



**BOARD OF DIRECTORS
SEPTEMBER 28, 2007**

**AGENDA ITEM NO. 07-09-1B
ACTION REQUESTED - APPROVE**

**BOARD OF DIRECTORS DISCUSSION AND ACTIONS
JULY 27, 2007**

Chair Mary Sessom (Lemon Grove) called the meeting of the SANDAG Board of Directors to order at 9:08 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MINUTES

Action: Upon a motion by First Vice Chair Lori Holt Pfeiler (Escondido) and a second by Mayor Ron Morrison (National City), the SANDAG Board of Directors approved the minutes from the June 8, 2007, Board Policy and June 22, 2007, Business meetings.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

Chuck Lungerhausen, a member of the public, read and submitted written comments regarding the state budget raid on transit funds and the impact to the region from the loss of these funds.

3. ACTIONS FOR POLICY ADVISORY COMMITTEES (APPROVE)

This item summarized the actions taken by the Borders Committee on June 22, the Executive Committee on July 13, and the Transportation and Public Safety Committee meetings on July 20, 2007.

Action: Upon a motion by First Vice Chair Pfeiler and a second by Mayor Morrison, the SANDAG Board approved Agenda Item No. 3, Actions from Policy Advisory Committees. Yes – 12 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – Chula Vista, El Cajon, Imperial Beach, La Mesa, Santee, Solana Beach, and Vista.

CONSENT ITEMS

Chair Sessom pulled Agenda Item No. 7 from the consent agenda.

4. SANDAG FY 2008 DISADVANTAGED BUSINESS ENTERPRISE PROGRAM GOALS (APPROVE)

SANDAG has an established Disadvantaged Business Enterprise (DBE) program, including an Annual Anticipated DBE Participation Level plan developed and maintained in accordance with regulations of the United States Department of Transportation. The Board of Directors is asked to authorize staff to release the FY 2008 Annual Anticipated DBE Participation Level and Overall Annual DBE Goals listed in the report for a 45-day public comment period. The

Board also is asked to give final approval to these goals in the event no comments are received during the public comment period.

5. RIDESHARE WEEK – OCTOBER 1–5, 2007 (APPROVE)

SANDAG administers the San Diego regional commuting assistance program known as RideLink. This innovative program provides cost-effective alternatives to solo commuting during peak periods. "Rideshare Week" is an annual event designed to create public awareness of alternatives to solo commuting and to reduce peak-period congestion. The Board of Directors is asked to approve Resolution No. 2008-02, proclaiming the week of October 1-5, 2007, as Rideshare Week and to encourage member agencies to approve similar proclamations.

6. REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY EXECUTIVE DIRECTOR (INFORMATION)

In accordance with SANDAG Board Policy Nos. 003 (Investment Policy), 017 (Delegation of Authority), and 024 (Procurement and Contracting-Construction), this report summarizes certain delegated actions taken by the Executive Director since the last Board meeting.

Action: Upon a motion by First Vice Chair Pfeiler and a second by Mayor Morrison, the SANDAG Board voted to approve Consent Item Nos. 4 through 6, including Resolution No. 2008-02. Yes – 12, No – 0, Abstain – 0, Absent – Chula Vista, El Cajon, Imperial Beach, La Mesa, Santee, Solana Beach, and Vista.

7. REPORTS ON MEETINGS AND EVENTS ATTENDED ON BEHALF OF SANDAG (INFORMATION)

Board members provide brief reports orally or in writing on external meetings and events attended on behalf of SANDAG since the last Board of Directors meeting.

Mayor Morrison reported his attendance at the National Association of Regional Council (NARC) Annual Conference. Attendees also included Chair Sessom and Executive Director Gary Gallegos. There were a number of issues discussed at the conference regarding local government issues and local, state, and federal funding issues. Additionally, the conference focused on national and homeland security issues. Mayor Morrison commented that he was re-elected to the NARC Board of Directors representing Region XIV (CA) for a second term. He also stated that he would be running for the Senior Vice President position on the national board.

Chair Sessom reported her attendance with SANDAG staff, Mayor Jerry Sanders (San Diego), and others at a briefing to the U.S. Department of Transportation Secretary in Washington, D.C., on the SANDAG application for the Urban Partnership Agreement (UPA) proposal. Chair Sessom stated that the briefing went very well and that the Secretary has not yet made a decision on which of the nine regional finalists would be chosen for funding under the UPA program.

Mayor Sanders commented that SANDAG staff gave an excellent presentation at the UPA briefing.

First Vice Chair Pfeiler reported her attendance at the recent Blueprint Learning Network (BLN) meetings held in San Diego. She stated that this-state sponsored meeting of the BLN was focused on energy issues.

Councilmember Crystal Crawford (Del Mar) expressed her appreciation to Tijuana Mayor Kurt Honold and his staff for their cooperation, participation, and hospitality in the recent California Biodiversity Council meetings on cross border issues held in Tijuana, Mexico.

Chair Sessom welcomed new Board member Captain Robert Fahey (U.S. Department of Defense) and Councilmember Rebecca Jones (San Marcos).

Action: This item was presented for information only.

CHAIR'S REPORT

8. RECOGNITION OF OUTGOING *TransNet* INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE CHAIR MARYAM BABAKI (INFORMATION)

Chair Sessom recognized Ms. Maryam Babaki for her leadership and contributions as a member of the Independent Taxpayer Oversight Committee (ITOC) from May 2005 to June 2007. Ms. Babaki served as ITOC Chair from February 2006 through June 2007. Chair Sessom presented Ms. Babaki with a plaque for her contribution.

