later. A reduction in the recurring costs over the next several years would permit a more graduated response in case the *TransNet* program expiring in 2008 is not reauthorized.

- MTD Board Action: Implement a plan that would result in cost savings and reduce unproductive services, achieving an annual subsidized savings of \$1 million in FY 2004 and another \$1 million in FY 2005. Specific service cuts for FY 2004 will be the subject of a public hearing scheduled for June 12, 2003.

4. Request a Change of the *TransNet* Formula. Changing the *TransNet* formula would provide significant flexibility for additional operating funds and development of MTDB's Showcase and Transit First projects. However, until *TransNet* is reauthorized, MTDB needs to be careful not to place undue reliance on this revenue source for operations. Given the expiration of the current program in 2008, *TransNet* should be considered non-recurring revenue.

Further, MTDB hopes that the *TransNet* reauthorization would provide a greater level of operating support for new Transit First services and not just for maintaining the existing system. For these reasons, a conservative strategy is recommended with regard to *TransNet*. Specifically, MTDB recommends requesting SANDAG to change the existing 80/20 percent formula (capital/operations) to a 62/38 percent formula. This change would allow flexibility to use more *TransNet* funds for operations, if desired by the Board, as well as for Transit First activities.

- MTD Board Action: Request the SANDAG Board of Directors to change the *TransNet* capital/operating formula for the remaining authorization period from 80/20 percent to 62/38 percent in order to allow for more flexibility. (See Agenda Item No. 6.)

5. Fare Increase. Passenger fares are MTDB's largest source of operating revenue and the source over which it has the most local control. Passenger fare revenue covers roughly 39 percent of the current operating expenses.

- MTD Board Action: Implement a fare increase over a three-year period on July 1 of 2003, 2004, and 2005. This fare increase is projected to provide \$3 million additional fare revenue in FY 2004, an additional \$700,000 in FY 2005, and an additional \$500,000 in FY 2006.

6. New Sources of Revenue. MTDB will continue to pursue new sources of revenue, such as potential parking revenue from the MTS parking structure once the new downtown San Diego ballpark opens, increased local match for CNG buses from Air Pollution Control District (APCD), federal capital discretionary funds, innovative financing, and CMAQ federal funds for operating the MVE LRT extension.

- MTD Board Action: Authorize the General Manager to work with SANDAG in seeking CMAQ funds for the first three years of MVE LRT operations.

The policy actions taken by the MTD Board at the May 3, 2002 Finance Workshop would address the projected structural deficit. Although the entire five-year period (FY 2004 through FY 2008) is shown, the MTD Board's focus is on balancing the FY 2004 and FY 2005 operating budgets at this time.

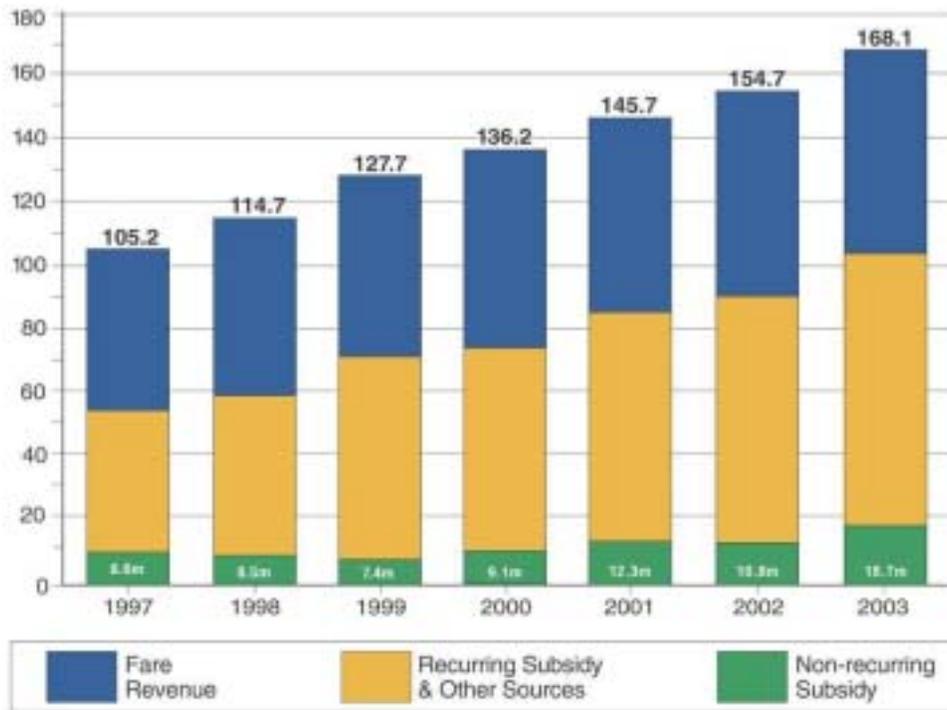
**Balancing the MTDB Operating Budget
(in \$millions)**

| | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 | Total |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|--------------|
| Projected Deficit (mid-range) | (\$32.4) | (\$34.5) | (\$38.7) | (\$39.4) | (\$39.4) | (\$184.4) |
| <u>Policy Choices:</u> | | | | | | |
| 1. Reserves | \$ 6.4 | \$ 5.6 | - | - | - | \$ 12.0 |
| 2. Federal Capital Funds | \$ 21.0 | \$ 21.0 | \$ 21.0 | \$ 21.0 | \$ 21.0 | \$ 105.0 |
| 3. Service Reductions | \$ 1.0 | \$ 2.0 | \$ 3.1 | \$ 4.3 | \$ 5.4 | \$ 15.8 |
| 4. <i>TransNet</i> | \$ 4.0 | \$ 5.2 | \$ 10.6 | \$ 10.1 | \$ 9.3 | \$ 39.2 |
| 5. CMAQ for MVE LRT | - | \$ 0.7 | \$ 4.0 | \$ 4.0 | \$ 3.7 | \$ 12.4 |
| Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

**MTS OPERATORS
FIVE-YEAR PROJECTIONS
(in \$millions)**

| | ACTUALS | | | | | | BUDGET | PROJECTIONS | | | | | | | | |
|---|---------|--------|--------|--------|---------|---------|---------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|
| | FY 97 | FY 98 | FY 99 | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 | FY 05 | | FY 06 | | FY 07 | | FY 08 | |
| | | | | | | | | | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH |
| Operating Costs | 104.64 | 112.69 | 122.16 | 132.24 | 145.18 | 154.30 | 167.23 | 176.27 | 180.25 | 183.60 | 192.07 | 195.63 | 197.92 | 201.54 | 203.74 | 207.43 |
| Deposit to Claims Reserve | 0.60 | - | - | 1.17 | 0.50 | 0.40 | 0.85 | 1.55 | ? | ? | ? | ? | ? | ? | ? | ? |
| Deposit to Capital Replacement Reserves | - | 2.00 | 5.50 | 2.76 | - | - | - | - | - | - | - | - | - | - | - | - |
| Debt Service Payment | 0.96 | 0.78 | 0.87 | 0.83 | - | - | - | - | - | - | - | - | - | - | - | - |
| 1. TOTAL RECURRING EXPENSES | 106.20 | 115.47 | 128.53 | 137.00 | 145.68 | 154.70 | 168.08 | 177.82 | 180.25 | 183.60 | 192.07 | 195.63 | 197.92 | 201.54 | 203.74 | 207.43 |
| Recurring Revenues: | | | | | | | | | | | | | | | | |
| Fares | 50.99 | 55.88 | 58.47 | 59.04 | 62.14 | 66.07 | 66.05 | 68.10 | 69.96 | 70.65 | 73.62 | 75.06 | 74.41 | 76.57 | 75.20 | 78.11 |
| Subsidy for ADA | 1.17 | 1.86 | 1.33 | 2.22 | 2.76 | 3.77 | 6.28 | 4.30 | 4.42 | 4.48 | 4.57 | 4.68 | 4.74 | 4.89 | 4.95 | 5.14 |
| TDA | 31.39 | 34.39 | 42.47 | 46.18 | 50.85 | 50.67 | 56.29 | 53.98 | 52.94 | 53.90 | 55.01 | 56.77 | 57.56 | 59.84 | 60.45 | 63.41 |
| TransNet | 0.48 | 0.95 | 1.37 | 3.10 | 3.15 | 4.60 | 5.42 | 4.78 | 4.20 | 4.77 | 4.80 | 5.29 | 5.30 | 5.86 | 6.00 | 6.51 |
