MEETING NOTICE AND AGENDA

CITIES/COUNTY TRANSPORTATION ADVISORY COMMITTEE (CTAC)

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

Thursday, December 1, 2005

9:30 to 11:30 a.m.

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

Chair: Fred Luedtke, City of Escondido
Vice Chair: Alex Al-Agha, City of Chula Vista

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ITEM #

1. INTRODUCTIONS

+2. MEETING SUMMARY (FRED LUEDTKE)

The meeting summary for the November 3, 2005, meeting is attached. CTAC is asked to review and approve the meeting summary.

3. PUBLIC COMMENTS

4. NEPA DELEGATION (MUGGS STOLL)

The federal transportation act SAFETEA-LU establishes a project delivery pilot program for five States (specified as Alaska, Ohio, Oklahoma, Texas, and California), allowing them to apply to USDOT to assume all USDOT environmental responsibilities under NEPA and other environmental laws (excluding the Clean Air Act and transportation planning requirements). This delegation authority is limited to highway projects, and it could be for specific projects within a State or a programmatic delegation. Caltrans staff will provide and update on this program.

+5. 2007 REGIONAL TRANSPORTATION PLAN (RTP): TRANSPORTATION PROJECT EVALUATION CRITERIA AD HOC WORKING GROUP (RACHEL KENNEDY)

Staff is forming an Ad Hoc Working Group to review and update the transportation project evaluation criteria for the 2007 Regional Transportation Plan update. The CTAC is requested to appoint two members to the Transportation Project Evaluation Criteria Ad Hoc Working Group, joining transportation agency staff and volunteers from other transportation and planning advisory groups. The working group would meet monthly, beginning in January 2006. Attached is a summary memo.

+6. TransNet ORDINANCE: LOCAL STREETS AND ROADS PROGRAM (CRAIG SCOTT)

The TransNet Ordinance approved by San Diego County voters in 2004 contains a number of new local street and road requirements and accountability provisions. There are new requirements related to fund usage, maintenance of effort, developer exactions, and others. Attached is an excerpt from the Ordinance. Staff wishes to continue discussions with CTAC on the implementation of these new requirements and accountability provisions.
7. ANNOUNCEMENTS

CTAC members are encouraged to share items of interest.

8. UPCOMING MEETING

The next CTAC meeting is scheduled for Thursday, January 5, 2006 from 9:30 to 11:30 a.m.

+ next to an agenda item indicates an attachment.
Results of the meeting are summarized as follows.

**Approval of Meeting Summary**

The meeting summary for the November 3, 2005, meeting was approved as presented.

**Public Comments**

There were no comments from the public.

**SANDAG Transportation Model Refinements**

Bill McFarlane (SANDAG) presented a summary of recent transportation model improvements. These improvements include refinement of the geographic area from the “MGRA” level down to the parcel level, arterial and transit network improvements, and walk barrier inputs. The trip rate assumptions have also been updated based on survey results. A general discussion on trip rate assumptions was held.

**Plan of Finance**

Craig Scott (SANDAG) distributed and presented the report that would be presented to the Transportation Committee on November 4, 2005, regarding bonding options for financing the TransNet Early Action Projects. Bonding options included: (1) using 100 percent of the expected state and federal funding to match the TransNet funding; (2) set aside 15 percent of the expected state and federal funding for other purposes; (3) set aside 15 percent of the state and federal funding and 10 percent of the TransNet funding; and (4) issue no bonds. Richard Leja (City of San Diego) pointed out that cost increases on the TransNet Early Action Projects are affecting the ability to set aside a larger share of the state and federal funding. Dave Zoumaras (City of San Diego) and others stated that there was insufficient time to review the report and make meaningful recommendations to upper management and elected officials.

**TransNet Ordinance: Local Streets and Roads Program**

Craig Scott (SANDAG) presented an overview of the TransNet Ordinance sections pertaining to the local streets and roads program. There was a discussion on the definition of TransNet expenditures that qualify as capital expenditures versus maintenance expenditures and other ordinance issues. Due to time constraints, CTAC requested that this item be placed on the December 2005 agenda.
Announcements

Gary Vettese (Caltrans) announced the dates of upcoming Caltrans Local Assistance Office training.

