TRANSPORTATION COMMITTEE
AGENDA

Friday, June 15, 2007
9 a.m. to 12 noon
SANDAG Board Room
401 B Street, 7th Floor
San Diego

AGENDA HIGHLIGHTS

• CAPITAL IMPROVEMENT PROGRAM BUDGET TRANSFERS

• SPRINTER BUS SERVICE REDESIGN

PLEASE TURN OFF CELL PHONES DURING THE MEETING

YOU CAN LISTEN TO THE TRANSPORTATION COMMITTEE MEETING BY VISITING OUR WEB SITE AT WWW.SANDAG.ORG

MISSION STATEMENT

The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus, makes strategic plans, obtains and allocates resources, plans, engineers, and builds public transit, and provides information on a broad range of topics pertinent to the region’s quality of life.

Welcome to SANDAG. Members of the public may speak to the Transportation Committee on any item at the time the Committee is considering the item. Please complete a Speaker’s Slip, which is located in the rear of the room, and then present the slip to Committee staff. Also, members of the public are invited to address the Committee on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Speakers are limited to three minutes. The Transportation Committee may take action on any item appearing on the agenda.

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

In compliance with the Americans with Disabilities Act (ADA), SANDAG will accommodate persons who require assistance in order to participate in SANDAG meetings. If such assistance is required, please contact SANDAG at (619) 699-1900 at least 72 hours in advance of the meeting. To request this document or related reports in an alternative format, please call (619) 699-1900, (619) 699-1904 (TTY), or fax (619) 699-1905.

SANDAG offices are accessible by public transit.
Phone 1-800-COMMUTE or see www.sdcommute.com for route information.
<table>
<thead>
<tr>
<th>ITEM #</th>
<th>RECOMMENDATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>+1.</td>
<td>APPROVE</td>
</tr>
<tr>
<td>+2.</td>
<td>APPROVE</td>
</tr>
</tbody>
</table>

**+1. APPROVAL OF JUNE 1, 2007, MEETING MINUTES**

**+2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS**

Members of the public will have the opportunity to address the Transportation Committee on any issue within the jurisdiction of the Committee. Speakers are limited to three minutes each and shall reserve time by completing a "Request to Speak" form and giving it to the Clerk prior to speaking. Committee members also may provide information and announcements under this agenda item.

On April 6, 2007, the Transportation Committee received a Biannual Transit Development Review Report as an information item that summarized improvements to regional transit infrastructure made by private development projects. A table with corrected project locations and information is provided for the Transportation Committee.

**CHAIR'S REPORT (3)**

3. **STATE ROUTE 905 STATUS UPDATE (Pedro Orso-Delgado, Caltrans)**

Pedro Orso-Delgado will provide the monthly update of what was discussed by the State Route (SR) 905 strike team.

**REPORTS (4 through 11)**

+4. **CAPITAL IMPROVEMENT PROGRAM BUDGET TRANSFERS (John Haggerty)**

The Transportation Committee is asked to recommend that the SANDAG Board of Directors: (1) approve a Memorandum of Understanding with MTS for fund transfers in an amount not to exceed $250,000 in substantially the form attached; and (2) approve a budget increase in same amount for the City College Station Realignment Project for installation of a crossover in C Street, and approve a budget transfer of $200,000 from the Catenary Wire Project into the L Street and West Park Crossing Rehabilitation Project to fund the full cost of construction.

+5. **FOLLOW UP REPORT ON AIRPORT PLANNING ISSUES (Miriam Kirshner)**

This is a follow-up report on aviation and ground access issues that were discussed with the Transportation Committee on May 18, 2007.
+6. FY 2008 TRANSPORTATION DEVELOPMENT ACT ALLOCATIONS AND PRODUCTIVITY IMPROVEMENT PROGRAM (Sookyung Kim) RECOMMEND

As the designated Regional Transportation Planning Agency for the San Diego region, SANDAG is responsible for the annual allocation of Transportation Development Act (TDA) funds to the region's cities, the County, and transit operators. The Transportation Committee is asked to recommend that the SANDAG Board of Directors approve the final FY 2008 TDA allocations and the FY 2008 productivity improvement program at its June 22, 2007, meeting.

+7. DRAFT 2008 TRANSIT AGENCY OPERATING BUDGETS (Tim Watson, SANDAG; Rick Howard, NCTD; and Paul Jablonski, MTS) APPROVE

Metropolitan Transit System (MTS) and North County Transit District (NCTD) will present their final budgets, with contingencies, for FY 2008 for review, discussion, and approval of the use of funding. The Transportation Committee is asked to approve the NCTD and MTS FY 2008 operating budgets for funding (not to exceed the revised Transportation Development Act (TDA) and TransNet revenue estimates) and contingent upon approval by the respective Boards of each transit agency and the Board of Directors approval of the TDA allocations on June 22, 2007.

+8. INTERSTATE 15 MANAGED LANES CORRIDOR UPDATE (Marney Cox) INFORMATION

At its June 1, 2007, meeting, the Transportation Committee recommended that the Board of Directors approve a $37.7 million budget increase to the I-15 Managed Lanes/Bus Rapid Transit project. This would increase the budget from $1.25 billion to $1.29 billion. Staff will provide additional information requested by the Transportation Committee on the construction cost index and the assumptions made to determine the cost increase for the project.

+9. SPRINTER PROJECT STATUS REPORT AND SANDAG INDEPENDENT ASSESSMENT (Jim Linthicum) INFORMATION

This item provides a monthly status report on the SPRINTER rail project, including discussion of implementation and effectiveness of project cost control measures. North County Transit District and SANDAG staffs will summarize recent progress on the project.
+10. **SPRINTER BUS SERVICE REDESIGN (Stefan Marks, Manager of Service Development, North County Transit District)**

The SPRINTER is scheduled to begin operation between Oceanside and Escondido in December 2007. The start up of the rail service will require an almost total redesign of local bus service in the communities served by the SPRINTER including Oceanside, Vista, San Marcos, and Escondido. NCTD has prepared a plan for the proposed changes to bus routes and schedules and is presenting the concept to the public. A public hearing will be held by the NCTD Board before approval. Stefan Marks from NCTD will provide the Transportation Committee with a brief overview of the proposed changes.

11. **SAN DIEGO TROLLEY FARE INSPECTION (Peter Tereschuck, General Manager and Bill Burke, Director of Security, San Diego Trolley Inc.,)**

In response to a request by the Transportation Committee, representatives of San Diego Trolley Inc. will make a presentation regarding fare inspection procedures on the Trolley system.

12. **UPCOMING MEETINGS**

The next meeting of the Transportation Committee is scheduled for Friday, July 6, 2007, at 9 a.m.

13. **ADJOURNMENT**

+ next to an agenda item indicates an attachment
The meeting of the Transportation Committee was called to order by Chair Jim Madaffer (City of San Diego) at 9:35 a.m. See the attached attendance sheet for Transportation Committee member attendance.

1. APPROVAL OF MEETING MINUTES

Action: Upon a motion by Supervisor Ron Roberts (Chairman, County Board of Supervisors) and a second by Bob Emery (Chair Pro Tem, Metropolitan Transit System [MTS]) the Transportation Committee approved the minutes from the May 18, 2007, meeting.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Jim Schmidt, a member of the public, commented that a public/private partnership is necessary to build the proposed State Route (SR) 11 toll road similar to the SR 125 project. A partnership would expedite the process and lower costs.

Chuck Lungerhausen, a member of the public, read from his letter to the editor in the San Diego Union-Tribune and provided the Committee with a copy of the letter. Mr. Lungerhausen commented that utilizing only low-floor trains is the method to improve congestion and operations on the trolley. Low-floor trains improve the speed of boarding and debarking passengers. Replacement of old trolley cars with all low-floor cars is a better option than refurbishing the old cars.

Clive Richard, a member of the public, agreed with Mr. Lungerhausen’s comments. Mr. Richard also expressed his desire to be informed regarding the status of implementation of Smart Card technology and the Smart Corner project.

Gary Gallegos, Executive Director, commented that the Smart Corner project would be completed in July of this year, and the Smart Card was currently in the staff testing phase of implementation. In the fall, the Smart Card will be issued to select transit riders for testing with full implementation expected within the next year.

Chair Madaffer informed the public that the next SR 905 Strike Team meeting would be held at 8:30 a.m. prior to the June 15, 2007, Transportation Committee meeting.
Chair Madaffer commented that the members had requested that staff prepare a report with a comprehensive list of funding sources to present at the next Transportation Committee meeting. Due to impacts from TransNet and the Transportation Development Act (TDA) growth rate, the state budget situation, and other negotiations at the state level, staff will bring the item to a meeting in September when there will be a better understanding of these impacts to funding sources.