| STA | 3.51 | 3.95 | 4.58 | 4.62 | 4.93 | 8.55 | 5.20 | 4.78 | 4.00 | 4.98 | 4.20 | 5.19 | 4.40 | 5.40 | 4.60 | 5.61 |
| Federal Section 5307-operating/maintenance | 4.83 | 4.57 | 4.43 | 4.47 | 6.30 | 6.60 | 7.00 | 6.51 | 7.00 | 7.50 | 7.20 | 7.70 | 7.40 | 7.90 | 7.60 | 8.10 |
| Other (Bridge tolls, Chula Vista & I-15 ops.) | 4.03 | 4.29 | 7.29 | 6.64 | 1.91 | 2.68 | 2.38 | 2.19 | 2.16 | 2.19 | 2.26 | 2.29 | 2.33 | 2.37 | 2.41 | 2.46 |
| Advertising | 1.13 | 1.12 | 1.19 | 1.59 | 1.35 | 0.99 | 0.78 | 0.80 | 0.82 | 0.83 | 0.84 | 0.86 | 0.87 | 0.88 | 0.89 | 0.91 |
| 2. TOTAL RECURRING REVENUES | 97.53 | 107.01 | 121.13 | 127.86 | 133.39 | 143.93 | 149.40 | 145.44 | 145.49 | 149.30 | 152.50 | 157.83 | 157.01 | 163.71 | 162.10 | 170.25 |
| 3. ANNUAL RECURRING BALANCE (1 - 2) (Expenses less revenues) | (8.66) | (8.47) | (7.40) | (9.14) | (12.29) | (10.77) | (18.68) | (32.38) | (38.11) | (30.95) | (43.13) | (34.24) | (44.53) | (34.21) | (45.33) | (33.50) |
| Non-recurring Revenues: | | | | | | | | | | | | | | | | |
| TransNet Interest Change | 0.71 | 1.40 | 2.80 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Contingency Reserve/LRV Lsebeck & interest | 5.86 | 4.07 | 0.27 | 7.84 | 2.83 | - | 5.12 | - | - | - | - | - | - | - | - | - |
| Bus Replacement Fund | - | - | - | - | - | 1.40 | - | - | - | - | - | - | - | - | - | - |
| Lease/Leaseback | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Federal Exchange-Local | - | - | 2.23 | - | - | 2.12 | 1.15 | - | - | - | - | - | - | - | - | - |
| Additional federal preventive maintenance | - | - | - | - | 8.86 | 4.25 | 9.11 | - | - | - | - | - | - | - | - | - |
| Additional capital replacement to match grant | - | - | - | - | - | 3.00 | 1.30 | - | - | - | - | - | - | - | - | - |
| Release of TDA Reserve | - | - | - | - | - | - | 2.00 | - | - | - | - | - | - | - | - | - |
| Federal CMAQ | 2.09 | 3.00 | 2.10 | 1.30 | 0.60 | - | - | - | - | - | - | - | - | - | - | - |
| 4. TOTAL NON-RECURRING REVENUES | 8.66 | 8.47 | 7.40 | 9.14 | 12.29 | 10.77 | 18.68 | - | - | - | - | - | - | - | - | - |
| 5. TOTAL REVENUES (2 + 4) | 106.19 | 115.48 | 128.53 | 137.00 | 145.68 | 154.70 | 168.07 | - | - | - | - | - | - | - | - | - |
| 6. OVERALL SURPLUS (DEFICIT) (1 - 5) | (0.00) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (0.00) | - | - | - | - | - | - | - | - | - |

