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MEETING NOTICE AND AGENDA

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TRANSNET INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE (ITOC)

The ITOC may take action on any item appearing on this agenda.

Wednesday, August 17, 2005

11 a.m. to 3 p.m.

SANDAG, Conference Room 8A
 401 B Street, Suite 800
 San Diego, CA 92101-4231

Staff Contact: Craig Scott
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Welcome to SANDAG. Members of the public may speak to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) members on any item at the time the ITOC is considering the item. Also, members of the public are invited to address the ITOC on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Speakers are limited to three minutes. The ITOC may take action on any item appearing on the agenda.

This agenda and related staff reports can be accessed at www.sandag.org under Meetings on SANDAG's Web site. Public comments regarding the agenda can be forwarded to SANDAG via the e-mail comment form also available on the Web site. E-mail comments should be received no later than noon, two working days prior to the ITOC meeting.

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TRANSNET INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE (ITOC)

Wednesday, August 17, 2005

ITEM #		ACTION
+1.	Meeting Summary for the July 20, 2005 Meeting A summary of the June 20, 2005 meeting has been prepared for the Committee's review.	ACCEPT
2.	Public Comments/Communications/Member Comments Members of the public will have the opportunity to address the ITOC on any issue within the jurisdiction of the ITOC. Speakers will be limited to three minutes each. Committee members also may provide information and announcements under this agenda item.	
+3.	Regional Transportation Plan (RTP) Update Process (Mike Hix) Staff will describe the process underway to update the 2030 RTP, both with a Technical Update in 2006 and a Comprehensive Update in 2007. Staff will cover the function of the RTP, the major components, and the ITOC's role related to the RTP update process. Changes since the initial RTP reports included with the June 2005 ITOC agenda also will be discussed.	INFORMATION/ DISCUSSION
+4.	Updated Costs and Schedules for the <i>TransNet</i> Early Action Program (Richard Chavez/Craig Scott) Staff will review the process that has taken place over the past few months to update the costs of the major transportation corridor projects included in the Early Action Program. This review will include an analysis of recent trends in construction costs and the impact the <i>TransNet</i> projects. The updated major project costs and schedules will provide input for the financial analysis to be conducted as part of the <i>TransNet</i> Plan of Finance, which will be discussed at a future meeting. Staff also will provide an overview of the steps in this Plan of Finance process and the ITOC should discuss how it wants to go about providing input to the process. This discussion relates to Paragraph #9 of the ITOC responsibilities from the <i>TransNet</i> Ordinance.	INFORMATION/ DISCUSSION

ITEM #		ACTION
5.	ITOC Major Project Oversight Responsibilities/Status Report on Early Action Program Project Management (Jack Boda/Craig Scott) The Chair has requested that the discussion of procedures for the specific ITOC responsibilities begin with the procedures for the required oversight for the major corridor projects and triennial performance audits (Paragraphs #10 and #3, respectively, from the ITOC responsibilities). Staff will described the current approach under development related to project management for the major <i>TransNet</i> projects. Draft operating procedures will be distributed in advance of the meeting if possible.	DISCUSSION
6.	Report from the "Bylaws" Subcommittee The status of the effort to develop "bylaws" or more detailed charter/administrative operating procedures for the ITOC will be discussed. Information will be distributed by the Bylaws Subcommittee in advance of the meeting if possible.	DISCUSSION
7.	Future Meeting Schedule and Agenda Topics The dates shown below have been suggested as potential meeting dates from 12:00 to 3:00 p.m. The next meeting date is to be confirmed at the end of each meeting and the ITOC may wish to suggest specific agenda topics for the next meeting. Potential topics for the next meeting include the expansion of the <i>TransNet</i> commercial paper program, the <i>TransNet</i> Plan of Finance development process, and ITOC bylaws and related operating procedures. The ITOC also may wish to consider additional meeting dates. Staff will identify additional potential meeting dates over the next few months for discussion at the meeting. September 14, 2005 October 19, 2005 November 9, 2005 December 7, 2005	ACTION
8.	Adjournment	

+ next to an agenda item indicates an attachment

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

August 17, 2005

AGENDA ITEM NO.: **1**

Action Requested: ACCEPT

SUMMARY OF THE JULY 20, 2005 INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MEETING

Attendance: Committee Members: Maryam Babaki
Hamid Bahadori
Michael Boyle
James Callaghan
Doug Gibson
John Meyer
Jim Ryan

Ex-Officio Members: Gary Gallegos, SANDAG
Tracy Sandoval

Others: Lisa Briggs, San Diego Taxpayers Association
Harvey Goodfriend, San Diego Taxpayers Association
Lou Smith, representing Prop MM ICOC
Jack Limber, SANDAG
Craig Scott, SANDAG

The following summarizes the major actions and key discussion points under each agenda item from the July 20, 2005 meeting.

