



**BOARD OF DIRECTORS
FEBRUARY 23, 2007**

**AGENDA ITEM NO. 07-02-1A
ACTION REQUESTED - APPROVE**

**BOARD OF DIRECTORS DISCUSSION AND ACTIONS
JANUARY 12, 2007**

Chair Mary Sessom (Lemon Grove) called the meeting of the SANDAG Board of Directors to order at 10:12 a.m. The attendance sheet for the meeting is attached. Chair Sessom introduced and recognized new Board members including County Board of Supervisors Chairman Ron Roberts, Imperial Beach Mayor Jim Janney, San Marcos Mayor Jim Desmond, and San Diego City Councilmember Toni Atkins.

1. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

Christopher Marsh, representing Assemblymember Joel Anderson, 77th District, announced that he is the business liaison for Assemblymember Anderson, and he will be working on SANDAG issues.

Clive Richard, a member of the public, wished the Board a Happy New Year. He welcomed all the new members to the Board as well as the returning veteran Board members.

Don Stillwell, a member of the public, made comments related to the importance of record keeping. He noted that some public agencies charge a nominal sum for copies but do not charge for staff research time. He said that the Metropolitan Transit System (MTS) charges staff research time at \$15.00 per hour. He wondered if SANDAG keeps documents and/or if it charges copying and research fees. Chair Sessom said that staff would speak with him about this matter.

REPORTS (2 through 4)

2. REPORT ON THE INTEGRATED REGIONAL INFRASTRUCTURE STRATEGY OF THE REGIONAL COMPREHENSIVE PLAN (RCP) (INFORMATION)

Chair Sessom said that this item is intended to provide an overview of the Integrated Regional Infrastructure Strategy (IRIS), which is a component of the Regional Comprehensive Plan (RCP) adopted in July 2004. Staff also will present information on funding options for specified infrastructure needs where SANDAG could potentially have a role. After the presentations, we will begin our initial discussions on the topic of identifying funding strategies for these nontransportation infrastructure needs. She introduced Rob Rundle, Principal Planner, to provide an IRIS overview, with Jane Signaigo-Cox to present a report on updated infrastructure costs and potential funding sources.

First Vice Chair Lori Holt Pfeiler (Escondido) stated that we are all engaged in putting this regional plan together, and we are excited about it and want to implement it. The question is: do we have a funding plan to address our needs?

Mr. Rundle reviewed the Policy Board meeting objectives, including IRIS background and context, and summary of RCP implementation efforts to date. He described the Smart Growth Concept Map, Smart Growth Incentive Program, Regional Transportation Plan, Regional Economic Prosperity Strategy, *TransNet* Environmental Mitigation Program (EMP), and future infrastructure needs. The RCP policy themes are intended to better connect land use and transportation plans, use transportation and land use plans to guide other plans using smart growth principles, and make implementation happen through incentives and collaboration. Mr. Rundle summarized the four steps used to develop the initial IRIS: infrastructure inventory and evaluation, needs assessment, evaluation of financing and public policy options, and recommended policies and implementation procedures. He noted that the IRIS was intended to be used as a guide for regional infrastructure investments.

Councilmember Phil Monroe (Coronado) indicated that another SANDAG advisory working group is looking at quality of life issues in San Diego County through the update of the Regional Economic Prosperity Strategy (REPS). The results of that discussion are intended to inform elected officials about where to focus attention. He wondered how the REPS update process relates to today's discussion.

Marney Cox, Chief Economist, said that there are some similarities between the REPS and IRIS. Both are intended to improve the economic health of the region, but the IRIS specifically focuses on infrastructure needs and how best to engage infrastructure providers in a long-range view of the region. When we developed the IRIS, there were some infrastructure providers who were underfunded and were not organized effectively to be able to identify what funding was available. SANDAG decided to initiate coordinating funding for three infrastructure areas: beach sand replenishment, habitat restoration, and stormwater management.

Action: This item was presented for information only.

Chair Sessom noted the following lead people to set up meetings for the subregional appointments to the SANDAG Policy Advisory Committees (PACs): Second Vice Chair Jerome Stocks (Encinitas) for North County Coastal, Mayor Ron Morrison (National City) for South County, and First Vice Chair Pfeiler for North County Inland. She will be the lead for East County. Mayor Sessom asked Board members to work with the lead persons for selection of their subregional primary members and alternates for the PACs. This selection needs to take place by January 31.