Ms. Babaki expressed her thanks to her fellow ITOC members, members of the Board of Directors, and SANDAG staff for their support of ITOC.

Action: This item was presented for information only.

9. CITY OF TIJUANA PERSPECTIVE ON INTERNATIONAL BORDER CROSSINGS (INFORMATION)

Chair Sessom introduced Tijuana Mayor Honold and stated that our ports of entry are some of the busiest in the world and that SANDAG staff and the City of Tijuana are working jointly to improve our border crossings.

Mayor Honold presented the city's perspective on international border crossings. The San Ysidro – Puerta Mexico crossing is the busiest border crossing in the world, Otay Mesa – Mesa de Otay is the busiest commercial border crossing between California and Baja California, and plans for the region's third border crossing at East Otay Mesa are currently underway by both the United States and Mexico.

Mayor Honold commented that the entire region's economy is affected by: long waits at the border crossings, low housing values and limited employment opportunities in Tijuana, and overall rate of growth and expansion in Mexico. Traffic congestion is increasing, which impacts the air quality and quality of life on both sides of the border. Mayor Honold also commented that the Tijuana-to-Ensenada corridor was growing rapidly due to an increase in U.S. real estate investments in hotels and housing and the growth in the Mexican wine region. Mayor Honold also briefed the SANDAG Board of Directors on another potential border crossing between San Diego and Tijuana that the City of Tijuana is exploring. The

location of the new border crossing would be in the coastal zone between San Ysidro and Playas de Tijuana. He commented that the region needs to look at expanding and improving the current ports of entry and completion of the new Otay Mesa border crossing. Mayor Honold commented that the planning needs to start now for this new border crossing but stated that at this time, we need to concentrate our efforts on implementing the second Otay Mesa border crossing.

Mayor Honold invited the Board members to Tijuana's anniversary celebration at 7 p.m. on September 15, 2007. He also invited the Board to meet with the Tijuana City Council on October 12, 2007, in Tijuana.

Mr. Gabriel Camarena, President, City of Tijuana Convention and Visitors Bureau, invited the Board members to attend another event on August 30, 2007, held at North Embarcadero Marina Park in San Diego hosted by the Tijuana Consul General and the Tijuana Convention and Visitors Bureau.

Chair Sessom expressed her consensus with Mayor Honold that we need to start looking at future border crossings now and stated that it would be appropriate for the SANDAG Borders Committee to look at the proposal for the new border crossing between San Ysidro and Playas de Tijuana.

Mayor Mickey Cafagna (Poway) expressed his appreciation to Mayor Honold for his presentation. He stated that he attended a recent meeting of border mayors hosted by the City of Tijuana and was impressed by the commitment of this collective group to resolving the issues along the border and to improving the economy and quality of life in Mexico.

Mayor Sanders commented that he has had several conversations with Mayor Honold and our Senate and Congressional delegates in Washington, D.C., regarding the border crossings and expediting improvements to the ports of entry to improve goods movement.

Mr. Ricardo Piñeda (Mexico) commented that he appreciated Mayor Honold's comments and SANDAG support.

Mr. Bill Figge (Caltrans) commented that Caltrans' border master plan is strongly supported by the City of Tijuana and expressed that the newly proposed border crossing can be included in the discussions regarding the border master plan.

Chairman Victor Carrillo (Imperial County) expressed his appreciation to Mayor Honold for his presentation. He stated that understanding the complexity of the governance of Mexico is important to understanding how the entire region is impacted by the border crossing delays and the impacts of increased growth. One key difference is in Mexico's election process. In another four months, there will be a new election in Mexico and a new mayor and stated his hopes that the new mayor would be as helpful and cooperative.

Chairman Ed Gallo (North County Transit District [NCTD]) expressed his appreciation for Mayor Honold's strong advocacy for Tijuana and San Diego.

Chair Sessom stated that the Independence Day celebration in Tijuana is an excellent celebration and that if any of the Board members are able to attend, they should take this opportunity.

Mayor Honold stated that on September 27-28, 2007, the City of El Paso and Ciudad Juarez will jointly host the Second Binational Meeting of Border Mayors and invited the region's mayors to attend.

Action: This item was presented for information only.

10. PERFORMANCE EVALUATION OF EXECUTIVE DIRECTOR (APPROVE)

Chair Sessom presented the item. The staff report sets out in detail the terms of Mr. Gallegos' employment contract. Pursuant to the employment agreement with the Executive Director, the Board of Directors shall annually review his performance. If the Executive Director's performance is determined to be satisfactory, the Board of Directors shall adjust his base salary in accordance with the employment agreement provisions. The Executive Committee has reviewed the Executive Director's performance evaluation for the period July 2006 to June 2007, and recommends that his performance during the past year be determined satisfactory. Chair Sessom stated that Mr. Gallegos' work on the infrastructure bonds, his commitment to advocate for funding for SANDAG in Sacramento, and the desire to retain Mr. Gallegos as the Executive Director were key elements in the determination.

The employment agreement also provides that the Board of Directors use established performance criteria (objectives), as amended from time to time, in the annual review. The Executive Committee has reviewed the Executive Director's draft performance objectives for the coming year and recommends their approval.