Item 1 – Meeting Summary of the June 15, 2005 ITOC Meeting

The summary of the actions and discussions from the second ITOC meeting on June 15, 2005 was accepted as written. John Meyer noted that he was not voting on the meeting summary since he was not present at that meeting.

Item 2 – Public Comments/Communications/Member Comments

There were no public comments. Vice-Chair Callaghan requested that the ITOC receive a presentation regarding the SANDAG/EDC report on Economic Competitiveness at one of its future meetings. A copy of the report had been distributed to the ITOC members prior to the meeting.

Item 3 –San Diego Taxpayers Association Perspective on the ITOC

Lisa Briggs from the San Diego County Taxpayers Association provided comments regarding the importance of oversight committees and the role of the ITOC from the Taxpayers Association perspective. Ms. Briggs thanked the ITOC members for their willingness to volunteer to serve on this important committee, which she viewed as a vital resource for the success of the *TransNet* program. The composition of the ITOC in terms of the professional skill set of each member was a key feature so that the members would know the kind of questions to ask and the type of information needed to answer those questions. The ITOC should focus on each program involving the expenditure of *TransNet* funds to make sure the dollars are being spent wisely and that the goals of the ballot measure are being achieved. The ITOC should be proactive and provide a resource to the SANDAG Board of Directors, including making recommendations for improvement to the *TransNet* program. The success of the ITOC will depend on how the committee members and the staff interact and whether or not the ITOC becomes a resource for the implementation of the program. Gary Gallegos concurred and stated that the goal of the staff is to work closely with the ITOC over time in the development of recommendations to bring to the SANDAG Board regarding the implementation and ongoing refinement and enhancement of the program.

Item 4 – The Proposition MM San Diego Unified School District Citizen Oversight Committee Experience

Lou Smith provided an overview of the structure of the Independent Citizens Oversight Committee (ICOC) that was established to provide oversight on the \$1.5 billion school bond program for the San Diego Unified School District authorized under Proposition MM in 1998. His definition of the oversight required from groups like the ITOC was to be aware but not involved in the details of the implementation of the program. He described the committee/sub-committee structure used by the ICOC and the use of consultants to provide staff support for the ICOC. This led to a discussion of the need for consultant assistance for the ITOC. Lou Smith said the organizational model could be different for the ITOC and *TransNet* in that we are dealing with the extension of an existing program with a staff infrastructure in place, as opposed to Prop. MM which required a rapid build up for a new program from scratch. ITOC members discussed the potential roles of a consultant and the support that could be provided from staff. Concerns were raised regarding potential duplication of effort in terms of paying a consultant to provide information and support for the ITOC that the staff could provide. Gary Gallegos stated that the ITOC should lean on the staff as much as possible to provide the information that the ITOC needs so that scarce resources could be spent on project implementation.

Item 5 – Workshop Session on Organization of the ITOC and the Development of a “Scope of Work”

This discussion focused on how the ITOC should organize itself to carry out its roles and responsibilities, what kind of information does the group need, and what issues are coming up in the near future that the group needs to focus on. Staff outlined the key activities coming up in the near future that will require ITOC review and involvement, including the updated costs and schedules for the major *TransNet* Early Action projects, the development of the financial strategies to fund these projects in the Plan of Finance, the implementation of the proposed expansion of the commercial paper program, and the development process for the new Regional Transportation Plan (RTP). Harvey Goodfriend encouraged the group to stay focused on the big picture in terms of using

the available *TransNet* funds to meet the goals of improved mobility and congestion relief in a cost-effective manner. The possibility of using subcommittees to work on specific issues in more detail was discussed. The ITOC members were interested in developing a set of bylaws to cover the general administrative procedures of the ITOC and a set of "standard operating procedures (SOP's)" to cover how the ITOC will go about dealing with each of the ten specified areas of responsibility included in the *TransNet* Ordinance, the reports or other deliverables expected, and a schedule for when these activities should occur. Jim Callaghan and Maryam Babaki volunteered to serve on a subcommittee to develop these bylaws and SOP's. Staff was asked to begin developing initial drafts of these materials for the subcommittee to start reviewing.

Item 6 – Future Meeting Schedule

The next ITOC meeting was scheduled for August 17, 2005 from 11:00 to 3:00 p.m. at SANDAG. Future meeting dates were reserved for September 14, 2005; October 19, 2005; November 9, 2005; and December 7, 2005. Potential agenda items discussed included a report from the Bylaws Subcommittee, the RTP development process and schedule, and updated costs and schedules for the *TransNet* Early Action Program. The next scheduled meeting date will be confirmed at the end of each ITOC meeting.

Item 7 – Adjournment

The meeting was adjourned at 3:05 p.m.