Upcoming Meeting

It was announced that the next CTAC meeting would be held on December 1, 2005, from 9:30 to 11:30 a.m. at SANDAG.
2007 REGIONAL TRANSPORTATION PLAN (RTP):  File Number 3000400
TRANSPORTATION PROJECT EVALUATION CRITERIA
AD HOC WORKING GROUP

Introduction

Over the years, SANDAG has developed and updated evaluation criteria for prioritizing projects for inclusion in the Regional Transportation Plan (RTP). The last update took place in 2003, during the preparation of MOBILITY 2030. Evaluation criteria are applied to regional arterial, highway, freeway connectors, high-occupancy vehicle (HOV) connectors, and transit projects. These criteria will be reviewed and updated for the preparation of the Comprehensive 2007 RTP. Additional criteria were recently added for rail grade separations and a goods movement category is also under consideration.

Discussion

Staff proposes to form an Ad Hoc Working Group to lead the updates of the transportation project evaluation criteria. Representatives from the following standing committees and working groups will be invited to participate:

- Cities/County Transportation Advisory Committee (CTAC) 2
- Regional Housing Working Group (RHWG) 2
- Regional Planning Stakeholders Working Group (SWG) 2
- Regional Planning Technical Working Group (TWG) 2
- Regional Freight Working Group (FWG) 1
- Bicycle-Pedestrian Working Group (BPWG) 1

In addition to SANDAG staff, staff from Caltrans, Metropolitan Transit System, and North County Transit District will be asked to join the new Ad Hoc Working Group. The Ad Hoc Working Group is expected to meet monthly through fall 2006, but may meet more frequently depending on key milestone dates for the 2007 RTP. Recommendations from the Ad Hoc Working Group would be discussed with each of the participants’ committees and working groups. Additionally, this Ad Hoc group may be asked to review the performance indicators used in the analysis of transportation alternatives of the RTP. The performance measures for the overall transportation system are closely related to the transportation project evaluation criteria.

The first meeting is scheduled for Monday, January 23, from 1:30 to 3:30 p.m. at SANDAG. A meeting agenda will be sent to the appointed representatives in advance.
**Recommendation**

Staff recommends the CTAC appoint two members to the Transportation Project Evaluation Criteria Ad Hoc Working Group.

Key Staff Contact: Rachel Kennedy, (619) 699-1929, rke@sandag.org
C.1 Local Street and Road Program: An estimated $3,950 million will be allocated on a fair and equitable basis, using the formula specified in Section 4(D)(1), to each city and the County of San Diego (hereinafter referred to as local agencies) to supplement other revenues available for local street and road improvements. In developing the biennial list of projects to be funded with these revenues as required under Section 5(A), local agencies shall give high priority in the use of these funds to improvements to regional arterials, grade separation projects, and related facilities contributing to congestion relief. At least 70 percent of the revenues provided for local street and road purposes should be used to fund direct expenditures for construction of new or expanded facilities, major rehabilitation and reconstruction of roadways, traffic signal coordination and related traffic operations improvements, transportation-related community infrastructure improvements to support smart growth development, capital improvements needed to facilitate transit services and facilities, and operating support for local shuttle and circulator routes and other services. No more than 30 percent of these funds should be used for local street and road maintenance purposes. A local agency desiring to spend more than 30 percent of its annual revenues on local street and road maintenance-related projects shall provide justification to the Commission as part of its biennial project list submittal. The Commission shall review each local agency's biennial project list submittal and make a finding of consistency with the provisions of this Ordinance and with the Regional Transportation Plan prior to approving the local agency's project list for funding. The Independent Taxpayer Oversight Committee shall also review the proposed project lists and make recommendations to the Commission.

SECTION 4 - EXPENDITURE PLAN PURPOSES:
E.3 All new projects, or major reconstruction projects, funded by revenues provided under this Ordinance shall accommodate travel by pedestrians and bicyclists, except where pedestrians and bicyclists are prohibited by law from using a given facility or where the costs of including bikeways and walkways would be excessively disproportionate to the need or probable use. Such facilities for pedestrian and bicycle use shall be designed to the best currently available standards and guidelines.