3. FUTURE REGIONAL FUNDING FOR HABITAT PRESERVATION, BEACH SAND REPLENISHMENT, AND REGIONAL STORMWATER MANAGEMENT (DISCUSSION)

Ms. Signaigo-Cox stated that SANDAG involvement in coordinating funding proposals for these three infrastructure areas would benefit the region. She reviewed updated cost estimates for each of the three areas: \$1.5 billion for habitat preservation, \$181 million for beach sand replenishment, and \$1.5 billion to \$3.4 billion for stormwater management. Totals are \$3.2 billion to \$5.1 billion. She reviewed potential funding options and

corresponding estimates, including Proposition 84 funds (\$211 million); user fees (rental car fees of \$223 million to \$669 million and beach parking fees of \$336 million to 448 million), additional sales tax increases (\$4.68 billion to \$9.37 billion), and other local mechanisms (development impact fees and property tax assessments, \$238 million to \$476 million, and transient occupancy tax, \$251 million to \$753 million).

Ms. Signaigo-Cox said that the next steps include presentation of this information at the SANDAG Board Retreat on January 31-February 2; conducting focus groups in February-March 2007; and providing the SANDAG Board with more refined strategies in the April-June 2007 timeframe.

Chair Sessom noted that there were two requests to speak on this item.

John Robertus, representing the San Diego County Regional Water Quality Control Board, said his agency is very enthusiastic about the direction this is going. He noted that protecting water quality is important to the region, and additional funding is needed to accomplish this goal. He discussed the water quality needs that result in high cost estimates for regional stormwater management. He suggested that flood control be separated out of the stormwater management issue. He noted that we cannot overlook the need to prevent pollutants from getting into the stormwater channels, which will reduce the sources of pollution. Another area to keep in mind is removing dissolved chemicals in stormwater, especially pesticides. There are opportunities for some of this funding to reduce the cost of structural requirements. The Water Quality Control Board supports these efforts, and he thanked Mr. Gallegos for his personal efforts and cooperation with the *TransNet* projects.

Jeanne Krosch, Multiple Species Conservation Program (MSCP) Section of the San Diego City Planning Department, stated that during the development of the MSCP it was envisioned that a funding source would be identified for this program. She was pleased that this effort is underway, and the City MSCP staff strongly supports options for regional funding needs including habitat preservation.

Garry Bonelli, Communications Director, led a discussion on infrastructure needs in beach sand replenishment, habitat preservation, and stormwater management.

Second Vice Chair Stocks indicated that the City of Encinitas had a ballot measure that raised the Transient Occupancy Tax (TOT) and dedicated TOT revenues for beach sand replenishment and related projects. He noted that Encinitas benefited from the region's successful beach sand demonstration project in 2001. He supported looking at a regional strategy for ongoing sand replenishment. Our beaches are vital economic engines for San Diego.

Mayor Lesa Heebner (Solana Beach) shared that Solana Beach has raised its TOT over three years. Two-thirds of these funds are for sand replenishment, and one-third is for visitor-friendly activities. She noted that even with the addition of sand to the city's beaches in 2001, beach sand levels in Solana Beach have declined. She supported the enhancement of visitor-serving kinds of efforts.

Mr. Bonelli asked Councilmember Jack Dale (Santee) about the importance of sand to the City of Santee. Councilmember Dale replied that there was indirect benefit to the citizens of Santee, but a direct benefit to companies involved in related businesses.

Councilmember Crystal Crawford (Del Mar) said that she has sat in on numerous Shoreline Preservation Working Group meetings on this topic. She suggested that perhaps there should be different levels of funding depending on how far you are from the beach. She wondered if there is a different funding mechanism that might be more appropriate when trying to fund these kinds of projects. The region as a whole benefits from the beach resources.

Mayor Mark Lewis (El Cajon) agreed that there is an economic issue because we all benefit. We are famous for our beaches, and there is a major economic impact from tourism. He understood the value of a regional funding basis for beach sand replenishment.