**BOARD OF
DIRECTORS
JULY 22, 2005**

**AGENDA ITEM NO. 05-7-9
ACTION REQUESTED - APPROVE**

**REVISED WORK PROGRAM AND SCHEDULE
FOR THE 2006 REGIONAL TRANSPORTATION PLAN UPDATE**

File Number 3000400

Introduction

In April 2005, the Board of Directors approved a work program and schedule for updating the Regional Transportation Plan (RTP), MOBILITY 2030. The last RTP update was completed in March 2003, and the next regularly scheduled update is due to be completed in March 2006. The approved work program included both a 2006 Revenue Constrained RTP and a comprehensive 2007 RTP update that will incorporate funding scenarios beyond the Revenue Constrained Plan and strategic initiatives from the Regional Comprehensive Plan. The 2006 Revenue Constrained RTP would meet existing federal law that requires SANDAG to update its long-range transportation plan and air quality conformity every three years.

Pending federal transportation reauthorization legislation that would change the update cycle for SANDAG to four years looked promising in April. As a result, staff focused on the comprehensive 2007 RTP update. However, the legislation has stalled, and SANDAG must move forward at this time with a 2006 RTP update. This 2006 RTP update would be a technical update only to meet federal requirements, and a more comprehensive update of the RTP would still occur in 2007.

Recommendation

The Board of Directors is asked to approve the revised 2006 RTP work program and schedule.

Discussion

Attachment 1 is an updated 2006 RTP work program, and Attachment 2 is a revised schedule. Since staff needs to focus its efforts at this time on the issues and products necessary to process the 2006 RTP update, some tasks related to the 2007 comprehensive RTP update will need to be put on hold temporarily. Therefore, it is likely that the completion date of the comprehensive 2007 RTP update will be delayed by about three months, from March 2007 to June 2007. However, this will not result in any federal compliance problems, since SANDAG will have completed the 2006 RTP update prior to the existing deadline.

The 2007 RTP update will incorporate a new regional growth forecast, strategic initiatives from the Regional Comprehensive Plan (including the Smart Growth Concept Map), and the results of the Independent Transit Planning Review. Staff will return to the Board of Directors in September with an updated work program and schedule for the 2007 RTP update.

GARY L. GALLEGOS
Executive Director

Attachments: 1. Updated 2006 RTP Work Program
 2. Revised Schedule

Key Staff Contact: Michael Hix, (619) 699-1977, mhi@sandag.org

Funds are budgeted in Work Element #30004

2006 RTP Work Program

1. Update Revenue and Project Cost Projections

- Update project cost estimates and revenue forecasts for the Revenue Constrained and Unconstrained Revenue scenarios, incorporating the *TransNet* extension and other recent funding sources, such as Proposition 42. (July – August 2005)

2. Develop Network and/or Land Use Alternatives

- Develop Environmental Impact Report (EIR) alternatives, including alternative consistent with Save Our Forests and Ranchlands (SOFAR) agreement. (July – September 2005)

3. Update Network Phasing

- Create new Revenue Constrained and Unconstrained Revenue networks for evaluation. Include phasing of projects in the Revenue Constrained scenario. (July – August 2005)
- Review with Working Groups and gain approval from Transportation Committee. (September – October 2005)

4. Perform Air Quality (AQ) forecasts

- Following the selection of the Revenue Constrained network alternative, develop draft AQ conformity analysis for 2006 RTP and EIR; draft AQ analysis (December 2005); final AQ analysis (February 2006).

5. Prepare Draft RTP

- Prepare Draft 2006 RTP (July – November 2005); release draft RTP (December 2005).

6. Prepare Draft EIR

- Prepare draft EIR for 2006 RTP incorporating agreed-upon SOFAR alternative; release draft EIR (December 2005).

7. Conduct Public Outreach

- Hold public meetings (ongoing).
- Conduct Working Group meetings (ongoing).
- Conduct outreach through SANDAG's Web site and other communications (ongoing).

8. Conduct Public Hearing (January 2006)

9. Adopt Final RTP/EIR (February 2006)

10. Approval of Air Quality Conformity Determination (April 2006)

2006 Regional Transportation Plan Schedule

MAJOR TASKS	2005												2006											
	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	
1. Update Revenue and Project Cost Projections						■	■																	
2. Develop Network and/or Land Use Alternatives						■	■	■																
3. Update Network Phasing						■	■	■	■															
4. Perform Air Quality (AQ) Forecasts						■	■	■	■	■	■	■	■											
5. Prepare Draft RTP						■	■	■	■	■	■													
6. Prepare Draft EIR							■	■	■	■	■													
7. Conduct Public Outreach						■	■	■	■	■	■													
8. Conduct Public Hearing												■												
9. Adopt Final RTP/EIR													■											
10. Approval of Air Quality Conformity Determination															■									



APRIL 22, 2005

AGENDA ITEM NO. 05-04- 12
ACTION REQUESTED – APPROVE

WORK PROGRAM FOR REGIONAL TRANSPORTATION PLAN UPDATE

Introduction

SANDAG staff has prepared a draft work program and schedule for updating the Regional Transportation Plan (RTP), MOBILITY 2030. The last RTP update was completed in March 2003, and the next regularly scheduled update would occur in March 2006. Existing federal legislation requires SANDAG to make an air quality conformity determination of the long-range transportation plan every three years.