SECTION 5 - EXPENDITURE PLAN PROCEDURES:
A. Each local agency shall biennially develop a five-year list of projects to be funded with revenues made available for local street and road improvements under Section 4(D). A local public hearing on the proposed list of projects shall be held by each local agency prior to submitting its project list to the Commission for approval pursuant to Section 6.
B. All projects to be funded with revenues made available under Section 4 must be consistent with the Regional Transportation Plan (RTP). Project priorities or phasing shall also be consistent with the RTP. The Expenditure Plan shall be reviewed for consistency with RTP following each major update of the RTP as required by state or federal law. The Expenditure Plan shall be amended as necessary to maintain consistency with the Regional Transportation Plan. If funds become available in excess of the amount allocated in the Expenditure Plan, additional projects shall be added to the Expenditure Plan consistent with the priorities in the Regional Transportation Plan. Any amendments to the Expenditure Plan shall be made in accordance with the procedures for amending this ordinance as provided for in Section 16.

SECTION 8 - MAINTENANCE OF EFFORT:

It is the intent of the Legislature, as stated in the Act, and the Commission that revenues provided from this measure be used to augment, not supplant existing local revenues being used for the purposes set forth in Section 4 herein. Each local agency receiving revenues pursuant to Section 4(D) shall annually maintain as a minimum the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years completed prior to the operative date of this Ordinance (Fiscal Years 2000-01, 2001-02, 2002-03), as was reported in the State Controller’s Annual Report of Financial Transactions for Streets and Roads and as verified by an independent auditor. The maintenance of effort level as determined through this process shall be subject to adjustment every three years based on the Construction Cost Index developed by Caltrans. Any increase in the maintenance of effort level based on this adjustment shall not exceed the growth rate in the local jurisdiction’s General Fund revenues over the same time period. The Commission shall not allocate any revenues pursuant to Section 4(D) to any eligible local agency in any fiscal year until that local agency has certified to the Commission that it will include in its budget for that fiscal year an amount of local discretionary funding for streets and roads purposes at least equal to the minimum maintenance of effort requirement. An annual independent audit shall be conducted to verify that the maintenance of effort requirement for each agency was met. Any local agency which does not meet its maintenance of effort requirement in any given year shall have its funding under Section 4(D)(1) reduced in the following year by the amount by which the agency did not meet its required maintenance of effort level. In the event that special circumstances prevent a local agency from meeting its maintenance of effort requirement, the local agency may request up to three additional fiscal years to fulfill its requirement. Such a request must be approved by the Commission. The Independent Taxpayer Oversight Committee shall also review such requests and make recommendations to the Commission. Any local street and road revenues not allocated pursuant to the maintenance of effort requirement shall be redistributed to the remaining eligible agencies according to the formula described in Section 4(D)(1). The maintenance of effort requirement also shall apply to any local agency discretionary funds being used for the other purposes specified under Section 4. In addition, revenues provided from this Ordinance shall not be used to replace other private developer funding that has been or will be committed for any project.

SECTION 9 - REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP):

A. New Development Exactions Starting on July 1, 2008, each local agency in the San Diego region shall contribute $2,000 in exactions from the private sector, for each newly constructed residential housing unit in that jurisdiction to the RTCIP. These exactions shall ensure future development contributes its proportional share of the funding needed to pay for the Regional Arterial System
and related regional transportation facility improvements, as defined in San Diego Association of Governments’ (SANDAG’s) most recent, adopted Regional Transportation Plan. New residential housing units constructed for extremely low, very-low, low, and moderate income households, as defined in California Health and Safety Code Sections 50105, 50106, 50079.5 and 50093, will be exempted from the $2,000 per unit contribution requirement. The amount of contribution shall be increased annually, in an amount not to exceed the percentage increase set forth in the Engineering Construction Cost Index published by the Engineering News Record or similar cost of construction index. Each local agency shall establish an impact fee or other revenue Funding Program by which it collects and funds its contribution to the RTCIP. Each local agency shall be responsible for establishing a procedure for providing its monetary contribution to the RTCIP. The RTCIP revenue will be used to construct improvements on the Regional Arterial System such as new or widened arterials, traffic signal coordination and other traffic improvements, freeway interchange and related freeway improvements, railroad grade separations, and improvements required for regional express bus and rail transit. This action is predicated on the desire to establish a uniform mitigation program that will mitigate the regional transportation impacts of new development on the Arterial system. While the RTCIP cannot and should not fund all necessary regional transportation network components and improvements, the RTCIP will establish a new revenue source that ensures future development will contribute its pro rata share towards addressing the impacts of new growth on regional transportation infrastructure.