Action: Upon a motion by Mayor Morrison and a second by Mayor Cafagna, the SANDAG Board approved the Executive Director's Performance Evaluation for the period July 2006 to June 2007 and Performance Objectives for the period July 2007 to June 2008. In addition, the Executive Committee recommended that the Executive Director be provided a bonus award in the amount of 10 percent, based on accomplishment of performance objectives during the past year. Yes – 14 (weighted vote, 100%). No – (0) (weighted vote, 0%). Abstain – 0 (0%). Absent – Chula Vista, El Cajon, Imperial Beach, La Mesa, and Solana Beach.

REPORTS

Chair Sessom requested confirmation from General Counsel Julie Wiley that a settlement has been reached regarding Agenda Item Nos. 11 and 12. Ms. Wiley confirmed that the two items could be removed from the agenda. Ms. Wiley requested that the members leave the closed session materials for Agenda Item No. 11 at their places and stated that the items would be collected after the meeting.

11. CLOSED SESSION – CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8

Action: This item was pulled from the agenda.

12. HEARING OF NECESSITY: (A) PARTIAL ACQUISITION OF ASSESSOR PARCEL NUMBERS 678-251-06, 07, AND 08 OWNED BY T. A./ WESTERN LLC, LOCATED IN THE CITY OF SAN DIEGO (POSSIBLE ACTION) [Subject to Two-Thirds Vote]

Action: This item was pulled from the agenda.

13. INFRASTRUCTURE BOND FUNDING: TRADE CORRIDORS IMPROVEMENT FUND PROGRAM (APPROVE)

Elisa Arias, Principal Regional Planner, presented the item. One of the highest priority goals of the SANDAG 2007 Legislative Program is to pursue funding from the statewide infrastructure bond measures to support the implementation of the Regional Transportation Plan (RTP) and Regional Comprehensive Plan (RCP). Proposition 1B (Prop. 1B), approved by the voters at the November 2006 general election, enacts the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, which authorizes the issuance of more than \$19.9 billion of general obligation bonds for various transportation programs. Prop. 1B includes two new funding programs related to goods movements. The Trade Corridors Improvement Fund (TCIF) will focus infrastructure improvements along trade corridors that accommodate a high volume of freight movements. The Trade Corridor Emissions Reduction program will focus on projects that reduce air pollution related to the movement of goods along California's trade corridors. SANDAG is focusing its application on the TCIF program. A one-to-one local match of funding is necessary except for border access projects.

Since action on pending legislation may occur prior to the end of July 2007, staff has been working with goods movement stakeholders to develop a draft regional funding strategy that would be ready for submittal to the California Transportation Commission (CTC). Recent discussions with members of the state legislature suggest that the TCIF funds may be allocated based on the four goods movement corridors, one of which is the San Diego/Border corridor. The draft list of TCIF candidate projects is part of the San Diego Regional Goods Movement Action Plan (GMAP), which was approved by the Board in September 2006, and the Draft 2007 RTP. Projects that facilitate border-related goods movement are unique to our area and are likely to compete favorably among projects throughout California.

Four potential funding scenarios were developed for the San Diego region and candidate priority projects are listed under each scenario. A similar strategy was used in the development of candidate projects for the Prop. 1B Corridor Mobility Improvement Account (CMIA) program. Ms. Arias briefly described the proposed projects for funding priority. This strategy would be used as a basis to work with the Legislature and the CTC as guidelines and criteria are developed for future submission of goods movement project applications.

Councilmember Crawford requested clarification of whether there were any matching funds requirement for border access projects and whether the San Diego Regional Freight Working Group (FWG) had reviewed the list of projects and provided a recommendation. Ms. Arias responded that the border access projects do not have a matching funds requirement of any kind and that the FWG had not reviewed this specific list of projects.

Councilmember Crawford stated that there should be consistency between the FWG recommended priorities in the GMAP and this list of projects, but in this case they are different due to the emphasis on border projects. Ms. Arias stated that these are the top ranked projects for funding in the regional GMAP program for maritime, rail, and border projects, and confirmed the border projects ranked the highest for competing for funding under this program.

Councilmember Toni Atkins (City of San Diego) commented that she received a letter from a citizen and wanted to read it into the record. She stated that there is an outstanding Memorandum of Understanding (MOU) between the City of San Diego and the State of California from 1985 regarding the completion of Interstate 15 (I-15), which included a requirement to route truck traffic to the I-805/State Route 905 corridor. She stated that she would like to discuss this with Mr. Gallegos and Mayor Sanders in order to address the issues in the MOU and ensure consistency with current policy.

Supervisor Bill Horn (County of San Diego) stated that NCTD only has \$100 million in this plan and stated his concern that the coastal rail line infrastructure needs to have higher priority as the line increasingly needs repair.

Mr. Gallegos stated that the coastal rail is included in the RTP. The strategy under this program makes our projects more competitive on a statewide basis. Border projects are unique to our region, which allows us to be competitive for a greater amount of funding statewide.

Mr. Gallo expressed his agreement with Supervisor Horn and stated that NCTD would like the Board to recognize and understand that the coastal rail is a critical piece of the region's economic prosperity.

Mayor Sanders stated that we have tried to separate our region from the others based on our border region. We have to be competitive. Our coastal infrastructure is important but with this program, we need to focus on the border region projects.

Mr. Figge stated that during a recent CTC Goods Movement Workshop, the Los Angeles area group provided proposed criteria and performance measures for division of the funds. If these criteria were applied, the Los Angeles region would receive 85 percent of the funds.