Metropolitan Transit System Operators Funding of Operating Costs



* Includes \$2 million deposit to capital replacement reserves in 1998, \$5.5 million in 1999, and \$2.8 million in 2000.
 Includes \$600,000 deposit to claims liability reserve in 1997, \$1,170,000 in 2000, and \$500,000 in 2001, \$400,000 in 2002, and \$650,000 in 2003.

TRANSPORTATION COMMITTEE

May 16, 2003

AGENDA ITEM NO.: **6**

Action Requested: RECOMMEND

REQUESTED CHANGE TO *TransNet* ORDINANCE
FOR TRANSIT OPERATING SUPPORT

Introduction

As described in Agenda Item No. 5, the San Diego Metropolitan Transit Development Board (MTDB) has been working to develop a balanced budget plan for FY 2004 through FY 2008. Because of a projected shortfall in excess of \$30 million per year into the foreseeable future, MTDB has been reviewing a number of alternative strategies to bring the budget into balance, including service cuts, fare increases, a shift of federal transit formula funds from capital to operations, and a change to the *TransNet* formula.

The *TransNet* Ordinance currently requires that not less than 80 percent of the revenues made available to MTDB and the North San Diego County Transit Development Board (NCTD) for transit purposes be used to implement the rail capital projects identified in the *TransNet* Expenditure Plan and bus capital facilities required for express bus services in the I-15 corridor. The remaining 20 percent can be expended for operating support, including reduced-price monthly passes for senior, disabled, and youth riders and other transit service improvements. The *TransNet* Ordinance anticipated the need to make changes over the 20-year life of the program and included the ability to amend most provisions of the Ordinance with a two-thirds vote of the SANDAG Board.

At a special Finance Workshop on May 3, 2003, the MTD Board of Directors decided to request SANDAG to amend the transit funding formula in the *TransNet* Ordinance. As explained in the May 7, 2003 letter from MTDB's General Manager Tom Larwin (Attachment 1), MTDB is requesting a change from the existing 80/20 formula to a 62/38 distribution. Increasing the operating share to no more than 38 percent for the balance of the existing *TransNet* program (FY 2004 through FY 2008), combined with fare increases, service cuts and other actions, would provide the additional flexibility MTDB needs to balance its operating budget for the next several years.

In addition, funds would be available to move forward with project development work on MTDB's Transit First Showcase and Early Action bus rapid transit (BRT) projects. The funds for these purposes would come out of funds currently earmarked for capital projects in the MTDB area, primarily the Mid-Coast light rail extension. Sufficient funds would remain on the capital side to cover existing commitments, including the recent cost increase for the Mission Valley East project, other previously approved projects, and debt service costs, as well as ongoing design work on the Mid-Coast light rail extension. There would be no immediate impact to the NCTD area, but NCTD would have the same flexibility to increase the share of its annual *TransNet* funding used for operating purposes should circumstances change in future years.

Recommendation

The Transportation Committee is asked to recommend to the SANDAG Board of Directors that the *TransNet* Ordinance be amended to provide up to 38 percent of the annual revenues from FY 2004 through FY 2008 for transit operating purposes and other transit service improvements, such as the development of BRT projects.

Discussion

TransNet Ordinance Background

The *TransNet* Ordinance, as approved by the voters in 1987, required a majority vote of the voters to change the amount of the tax (½%), the duration of the tax (20 years), the overall allocation of the revenue (one-third each to highways, transit, and local streets and roads), and the prohibition of the use of *TransNet* funds for the middle portion of SR 56. The Ordinance specifically allows the amendment of any other provision of the Ordinance by a two-thirds vote of the SANDAG Board acting as the San Diego County Regional Transportation Commission.