Mr. Bonelli noted that one thing SANDAG might look at on a regionwide basis is a stratified regional funding strategy for beach sand replenishment.

Councilmember Crawford noted that other types of user fees also should be evaluated. We would need to determine what approach is palatable to the voters in order to meet the voter approval requirements.

Councilmember Jim Madaffer (City of San Diego) reminded everyone that it is the voters who will make the decision. He asked if this measure would have a time limit or whether it would continue in perpetuity. Mr. Rundle clarified that the cost estimates presented were for a replenishment program to 2030, not a continuous program.

Councilmember Madaffer said that a measure should be crafted as something that will be more ongoing. Another area to consider for dedicated funding is transit. He suggested breaking the region into subregional areas and determining what each area would support. We will have to be smart with those who authorize the money; some areas may want to invest in transit, while others may be more supportive of beach sand.

Gary Brown, Imperial Beach City Manager, and representing the Cities/County Management Association (CCMA), suggested that we also should tax people who live in Arizona and visit San Diego for its beaches. He recommended supporting various Army Corps of Engineer projects that evaluate and help improve our shoreline. Mr. Brown noted that Imperial Beach gets 2.3 million beach visitors each year. He stated that there is a firm in Denmark that has a system of tubes that helps sand stay on the beach, and he asked that SANDAG explore that effort.

Mayor Lewis stated that this tube system has a long history of success, and sand is one of the best assets we have in the region.

Mr. Bonelli steered the discussion towards regional stormwater management and habitat preservation.

Mayor Lewis expressed concern about turning over environmental habitat preserve areas to nonprofit groups that are formed overnight; he noted that sometimes these groups go out

of business and public agencies are left with the costs of managing the areas. We need someone who is responsible to monitor and keep our preserve areas cleaned up.

Mr. Bonelli asked Board members to weigh in on how to package the nontransportation issues for voters.

Councilmember Crawford suggested that we not focus only on one subject such as sand replenishment, but develop a plan that looks at needs in various parts of the region and the various quality of life activities voters would support. All of these issues are interrelated. A combined quality of life package would be more understandable to our voters.

Mr. Bonelli stated that we have recently completed two surveys countywide, one for transportation issues and another one for nontransportation issues. Staff will put together a package of information on the voter priorities, and what funding mechanism(s) make most sense from the voters' perspective.

Councilmember Monroe pointed out that sometimes one size doesn't fit all. We may differ on how we want to pay for these kinds of things. One idea is to assess the needs in each jurisdiction and then let the residents of those areas decide how to pay for them.

Mayor Art Madrid (La Mesa) asked about the ability of the taxpayers to pay for these kinds of improvements. He would like to see a matrix of all of the taxes and bond measures paid for by taxpayers in each jurisdiction. We need to see how much tax is already being raised for various infrastructure and service needs. He noted that the City of El Cajon recently raised its sales tax for a specific purpose.

Mr. Bonelli recognized that some areas are already at or near the state limit for the sales tax.

Councilmember Matt Hall (Carlsbad) shared what Carlsbad went through in the mid-1980s to prioritize its needs. Out of the local prioritization process came 11 different issues. Once these issues were identified, we started discussing how to fund them. On each issue, there were multiple funding sources available, and it took quite a bit of time to work through them. But, at the end of the road, the approach worked. First, we need to identify the quality of life issues, then voters will make the decisions. Today is the beginning of a conversation. We'll be lucky if we make this work in five years.

Second Vice Chair Stocks said that he would be interested in the details of how the public feels about these quality of life issues. He also expressed interest in learning more about the potential to impose rental car fees to fund nontransportation improvements.

Marilyn Dailey (San Diego County Regional Water Authority) reminded Board members that Proposition 84 bonds put forth certain money that is directed toward safe drinking water, parks, etc. She noted that competition for these funds will be very competitive.