Action: Upon a motion by First Vice Chair Pfeiler and a second by Second Vice Chair Jerome Stocks (Encinitas), the SANDAG Board approved the funding strategy for implementing key regional goods movement projects through the Trade Corridors Improvement Fund program of Proposition 1B. Yes – 14 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – Chula Vista, El Cajon, Imperial Beach, La Mesa, and Solana Beach.

14. SENATE BILL 10: SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY REFORM ACT OF 2007 (APPROVE)

Mr. Gallegos presented this item and stated that Senate Bill 10 (SB 10), the San Diego County Regional Airport Authority Reform Act of 2007, outlines the airport-related land use and transportation planning responsibilities of the Airport Authority (Authority) and SANDAG and calls for restructuring of the Authority board of directors. The bill was introduced by Senator Christine Kehoe (D-39th District) and principally co-authored by Assemblymember George Plescia (R-75th District). Senators Denise Ducheny and Dennis Hollingsworth and Assemblymembers Mary Salas and Lori Saldaña are additional co-authors. Thus far, SANDAG has refrained from taking a position on SB 10 and instead directed staff to work with Senator Kehoe and others on the bill. Since May, SANDAG Board members and staff have continued to meet with Authority Board members and staff and Senator Kehoe's staff to discuss potential amendments to SB 10.

On June 19, 2007, significant amendments to SB 10 were made in the Assembly. Minor technical corrections to the bill were made on July 2, 2007. As amended, SB 10 currently incorporates many of the provisions discussed earlier by the Executive Committee and Board, including ensuring that changes to the Authority's governance structure results in appropriate representation of the City of San Diego, County of San Diego, and the four subregions; the need for better integration of air and multimodal transportation planning; and connecting air and multimodal transportation plans into the Regional Transportation and Comprehensive Plans.

As amended, the Authority would remain the Airport Land Use Commission and responsibility for Airport Land Use Compatibility Plans (ALUCPs). A requirement was added that ALUCPs would be submitted to the SANDAG Board for review of compatibility with the Airport Multimodal Accessibility Plan (AMAP), and if SANDAG finds the plans incompatible it would return them with findings to the Authority for revision.

The bill also adds new responsibilities for SANDAG in the preparation of the Regional Airport Strategic Plan (RASP) and the AMAP. The Authority would prepare the RASP in consultation with military and civilian airport operators, state and federal agencies, adjacent region's airport operators, the region's 18 cities, and the public. The RASP would need to be consistent with the RCP and the RTP.

The AMAP would be prepared by SANDAG in consultation with the Authority, the 18 cities and the county, transit operators, Caltrans, and regional airport operators and would include multimodal transportation systems.

The bill calls for major restructuring of the Authority board with dissolution of the current Board and replacement with a new nine-member Board. The nine-member Authority Board would include a member appointed from east county, north county coastal, north county inland, and south county, three members from the City of San Diego, and two members from the County of San Diego. The Mayor of San Diego would appoint the Authority chair. Each region can appoint either an elected official or a member of the public, although at least one of the City of San Diego and at least one of the County of San Diego members must be an elected official. Voting by the Authority Board is based on a tally and a weighted vote system similar to that of SANDAG with a weighted vote based on

population. The bill establishes a supermajority or two-thirds vote requirement (for both the tally and weighted vote) for any action by the Authority that would place a ballot measure before the public.

Chair Sessom stated that the process in amending the bill's language has been lengthy and stated that she is pleased with how the bill has developed.

Councilmember Jones stated that the City of San Marcos has some issues with the components of the bill, in particular with the governance provisions for the Authority Board. These issues include: the Mayor of the City of San Diego appoints the Board chair; the City of San Diego has three appointed members; and the vote is both tally and weighted. Councilmember Jones stated that the City of San Marcos cannot support the bill if it includes these provisions.

Mayor Cafagna stated that he would like Mr. Gallegos to describe the protections for those cities with existing airports, and how the bill's provisions concerning ALUCPs would work if the Authority decides to update the compatibility plans.

Mr. Gallegos stated that the current ALUCPs would need to be updated on a regular basis, and that the Authority would have to gain approval and concurrence from the SANDAG Board for any changes to the plans. The RASP is prepared by the Authority in consultation with region's cities and the County, giving those agencies the opportunity to address any potential issues with the regional aviation system. There are built in checks and balances that must occur prior to any changes to land use plans.

Chair Sessom reiterated that any onsite improvements would be done by airport operators, and those decisions belong with the airport operators.

Mr. Gallegos stated that the Master Plans for each airport controlled by those operators would address those types of onsite airport improvements.

Mayor Morrison expressed his appreciation to Senator Kehoe and her staff for addressing the many concerns and incorporating changes in the bill. Mayor Morrison stated that the County's unincorporated area has no formal representation requirement. The County could appoint both its members from an incorporated area. He would like to see a requirement for the County to appoint one of its two members from the unincorporated area. Mayor Morrison also stated that there should be a process to revisit the bill in the future after implementation to address any problems that may arise.

Ms. Deanna Spehn, Policy Director for Senator Kehoe, stated that the Senator intends to monitor the implementation of the bill and would like to continue the open dialogue. If there is a need to make some changes after implementation, she is open to doing so. She also reiterated that each of the jurisdictions' airport master plans drive any land use decisions at the airports.