The *TransNet* Ordinance currently requires that at least 80 percent of the revenues made available to MTDB and NCTD for transit purposes be used to implement the rail capital projects identified in the *TransNet* Expenditure Plan. The Board approved an amendment to the Ordinance in February 2003 to include bus capital facilities required to support the express bus services in the I-15 corridor under the 80 percent capital share.

The MTDB Mid-Coast project (from Old Town north to North City West) and the NCTD Oceanside-Escondido "Sprinter" project are the two remaining major rail projects listed in the 1987 Expenditure Plan, which are not yet completed or under construction. NCTD has initiated early construction activities on the Sprinter and expects to complete the project under the current *TransNet* program. MTDB plans to continue design work on the Mid-Coast project under the current *TransNet* program, with construction funding coming from the future extension of the *TransNet* program and/or future federal funds.

MTDB Requested Ordinance Change

MTDB's request to change to the 80/20 transit funding formula to at least 62 percent for the identified capital projects and no more than 38 percent for transit operations and other transit service improvements is an effort to increase the flexibility in the use of *TransNet* transit funds over the remaining years of the program. The operators could still use 80 percent or more for capital purposes, if desired. Staff has worked in coordination with the transit operators on the impacts of the proposed change using SANDAG's cash flow model for the *TransNet* program. Existing commitments can be covered, including the completion of the Mission Valley East light rail extension, other previously programmed projects, and the payment of debt service for bond funds used to complete previous projects.

The increased flexibility for operations will allow MTDB to develop a multi-year balanced budget. The additional flexibility also will allow for project development work on the Transit First Showcase and Early Action projects, as well as continued design work on the Mid-Coast light rail extension. Because there are not sufficient funds remaining under the current *TransNet* program to complete

the construction of the Mid-Coast extension, MTDB's proposed strategy to use the remaining *TransNet* funds to continue project development work on the extension as well as the proposed BRT improvements makes sense in terms of getting these projects ready-to-go as soon as the construction funding is obtained from an extension of the *TransNet* program, future federal funds, or other sources.

NCTD Position

On May 7, 2003, NCTD's Governance Committee discussed the issue of providing greater flexibility in the future use of *TransNet* funds by amending the Ordinance. The Governance Committee recommended that the NCTD Board of Directors support the proposed amendment at its May 15, 2003 meeting. The NCTD Board position will be reported at the meeting.

The attachments to the Agenda Item may be obtained by contacting SANDAG's Public Information Office at (619) 595-5347.

TRANSPORTATION COMMITTEE

May 16, 2003

AGENDA ITEM NO.: **7**

Action Requested: RECOMMEND

TRANSIT POLICIES BEING CONSIDERED FOR THE CONSOLIDATED AGENCY

Introduction

As part of the transition process under SB 1703, SANDAG and transit agency staffs are reviewing the board policies in effect at SANDAG, the San Diego Metropolitan Transit Development Board (MTDB), and the North San Diego County Transit Development Board (NCTD) to determine whether new policies or updated policies should be adopted for consistency and in preparation for SANDAG's new transit-related responsibilities. As a result of this review, staff has prepared a SANDAG Board of Directors policy on Transit Service Planning, which was previously approved by the Board as part of the initial transition plan for transit planning and programming activities.

Recommendation

The Transportation Committee is asked to recommend that the SANDAG Board of Directors approve the Transit Service Planning Policy (Attachment 1) at its June 27, 2003 meeting.

Discussion

Transit Service Planning Policy

In February 2003, the SANDAG Board approved the "Transition Plan - Initial Transfer" covering the consolidation of transit planning and programming functions of MTDB and NCTD into SANDAG under SB 1703. This initial transition plan was supported by both the MTD and NCTD Boards.