**CONSENT ITEMS**

3. **TRANSPORTATION DEVELOPMENT ACT ARTICLE 3.0 CLAIM AMENDMENTS: CITIES OF CHULA VISTA, CORONADO, ENCINITAS, AND POWAY (APPROVE)**

The cities of Chula Vista, Coronado, Encinitas, and Poway have indicated that construction was completed on various bicycle and pedestrian projects. Unexpended Transportation Development Act (TDA) funds from these projects remain, and the allocations for these TDA claims must be reduced. The Transportation Committee is asked to approve Resolution No. 2007-25.

4. **AUGUST TRANSIT SERVICE CHANGES (INFORMATION)**

This is an information item reporting on the planned North County Transit District (NCTD) service changes for August 2007.

**Action:** Upon a motion by Mayor Lori Holt Pfeiler (North County Inland) and a second by Supervisor Roberts, the Transportation Committee approved Consent Items 3 and 4, including Resolution No. 2007-25.

**REPORTS**

5. **INTERSTATE 15 MANAGED LANES CORRIDOR UPDATE (RECOMMEND)**

The Interstate 15 Managed Lanes/Bus Rapid Transit (I-15 ML/BRT) project features include 20 miles of new managed lanes, operational improvements, implementation of the region’s first BRT service, and expansion of the existing FasTrak® system. Due to construction price escalation over previously assumed escalation rates, there is a need for a $37.7 million budget increase to the I-15 ML/BRT project. This would increase the budget from $1.25 billion to $1.29 billion.

Gustavo Dallarda, Corridor Director, Caltrans, presented a brief description of the three segments of the project, the current status of each segment, and the proposed completion dates.

The middle segment is currently under construction. The bridge at SR 56 and Ted Williams Parkway is expected to be completed this summer. The Carmel Mountain Road overcrossing is expected to be complete in June. The managed lanes section north of Bernardo Center
Drive is expected to be complete by the end of this month. Completion of the second bridge at Green Valley Creek and Lake Hodges is expected by the end of the year.

The north segment is divided into two projects. The design on the 9th Avenue to SR 78 portion is at 60 percent complete and plans for the Washington Street Bridge have been submitted for review. The current budget reflects a $30 million increase due to escalation. The south segment design phase is currently underway and construction is expected to begin early next year. The managed lanes portion of the south segment is fully funded with a $350 million contribution from the Corridor Mobility Improvement Account (CMIA).

The BRT stations are in the design phase and environmental studies are expected to begin in the next six months. Construction of interim stations is expected to begin this summer. The southern BRT stations are currently in the planning stage and will be presented at a future meeting.

The budget for these projects has been subjected to a much higher rate of escalation than estimated, as well as higher construction costs. Mr. Dallarda presented three proposed options for funding of the project increase and the pros and cons for each option. Option A fully funds the project with an increase of $37.7 million; Option B defers $23 million of improvements; and Option C defers the entire $37.7 million of improvements. Further escalation of these deferred costs under Options B and C could potentially increase 50 percent or more over the next few years.

Supervisor Roberts requested staff to clarify whether the proposed $37.7 million increase includes an estimate of increased costs over the life of the project or if the Committee would need to revisit this number each year. Mr. Dallarda responded that the estimate includes a cost increase of 3.6 percent each year. The estimate of escalation covers the entire construction period.

Supervisor Roberts expressed concern about the estimated percent escalation per year over the life of the project when costs are expected to continue above that level. Mr. Dallarda replied that it is reasonably expected that the escalation would fluctuate over the next few years and staff is using an average calculation of 3.6 percent.

Chair Madaffer asked what the actual estimated increase could be over the next year. Mr. Dallarda answered that the estimated increase annually would be 20 percent.

Discussion ensued among Committee members and staff regarding the escalation estimates for the project, what degree of fluctuation could be reasonably expected over the life of the project, the validity of the proposed $37.7 million dollar increase, and the impact of funding other projects if the Committee approved the $37.7 million increase for this project.

Mr. Gallegos suggested that staff review the estimates for cost increases at the highest and lowest points, how each level of funding would affect the project, and bring that information back to the Committee at its next meeting.
Chair Madaffer stated that he would prefer a vote on the project as presented to the Committee as long as staff has built in a level of contingency to balance the estimated escalation.

Mr. Dallarda stated that the project has a 10 percent contingency in addition to the 3.6 percent escalation factor.

Supervisor Roberts stated that he would like staff to bring the item back at the June 15 meeting with a more detailed cost estimate and prediction of future costs and budget increase needs.

Marney Cox, Chief Economist, stated that staff discussed the potential cost increases with other agencies. Construction costs and the high rate of growth are the two factors impacting the higher costs. Staff estimates the rate of growth will slow and construction costs will level off over the life of the project, thus balancing the escalation.

Discussion ensued among Committee members and staff regarding the impact on the project budget due to the fluctuation in rate of growth, construction costs, contingency costs and escalation estimates for the project.

Mayor Holt Pfeiler requested that the Committee take action on the item as proposed with the reflected cost increase of $37.7 million, and to direct staff to review the cost increases and return to the Committee at the June 15 meeting with an in-depth analysis on the escalation numbers for Committee action on an increase or decrease to the budget.

Supervisor Roberts concurred with Mayor Holt Pfeiler’s request.

Kathy Keehan, Executive Director, San Diego County Bicycle Coalition, requested clarification on the 27 percent increase for the project and asked from what account the funding for the proposed increase was identified. Mr. Dallarda confirmed that the 27 percent increase was for the entire project. Mr. Gallegos stated that the funds would come from TransNet. The CMIA funds for this project allowed SANDAG to move the $350 million of TransNet funds to other projects and to fund the $37.7 million increase to this project.

Jay Powell, City Heights Community Development Corporation, commented on the implications of escalation to the project budget and the impact on the center line BRT in the Early Action Program. He stated that starting construction now on a viable project makes sense and completing construction of the center line is essential to transit operations. Mr. Powell invited the members and the public to a celebration in City Heights at 10:30 a.m. Saturday, June 2, 2007, near the City Heights Transit Plaza.

**Action:** Upon a motion by Mayor Holt Pfeiler and a second by Councilmember Jerry Kern (North County Coastal), the Transportation Committee recommended that the SANDAG Board of Directors approve a $37.7 million budget increase to the I-15 ML/BRT project increasing the budget from $1.25 billion to $1.29 billion, and directed staff to return at the June 15 meeting with an analysis on the escalation factors with potential action to modify the budget based on those estimates.
6. REGIONAL ARTERIAL SYSTEM UPDATE: PROPOSED MODIFICATIONS (ACCEPT)

Heather Werdick, Senior Regional Planner, presented the recommended modifications to the Regional Arterial System (RAS). The RAS constitutes that part of the local streets and road network which, in conjunction with the system of highways and transit services, provides for mobility throughout the region. The RAS is updated in conjunction with the 2007 Regional Transportation Plan (RTP). Staff received recommendations from eight of the 18 member agencies. Staff reviewed the submitted modifications and after concurrence of the modifications, recommended 86 arterials are added or modified to the RAS. In October 2006, the Transportation Committee reviewed the screening criteria and approved the updated process for the RAS. The improvements to the RAS are funded with the TransNet Regional Transportation Congestion Improvement Program (RTCIP) which will generate a $2,071 fee per new dwelling unit.

Councilmember Phil Monroe (South County) asked staff to clarify why Highway 282 in Coronado was not recommended for inclusion in the RAS improvements and Highway 75 was included. Ms. Werdick stated that although Highway 282 met the capacity and transit criteria, it is classified as a state highway and is already included in the highway network. Highway 75 is specifically written into the TransNet Ordinance and thus qualifies for this program. Mr. Gallegos further clarified that Highway 282 improvements could be accomplished under TransNet as a highway improvement project.

Chair Madaffer requested that staff research the use of TransNet funds for highway and arterial improvement projects and, after the meeting, provide clarification for use of these funds to improve Highway 282. If Highway 282 could qualify for the RAS program based upon this clarification, the Committee would add it to the list of proposed modifications to the RAS.

Chair Pro Tem Emery requested the same clarification regarding Highway 67.

Ms. Werdick confirmed that Highway 67 is a state highway and also that the County did not submit Highway 67 as a modification to the RAS.

Chair Pro Tem Emery stated that Highway 67 is a critical part of the arterial system and is utilized more as a city street or an arterial. The criteria for inclusion in the RAS should reflect this so that it has the same status as other state highways under this program.

Mr. Gallegos further clarified that the state highway system is separate from the local arterial system and state highways have a higher priority. Highway 75 is the only state highway included in the RAS due to its inclusion in the TransNet Ordinance.

Chair Madaffer stated that Theresa Quiroz, a member of the public, submitted a speaker slip to register her approval of the item, but did not request to speak.

Jim Varnador, a member of the public, stated his support and recommended the Committee accept the staff recommendation on the item. He stated his approval with Euclid Avenue and Home Avenue not being recommended for inclusion in the RAS.
Action: Upon a motion by Mayor Holt Pfeiler and a second by Deputy Mayor Jerry Rindone (South County), the Transportation Committee accepted the revised Regional Arterial System for use in the Draft 2007 Regional Transportation Plan.

7. ADJOURNMENT

Chair Madaffer adjourned the Transportation Committee meeting at 10:55 a.m.