Mayor Sanders stated that he has had several very productive meetings on this bill and that the current language addresses the many concerns brought forth during these discussions, preserving each entity's rights and responsibilities.

Councilmember Carrie Downey (Coronado) stated that the City of Coronado has different issues with a military airport and their specific land use issues and supports the bill. Those communities with a military airport already work with the military on their land use regulations, and the only issue they bring forth is that there is no need for further regulation from the Authority.

Mayor James Wood (Oceanside) commented that he agrees with Councilmember Jones' concerns and acknowledged that the bill is a compromise. He stated he would like to ensure that there is a method to readdress the bill in the future after implementation to work out any issues that may arise. He expressed his concern regarding how any future ballot initiative would affect a small, municipal airport and requested Mr. Gallegos to explain how the bill would address this issue. Mayor Wood also expressed concerns about the weighted vote and the fact that smaller cities that have airports would have a lesser weighted vote.

Mr. Gallegos explained that the operator of the airport would have direct responsibility for their municipal airport, and that if the Authority would place anything on a ballot it would require a supermajority vote.

Supervisor Horn stated that the County owns and operates several airports and has dealt with land use issues with the Authority in the past. He stated that as long as the County has a veto in land uses, especially along flight paths, they support the bill.

Action: Upon a motion by Mayor Sanders and a second by Second Vice Chair Stocks, the SANDAG Board supported Senate Bill 10 in concept, subject to the review of final bill language that incorporates proposed planning-related amendments as well as provisions for use of the tally, weighted, and supermajority vote of the Authority Board. Yes – 13 (weighted vote, 98%). No – 1 (weighted vote, 2%). Abstain – 0 (0%). Absent – Chula Vista, El Cajon, Imperial Beach, La Mesa, and Solana Beach.

15. SENATE BILL 375 (APPROVE)

Mr. Gallegos presented this item. At its May 11, 2007, meeting, the Executive Committee discussed SB 375, a bill introduced by Senator Darrell Steinberg (D-Sacramento) and co-sponsored by the California League of Conservation Voters and the Natural Resources Defense Council. At that time, the Committee directed staff to continue to monitor the bill and to work with the League of California Cities and others on possible amendments. Since May, substantial amendments have been made to SB 375. As currently amended, the bill's provisions regarding the preferred growth scenario (PGS) and significant resource areas are problematic. As further discussed, these provisions would require SANDAG, in its roles as the metropolitan planning organization (MPO) and regional transportation planning agency (RTPA), to make certain land use findings concerning transportation and development projects in designated areas. SB 375 would create new provisions for the preparation of regional transportation plans (RTPs) and regional transportation improvement programs. Among the bill's provisions are new requirements for RTPs to include a preferred growth scenario in order to achieve greenhouse gas reduction targets set by the state. The bill would provide for a streamlined CEQA process for projects located in jurisdictions where general plans are consistent with the preferred growth scenario.

Staff believes the bill is too broadly written and could be detrimental to current habitat conservation plans. The bill could place land use planning decisions with SANDAG that could conflict with local general plans and land use authority. While the overall goals of SB 375 are to better link land use and transportation planning and to address climate change are consistent with the RCP, as currently written the bill mandates a more prescriptive means for developing growth scenarios and does not allow for flexibility. Staff has asked the author to make SB 375 a two-year bill to provide for amended language, but Senator Steinberg has refused. Staff would like to see revised language in the bill to include changes that would: exempt agencies with habitat conservation plans, exclude agencies like SANDAG from making land use decisions, address cross border commuting trends, and revise a provision so that the implementation of voter-passed projects are not impeded.

The Assembly Transportation Committee approved SB 375 on July 9, 2007. The bill is scheduled for its next hearing in the Assembly Appropriations Committee. Given the rapid movement SB 375 is making through the legislative process, the SANDAG Executive Committee discussed this bill on July 13, 2007. Because of the bill's potential impacts on local land use authority, the Executive Committee voted to oppose SB 375.

Councilmember Crawford stated that SANDAG needs to take the position to oppose unless amended in order to allow for further discussion on the bill and to provide an opportunity for SANDAG to develop a strategy on the bill. Councilmember Crawford requested clarification from Mr. Gallegos on the status of the bill.

Mr. Gallegos stated that the bill is moving quickly through the Legislature and the League of California Cities was scheduled to meet with the bill's author to request that SB 375 be made a two-year bill.

Second Vice Chair Stocks stated that the Executive Committee discussed taking the position of oppose unless amended, but the decision was made that the bill is too flawed to be amended, and SANDAG needs to send the message to the author that the bill should not even be considered.

Mayor Cafagna stated that the good elements of the bill are already covered in current law and regulations. The language in the bill is so conflicting and flawed and overreaches its bounds into local communities and regional planning. He stated that there is no way to amend the bill to make it work. Mayor Cafagna stated that taking the position to oppose unless amended would send the wrong message to the author that SANDAG accepts some portion of the bill. This bill is not acceptable in any version, and we need to send a strong message that the bill needs to be completely rewritten.

Councilmember Downey stated that this bill appears to be one method for the transportation sector to address the mandate to reduce greenhouse emissions and stated her concurrence with SANDAG taking the position to oppose unless amended. She stated amending the current bill precludes the possibility that its potential replacement to address greenhouse gas regulations could be even more flawed.