However, pending language in the federal transportation reauthorization legislation would change the normal update cycle to four years. This bill was passed by the House and sent to the Senate in mid-March. With an extended four-year cycle, staff proposes to develop a more comprehensive update of the RTP in 2007, incorporating a new regional growth forecast, strategic initiatives from the Regional Comprehensive Plan (RCP), the results of the Independent Transit Planning Review, and the funding impact of the *TransNet* extension. As a result, staff has developed a work program to produce both a technical RTP update in 2006 and a comprehensive RTP update in 2007.

In the past month, the RTP Work Program has been discussed with the Regional Planning Stakeholders Working Group, the Regional Planning Technical Working Group, and the Cities/County Transportation Advisory Committee. It was presented to the Regional Planning Committee and Regional Transportation Committee at a joint meeting on April 1, 2005.

Recommendation

The Board of Directors is asked to provide any additional comments and approve the RTP work program, schedule, and outline of issue papers.

Discussion

At the April 22 Board meeting, staff will provide an overview of the preliminary elements and schedules for the concurrent RTP updates. If the federal transportation legislation is reauthorized in the near future, the need for a 2006 RTP update could be eliminated. In that case, staff would focus its efforts on the issues and products necessary for the comprehensive 2007 RTP update.

Included with this item are five attachments. Attachment 1* is the 2006 RTP Schedule, and Attachment 2 is the 2007 RTP Schedule. Attachment 3, "2007 RTP Issue Papers," provides more detail and the envisioned schedule for the various special analyses that would feed into the 2007 RTP. As they are developed over the course of the next year, these issues will be brought forward

* Attachment 1 is not included as part of the ITOC agenda.

for discussion by the various working groups and the Regional Planning and Transportation Committees.

Attachment 4, "RTP Work Program – 2006 and 2007 Updates," outlines the major tasks and time frames associated with both the 2006 and 2007 RTP updates. Finally, Attachment 5, "2006 and 2007 RTP Milestones," depicts the projected dates when milestone products or issues would be available for final review or action.

2007 RTP Issue Papers

SANDAG staff intends to produce several issue papers as part of the development of the 2007 RTP. These papers will address several of the specific issue areas that have been identified as requiring focused analysis and discussion during the preparation of the RTP update. A brief description of each issue paper and anticipated production schedule are shown on Attachment 3.

For example, two efforts are beginning that are independent of the RTP, but whose results will be incorporated into the 2007 RTP update. The first is the Independent Transit Planning Review, already scheduled to be conducted in 2005; this review is a follow-up action to the *TransNet* extension that was approved in November 2004. The results of this review will affect the transit network and service assumptions in the 2007 RTP. The second effort—Habitat Planning Issues—also is a result of the extension of *TransNet*, as work begins to set up habitat mitigation banks related to the development of transportation projects and identified funding.

Several other topics are routinely updated along with any RTP, but have a new focus with the adoption of the RCP in 2004. They include land use forecasts, which will include the Smart Growth Concept Map currently under development, a review of the Transportation Project Evaluation Criteria, and an update of the Regional Arterial System. The preparation of a Regional Freight Strategy also was identified in the RCP as a priority action for the 2007 RTP Update.

Eight other issue papers will cover new topics or will report on results of recent studies. The five issues that were identified initially include Cross-Border Travel, Interregional Travel, Energy Demand and Infrastructure, Tribal Development Issues, and Public Safety/Homeland Security. Three more topics that were recently added to the listing of issue papers include Ground Access to the Regional Airport, Toll Facilities, and Network Improvements using HOV/Managed Lanes or General Purpose Lanes.

GARY L. GALLEGOS
Executive Director

Attachments

Key Staff Contact: Michael Hix (619) 699-1977; mhi@sandag.org

Funds are budgeted in Work Element #30004

2007 Regional Transportation Plan Schedule

MAJOR TASKS	2005												2006												2007		
	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	
Public Outreach																											
Issue Papers																											
GP/Alternate Land Use Forecasts																											
Update Project Evaluation Criteria																											
Update Performance Indicators																											
Alternatives Analysis																											
Review Revenues and Costs																											
Create Scenarios and EIR Alternatives																											
Prepare Draft RTP																											
Prepare Draft EIR																											
Public Hearing																											
Draft Final RTP																											
Adopt Final RTP																											

2007 RTP Issue Papers

Brief descriptions of topics to be covered in each issue paper are listed below. They have been grouped into the four major components of mobility from the MOBILITY 2030 RTP. Feedback from a March 15, 2005 meeting with the Stakeholders Working Group has been incorporated.