JOINT TRANSPORTATION COMMITTEE AND REGIONAL PLANNING COMMITTEE DISCUSSION AND ACTIONS MEETING OF JUNE 1, 2007

The joint meeting of the Transportation Committee and the Regional Planning Committee was convened by Chair Madaffer and Chair Jerry Jones (East County) at 11:05 a.m.

REPORTS

D. DRAFT 2007 REGIONAL ECONOMIC PROSPERITY STRATEGY (INFORMATION)

Councilmember Monroe introduced this item. As Co-chair of the Regional Economic Evaluation and Prosperity Strategy Advisory Working Group (Advisory Group), he and the committee studied regional and national data, and from that compiled the two-volume report Preparing for Regional and Global Collaboration. The report defines strategic goals, recommended actions, identifies public policies and infrastructure investments, and proposes responsible agencies and organizations. The document endorses some politically sensitive recommendations such as free trade, the need for transmission line in energy, stepped-up action in water reformation, and nuclear energy as a source of future energy supply. Councilmember Monroe urged Committee members to read the report.

Chair Madaffer recognized that Charlene Zettel, San Diego County Regional Airport Authority, was present and stated that she would be appointed as the alternate from the Airport Authority to the Transportation Committee.

Mr. Cox provided an overview of the 2007 draft Regional Economic Prosperity Strategy (Strategy). The Strategy is an element of SANDAG’s Regional Comprehensive Plan (RCP). Previous strategies tracked San Diego’s progress through the economic restructuring of the mid- to late-1990s. The 2007 Draft Regional Prosperity Strategy focuses on defining and analyzing the region’s current challenges and outlining strategies to improve San Diego’s economic performance.

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 Advisory 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 9 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 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.

Supervisor Roberts requested clarification on the statement that the region would see a $2 billion benefit by improving border crossing speeds. Mr. Cox responded that the impact from improved, faster goods movement and the increase in dollars spent for employment and recreational activity here in the United States would realize a $2 billion benefit.

Supervisor Roberts asked staff to define which category would include military spending. Military spending is high in our region and should have a higher impact than some of the employment clusters indicated in the report. Supervisor Roberts stated that the military spending seems to be significant enough to be included in the strategy. Mr. Cox replied that military spending is considered an employment traded cluster in terms of tax dollars spent and the housing service provided to those military personnel but the uniformed military component impact to the region’s economy is relatively low.

Mayor Holt Pfeiler asked staff whether the tribal lands and gaming were included in the entertainment industry cluster, and staff indicated that it was included in the data.

Councilmember Bob Campbell (North County Inland) requested clarification on the differential between housing rentals and home sales numbers.

Mr. Cox explained that as housing prices continue to increase and sales continue to fall, more units are being offered as rentals. Without a major downswing in home prices, more units will become rentals.

**Action:** This item was presented for information only.

---

**CONSENT**

A. SMART GROWTH TRIP GENERATION AND PARKING DEMAND STUDY (INFORMATION)

In FY 2008, SANDAG will be embarking on a study to evaluate smart growth trip and parking rates for use in updating the SANDAG traffic generator model and Smart Growth Design Guidelines. The report provides an overview of the study and anticipated outcomes. This item was presented for information only.

**Action:** Upon a motion by Deputy Mayor Rindone and a second by Supervisor Pam Slater-Price, County of San Diego, the Transportation Committee and Regional Planning Committee accepted Consent Item A.
Tom Scott, Executive Director, San Diego Housing Federation, stated his support for the item and asked the committee to place emphasis on affordable housing parking demand. He requested that the study focus on the parking needs for affordable housing in the smart growth areas.

**REPORTS**

B. **SURVEY ON FINANCIAL IMPACT ON TRANSIT FACILITIES AT REGIONAL SHOPPING CENTERS (INFORMATION)**

Item B was deferred to future Transportation and Regional Planning Committee meetings.

C. **CALIFORNIA ENERGY COMMISSION (CEC) PARTNERSHIP (INFORMATION)**

Susan Freedman, Senior Regional Energy Planner, presented an overview of the project. SANDAG has been awarded funding from the California Energy Commission (CEC) to conduct regional energy planning. The Overall Work Plan and Budget of the energy planning program for FY 2007 and FY 2008 have been amended to incorporate the additional project and funding. The Energy Working Group (EWG) has developed a partnership with the CEC to focus on the relationship among land use, transportation, and energy planning, and the impacts of greenhouse gas on these planning areas. The CEC has chosen SANDAG as a partner as it recognizes SANDAG as a leader in transportation and land use planning and SANDAG’s history in regional energy planning. The CEC approved two contracts: the Regional Energy Planning Contract, and a smaller grant called “Rebuild America” which will focus on methods of energy-efficient new construction. The three main tasks of the partnership are to update the Regional Energy Strategy 2030, to expand our Sustainable Regions Pilot with Carlsbad to other local governments, and to conduct an alternative fuel vehicle and infrastructure assessment and develop tools for local governments. The EWG will also identify recurring funding mechanisms.

Chair Jones requested clarification on the role of San Diego Gas and Electric (SDG&E) in the process. Ms. Freedman stated that SDG&E is a member of the EWG and has been involved with the planning process from the beginning. It has provided some local funding to the energy planning program, and has provided input on land use and infrastructure planning components.

Chair Jones requested clarification on how SDG&E’s long-term resource plan integrates with the Regional Energy Strategy and what are the differences between the two plans. Ms. Freedman stated that there is overlap between the two plans but that SDG&E focuses on short-term energy supply and the Regional Energy Strategy focuses on the long-term vision. The Energy Strategy includes the utility and many other organizations to attain short-term and long-term courses of action for sustainable energy.

Mr. Gallegos commented that this partnership will provide better tools for energy planning and future energy-efficient models. The goal with the CEC is to implement working models that can be used statewide.
Kevin Siva, Southern California Tribal Chairmen’s Association (SCTCA), stated that this partnership is an excellent opportunity to involve tribes in a planning process for energy consumption, and he would like to discuss including a member of the SCTCA in the working group.

**Action:** This item was presented for information only.

7. **UPCOMING MEETINGS**

The next meeting of the Transportation Committee is scheduled for Friday, June 15, 2007, at 9 a.m.

8. **ADJOURNMENT**

The joint meeting of the Transportation Committee and the Regional Planning Committee was adjourned by Chairs Madaffer and Jones at 12:00 p.m.
### CONFIRMED ATTENDANCE
#### SANDAG TRANSPORTATION COMMITTEE MEETING

**June 1, 2007**

<table>
<thead>
<tr>
<th>GEOGRAPHICAL AREA/ORGANIZATION</th>
<th>JURISDICTION</th>
<th>NAME</th>
<th>MEMBER/ALTERNATE</th>
<th>ATTENDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>North County Coastal</td>
<td>City of Del Mar</td>
<td>David Druker</td>
<td>Member</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>City of Oceanside</td>
<td>Jerry Kern</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td>North County Inland</td>
<td>City of Escondido</td>
<td>Lori Holt Pfeiler</td>
<td>Member</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>City of Vista</td>
<td>Bob Campbell</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td>East County</td>
<td>City of Santee</td>
<td>Jack Dale (Vice Chair)</td>
<td>Member</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>City of La Mesa</td>
<td>Art Madrid</td>
<td>Alternate</td>
<td>No</td>
</tr>
<tr>
<td>South County</td>
<td>City of Chula Vista</td>
<td>Jerry Rindone</td>
<td>Member</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>City of Coronado</td>
<td>Phil Monroe</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td>City of San Diego</td>
<td></td>
<td>Jim Madaffer (Chair)</td>
<td>Member</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Scott Peters</td>
<td>Alternate</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ben Hueso</td>
<td>Alternate</td>
<td>No</td>
</tr>
<tr>
<td>County of San Diego</td>
<td></td>
<td>Ron Roberts</td>
<td>Member</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bill Horn</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Greg Cox</td>
<td>Alternate</td>
<td>No</td>
</tr>
<tr>
<td>Metropolitan Transit System</td>
<td>City of Poway</td>
<td>Bob Emery</td>
<td>Member</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>MTS</td>
<td>Harry Mathis</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td>North County Transit District</td>
<td></td>
<td>Ed Gallo</td>
<td>Member</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jerome Stocks</td>
<td>Alternate</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>David Druker</td>
<td>Alternate</td>
<td>No</td>
</tr>
<tr>
<td>San Diego County Regional</td>
<td></td>
<td>Paul Nieto</td>
<td>Member</td>
<td>No</td>
</tr>
<tr>
<td>Airport Authority</td>
<td></td>
<td>Vacant</td>
<td>Alternate</td>
<td>?</td>
</tr>
<tr>
<td>ADVISORY/LIAISON</td>
<td></td>
<td>Pedro Orso-Delgado</td>
<td>Member</td>
<td>Yes</td>
</tr>
<tr>
<td>Caltrans</td>
<td></td>
<td>Bill Figge</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td>Regional Planning Stakeholders Working Group</td>
<td></td>
<td>Sandor Shapery</td>
<td>Member</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gary Nordstrom</td>
<td>Alternate</td>
<td>?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kathy Keehan</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td>SCTCA</td>
<td></td>
<td>Kevin Siva</td>
<td>Member</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Albert Phoenix</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
</tbody>
</table>
TO: SANDAG Transportation Committee  
FROM: SANDAG Staff  
SUBJECT: Biannual Transit Development Review - Updated Project Location Information

This memo has been prepared to address questions that were raised at the April 6, 2007, meeting of the SANDAG Transportation Committee with regard to Agenda Item No. 3 - Biannual Transit Development Review Report. Committee member Gallo noted that some of the development projects listed in Escondido were unfamiliar and requested clarification on the accuracy of the information. Staff was directed to verify all of the project locations and provide an updated list. To confirm the locations of the projects, SANDAG staff worked with North County Transit District staff to verify the correct project locations.