Discussion ensued among the members with comments from Councilmember Atkins, Mayor Wood, Chair Sessom, Mr. Gallegos, Mayor Cafagna, Mayor Pfeiler, Councilmember

Crawford, Supervisor Horn, and Councilmember Downey regarding whether SANDAG should take a position to oppose SB 375 or to oppose unless amended.

Mr. Gallegos suggested that the Board oppose the bill and amend the motion to direct staff to send a letter to the author and sponsors of the bill to send the message that as leaders in this area, we would like the opportunity to continue discussions.

Discussion ensued among the members regarding the content of the letter that would be sent to the author of SB 375, and the consensus was to send a letter stating that the Board opposed SB 375 and that we are willing to work with our legislative delegation in the future.

Mayor Cafagna stated that he could not support a motion to send a letter to the author. The letter would send the message that we support some portion of the bill as written and are willing to amend the bill.

Councilmember Crawford and Councilmember Downey stated that they could not support a motion to send a letter that did not address the specific concerns of SANDAG regarding SB 375.

Action: Upon a motion by Mayor Wood and a second by Councilmember Jack Dale (Santee), the SANDAG Board concurred with the Executive Committee's action to oppose SB 375 with direction to staff. Yes – 11 (weighted vote, 72%). No – 4 (weighted vote, 28%). Abstain – 0 (0%). Absent – Chula Vista, El Cajon, Imperial Beach, La Mesa, and Solana Beach.

16. PROPOSED AMENDMENTS TO BYLAWS AND BOARD POLICIES (APPROVE)

Ms. Wiley presented this item and described the proposed amendments to the SANDAG Bylaws and Board Policies that the Executive Committee discussed in May and June 2007, in order to update those documents for the following reasons: enactment of SB 1296 (Kehoe), which added a second seat for the County of San Diego to the Board, to reorganize Board Policy Nos. 002 and 004, and to make other updates to the policies and bylaws based on staff recommendations.

Action: Upon a motion by Supervisor Horn and a second by Councilmember Downey, the SANDAG Board approved the proposed amendments to the Bylaws and Board Policy Nos. 002 and 004. Yes – 12 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – Chula Vista, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, and Solana Beach.

17. MID-CITY RAPID BUS PROJECT: PROPOSED APPLICATION FOR FEDERAL TRANSIT ADMINISTRATION FUNDING (APPROVE)

Miriam Kirshner, Senior Regional Planner, presented this item. The Mid-City Rapid Bus project includes the design and implementation of a ten-mile, high-speed, limited-stop service between San Diego State University (SDSU) and downtown San Diego along El Cajon and Park Boulevards. The line will provide North Park, City Heights, and College area residents, students, and workers with a limited-stop, high-speed service in one of the key transit corridors in the region.

Ms. Kirshner outlined the benefits that would accrue from the project and discussed a recent opportunity that arose to apply for funding under a new federal program designed for small-scale transit capital improvement projects. Benefits include faster travel times, enhanced customer experience, and more frequent service. Transit would have signal priority, dedicated lanes, and line jumper lanes. Also, new station designs, level boarding at stations through raised platforms, and low-floor buses are part of the project.

The Mid-City Rapid Bus project meets all the criteria for the Very Small Starts Program and Federal Transportation Administration (FTA) staff has expressed strong interest in the project. Capital costs total approximately \$40 million, and staff is requesting a fifty-percent federal match of \$20 million through this program.

On July 18, 2007, ITOC held a discussion of the Mid-City Rapid Bus project, including the concept of applying for federal matching funds. ITOC voted unanimously to support the application for federal funds under the Very Small Starts program and agreed to bring the Mid-City Rapid Bus project forward for consideration in the pending update to the *TransNet* Plan of Finance.

On July 20, the Transportation Committee recommended that the SANDAG Board approve the submittal of an application for federal funds and to select the Mid-City Rapid Bus project as the "locally preferred alternative" in the corridor for purposes of federal funding consideration.

Mr. Clive Richard, a member of the public, commented that although he has reservations regarding the project, he believes that it has a good chance for funding and urged the Board to approve the application.

Councilmember Matt Hall (Carlsbad) asked staff whether other projects were competing for the \$20 million in funding that SANDAG would use to match the federal funds for this project, if received. Ms. Kirshner replied that the Board would review an updated *TransNet* Plan of Finance in the fall, which would lay out the *TransNet* project funding proposals.

Mr. Gallegos stated that the project is currently in *TransNet* and that staff is taking advantage of a new opportunity to find a funding match.

Councilmember Crawford stated that this project does not take away from the total *TransNet* program but moves one project forward to take advantage of this new federal program for matching funds.

Mr. Gallegos confirmed Councilmember Crawford's comment and stated that leveraged funding was always the intention with *TransNet* by finding state or federal match funding for projects.

Mr. Gallo requested clarification regarding the impact to traffic throughout the day when signal priority is utilized for transit.

Ms. Kirshner stated that the signal priority extends the green light for a few seconds and also extends the red in the opposing direction. Additionally other parameters can be

written into the system such as waiting one or two signal cycles before allowing transit signal priority to be used again.

Councilmember Atkins stated that taking advantage of the available federal funds is a good idea, and she supports this project. She stated her appreciation of staff's work over the years on these types of projects and others that serve our dense communities.

Mayor Cafagna stated his support for the project.

Councilmember Crawford stated that public members of the Stakeholders Working Group have supported this type of project that utilizes the kind of technology like line jumping and signal priority.