SYSTEM DEVELOPMENT ISSUE PAPERS

- Independent Transit Planning Review. The reassessment of the MOBILITY 2030 Transit Network would be completed by December 2005. The study involves a consultant and peer review group. At its completion, alternative networks may be recommended for analysis. This work should be done by March 2006 so that the entire transit/highway/arterial networks can be reviewed and go to the Board for inclusion in the draft RTP. In relation to the Independent Transit Review, members of the Stakeholders WG want the evaluation to include an evaluation of how well local service will connect with new regional services.
- Regional Freight Strategy. Staff will coordinate with rail, truck, ship, air, and pipeline infrastructure providers and users to develop a long-range and integrated freight strategy for the region. The individual modal assessment will be completed for the 2006 RTP Update. The intermodal strategy will be completed for the 2007 RTP.
- Regional Arterial System. The definition of a regional arterial and the selection of the Regionally Significant Arterial System should be reviewed and updated for the 2007 RTP. This should be done in context of the future *TransNet* development fee for regional facilities.
- Transportation Project Evaluation Criteria. Unique project evaluation criteria exist to prioritize different categories of transportation projects, such as freeways, arterials, and transit service. Each of these should be updated for the RTP, giving more consideration to transportation projects that are tied to and promote smart growth development. A new transportation category already under development is specialized evaluation criteria for proposed Rail Grade Separation projects. The development of this issue paper also should consider whether intermodal projects from the regional freight strategy can be prioritized with other regional projects or should be considered separately. The criteria would be used to develop the networks for the 2007 RTP funding scenarios.
- Regional Airport Ground Access. The San Diego County Regional Airport Authority (the "Authority") is conducting the Airport Site Selection Program, evaluating potential new airport sites that could provide sufficient airport capacity to meet the long-range needs of San Diego County residents. At the end of their studies, the Authority is slated to put their site recommendation on a countywide ballot no later than November 2006. Regardless of whether the regional airport moves to a new site or remains at Lindbergh Field, improved ground access is an important issue that directly affects the regional transportation system. While a decision may not be available in time for input and analysis in the 2007 RTP, SANDAG will continue to work closely with the Authority to coordinate this issue.
- HOV/Managed Lanes and General Purpose Lanes. The last RTP was guided by a Board-adopted vision that emphasized the movement of people, not vehicles, and by goals and objectives

that focused on mobility. The Board may wish to reaffirm that vision, or revisit the issue of how best to provide additional capacity to the transportation network.

LAND USE/TRANSPORTATION CONNECTION ISSUE PAPERS

- Smart Growth Concept Map. A preliminary Smart Growth Concept Map, which illustrates locations where smart growth land uses are already planned or should be considered by local jurisdictions as they update their general plans, is expected to be completed by June 2005, with a final map to be completed by September 2005. This time frame would give staff the opportunity to create and discuss smart growth land use alternatives for analysis in the 2007 RTP.
- Cross-Border Transportation Issues. Given increasing development across the border in Baja California, this issue paper would assess the transportation impacts of cross-border travel. It would include the impacts of the new East Otay Mesa POE on the location of planned BRT routes and commercial inspection facilities.
- Interregional Transportation Issues. SANDAG staff is currently working with staff of the Western Riverside County Council of Governments (WRCOG) and Caltrans on Phase II studies of the I-15 corridor. These studies will include an evaluation of potential for increasing job opportunities in Riverside County, increased housing opportunities in San Diego County, and specific transportation facility and service improvements that should be planned to serve existing and future commuting patterns on the I-15 corridor. The outcomes of these studies would be presented. In addition, this issue paper will address the growing stock of housing in Imperial County and the travel to and from the San Diego region. What impacts does this recent trend have on the regional transportation system?
- Habitat Planning Issues. The new *TransNet*-funded Environmental Mitigation Program is intended to improve the preservation of habitat areas associated with regional transportation projects. How will the new program be implemented related to identified Early-Action *TransNet* Projects and other projects in the 2007 RTP identified for early development?
- Tribal Reservation Development Issues. New development on tribal reservations has caused traffic impacts in rural areas. How can the region better assess the potential impacts on regional facilities from reservation development and plan for the transportation facilities needed to avoid related congestion? The analysis would be done in collaboration with the individual tribes to assess the existing and planned land uses on tribal lands, and incorporate to the greatest degree possible the travel generated from these sources along with the rest of the regional inputs.

DEMAND MANAGEMENT ISSUE PAPERS

- Energy Demand and Infrastructure. What types of Transportation Demand Strategies can affect the energy demands of the region for the movement of people and goods? As the cost of energy goes up, how can the region reduce its demand for transportation-related energy and the resulting pollutants? Can transportation corridors also serve as energy/utility corridors?