SECTION 11 - INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE:

An Independent Taxpayer Oversight Committee (ITOC) shall be established to provide an enhanced level of accountability for expenditure made under the Expenditure Plan. The ITOC will help to ensure that all voter mandates are carried out as required and will develop recommendations for improvements to the financial integrity and performance of the program. The roles and responsibilities of the ITOC, the selection process for ITOC members, and related administrative procedures shall be carried out in substantially the same manner as further described in the document titled “Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the TransNet Program,” which is hereby incorporated by reference as if fully set forth herein. Up to $250,000 per year, with adjustments for inflation based on the Consumer Price Index for San Diego County, may be expended for activities related to the ITOC.
**REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM**

Providing new transportation services and facilities is an expensive undertaking. Not providing them, however, will result in a decreased quality of life due to significant increases in traffic congestion, degrading mobility throughout the San Diego region. As SANDAG’s Regional Transportation Plan (RTP) explains, our challenge is especially critical for the Regional Arterial System, which is forecast to carry an increasingly significant amount of traffic volume. The SANDAG Board recognizes the need to establish a new Regional Transportation Congestion Improvement Program (RTCIP) that ensures future development will contribute its share toward funding and mitigating new traffic impacts on the Regional Arterial System.

**A. Funding Program**

1. Section 9 of the TransNet Ordinance requires that local jurisdictions establish a program or mechanism that provides $2,000 per new residential unit for the purpose of funding the Regional Arterial System, including SR 75. For purposes of the RTCIP, the Regional Arterial System is defined in SANDAG’s most recent and adopted RTP. Each jurisdiction’s program or mechanism shall be known as a “Funding Program.” Local jurisdictions may choose to implement a Funding Program through a development impact fee program or other exactions from the private sector.

2. In the event a jurisdiction(s) chooses to establish a development impact fee program to meet its Funding Program requirements, said program shall be consistent with Government Code Section 66000 et seq.

3. SANDAG will be responsible for producing the required nexus study to satisfy the requirements of California Government Code Section 66000 et seq. for Funding Programs utilizing a development impact fee. The first draft of the regional nexus study shall be presented to the SANDAG Board within nine months of the successful reauthorization of TransNet.

4. In no case will nonresidential development be subject to a development impact fee to meet the requirements of Section 9 of the TransNet Ordinance.

5. Each jurisdiction’s Funding Program shall be submitted for review by the Independent Taxpayer Oversight Committee (ITOC) referred to in Section 11 of the TransNet Ordinance prior to April 1, 2008, approved by Regional Transportation Commission by June 1, 2008, and shall become operative on July 1, 2008. Failure to submit a Funding Program for review by the ITOC by April 1 of any year beginning April 1, 2008, shall result in that jurisdiction losing eligibility to receive funding for local streets and roads under Section 4(D)(1) of the Ordinance until July 1 of the following year.
TransNet Extension

B. Purpose

1. The purpose of each jurisdiction’s Funding Program is to provide additional revenue to fund those facility and service improvements on the Regional Arterial System necessitated by development of newly constructed residences.

C. Fee Adjustment

1. The fee amount per residential unit shall be adjusted by SANDAG on July 1 of each year beginning July 1, 2009, based upon the Engineering Construction Cost Index as published by the Engineering News Record or similar cost of construction index.

2. Any increase shall not exceed the percentage increase set forth in the construction index. In no event, however, shall the increase be less than two percent per year. The purpose of this annual adjustment is to retain purchasing power in anticipation of future inflation.

D. Expenditure of Funding Program Revenues

1. Revenues collected under Section 9 of the TransNet Ordinance shall be deposited into each jurisdiction’s Funding Program for use on the Regional Arterial System as described in this Subsection D.

2. Revenue collected through the Funding Programs shall be used to construct transportation improvements on the Regional Arterial System such as new arterial roadway lanes, turning lanes, reconfigured freeway-arterial interchanges, railroad grade separations and new regional express bus services, or similar types of improvements, preliminary and final engineering, right-of-way acquisition, and construction that will be needed to accommodate future travel demand generated by new development throughout the San Diego region. A reasonable portion of the program revenue, up to a maximum of 3 percent, may be used for fund administration.

3. Expenditure of the Funding Program revenues shall be in a manner consistent with the expenditure priorities in SANDAG’s most recent and adopted long-range RTP and with Section 5 of the TransNet Ordinance. To maximize the effective use of these Funding Program revenues, they may be transferred, loaned, or exchanged in accordance with the requirements of Section 7 of the TransNet Ordinance.