Action: Upon a motion by Councilmember Atkins and a second by Councilmember Crawford, the SANDAG Board approved the submittal of an application to the Federal Transit Administration for funding for the Mid-City Rapid Bus project under the new "Very Small Starts" program. The Board also selected the Mid-City Rapid Bus project as the "locally preferred alternative" within the corridor for purposes of federal funding consideration. Yes – 12 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – Chula Vista, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, and Solana Beach.

18. DRAFT 2007 REGIONAL ECONOMIC PROSPERITY STRATEGY (INFORMATION)

Chair Sessom introduced Julie Meier-Wright, Regional Economic Prosperity Strategy (REPS) Working Group Co-Chair, who introduced the item. Ms. Meier-Wright commented that the Prosperity Strategy has served as a method of evaluating and monitoring the local economy since the 1990s. The working group has spent several months analyzing data and forming this picture of how our region compares to other regions and the nation as a whole. The working group focused on identifying our region's strengths and weaknesses and how to improve the regional economy to be more competitive. The collaboration and cooperation is essential to develop a framework for existing agencies to bring about change. The REPS is an element of the SANDAG RCP. The draft 2007 update is titled *Preparing for Regional and Global Collaboration* and contains two volumes: *Evaluating the Competition and Assessing our Strategic Position (Volume II)* and *San Diego Regional Economic Prosperity Strategy (Volume I)*. The working group identified nine strategic goals that are imperative for our region's success. Additionally, the REPS recommends specific actions and identifies agencies that can carry out the actions. The Strategy does not propose new organizations but focuses on collaboration with existing organizations to bring about change.

Ms. Meier-Wright introduced Marney Cox, Chief Economist, who presented an overview of the REPS, including the major challenges and the nine strategic goals. Powerful and sometimes global currents are changing economic and social systems in cities and regions around the world. In response, people in leadership positions are seeking strategies they can use to make their places competitive and to attract and retain technology or innovation-based enterprises. These places start with an inherited pattern of land use, a resource base, and a set of institutions tailored to another era. The challenge is to re-orient land, resources, and institutions to accommodate the needs of an economy in the 21st century; the payoff is the opportunity to achieve a high and rising standard of living for

all residents. The strategy focuses on benchmark results from the study of state and national trends in 25 comparable regions.

After analysis of the observations and data, the working group developed the Strategy, which is organized in four indicator areas: social and economic performance, business vitality, resources for economic growth, and infrastructure capacity. Focus for the San Diego region is to slow the cost-of-living rate and increase the rate of wage growth. Mr. Cox presented factors affecting the rate of the cost-of-living and wage growth and discussed how the four indicator areas affected the San Diego region's standard of living. The Strategy includes a total of nine goals and 26 specific recommended actions. Mr. Cox highlighted two goals that would have the greatest impact to the region's standard of living: increase housing supply to stabilize prices and develop a goods movement strategy and action plan. Mr. Cox stated that the region needs to focus on the visitor industry model for job growth and utilize a collaborative approach with other regions to implement the Prosperity Strategy.

Councilmember Hall commented that the information presented is very important to our region and on track with how we as governmental agencies will need to react in the next 10 or 15 years. He stated that the Board should consider the Prosperity Strategy in its goal setting for 2008.

Mr. Gallo requested clarification of the military role and how they fit into the REPS.

Mr. Cox stated that the contract military is included as a traded cluster. The uniformed military is out of our direct control, so it was not included as a cluster.

Mr. Gallo stated his concerns regarding out-sourcing of jobs and asked how our region could compete to retain those out-sourced jobs.

Mr. Cox stated that to retain those out-sourced jobs, the region needs to improve employee skill level and training and to raise productivity. The draw of out-sourcing is the ability of those labor forces to produce a product at a lower cost. The region needs to embrace competition, increase productivity, and find ways to be more competitive.

Ms. Meier-Wright stated the region needs to focus on infrastructure requirements for the region and to look more globally to address competition.

Mr. Gallo commented that this same presentation was given to other policy committees, and he urged the Board to express their support for the Prosperity Strategy.

Councilmember Crawford commented that global prospects such as working as a mega region with our neighbors in Mexico needs to be considered and factored in to the recommendations in the Prosperity Strategy, which would increase our opportunities to compete.

Ms. Meier-Wright stated that the region's relationship with its Mexican neighbors is addressed in the REPS with recommendations to resolve border wait times and play a more aggressive role in free trade. She also commented that the principle will be to develop 10 mega regions in the country creating investment in some areas.

Mr. Cox stated that SANDAG is already identifying organizations that work with partners across the border and encouraging them to incorporate outreach into their operating procedures.

Ms. Meier-Wright stated that the EDC just completed a joint promotional video with the Tijuana Economic Development Council.

Mr. Gallegos stated that many times our neighbors become our competitors for funding of projects. The future of transportation might be about economic competitiveness at the global level, which will drive a need to become more collaborative.

Councilmember Crawford stated that Europe is a good example of a successful mega region where there is a combined economy and open borders creating a freer flow of labor and companies working across borders. She referenced a presentation regarding opportunities for our region to do together what we can't do alone. She noted that there exists an obstacle regarding public perception of the risks at the border. The entire county exists in a border zone, and we need to find a way to use that to our benefit to create a model that allows free trade across the border and better movement of labor. The nationwide negative perception that labor from outside our border is taking away jobs from Americans is not supported by the statistics and is just one of the major obstacles that need to be overcome. This Board and the public need to think about taking advantage of opportunities to increase cross border relationships that improve our quality of life.