Chandra Wallar, General Manager for the County of San Diego's Land Use and Environment Group, stated that the habitat preservation piece is of strong interest to the County. Finalization of the Master Agreement, between SANDAG and the federal and state resource agencies for the *TransNet* Environmental Mitigation Program (EMP), will provide *TransNet*

funds to start acquisition, management, and monitoring of these habitat areas. Ms. Wallar asked SANDAG staff to evaluate the escalation factors for the habitat preservation category; she noted that the escalation rate may be closer to 35 to 45 percent. On the stormwater issue, the region does have in place a group of individuals that are engaged in regional stormwater issues; the County of San Diego is the lead co-permittee in charge of the effort. They would welcome SANDAG participation. The County developed a funding mechanism report in 2003 that looked at some of the same types of funding issues. This report reflects the same results with regard to opportunities and constraints.

Supervisor Ron Roberts (County of San Diego) stated that the water quality model in California is broken. We are trying to fix something at the tail end that should be fixed at the beginning, and no one here has the legislative ability to do that. If you look at the models for the way the state handles air quality and water quality, you see two distinctly different models. At the state level, you can control the source of air pollutants. We need to evaluate if this approach can be used for water quality.

Mayor Heebner asked if Proposition 84 passed in San Diego County. She thought it would be important to find the answer to that question. She also thought that the phrase "quality of life" is overused. One thing that was successful for Solana Beach's TOT measure is that visitors are paying the fee.

Mayor Pro Tem Judy Ritter (Vista) said she didn't believe it would be possible to add any more taxes to the citizens of Vista. Vista voters approved a sales tax increase in November 2006 to fund key projects in the city.

Chair Sessom thanked members for their comments today and stated that we will continue this discussion at the Board Retreat.

4. CLOSED SESSION-CONFERENCE WITH LEGAL COUNSEL IN ANTICIPATION OF LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(b)(3)(C)—ONE POTENTIAL CASE

At 11:35 a.m., Chair Sessom adjourned the meeting into the closed session in the 7th floor Conference Room and noted that only voting members and necessary staff should attend. She convened the meeting back into open session at 12:10 p.m.

John Kirk, Deputy General Counsel, reported the following out of closed session: the Board was advised of the facts of potential litigation and no action was taken.

5. UPCOMING MEETINGS

The next Board of Directors meeting is scheduled for Friday, January 26, 2007, at 9 a.m.

6. ADJOURNMENT

The meeting was adjourned at 12:10 p.m.

DGunn/M/DGU

ATTENDANCE
SANDAG BOARD OF DIRECTORS' MEETING
JANUARY 12, 2007

JURISDICTION/ ORGANIZATION	NAME	ATTENDING
City of Carlsbad	Matt Hall (Member)	Yes
City of Chula Vista	Cheryl Cox (Member)	Yes
City of Coronado	Phil Monroe (Member)	Yes
City of Del Mar	Crystal Crawford (Member)	Yes
City of El Cajon	Mark Lewis (Member)	Yes
City of Encinitas	Jerome Stocks, 2nd Vice Chair (Member)	Yes
City of Escondido	Lori Holt Pfeiler, 1st Vice Chair (Member)	Yes
City of Imperial Beach	Jim Janney (Member)	Yes
City of La Mesa	Art Madrid (Member)	Yes
City of Lemon Grove	Mary Sessom, Chair (Member)	Yes
City of National City	Ron Morrison (Member)	Yes
City of Oceanside	James Wood (Member)	Yes
City of Poway	Mickey Cafagna (Member)	Yes
City of San Diego – A	Jim Madaffer (1st Alternate)	Yes
City of San Diego - B	Toni Atkins (Member B)	Yes
City of San Marcos	Jim Desmond (Member)	Yes
City of Santee	Jack Dale (Member)	Yes
City of Solana Beach	Lesa Heebner (Member)	Yes
City of Vista	Judy Ritter (Member)	Yes
County of San Diego	Ron Roberts (Member A)	Yes
County of San Diego	Bill Horn (Member B)	Yes
Caltrans	Bill Figge (Alternate)	Yes
MTS	Harry Mathis (Member)	Yes
NCTD	Vacant (Member)	No
Imperial County	Victor Carrillo (Member)	No
US Dept. of Defense	CAPT Michael Giorgione (Member)	Yes
SD Unified Port District	Vacant (Member)	No
SD County Water Authority	Marilyn Dailey (Member)	Yes
Baja California/Mexico	Luis Cabrera Cuaron (Member)	No