SYSTEMS MANAGEMENT ISSUE PAPERS

- Public Safety and Homeland Security. This issue paper will evaluate the impacts of Homeland Security directives on the regional transportation system, as well as looking at issues related to improving safety on the highways and transit system. One issue of public safety brought up at the Stakeholders' WG meeting was developing a regional strategy to deal with planned or unplanned events which shut down a major transportation corridor or facility.
- Toll Facilities. Toll facilities have been considered in other parts of the country and recently in California as a way to provide additional network capacity. The southern portion of State Route 125 was built in this manner. The analysis for the new RTP should include an alternative that assesses the impact of new or expanded freeway facilities that are operated as toll facilities.

RTP Work Program – 2006 and 2007 Updates

1. ***Establish Work Program*** (March 2005)
 - 2006 RTP based on federal 3-year cycle; includes only updated funding scenarios based on revised revenue projections and project cost estimates; 2007 RTP intended to be comprehensive and incorporate better land use and transportation coordination, as outlined in the RCP.
 - 2006 RTP based on federal 3-year cycle; includes only updated funding scenarios based on revised revenue projections and project cost estimates; 2007 RTP intended to be comprehensive and incorporate better land use and transportation coordination, as outlined in the RCP.
 - Review work program with SWG, RPTWG, CTAC (March 2005).
 - Take to the Transportation Committee / Regional Planning Committee (April 1, 2005).
2. ***Review RTP Goals and Policy Objectives for 2007 RTP*** (June 2005)
 - Incorporate RCP directives and Strategic Initiatives.
 - Incorporate Caltrans RTP Supplement guidelines.
 - Obtain direction from the Board for 2007 RTP (June 2005).
3. ***Develop and Review Issue Papers*** (March 2005–June 2006). These reports will be reviewed by the advisory and policy committees. Attachment 3 discusses these topics and their content in more detail.
4. ***Public Outreach and Involvement***
 - Subregional workshops for the 2006 **and** 2007 RTP.
 - Mini-grants for outreach to minority/low income groups.
 - Work with communications staff to schedule events and outreach products; bring results to TC/RPC.
5. ***Update Revenue and Project Cost Projections, with improved operating forecasts***
 - Incorporate improved operating costs in the projections, as directed by Federal Highways and Federal Transit Administration after the 2003 RTP.
 - For 2006 RTP, select new base year to be used for both the 2006 and 2007 RTPs. Update project costs and revenue forecasts for the Revenue Constrained and Reasonably Expected funding scenarios, incorporating the *TransNet* extension (May 2005).

- For 2007 RTP, review project costs and revenue forecasts for the Revenue Constrained and Reasonably Expected funding scenarios, incorporating *TransNet II* and TEA-LU, if new legislation is passed (June 2006).
- 6. *Incorporate recommendations from Corridor/Subarea Studies/Deficiency Plans for 2007 RTP*** (June 2006). These studies could possibly be summarized as an issue paper(s) and brought to the Working Groups for review.
- I-805 Corridor and Direct Access Ramp (DAR) study
 - I-5 North Coast
 - Central I-5 HOV analysis
 - North South Transportation Corridor Analysis
- 7. *Update Land Use Forecasts for 2007 RTP*** (January 2005 – March 2006)
- Create Capacity File for Existing Plans and Policies (July 2005).
 - Generate New Existing Policies Forecast (December 2005).
 - Use Smart Growth Land Use Concept Map from September 2005 to generate land use alternative(s) for 2007 RTP analysis (March 2006).
 - Internal SANDAG Review of Existing Plans and Policies (March 2006).
 - Board Accept Land Use Plan for use in the 2007 RTP (April 2006).
- 8. *Update Performance Indicators for 2007 RTP***
- The performance indicators used to measure the success of transit and highway networks should be reevaluated and updated to be consistent with the goals and policy objectives of the Board (February 2006).
 - Update base year and projected Levels of Service, travel time, speed and other indicator data for the 2007 RTP (March – August 2006).
- 9. *Develop Network and/or Land Use Alternatives***
- 2006 RTP – Develop EIR alternatives to include SOFAR agreement (March – June 2005).
 - 2007 RTP – Land Use and network alternatives need to be developed by March 2006. Recommended changes and analyses from the Independent Transit Planning Review need to be developed in time to meet these deadlines.