Attached is the updated table (Development Projects Contributing Transit-Related Improvements for July 2006 through December 2006). The corrections are as follows:

- Three projects (Gateway and El Fuente, Innovation and Gateway, Campbell and Gateway) originally attributed to the City of Escondido are in the City of Carlsbad.
- Two projects (Progress St. Industrial, W. Vista and Cooper) originally attributed to the City of Oceanside are in the City of Vista.
- One project (Boardwalk and Park Place) originally attributed to the City of Oceanside is in the City of San Marcos.
- The improvements for the Boardwalk and Park Place project in the City of San Marcos were originally omitted. The project includes two improvements in the Pedestrian Connection and Accessibility category.
- One project (Ocean Street Condotel) attributed to the City of Encinitas and to the City of Solana Beach, is in the City of Solana Beach.

For questions or additional information, please contact Chris Kluth via phone at (619) 699-1952, or via e-mail at ckl@sandag.org.

CK/dd

Attachment: Development Projects Contributing Transit-Related Improvements for July 2006 through December 2006
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Improved Bus Stops and ADA Compliance</th>
<th>Pedestrian Connection and Accessibility</th>
<th>New Bus Stops and Passenger Landings</th>
<th>New Benches</th>
<th>New Shelters</th>
<th>New Trash Receptacles</th>
<th>Bus Turnouts/In-Street Concrete Pads</th>
<th>Bike Parking (No. of racks)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calle Barcelona Office</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lionhead Offices</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avenida Encinas Road Widening</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gateway and El Fuerte</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovation and Gateway</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Campbell and Gateway</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paseo Del Norte</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Encinitas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quail Gardens Medical Office</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Escondido</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North County Fair Expansion</td>
<td>1</td>
<td></td>
<td>6</td>
<td>6</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lexus Escondido @ 1233 W. 9th Ave.</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Candlewood Suites on Lambar St./W. Valley Parkway</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Henry’s</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Pascual Valley and Oak Hill</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oceanside</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Pavilion</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Residential Care</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>El Camino Executive Centre</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lake Boulevard and Esplanade Street</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beachfront Hotel</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vista del Oro Medical Offices</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>El Corazon</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mission and Holly</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Diego</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Planning Area</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clairemont Center</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nakano</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quarry Falls</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sunroad 80</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Marcos</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Civic Centre Marketplace</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University Park</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Marcos and Discovery</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pacific Street Office Buildings</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Marcos and Rancho Santa Fe</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boardwalk and Park Place</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Twin Oaks Valley and Windy Way</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solana Beach</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ocean Street Condotel</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vista</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Coast Baptist Church</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vista Village Condos</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Church Expansion</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Progress St. Industrial</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>W. Vista and Copper</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Villa Village</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated Value</td>
<td>$5,000</td>
<td>$10,000</td>
<td>$5,000</td>
<td>$1,000</td>
<td>$8,000</td>
<td>$750</td>
<td>$25,000</td>
<td>$400</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$120,000</td>
<td>$220,000</td>
<td>$25,000</td>
<td>$11,000</td>
<td>$160,000</td>
<td>$20,250</td>
<td>$250,000</td>
<td>$77,200</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$883,450</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SAN DIEGO ASSOCIATION OF GOVERNMENTS
TRANSPORTATION COMMITTEE

June 15, 2007

AGENDA ITEM NO.: 4

ACTION REQUESTED: RECOMMEND

CAPITAL IMPROVEMENT PROGRAM BUDGET TRANSFERS

File Numbers 1049400, 114200, 1128700

INTRODUCTION

SANDAG implements projects for the Metropolitan Transit System (MTS) for projects that require construction contracting. These projects are included in the SANDAG Capital Improvement Program (CIP) and Program Budget. SANDAG policy requires Board of Director approval for budget transfers in amounts over $500,000 cumulative. This item recommends two budget transfer actions. First, approve a Memorandum of Understanding (MOU) with MTS for fund transfers from an MTS CIP project to a SANDAG project to fund installation of a crossover on C Street for a total cumulative amount of $250,000. Second, approve a transfer of funds from the SANDAG Catenary Contact Wire Project to fully fund the L Street and West Park Crossing Rehabilitation Project construction for a total cumulative amount of $550,000.

RECOMMENDATION

The Transportation Committee is asked to recommend that the SANDAG Board of Directors: (1) approve a Memorandum of Understanding with MTS for fund transfers in an amount not to exceed $250,000 in substantially the form attached; and (2) approve a budget increase in same amount for the City College Station Realignment Project for installation of a crossover in C Street, and approve a budget transfer of $200,000 from the Catenary Wire Project into the L Street and West Park Crossing Rehabilitation Project to fund the full cost of construction.

DISCUSSION

C STREET CROSSOVER FUND TRANSFER

At its June 14, 2007, Board Meeting, MTS will be asked to approve a recommendation to transfer all of the funding from one of its FY 2007 CIP projects to SANDAG in order to fund the replacement of an existing crossover on C Street that is in a poor location and is badly worn (Attachment 1). With this action, MTS would defer the procurement of a truck-mounted crane to a future fiscal year. The available $250,000 budget from the Crane Truck Project would be transferred to SANDAG in accordance with an MOU (Attachment 2), as recommended for approval. SANDAG would use this funding to install a new crossover between Ninth and Tenth Avenues on C Street by change order to the City College Station Realignment Project. The full cost of installing the crossover exceeds the available funding in the City College Project. The proposed MOU and budget transfer of $250,000 would provide sufficient funds to complete the installation.

CROSSING REHABILITATION FUND TRANSFER

During maintenance operations SDTI discovered two locations on the Blue Line where rail is severely corroded and creates an unacceptable risk that must be mitigated by replacing the track. These...
locations are L Street in Chula Vista and West Park in San Ysidro. On January 19, 2007, the SANDAG Transportation Committee approved an MOU and budget transfer from MTS for $350,000 to fund this work and perform construction through an existing construction contract that includes similar track work. Staff has negotiated change orders for this work. However, the total cost to complete rehabilitation at both crossings exceeds the amount originally transferred from MTS. Change orders have been processed for the L Street rehabilitation and to procure crossing materials for West Park based on the approved budget of $350,000. The cost to complete the West Park crossing including the negotiated price for construction and the cost for inspection and construction management is anticipated to require an additional $200,000.

Available funds were identified to complete the crossing repair work from another CIP project for improvements on the Trolley system, the Contact Wire Project. The Contact Wire Project will replace worn contact wire on the Trolley lines. This project is currently in the design phase with construction anticipated to start in late FY 08 and be accomplished over several fiscal years. At its June 14, 2007 meeting, the MTS Board will be asked to request that SANDAG approve transferring $200,000 from the Contact Wire Project into the L Street and West Park Rehabilitation Project to fully fund repairs at both crossings. SANDAG staff has reviewed the contractor’s pricing and finds the costs are reasonable. The original estimate did not fully account for the amount of traffic control, crossing signal work, and rail work required to complete both crossings. The impact of transferring funds out of the Contact Wire Project at this time will be negligible, as MTS and SANDAG will have several fiscal years to prioritize and restore funding for wire replacement, as needed.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Budget Change Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project (CIP #)</td>
<td>FY 08 Budget</td>
</tr>
<tr>
<td>City College Station Realignment Project (1049400)</td>
<td>$16,282,049</td>
</tr>
<tr>
<td>MTS Crane Truck Project</td>
<td>$250,000</td>
</tr>
<tr>
<td>Contact Wire Project (1142000)</td>
<td>$6,843,000</td>
</tr>
<tr>
<td>L Street and West Park Rehabilitation Project (1128700)</td>
<td>$350,000</td>
</tr>
</tbody>
</table>

JACK BODA
Director of Mobility Management and Project Implementation

Attachments: 1. Draft MTS Board Item #9 - June 14, 2007
2. Draft Memorandum of Understanding between SANDAG and MTS

Key Staff Contact: John Haggerty, (619) 699-6937, jhag@sandag.org

Funds are budgeted in Work Element #1049400, 114200, 1128700
Joint Meeting of the Board of Directors for Metropolitan Transit System, San Diego Transit Corporation, and San Diego Trolley, Inc.