Mayor Cafagna commented that low wages and high cost of living are the major problems in our region. It is not realistic to compare our region to others like China, which is not subject to such things as employment contracts, pension plans, or environmental regulations. Employment issues are different. We do as a country out-source low paying jobs. Those companies that are hiring for higher level jobs are finding a shortage here and are importing employees for these higher level positions. We need to improve our education and training for our labor force so they can be competitive in these higher level jobs. This region has the ability to attract a labor force from Mexico to fill our lower paying jobs. Increased density is not a solution for this region. The region needs to focus on education for our labor force to allow them to fill the higher paying, higher educated jobs that are currently being filled from out of the country.

Ms. Meier-Wright commented that when you find a good model, such as High Tech High here in San Diego, it should be replicated, but we don't tend to do that. We need to develop and offer programs that provide the opportunities to get the education that our work force needs. SANDAG needs to drive allocations of money to support these programs.

Mr. Cox commented on two examples that show our region does not do a good enough job of training and educating our work force. The first was in the late 1990s when Congress was asked to raise the level for H-1B Visa, a specialized Visa that allows companies to bring highly educated and skilled workers into the country to fill the jobs being produced in high value added areas. In the long term, we need to be able to educate and train our own work force so they are capable of filling some of these jobs. Second, a recent report assessing the needs of California's future labor force concluded that California would have to import a quality labor force to fill the jobs that will be produced. SANDAG needs to address these concerns as a policy issue.

Marilyn Dailey (San Diego County Water Authority) stated that we need to focus on outreach and public information.

Councilmember Dale commented that we need to address how public dollars are distributed in the region. For instance, in Santee it makes more sense to build residential units as opposed to commercial offices to fit the needs of the community. The city gets property tax but loses sales tax. We need to find another stream of income, outside of taxes or ballot measures, to fund transportation systems and schools by re-evaluating where our public dollars go.

Mr. Cox replied that we need to look at how we allocate revenue today and find a way to allocate that same revenue in a different way to be more productive without raising taxes. The way the State of California distributes sales tax dollars encourages a certain type of development while discouraging others. Retail developments get much greater support than housing developments which is one of the primary causes for a shortage of housing in major urban areas. Local jurisdictions do not have the incentive to produce housing unit developments. Retail developments get a better reception and an easier approval process as a result of the allocation process. Changing how we allocate revenues will change how local jurisdictions handle both housing and retail developments because they would not be financially dependent on those sales tax revenues. Land use strategies would then focus on finding a balance in the community, adding affordable housing or higher value-added jobs, and mitigating transportation issues. After that, perhaps there may be a need for new revenue resources to pay for needs in the community. Greater property tax revenue should be distributed to the local governments. The way we fund education needs to change; now property taxes are the largest funding source, and local land use decisions need to be tied to revenue sources. Today, redevelopment agencies and school districts compete for funding as a greater percentage of redevelopment property taxes go to the local jurisdictions now instead of to the schools. We need to look at methods to encourage more collaboration and changing the rules to achieve goals together. Then we can look at new sources. Stormwater management, habitat preservation, and beach/sand replenishment are examples of major infrastructure areas that have no funding or are under funded.

Councilmember Hall commented that through management plans local jurisdictions have a tool to find sources of revenue.

Action: This item was presented for information only.

19. UPCOMING MEETINGS

The regularly scheduled August 10, 2007, Board Policy and August 24, 2007, Board Business meetings have been cancelled. The next Board Policy meeting is scheduled for Friday, September 14, 2007, at 10:00 a.m. The next Board Business meeting of the SANDAG Board of Directors is scheduled for Friday, September 28, 2007, at 9:00 a.m.

20. ADJOURNMENT

The meeting was adjourned at 12:32 p.m.

ATTENDANCE
SANDAG BOARD OF DIRECTORS' MEETING
JULY 27, 2007

JURISDICTION/ ORGANIZATION	NAME	ATTENDING
City of Carlsbad	Matt Hall (Member)	Yes
City of Chula Vista	Cheryl Cox (Member)	No
City of Coronado	Carrie Downey (1st Alternate)	Yes
City of Del Mar	Crystal Crawford (Member)	Yes
City of El Cajon	Mark Lewis (Member)	No
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	Patricia McCoy (1st Alternate)	No
City of La Mesa	Art Madrid (Member)	No
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	Jerry Sanders (Member A)	Yes
City of San Diego - B	Toni Atkins (Member B)	Yes
City of San Marcos	Rebecca Jones (1st Alternate)	Yes
City of Santee	Jack Dale (Member)	Yes
City of Solana Beach	Lesa Heebner (Member)	No
City of Vista	Judy Ritter (Member)	Yes
County of San Diego - A	Ron Roberts (Member A)	No
County of San Diego - B	Bill Horn (Member B)	Yes
Caltrans	Bill Figge (Alternate)	Yes
MTS	Harry Mathis (Member)	Yes
NCTD	Julieanne Nygaard (1st Alternate)	Yes
Imperial County	Victor Carrillo (Member)	Yes
US Dept. of Defense	CAPT Robert Fahey (Alternate)	Yes
SD Unified Port District	Sylvia Rios (Member)	Yes
SD County Water Authority	Marilyn Dailey (Member)	Yes
Baja California/Mexico	Ricardo Pineda (Alternate)	Yes
Southern California Tribal Chairmen's Association	Robert H. Smith (Member)	Yes