10. ***Analyze Alternatives and Select Preferred Unconstrained Network for 2007 RTP***
(March – June 2006)
 - Perform travel forecasts.
 - Apply updated performance measures, such as overall LOS and average corridor travel times, to provide a grid of overall effectiveness of each alternative.
 - Select Preferred Network; review with WGs, Committees and gain Board approval (June 2006).
11. ***Update Network Phasing***
 - Create new Revenue Constrained and Reasonably Expected funding scenarios.
 - Employ revised evaluation criteria to assist in project selection for 2007 RTP scenarios.
 - Review with Working Groups and gain approval from TC and Board.
12. ***Perform Air Quality (AQ) forecasts***
 - Address FTA/FHWA requirement for better documentation on SOV alternatives for AQ analysis.
 - Follows the selection of the Revenue Constrained scenario of the preferred network alternative.
 - AQ for 2006 RTP provided along with draft EIR (Nov 2005); revisions for final RTP (March 2006).
 - AQ for 2007 RTP provided along with draft EIR (Nov 2006); revisions for final RTP (March 2007).
13. ***Produce Draft RTP***
 - Preliminary drafts sent to Transportation Committee in August.
 - RTP 2006; include updated base-year data as available (October 2005).
 - RTP 2007 (October 2006).
14. ***EIR Preparation***
 - EIR for RTP 2006 incorporating agreed-upon SOFAR alternative; draft EIR (Nov 2005); final (March 2006).
 - Updated EIR for RTP 2007, draft EIR (Nov 2006); final (March 2007).

15. *Revised Draft Final RTP*

- RTP 2006 (February 2006).
- RTP 2007 (February 2007).

16. *Final RTP/EIR Adoption*

- RTP 2006 (March 2006).
- RTP 2007 (March 2007).

17. *Air Quality Conformity*

- RTP 2006 (April 2006).
- RTP 2007 (April 2007).

2006 and 2007 RTP Milestones

Attachment 7
Updated April 13, 2005

Committees and Working Groups							
MILESTONES	CTAC	TWG	SWG	RPC	TC	BOD	Public Workshops
RTP Work Program	Apr-05	Mar-05	Mar-05	Apr-05	Apr-05	Apr-05	
2006 Prelim Draft RTP					Aug-05	Aug-05	Jul-05
2006 Draft RTP					Oct-05	Oct-05	
2006 Draft EIR					Nov-05		
Public Hearing RTP/EIR					Dec-05		
Results of Public Outreach				Jan-06	Jan-06	Jan-06	
Draft RTP Changes					Jan-06	Jan-06	
2006 Draft Final RTP					Feb-06	Feb-06	
Adopt Final 2006 RTP/EIR						Mar-06	
Air Quality Conformity Finding						Apr-06	
2007 Revised Goals and Objectives			May-05			Jun-05	
Issue Papers:							Mar-06*
Ind Transit Planning Review	Dec-05		Dec-05		Dec-05		
Regional Freight Strategy:							
Modal Plans	Jun-05		Jun-05		Jul-05		
Intermodal Strategy	Mar-06		Mar-06		Jun-06		
Regional Arterial System	Feb-06		Feb-06		Mar-06		
Project Evaluation Criteria	Feb-06	Feb-06	Feb-06	Mar-06	Mar-06	Apr-06	
Airport Ground Access	May-06	May-06	May-06	Jun-06	Jun-06		
HOV/ML & General Purpose Lanes	Feb-06	Feb-06	Feb-06	Mar-06	Mar-06	Mar-06	
Smart Growth Concept Map	Sep-05	Sep-05	Sep-05	Oct-05	Oct-05	Oct-05	
Cross-Border Travel	Nov-05	Nov-05	Nov-05	Dec-05	Dec-05		
Interregional Travel	Feb-06	Feb-06	Feb-06	Mar-06	Mar-06		
Habitat Planning	May-06	May-06	May-06	Jun-06	Jun-06		
Tribal Development Impacts	Feb-06	Feb-06	Feb-06	Mar-06	Mar-06		
Energy Impacts	May-06	May-06	May-06	Jun-06	Jun-06		
Public Safety/Homeland Security	May-06	May-06	May-06	Jun-06	Jun-06		
Toll Facilities	Feb-06	Feb-06	Feb-06	Mar-06	Mar-06		
Updated Performance Indicators	Dec-05	Dec-05	Dec-05	Jan-06	Jan-06	Feb-06	
Updated Land Use Forecasts	Mar-06	Mar-06	Mar-06	Mar-06	Mar-06	Apr-06	
2007 Network/Funding Alts	May-06	May-06	May-06	Jun-06	Jun-06	Jun-06	
2007 Prelim Draft RTP			Aug-06		Aug-06	Aug-06	
2007 Draft RTP			Nov-06		Oct-06	Oct-06	Oct-06
2007 Draft EIR					Nov-06		
Public Hearing Draft EIR					Dec-06		
Results of Public Outreach				Jan-07	Jan-07	Jan-07	
Draft RTP Changes					Jan-07	Jan-07	
2007 Draft Final RTP					Feb-07	Feb-07	
Adopt Final 2007 RTP/EIR						Mar-07	
Air Quality Conformity Finding						Apr-07	

*Public Workshop regarding draft issues papers.