June 14, 2007

SUBJECT:

MTS: CAPITAL IMPROVEMENT PROGRAM PROJECT BUDGET TRANSFERS

RECOMMENDATION:

That the Board of Directors:

1. forward a request to the San Diego Association of Governments (SANDAG) Transportation Committee to transfer funds from the Catenary Contact Wire Replacement Project No. 11420 to the L Street/West Park Avenue Track Rehabilitation Project No. 11287 (as shown on Attachment A, Budget Transfer Summary); and

2. approve a Memorandum of Understanding (MOU) to transfer funds from the MTS Crane Truck Procurement Project No. 11186 to SANDAG’s City College Station Realignment Project No. 10494 (in substantially the form as shown on Attachment B and summarized as shown on Attachment A, Budget Transfer Summary).

Budget Impact

No change to the overall Capital Improvement Program (CIP) amount. $200,000 would be added to the L Street/West Park Avenue Track Rehabilitation Project from the Catenary Contact Wire Replacement Project, and $250,000 would be added to the City College Station Realignment Project from the Crane Truck Procurement Project.

DISCUSSION:

This request for fund transfers is generated due to deteriorating track infrastructure at two locations on the oldest segment of the rail system, the Blue Line.
The track crossover between 8th and 9th Avenues on C Street is extremely worn. Additionally, this crossover experiences excessive wear due to its location in a reverse curve in the track alignment. This project would have been included in the FY 08 CIP, but it was felt that the overall condition could be tolerated into FY 09. However, this has not proven to be the case with recent track defects and interim efforts to maintain the crossover hardware in operational condition. Switch points are worn such that a proper fit with the running rail is difficult to achieve, ties under the switches have deteriorated due to constant pounding, pavement surrounding the switch points and frogs is broken allowing water to seep into the track bed, and rail frogs in the crossover are developing cracks that require frequent welding.

Major rehabilitation is required at this crossover. Simply replacing worn parts with new parts will not solve the underlying problem—the crossover is installed on a curve creating excessive wear. As a permanent solution, the crossover should be relocated one block east between 9th and 10th Avenues on C Street on straight track where there are no other conflicts. This relocated crossover would greatly improve reliability and maintainability.

SANDAG is currently completing the City College Station Relocation Project in this area. The most cost-effective and expeditious way to resolve this issue is with a change order for the crossover relocation work to the City College Station Relocation Project. SANDAG staff agrees with this approach; however, they cannot accommodate this within the current contract budget. MTS currently has a Crane Truck Procurement Project with a budget of $250,000 in the FY 07 CIP. Due to the urgency and importance of rehabilitating this worn crossover, San Diego Trolley, Inc. staff recommends deferring the Crane Truck Procurement Project to a future year and use the funds for a change order to relocate and install a new crossover (in substantially the same format as Attachment B).

On January 18, 2007, the MTS Board approved an emergency work authorization and a fund transfer to SANDAG for rehabilitation of two grade-crossing tracks at L Street and at West Park Avenue on the Blue Line. After negotiations with the contractor, the cost to rehabilitate both grade crossings exceeds the original transferred amount of $350,000 by an additional $200,000. The original engineer’s estimate upon which the funds were transferred was low for the following reasons:

1. The original estimate assumed that the track work contractor would be the prime contractor for this work; however, the contractor for the project under which this change order is contemplated is a general civil engineering contractor who in turn will hire a track work contractor as a subcontractor to get work done. This arrangement will add a 15% markup for the prime contractor for subcontractor’s work, which will increase our cost.

2. The original estimate did not include electrical work as it assumed that SDTI staff would perform such work. SANDAG construction staff pointed out that if there are any coordination issues between SDTI and the contractor, it would generate claims from the contractor considering the work window is very small and limited to nighttime hours only. SANDAG staff recommends that the contractor be responsible for all work, which would remove the possibility of delays and claims.
3. Street closures are required for L Street and West Park Avenue during this work. This requires detour and street closure plans approved by the Chula Vista City Council and the California Department of Transportation (Caltrans) for L Street and from the City of San Diego for West Park Avenue. The cost for this work was not included in the original estimate.

4. Construction contingency funds required for any unforeseen conditions encountered during construction were not included in the original estimate.

After careful review of the contractor’s cost proposal and construction management costs, both SANDAG and MTS staffs recommend transferring an additional $200,000 to this project to complete crossing rehabilitation work. The Catenary Contact Wire Replacement Project (from which these funds will come) is a large, multiyear construction project, and formal design of the project has not started (pending results of an engineering assessment of the wire condition). This transfer would not affect the project this year.

Paul C. Jablonski  
Chief Executive Officer  

Key Staff Contact: Russ Desai, 619.595.4908, russ.desai@sdmts.com  

Attachments:  A. Budget Transfer Summary  
              B. Memorandum of Understanding
# BUDGET TRANSFER SUMMARY

<table>
<thead>
<tr>
<th>CIP NO.</th>
<th>PROJECT NAME</th>
<th>Existing</th>
<th>Proposed</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1142000</td>
<td>Catenary Contact Wire Replacement</td>
<td>$4,843,000</td>
<td>$4,646,000</td>
<td>-$200,000</td>
</tr>
<tr>
<td>1128700</td>
<td>L Street/West Park Ave Track Rehab</td>
<td>$350,000</td>
<td>$550,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>11186</td>
<td>Crane Truck Procurement</td>
<td>$250,000</td>
<td>$0.00</td>
<td>-$250,000</td>
</tr>
<tr>
<td>1049400</td>
<td>City College Station Realignment</td>
<td>$16,282,049</td>
<td>$16,530,049</td>
<td>$250,000</td>
</tr>
</tbody>
</table>
MEMORANDUM OF UNDERSTANDING

FUNDING INSTALLATION OF THE C STREET CROSSOVER
BETWEEN THE SAN DIEGO ASSOCIATION OF GOVERNMENTS
AND THE METROPOLITAN TRANSIT SYSTEM

The San Diego Association of Governments (SANDAG) and the Metropolitan Transit System (MTS) enter into this Memorandum of Understanding (MOU) for the purpose of funding the installation of the C Street Crossover.

RECITALS

The following recitals are a substantive part of this Agreement:

WHEREAS, MTS desires to install a railroad crossover (crossover) situated in C Street near 8th Avenue in Downtown San Diego on its light rail transit system (LRT), which includes reconstruction of the track and surrounding track-way paving (Project); and

WHEREAS, this work is contemplated within the scope of work for SANDAG City College Project to provide a refurbished crossover to MTS; and

WHEREAS, MTS has requested that the crossover be installed on the LRT tracks in lieu of the crossover being delivered to the MTS San Diego Trolley, Inc. rail yard; and

WHEREAS, installation of the crossover requires additional construction costs exceeding the budget of the City College Project; and

WHEREAS, MTS has identified an applicable funding source for the additional construction costs; and

WHEREAS, the parties wish to memorialize their agreement in this MOU to carry out the purposes set forth above;

AGREEMENT

NOW, THEREFORE, BE IT RESOLVED that in consideration of the mutual promises set forth herein, the parties agree as follows:

SANDAG AGREES:

1. To install the rehabilitated rail crossover identified to be turned over to MTS as part of the City College Project at a location on C Street near 8th Avenue in Downtown San Diego, including, but not limited to: demolition; removal and disposal of an existing 90-pound rail crossover, timber ties and ballast; and replacement with a refurbished 90-pound rail crossover, ties, and the surrounding track-way paving. The cost of construction includes services provided by SANDAG consultants and staff for engineering and construction management for the work including: design support, administrative support; negotiation of a change order for the improvements; preparation, review, and processing of payments for the work; field inspection and final acceptance.

2. That the not-to-exceed amount referenced below in this MOU consists of the current construction estimate by SANDAG for the work of $250,000. In the event that SANDAG believes that this amount will be exceeded, it will notify MTS, and the parties will meet to discuss whether an amendment to this MOU is appropriate.
3. To use any funds provided by MTS under this MOU exclusively for the Project and to return any remaining Project funds to MTS upon completion of the Project.

4. Neither MTS nor any director, officer, agent, or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by SANDAG under or in connection with any work, authority, or jurisdiction delegated to SANDAG under this MOU. It is understood and agreed that, pursuant to Government Code section 895.4, SANDAG shall fully defend, indemnify, and save harmless MTS, its officers, directors, agents, and employees from all claims, suits, or actions of every name, kind, and description brought for or on account of injury (as defined in Government Code section 810.8) occurring by reason of anything done or omitted to be done by SANDAG under or in connection with any work, authority, or jurisdiction delegated to SANDAG under this MOU.

MTS AGREES:

1. To fund the full and actual cost for the construction of the Project up to the maximum amount of $250,000. In the event that SANDAG notifies MTS that this amount will be exceeded, MTS will meet with SANDAG to discuss whether an amendment to this MOU is appropriate. In no event shall SANDAG have responsibility to move forward with the Project until the parties are able to identify sufficient funds to complete the work.