Transit Service Planning (Attachment 1 of the initial transition plan) specifies the planning responsibilities of the consolidated agency and the responsibilities of the transit agencies. This section of the initial transition plan has been formatted into Board Policy No. 16 (Attachment 1) so that all of the Board Policies can be documented and referenced more easily.

Future Transit Planning/Programming Policies

Attachment 2 summarizes other transit planning and programming policies being considered for the consolidated agency. These potential policies are being evaluated by SANDAG, MTDB, and NCTD staffs to determine whether they are appropriate policies for the consolidated agency. These may be brought to the Transportation Committee at a future date, as needed.



TRANSIT SERVICE PLANNING

This policy specifies the transit service planning responsibilities of the consolidated agency and the responsibilities of the transit agencies. Figure 1.1 is a flow chart documenting the process for transit planning and the delivery of services.

Planning responsibilities vary for regional service and local service. Flexibility in implementing the service, in terms of minor changes to the planned services, is provided to the transit operators.

1. Consolidated Agency Responsibilities – carried out in consultation with the transit agencies
 - 1.1 Preparation of long-range transit plans as part of the Regional Transportation Plan (RTP).
 - 1.2 Preparation of a five-year Short Range Transit Plan (SRTP) that defines both changes to regional and local service and new services, including new services for areas being developed, each year over the five-year period covered in the plan. The consolidated agency would initially maintain the existing service concepts upon which the service is based in order to preserve and improve mobility. FY 2003 budgeted revenue hours/miles would be considered as minimum levels of service for each Transit Board and would assume net service levels to be added upon completion of the Oceanside to Escondido and Mission Valley East rail projects. If future funding shortfalls occur, necessitating cutbacks in service, then there would be a regionwide process of examination of service levels, protecting a “lifeline” system of services.
 - 1.3 Annual route evaluations which will be incorporated into the annual updates of the SRTP and planned service changes. (Evaluations should vary by type of service and type of service area.)
 - 1.4 Define regional transit service¹ in terms of the type of service, the route configuration, frequency of service, service hours, required major stops, and required timed-transfers with other services. (These regional services may cross transit operator boundaries.)
 - 1.5 Identify parameters for local route transit services², including geographic area, frequency of service, service hours, required connections to regional transit service

¹ Regional transit service is defined as Corridor and Regional Service in the 2030 RTP, along with inter-community service, with lower speed, frequent stops.