TRANSPORTATION COMMITTEE

July 15, 2005

AGENDA ITEM NO.: **15****Action Requested: INFORMATION**

TRANSPORTATION PROJECT COST OVERVIEW

File Number 1110200

Introduction

Recent price increases for construction material, right-of-way acquisition, labor, and other factors have resulted in increased costs for large capital transportation improvement projects throughout the region. Similar project cost increases are not unique to our region as other parts of our state, nation, and the world are experiencing the same upward trends. This report summarizes key trends, impacts to the region, and presents opportunities for curbing future project cost escalation.

Discussion

Transportation project costs have been increasing at a rate of 7.25 percent for the last three years, well above the historical 2.61 percent rate of increase. The increase in material costs (i.e., concrete, steel, and oil) and record growth in the cost of property acquisition are the two main factors attributing to this increase. Other influences on project costs include:

- Increasing number of construction projects in busy urban environments and on operating freeways, which often result in shorter work windows and a greater dependence on weekend and night work;
- Labor law requirements resulting in premiums being paid for overtime, weekend, and night work;
- The lack of available materials;
- The lack of skilled labor;
- Increased processing and permitting due to increasing regulations;
- Increased stakeholder involvement and litigation; and
- Climbing cost of living in the region

These cost increases have had and will continue to have impacts on the region. The cost influences mentioned above have influenced the cost of transportation programs, including the *TransNet* Early Action Program. Approved by the SANDAG Board of Directors in January 2005, the *TransNet* Early Action Program includes Interstate 5 (I-5), I-15, I-805, State Route 52 (SR 52), SR 76, and Mid-Coast corridor improvements. The cost increases may impact the ability to deliver projects according to the established schedules, the ability to deliver the full scope of the project, and/or the full scope of the program.

Opportunities

A number of opportunities exist for keeping cost increases in check for transportation projects. These include:

- Supporting efforts to maintain the number of material sites (i.e., asphalt and concrete batch plants, aggregate mines) in the region. A number of material sites have already closed or are scheduled to close in the near future. As a consequence, costs for asphalt and concrete used will increase, compounded by much higher trucking costs and more frequent inspector-rejection of materials that will be too old to put in place. In addition, both raw mining materials from out of area, and longer distances traveled in the delivery of hot asphalt, could result in additional freeway congestion, loss of regional sales tax on materials, and effects on air quality.
- Optimizing the property acquisition process for transportation projects. Caltrans and SANDAG continue to refine project designs in order to avoid and/or minimize the right-of-way needs. However, when new rights-of-way are required, support from the local jurisdiction in the form of partnerships with Caltrans and/or SANDAG will optimize and reduce the cost of the right-of-way acquisition process.
- Another opportunity is presented when a developer proposes a non-transportation use adjacent to a planned transportation facility. Local jurisdictions, through negotiations with the developer, can obtain what is called an Irrevocable Offer of Dedication to secure land needed for planned transportation facilities, where the developer dedicates a portion of its land for transportation purposes. The Cities of Oceanside and Chula Vista successfully implemented this strategy for the construction of SR 76 and SR 125, respectively.
- More widespread use of creative contracting techniques is another way to reduce project costs. Shared risk, improved partnering, flexible stage construction, and lengthened work windows, along with rate and size of contract lettings to reflect the sustainable level the industry can be expected to meet, are all ways to control the high rate of cost increases seen in the past few years. Local agency support for flexible construction and lengthened work windows may result in more complaints from the traveling public and residents during construction. However, more flexible contracts will be less expensive than the more restrictive contracts, allowing the work to be completed in a shorter amount of time.

Next Steps

Staff will continue to work with SANDAG's many transportation partners to implement the previously mentioned opportunities for reducing transportation project costs. These partners include the 18 cities and the County of San Diego, Caltrans, Metropolitan Transit System, North County Transit District, Federal Highway and Transit Administrations, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, U.S. Environmental Protection Agency, California Department of Fish and Game, California Coastal Commission, Regional Water Quality Control Board, Engineering and General Contractors Association, Associated General Contractors, and the consulting industry.

Staff, in cooperation with Caltrans, is in the process of updating and refining active project cost estimates, including the cost estimates for the *TransNet* Early Action Program. These cost estimates will be used to develop the Draft *TransNet* Plan of Finance that is scheduled to be presented to the Transportation Committee in September 2005. The entire capital transportation program costs also will be updated as we prepare for the update of the Regional Transportation Plan (RTP).

In addition, staff will begin to utilize probability analysis methodologies to better plan for future inflationary and industry trends that may affect the region's capital transportation programs. Staff plans to begin using a probability analysis method similar to the one currently being used by the Arizona Department of Transportation. This will provide better forecasting information to assist the Transportation Committee with its decision making process. This forecasting information will be provided in the form of a "risk analysis" report. Staff plans to provide the first Transportation Program Risk Analysis report to the Transportation Committee by December 2005.

JACK BODA

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