2. To pay SANDAG the amount of $250,000 within 30 days of full execution of this MOU.

3. To SANDAG’s use of the firm West Coast General Corporation to construct the Project.

4. To provide staff support on the Project at no cost to SANDAG, including, but not limited to, any staff support or cooperation needed to defend any contractor claims that may arise on the Project.

5. That neither SANDAG nor any director, officer, agent, or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by MTS under or in connection with any work, authority, or jurisdiction delegated to MTS under this MOU. It is understood and agreed that, pursuant to Government Code section 895.4, MTS shall fully defend, indemnify, and save harmless SANDAG, its officers, directors, agents, and employees from all claims, suits, or actions of every name, kind, and description brought for or on account of injury (as defined in Government Code section 810.8) occurring by reason of anything done or omitted to be done by MTS under or in connection with any work, authority, or jurisdiction delegated to SANDAG under this MOU.

THE PARTIES MUTUALLY AGREE:

1. That all obligations of the parties under the terms of this MOU are subject to the appropriation of the required resources by the parties and the approval of their respective Boards of Directors.

2. That any notice required or permitted under this MOU may be personally served on the other party by the party giving notice or may be served by certified mail, return receipt requested, to the following addresses:
3. That unless it is amended by the parties in writing, this MOU shall terminate on
November 16, 2007, or on such earlier or later date as the parties may agree to in writing. This
MOU shall continue in effect unless and until a party to the MOU gives 60 (sixty) days’ written
notice of its desire to withdraw from the MOU. If such notice is given, the MOU shall continue to
be binding on those parties who have not formally withdrawn.

4. The indemnification provisions of this MOU shall survive termination of the MOU.

5. This MOU shall be interpreted in accordance with the laws of the State of California. If any
action is brought to interpret or enforce any term of this MOU, the action shall be brought in a
state or federal court situated in the County of San Diego, State of California.

6. All terms, conditions, and provisions hereof shall inure to and shall bind each of the parties
hereto, and each of their respective heirs, executors, administrators, successors, and assigns.

7. For purposes of this MOU, the relationship of the parties is that of independent entities and not
as agents of each other or as joint ventures or partners. The parties shall maintain sole and
exclusive control over their personnel, agents, consultants, and operations.

8. No alteration or variation of the terms of this MOU shall be valid unless made in writing and
signed by the parties hereto, and no oral understanding or agreement not incorporated herein
shall be binding on any of the parties hereto.

9. Nothing in the provisions of this MOU is intended to create duties or obligations to or rights in
third parties to this MOU or affect the legal liability of the parties to this MOU to third parties.

10. This MOU may be executed in any number of identical counterparts, each of which shall be
deemed to be an original and all of which together shall be deemed to be one and the same
instrument when each party has signed one such counterpart.
IN WITNESS WHEREOF, this MOU is executed by SANDAG and MTS.

SAN DIEGO ASSOCIATION OF GOVERNMENTS  METROPOLITAN TRANSIT SYSTEM

Gary L. Gallegos  Paul C. Jablonski  
Executive Director  Chief Executive Officer

Date: ___________________________  Date: ___________________________

APPROVED AS TO FORM:  APPROVED AS TO FORM:

Office of General Counsel  Office of General Counsel

Date: ___________________________  Date: ___________________________

JUNE14-07.9.AttA.CIP BUDGET TRANSF.RDESAl.doc
FOLLOW-UP REPORT REGARDING AIRPORT PLANNING ISSUES

Introduction

On May 18, 2007, SANDAG staff, along with the San Diego County Regional Airport Authority (Authority), presented a draft White Paper to the Transportation Committee on aviation planning concepts and transportation facilities to be included in the 2007 Regional Transportation Plan (RTP). The White Paper recommended that SANDAG and the Authority undertake a comprehensive regional air/rail network plan to address the region's aviation needs to 2030 and beyond. This plan would address: long-term expansion of San Diego International Airport (SDIA); ways to efficiently utilize other airports in the San Diego region and surrounding jurisdictions; and consideration of rail facilities to both improve airport access and alleviate some aviation demand. The White Paper also provided a status report on the Authority’s preparation of a draft 2015 Airport Master Plan (“Short-Term” or “Phase I” Master Plan), which lays out a proposed plan for short-term improvements to SDIA facilities, including airfield improvements, additional aircraft gates, and parking facilities.

The Transportation Committee expressed concern that the proposed Short-Term Master Plan improvements would negatively impact ground transportation and congestion, did not address rail access, and would not improve airport operations in the long-term. The Transportation Committee directed staff to separate the Aviation White Paper from the RTP and to return with a follow-up report prior to circulating the draft RTP.

Discussion

Staff from SANDAG and the Airport Authority are working together to address the Transportation Committee’s comments. The following actions have been identified as part of a comprehensive planning effort that addresses SDIA expansion and related ground access needs:

- Accelerate planning for the long-term utilization of SDIA via the Long-Term (or “Phase II”) SDIA Master Plan, to be undertaken simultaneously with development of a regional air/rail network plan that considers expanded use of the region’s general aviation airports, connections to airports in Los Angeles, the Inland Empire, and Tijuana, and the use of rail. Staff anticipates that this effort would begin in FY 2008. Staff will report back to the Transportation Committee in 90 days with a draft work program for the Long-Term SDIA Master Plan and regional air/rail network plan.
• Evaluate other options as the draft SDIA Short-Term Master Plan is revised, specifically to ensure that short-term improvements that are needed at SDIA do not preclude future options. At the same time, ground access improvements needed to support airport expansion (such as direct access freeway ramps, connections to rail, trolley, and bus services, and parking facilities) should be clearly identified and located appropriately to serve the existing and new terminals. Staff will report back to the Transportation Committee in 90 days with a status report on the Short-Term Master Plan.

To summarize, the draft Aviation White Paper will not be incorporated into the draft 2007 RTP.

Instead, the Draft 2007 RTP, which will be presented to the SANDAG Board of Directors for public distribution at its next meeting, will reflect only currently-adopted plans for the airport. The short-term and long-term SDIA Master Plans and the regional air/rail network plan will identify specific highway and public transportation projects that could be amended into the 2007 RTP and/or included in future RTP updates.

BOB LEITER
Director of Land Use and Transportation Planning

Key Staff Contact: Miriam Kirshner, (619) 699-6995, mki@sandag.org
FY 2008 TRANSPORTATION DEVELOPMENT ACT ALLOCATIONS AND PRODUCTIVITY IMPROVEMENT PROGRAM

Introduction

The Transportation Development Act (TDA) provides ¼ percent of the state sales tax for operating and capital support of public transportation systems and non-motorized transportation projects. SANDAG, as the designated Regional Transportation Planning Agency (RTPA), is responsible for the allocation of TDA funds to the region’s cities, the County, and transit operators.

Revenue Estimates

At the February 23, 2007, meeting, the Board adopted the San Diego County Auditor’s estimate of $134 million for the region’s FY 2008 TDA apportionment. Recent sales tax information received from the State Board of Equalization indicates that sales tax receipts, although still higher than the previous year, are coming in less than originally estimated for the current year. This recent information indicates that the growth trend in sales tax receipts is slowing. In accordance with Article 3 of the California Code of Regulations, at SANDAG’s request, the County Auditor has revised the FY 2008 TDA estimate to $123,962,000.

Historically, the TDA estimates have been developed in consultation with the County Auditor and with the use of the SANDAG Demographic and Economic Forecasting Model (DEFM). DEFM was primarily developed for long-term forecasting. The recent trends in sales tax receipts have highlighted the need for SANDAG to develop a short-term model that can consider near term economic influences. This new short-term model, currently under development, would complement DEFM and would be available for use beginning this fall.

In the meantime, SANDAG member jurisdictions have been notified of the revised sales tax estimates. Staff has worked particularly closely with the Metropolitan Transit System (MTS), North County Transit District (NCTD), and the County of San Diego in developing the revised TDA estimates and in preparing the FY 2008 TDA claims.

Recommendation

The Transportation Committee is asked to recommend that the SANDAG Board of Directors approve the final FY 2008 TDA allocations and the FY 2008 productivity improvement program at its June 22, 2007, meeting.
TDA Claims

This report presents the allocation requests for the TDA Article 3, Article 4, Article 4.5, and Article 8 claims, and one State Transit Assistance (STA) claim. TDA allocations are authorized under four separate articles of the law. Article 3 funds are designated for bicycle and pedestrian projects. Article 4 funds are used to provide general public transit services. Article 4.5 funds are designated for community transit services, and by SANDAG Board policy are allocated within the San Diego region to support paratransit services required by the Americans with Disabilities Act (ADA). Article 8 supports specialized services such as express bus and ferry services. Finally, the STA fund is a state program administered locally that provides additional support for public transit services. Claims under each category are discussed below. A summary of the FY 2008 claims is shown in Attachment 1.