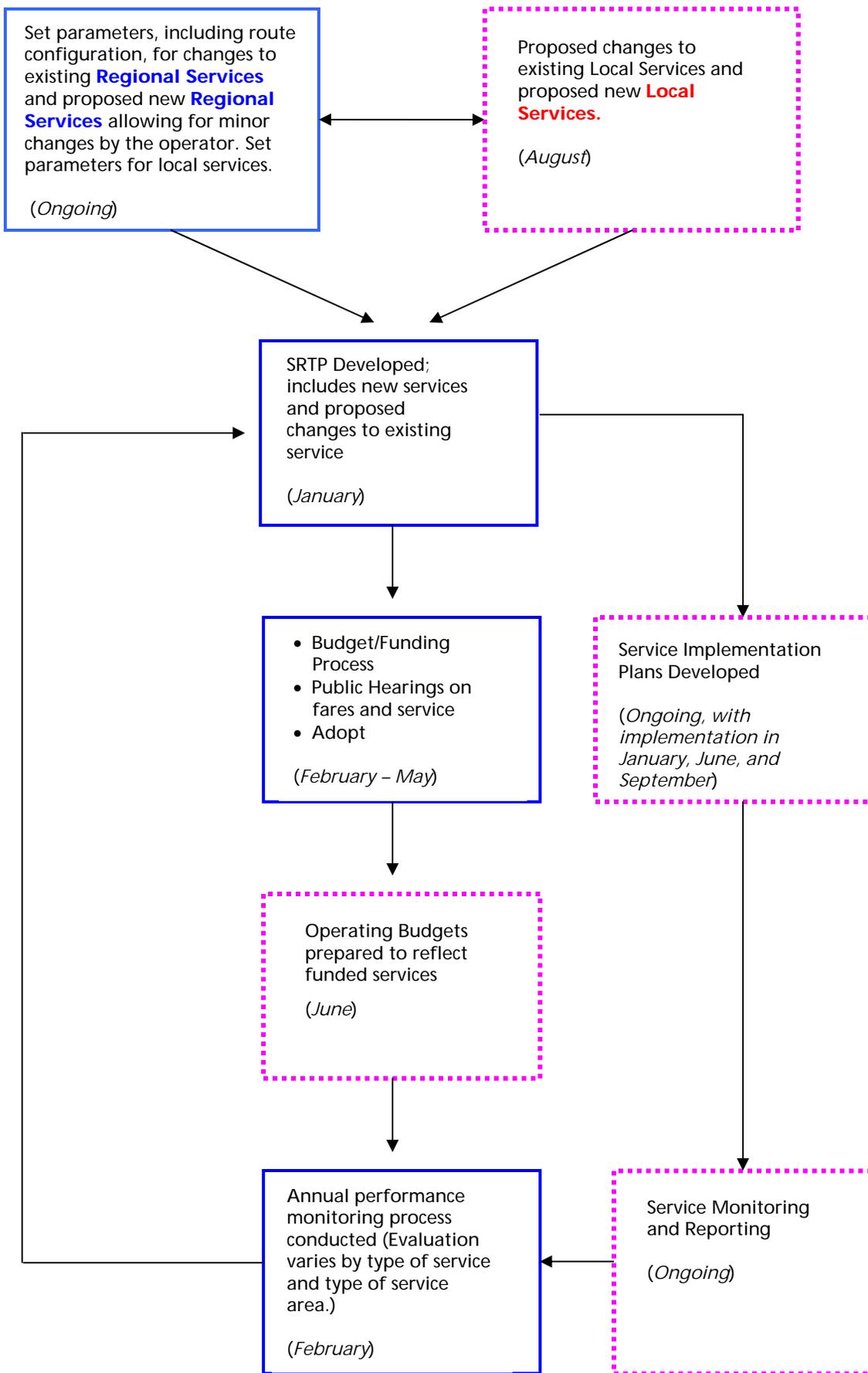
² Local route transit service is defined intra-community service, with lower speed, frequent stops and community based shuttles, with lower speed, frequent stops.

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defined in 1.4 above, and service unit (revenue hours, miles, or operating budget). Through an agreement with the consolidated agency the transit operators would define the actual route configuration within the defined parameters, see below Transit Operator Responsibilities.

- 1.6 Provide technical assistance to transit operators for local route planning.
 - 1.7 Develop a public input process and hold required public hearings for service changes. The consolidated agency should ensure that the public input process for public hearings on service changes would be conducted in a manner to facilitate public input from the affected area.
 - 1.8 Develops the Regional Fare Policy which incorporates a uniform fare structure, a transfer policy, and agreement for revenue sharing of regional tickets, tokens, and passes, while also allowing the consolidated agency to adopt specialized fare procedures for travel within each operator's service area. Additionally, adopt the Comprehensive Fare Ordinance setting forth all fares for all operators, including their special fares.
 - 1.9 Adoption of transit operator Service Implementation Plan to fund defined services.
2. Transit Agencies Responsibilities – carried out consultation with the consolidated agency
- 2.1 Development of a Service Implementation Plan for regional and local transit services including defining route stops, and development of schedules/ run cutting, operating budget, and capital improvement needs. Through an agreement with the consolidated agency local route planning also would include defining the route configuration within the defined community area. Minor changes to a transit operator's defined service (less than 25% of revenue miles/hours of a route within the operator's existing approved budget) will be at the discretion of the transit operator.
 - 2.2 Development of a Service Implementation Plan for special event transit service and service contingencies.
 - 2.3 Submit Service Implementation Plans to the consolidated agency for adoption.
 - 2.4 Service implementation including operations, contract services, service management, temporary changes and detours of service, service monitoring and reporting, and labor contract administration.
 - 2.5 Provide input on long and short range transit plans, and route evaluations.