E. Exemptions

The following development types shall be exempt from the Funding Program requirements:

1. New moderate, low, very low, and extremely low income residential units as defined in Health & Safety Code sections 50079.5, 50093, 50105, 50106, and by reference in Government Code Section 65585.1.

2. Government/public buildings, public schools and public facilities.
3. The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing dwelling unit.

4. All new, rehabilitated, and/or reconstructed nonresidential structures.

5. Development Projects which are the subject of a Public Facilities Development Agreements (pursuant to applicable Government Code Sections) prior to the effective date of this ordinance, wherein the imposition of new fees are expressly prohibited, provided, however that, if the term of such a Development Agreement is extended after July 1, 2008, the requirements of this funding program shall be imposed.

6. Guest Dwellings

7. Additional residential units located on the same parcel regulated by the provisions of any agricultural zoning.

8. Kennels and Catteries established in conjunction with an existing residential unit.

9. The sanctuary building of a church, mosque, synagogue, or other house of worship, eligible for property tax exemption.

10. Residential units that have been issued a building permit prior to July 1, 2008.

11. Condominium conversions

F. Credits

1. If a developer funds or constructs improvements on the Regional Arterial System and/or as that arise out of SANDAG’s Congestion Management Program, the developer shall receive credit for the costs associated with the arterial improvements, offsetting the revenue requirements of the Funding Program. Such credits shall only apply to the Funding Program for the jurisdiction in which the residential unit was developed.

2. In special circumstances, when a developer constructs off-site improvements such as an interchange, bridge, or railroad grade separation, credits shall be determined by the local jurisdiction in consultation with the developer.

3. The amount of the credit shall not exceed the revenue requirements of the most current Funding Program or actual cost, whichever is less.

4. The local jurisdictions shall compare facilities in their Funding Program, against the Regional Arterial System and eliminate any overlap in its Funding Program except where there is a legally recognized benefit district established.

5. If there is a legally recognized benefit district established, the local agency may credit that portion of the facility identified in both programs against its Funding Program.
G. Procedures for the Levy, Collection and Disposition of Funding Program Revenues

1. Each jurisdiction shall establish and implement a procedure to levy and collect its required contribution to the RTCIP in its Funding Program document.

2. Each jurisdiction shall determine its own schedule for collecting and/or contributing private sector exactions to its Funding Program. This schedule shall be kept up-to-date and provided to SANDAG and the ITOC each year at the time of the annual review and audit. Each jurisdiction must submit its Funding Program documents, including an expenditure plan and financial records pertaining to its Funding Program, to the ITOC for a review and audit by July 1 of each year beginning July 1, 2009. The ITOC shall review each jurisdiction’s Funding Program consistent with its auditing role as described in Section 11 of the Ordinance and the Statement of Understanding referenced in that Section.

3. Funding Program revenue requirements shall not be waived.

4. Each jurisdiction shall have up to but no more than seven fiscal years to expend Funding Program revenues on the Regional Arterial Systems projects. The seven-year term shall commence on the first day of July following the jurisdiction’s receipt of the revenue. At the time of the review and audit by the ITOC, each jurisdiction collecting a development impact fee to meet the requirements of its Funding Program shall provide the Committee with written findings for any expended, unexpended and uncommitted fees in their Program Fund and demonstrates a reasonable relationship between the fee and the purpose for which it was charged, consistent with the requirements of Government Code Section 66000 et seq. Unless a planned need for such fees can be demonstrated and a justification for the delay can be provided that is acceptable to the Taxpayer Independent Oversight Committee, the unexpended or uncommitted portion of the Funding Program revenues shall be transferred to the Regional Transportation Commission (SANDAG) to be expended within three years on qualified projects within the same subregion. Contributions to the Funding Program not committed or expended by the tenth anniversary date of the July 1 following collection shall be refunded to the current record owner of the development project on a prorated basis. In no case will a refund be more than was initially contributed to the Funding Program.

5. The ITOC identified in Section 11 of the Ordinance shall be responsible for issuing an annual audit statement on each jurisdiction’s compliance with requirements of Section 9 of the TransNet Ordinance by October 1 of each year beginning October 1, 2009. SANDAG will report to the Board on the RTCIP and the annual audit statement in November of each year beginning in November 2009.