Article 3: Non-motorized Claims (Bicycle and Pedestrian)

For FY 2008, $2,862,742 in TDA Bicycle and Pedestrian funds are available for non-motorized projects (including prior year carryover and funds returned for completed projects). The Bicycle-Pedestrian Working Group (BPWG) developed a list of projects to recommend for allocation using the project selection criteria approved by the Transportation Committee at its meeting on December 8, 2006. For FY 2008 the BPWG recommended funding 14 projects totaling $2,862,680 to be funded with TDA (Attachment 2). The Transportation Committee, at its meeting on May 18, 2007 (Agenda Item No. 4), recommended approval of these projects along with $1,156,300 worth of projects funded with the TransNet Bicycle program as part of this overall TDA approval. Although the FY 2008 TDA Bicycle and Pedestrian apportionment has been reduced, funds returned from completed projects would allow the full funding of the projects identified in Attachment 1.

Transit Claims

The revision of the TDA estimates occurred after the boards of directors of both MTS and NCTD had already approved their FY 2008 claims based on the original estimated apportionments and in anticipation of developing their annual budgets. Upon notification regarding the lower estimates, each transit board chose to approach the FY 2008 claim differently. MTS chose to reduce the claim consistent with the reduced estimates and backfill their budget with other funding sources. The NCTD Planning Committee directed NCTD staff to maintain the currently proposed FY 2008 Budget and to maintain the current TDA claim as the impact of the FY 2008 state budget on transit revenues is still unknown. SANDAG General Counsel has advised that the SANDAG Board of Directors may approve the NCTD claim as submitted since the full claimed amount is eligible for TDA funding, but the actual disbursement instructions to the County Auditor must limit the amount to be paid to NCTD to the revised apportionment.

The initial FY 2008 MTS area apportionment totaled $90,576,751. Based on the County Auditor’s revised estimate, that number has been reduced to $83,773,463. Added to this total is $2,633,469 in TDA funds returned earlier this fiscal year which were funds originally claimed for County Transit Services that are now provided by MTS. This brings the total apportionment for the MTS service area to $86,406,932.
The initial FY 2008 NCTD apportionment totaled $36,165,000. Based on the County Auditor’s revised estimate, that number has been reduced to $33,436,022 to which a prior year carryover of $6,713,129 is added to make the total of $40,149,151. After deducting $532,475 to pay the costs of functions transferred to SANDAG, the balance available to be disbursed to NCTD is $39,616,676. The NCTD claim totals $42,302,180, which means that while the Board of Directors may approve this claim because it meets TDA eligibility requirements in accordance with California Code of Regulations Section 6634, the amount of funding that may actually be disbursed will be $2,685,504 less than the claim. NCTD management has acknowledged this information, and SANDAG staff will work with NCTD to amend this claim once all relevant revenue information is available. This information is shown in tabular form in Attachment 1, which summarizes all of the FY 2008 TDA claims by Article and claimant.

**Article 4 General Public (Fixed Transit Route)**

The Article 4 claims of MTS and NCTD comprise the largest portion of the TDA claim. These funds provide support for fixed route transit service. The MTS and NCTD Article 4 claims combined total $122,520,359.

**MTS Service Area ($81,465,704)**

The total MTS Article 4.0 claim for operators in its service area includes $64,205,495 in operating support for rail, fixed route bus, and paratransit services, $8,157,307 in capital support, and $6,600,000 for planning and administration. Also included are fund transfers to SANDAG for local match to federally funded capital projects that SANDAG will implement on behalf of MTS ($173,600) and for administrative and planning purposes ($2,329,302).

The MTS area operators – San Diego Trolley, Inc. (SDTI), San Diego Transit Corporation (SDTC), Chula Vista Transit (CVT), and MTS Contract Services - are estimated to carry approximately 87 million passengers over 27.1 million annual fixed route service miles in FY 2008. MTS estimates a 4 percent decrease in ridership and a 7.5 percent decrease in revenue miles from FY 2007 to FY 2008. These estimates are based on the partial implementation of the Comprehensive Operational Analysis (COA).

MTS’ overall budget for fixed route and rail services reflect a 4.4 percent increase in cost from FY 2007. Cost increases are due to high cost for administrative support and additional facility lease expense.

**NCTD Service Area ($41,054,655)**

The NCTD Article 4 claim includes $35,172,180 in operating support for bus, rail, demand response, and paratransit services, and $5,350,000 for capital projects to match Federal Transit Administration (FTA) grants. Also included is the fund transfer to SANDAG ($532,475) for planning and administrative costs.

NCTD’s operating budget reflects a 10.9 percent increase in cost from FY 2007. The cost increases are mainly related to the start-up service for the SPRINTER light rail service and fuel costs.
The fixed route and rail services are estimated to carry 14.2 million passengers over 7.6 million annual miles. These increases reflect the start of SPRINTER service and adjustments to fixed route bus service to eliminate duplicative service along the corridor.

**Article 4.5 Community Transit Service (Accessible Service for the Disabled)**

Article 4.5 funds are allocated in the San Diego region to support demand response transit services required by the ADA. SANDAG Board policy requires that funds be distributed between the two transit agencies in the region based upon service area population and to the Consolidated Transportation Services Agency (CTSA). Operations for MTS and NCTD also are supported by 1 percent of the annual transit revenues in the TransNet program.

The CTSA is eligible for up to 2 percent of this fund. State law allows for the formation of a regional agency to coordinate social service agency transportation programs. The mission of the San Diego CTSA is to expand the availability and economic utilization of specialized transportation services for seniors and disabled individuals. The CTSA is a conduit of information and assists the nonprofit sector with the coordination of specialized transportation programs and improving the management of these programs by providing free training and technical assistance.

Article 4.5 claims are discussed below.

**MTS Service Area ($4,104,593)**

This claim will support the accessible paratransit services in the MTS service area. Other operating support comes from fares and the TransNet program. Because ADA-mandated paratransit service is limited to those who cannot use regular fixed-route service, customers must be certified as eligible users of this service.

**NCTD Service Area ($1,780,000)**

This claim includes $1,772,080 for operating support, with an additional $7,920 for capital support. NCTD operates the LIFT, which provides service for ADA eligible riders in its service area. The capital funds will be used as the local match to purchase ADA service vehicles with FTA funds. For FY 2008, NCTD estimates carrying 99,409 passengers on one million miles, about a 3 percent and 1 percent increase respectively from FY 2007.

**CTSA ($113,537)**

State law allows for the formation of a regional agency, the Consolidated Transportation Service Agency (CTSA) to improve transportation service required by social service recipients by promoting consolidation of social service transportation incorporating such benefits as centralized dispatching, combined purchasing of necessary equipment and supplies, centralized maintenance, centralized administration to eliminate duplicative administrative tasks, and consolidation of existing sources of funding. This consolidation results in more efficient and effective use of vehicles throughout the region.
The core mission of the CTSA is to consolidate and coordinate transportation services to people with disabilities, senior citizens, social service agencies, health care providers, various organizations and individuals within that particular service area. The FY 2008 CTSA Work Plan is included in Attachment 3.

Full Access & Coordinated Transportation (FACT), the CTSA for San Diego County, has the vision that “All people living in San Diego County will have full mobility within their community by an accessible transportation system that meets their individual need”.

Article 8 - Special Provisions (Express Bus, Ferry)

MTS ($836,635)

This claim provides operating support for the express bus ($693,350) and ferry services ($143,285). The express bus service includes commuter service on Interstate 15 (I-15) to downtown San Diego from the Cities of Poway and Escondido and from the communities of Rancho Bernardo/Carmel Mountain Ranch, and Rancho Peñasquitos. Commuter express service is also available between Kearny Mesa and the cities of El Cajon and Santee, utilizing the SR 52 corridor. The City of Coronado operates passenger ferry service by subsidizing trips to and from downtown San Diego to Coronado and North Island.

Administration/Planning

SANDAG ($3,983,720)

TDA law (Public Utilities Code [PUC] 99233.2) also allows SANDAG, as the RTPA, up to 3 percent of annual revenues ($3,702,720) to conduct transportation planning. As outlined in the FY 2008 Budget (scheduled for approval by the Board on June 22, 2007), these funds will be used to leverage federal and state grants to implement SANDAG’s FY 2008 Overall Work Program. Pursuant to Section 6655.1 of Title 21 of the CCR, SANDAG is allowed to claim less than the revenues available for allocation. As a result of some nonrecurring federal funding anticipated in FY 2008, it is not necessary to SANDAG to claim the entire FY 2008 TDA allocation. SANDAG is claiming $3,487,720 from this program, leaving $215,000 in reserve. Additionally, a claim of $496,000 will be made for the administration of the TDA program.

County of San Diego Auditor Office ($42,000)

TDA law (PUC 99233.1) allows the County Auditor to charge for costs related to the administration of the TDA program. The County Auditor is claiming $42,000 in FY 2008.