"Community" refers to residential, commercial, services, and/or employment areas that are closely linked and not defined strictly by municipal boundaries.



Solid Boxes = Consolidated Agency function

Dashed Boxes = Transit Agencies function

**Figure 1.1
Transit Service Planning**

TRANSIT POLICIES OF THE CONSOLIDATED AGENCY

| Transportation Committee – May 16 (RECOMMEND); SANDAG Board – June 27 (APPROVE) | | |
|--|---|--|
| Policy Title | Description | Existing Policies |
| Transit Service Planning (#016) | Specifies the transit planning responsibilities of the consolidated agency and the responsibilities of the transit agencies | Initial Transition Plan (Attachment 1) |

| Potential Policies for Future Transportation Committee/SANDAG Board Meetings | | |
|---|---|---|
| Policy Title | Description | Existing Policies |
| Uniform Fare Setting | Establishes a uniform fare setting policy for the San Diego region | Uniform Fare Structure Agreement MTDB No. 29 NCTD Admin. No. 14 |
| Out-of-Direction Bus Routings | Establishes a procedure for evaluating the effectiveness of existing or proposed fixed-route bus segments that have out-of-direction routings | MTDB No. 39 NCTD – To be determined |
| Bus Stop and Minor Reroute Procedures | Establishes procedures for evaluating requests to add or remove bus stops and/or to make minor changes to existing bus routes | MTDB No. 44 NCTD TBD Initial Transition Plan |
| Dedication of Right-of-Way for Transit | Establishes a policy to obtain right-of-way for transit purposes as part of the local development review process | MTDB No. 51 |
| Transit/Land Use Planning Coordination | Establishes a policy and procedures for coordinating transit planning with long-range, short-range, and immediate-action local land use plans | MTDB No. 40 NCTD SRTP (Chapters II, V) |

| Potential Policies for Future Transportation Committee/SANDAG Board Meetings | | |
|---|--|---|
| Policy Title | Description | Existing Policies |
| Initiation of New Transit Services | Establishes a policy that all new transit services will be bid through a competitive process | MTDB No. 32 NCTD – To be determined |
| Existing and New Transit Service Evaluation | Establishes a policy and procedures for evaluating and adjusting existing transit services to improve performance, and for evaluating and recommending new transit services for implementation | MTDB No. 43 NCTD SRTP (Chapter VII) |
| Major Transit Capital Feasibility Principles | Establishes a policy for evaluating the feasibility of major transit capital projects/investments | MTDB No. 1 NCTD – To be determined |
| Joint Use and Development of Property | Establishes guidelines and procedures for evaluating proposals for joint use/joint development of transit properties and rights-of-way | MTDB No. 19 NCTD – To be determined |
| Transportation Development Act (TDA) Rules and Regulations | Establishes rules and regulations for determining eligibility for and allocating TDA funds | MTDB No. 18 NCTD – To be determined SANDAG TDA Claim Guidelines |
| Allocation of State Transit Assistance (STA) Funds | Establishes procedures for allocating STA funds (<i>may be combined with TDA policy above</i>) | MTDB No. 21 NCTD – To be determined SANDAG TDA Claim Guidelines (Chapter 9) |
| Use of Transit Facilities by Transit Operators outside the San Diego Region (NEW) | Establishes a policy governing the use of transit facilities by public or private transit operators outside of the San Diego region | None existing |
| Public Participation for Construction Projects | Establishes a policy for obtaining input from and giving information to the public concerning major capital construction projects developed by the consolidated agency. | None existing |