NCTD STA Claim: $2,639,062

For FY 2008, the State Controller has estimated that $2,639,062 in STA funds will be available for allocation by SANDAG to eligible operators in the SANDAG area. This estimate is based on the Governor’s proposed budget for 2008, which would divert in excess of $800 million in revenues into the state’s general fund that would otherwise, according to existing law, contribute to the Public Transportation Account. Both houses of the state legislature have rejected the Governor’s proposal
and are working on a compromise that may significantly increase the amount of STA coming to the region. The final state budget for FY 2008 should, by law, be in place before July 1.

The SANDAG area, as defined under the STA program, consists of the area outside of the MTS area of jurisdiction. For FY 2008, NCTD is the only claimant of STA funds in the SANDAG area. NCTD has submitted the claim to be used for capital support. The NCTD claim includes the transfer of $24,829 to SANDAG to match federal funds for the Escondido Maintenance Facility project SANDAG is implementing on behalf of NCTD. If the additional STA funds materialize with the new state budget, NCTD will amend its STA claim and TDA claim accordingly.

For purposes of STA, MTS is designated in statute as a regional entity. As a result MTS is a direct recipient of these funds and does not require SANDAG approval for its claim or the claims of its transit operators.

**Recommendations for Productivity Improvements of Operators**

Pursuant to the provisions of PUC Section 99244, an operator can be allocated no more in FY 2008 than it was allocated in FY 2007, unless SANDAG determines that the operator made a reasonable effort to implement the productivity improvement recommendations adopted by the SANDAG Board of Directors for the current fiscal year.

In FY 2006 the transit agencies and SANDAG jointly established performance goals for the next year (FY 2007) and evaluated transit agency performance from the previous year. The SANDAG Board approved the performance goals for FY 2007 in June 2006. The MTS goals were established for each operating component of the MTS system (SDTC, SDTI, MTS Contract Services, CVT, NCT, and Demand Responsive services). The NCTD goals were established for the fixed route Breeze, COASTER, and ADA services. The breakdown allows the fine-tuning of goals to reflect the distinct service types.

The FY 2007 performance improvement objectives fall into four categories:

1. Productivity (measured by passengers per revenue hour);
2. Service efficiency (measured by operating cost per passenger and farebox recovery ratio);
3. Quality of service (measured by on-time performance and percent of completed trips); and
4. Service effectiveness (measured by the transit ridership growth relative to population growth).

Attachment 4 shows the goals established last year and the extent to which the transit agencies and operators are on target to meet the performance objectives. All data are based on actual experience for the first six months of FY 2007 (July 1 to December 31, 2006).

**MTS FY 2007 Performance**

In 2006, MTS began implementation of its COA, which is expected to result in improved system performance. The final route and schedule changes for the COA were implemented in March 2007.
during the third quarter of FY 2007. The actual data for the first two quarters of FY 2007 do not include the January and March changes, and reflect only a partial impact of changes made in June and September 2006. The major benefits of the COA will not be reflected until FY 2008.

For FY 2007, MTS was able to meet 21 of its 28 performance objectives. Data was not available for two indicators relating to National City Transit. It is notable that ridership on MTS has been increasing this year and that ridership has continued to grow faster than the population of the MTS service area. Based on the most recent data, MTS ridership is growing at an annual rate of about 2.91 percent, while the population of the service area grew by only 0.65 percent.

Chula Vista Transit met all goals except for on time performance. Chula Vista transit reported 93.90 percent on time while their goal was 96.00 percent. Changes to routes and schedules made in FY 2007 as a result of the COA should improve schedule adherence.

MTS Contract Services (that portion of its fixed route bus service that is operated under contract to private providers) did not attain its 90 percent on-time performance goal, achieving an on-time performance rate of 83.5 percent through the first half of FY 2007. This represents a small improvement over FY 2006 when schedule adherence was 83.3 percent. Downtown traffic, construction, and congestion continue to impact the on-time performance of some routes. Further schedule revisions to help address on time performance were made in the third quarter of the year as the COA was implemented. As a result of these changes schedule adherence performance should improve in the 3rd and 4th quarters.

MTS Bus (San Diego Transit) farebox recovery of 29.68 percent in the first two quarters fell just short of meeting its target of 30.38 percent. MTS anticipates that with the full implementation of the COA in the third quarter of FY 2007, the year-end results should meet the farebox recovery target. MTS Bus did attain its FY 2007 goal to carry 30.0 passengers per hour, achieving 30.25 passengers per hour in the first two quarters. It should be noted that historically, the first half of the fiscal year generally yields a lower passenger per hour as compared to the second half of the year due to additional summer service hours in the first quarter.

MTS Bus also fell short of attaining its on-time performance goal of 90 percent. In the first two quarters of FY 2007 MTS Bus reported on time performance of 77.40 percent. MTS Bus now uses an Automatic Vehicle Location system to calculate on time performance. This system provides a 100 percent sample and provides a more accurate picture of schedule adherence than was previously available. Downtown traffic, construction, and congestion continue to impact the on-time performance of some routes. Further schedule revisions to help address on time performance were made in the third quarter of the year as the COA was implemented. MTS has advised that improvements have already been experienced due to these changes.

San Diego Trolley (SDTI) met all of its goals except for on-time performance. SDTI on-time performance was 96.00 percent while the goal was 98.3 percent, a slight decline from FY 2006. SDTI reports that wheelchair passenger boardings continue to negatively impact operating performance. Long-range plans to acquire more low-floor vehicles and retrofit stations accordingly throughout the system would eventually help address the schedule impacts from the growing volume of wheelchair passenger boardings.
MTS Demand Response: In 2007 a set of consolidated goals were prepared for all MTS Demand Responsive services including both ADA Paratransit and general public dial-a-ride. MTS Demand Responsive services productivity in the first two quarters was 3.36 rides per hour, thereby meeting the goal of 2.55 rides per hour. Demand Response services met their goal of containing costs to less than $17.42 per passenger, with an allowance for the cost of living increase. The Demand Response services did not meet the cost recovery goal of 16.39 percent, achieving only 14.69 percent. However, the farebox recovery calculation for 2007 does not include the majority of revenue for the DART service that is typically added to the fourth quarter of each fiscal year. It is anticipated that the farebox recovery goal will be met by the fourth quarter when the additional revenue is credited.

National City Transit met all goals for productivity and efficiency. No data were available for the quality of service indicators for the first two quarters of the year as a result of the transition from NCT to MTS.

MTS did not conduct checks of the on-time performance of the rural service in FY 2007 because of the difficult and costly nature of collecting the data. MTS advises that the feasibility of doing the checks is being reconsidered for the future.

NCTD FY 2007 Performance

Overall, NCTD ridership declined by 0.81 percent from first half of FY 2006 to same period in FY 2007, compared to an increase in the previous year over the same period of about 3.5 percent. NCTD did not meet its service effectiveness goal to grow ridership faster than the overall population growth. From 2006 to 2007 the NCTD service area population grew by 1.54 percent.

The BREEZE failed to meet its productivity and farebox recovery goals. Farebox recovery was 20.67 percent compared to a goal of 22 percent and productivity was 19.65 passengers per hour compared to the goal of 21.20. These issues are being addressed in a redesign of bus service designed to coincide with the start up of the SPRINTER light rail service in the 2nd quarter of FY 2008. Breeze did meet operating cost per passenger, reliability, and on-time performance goals.

Ridership on the COASTER has been strong largely due to the increase in gasoline prices and continuing congestion on Interstate 5 (I-5). The COASTER met its productivity goals, but failed to meet operating cost per passenger and farebox recovery goals. Operating cost per passenger exceeded the goal by $1.02 per passenger while cost recovery was 35.07 percent compared to the goal of 39 percent. The cost per passenger and farebox recovery ratio were negatively impacted by the transition to a new contract and operator at the beginning of the fiscal year. The transition to a new operator also contributed to the COASTER failing to meet its reliability goal. The initial problems have been corrected and reliability should improve over the remainder of the year.

NCTD LIFT met its productivity and farebox recovery goals. LIFT was unable to meet its operating cost per passenger and schedule goals. Cost per passenger was $38.79 compared to the goal of $31.66, and on time performance was 85.3 percent compared to the goal of 96 percent. The transition to a new contract and operator as well as the introduction of new supplemental sedan services impacted the cost and schedule goals. It is anticipated that these issues will be resolved in the last two quarters of the year.
FY 2008 Productivity Improvement Program

MTS and NCTD have made and continue to make reasonable efforts toward achieving their established objectives, including such significant activities as the implementation of the MTS COA, and NCTD's service restructuring to eliminate unproductive services. Attachment 5 includes the FY 2008 proposed performance goals for both transit agencies. These objectives continue to focus on improvements in productivity, service efficiency, quality of service, and service effectiveness. The FY 2008 goals were established by SANDAG and reviewed and agreed to by the transit agencies. A project is currently underway to update the goal setting process and to incorporate it as part of the Regional Short Range Transit Plan (RSRTP) process, as outlined in SANDAG Policy No. 018. In future years SANDAG will measure the performance of the transit agency operations in relation to goals and objectives that will be established through the RSRTP.

RENÉE WASMUND
Director of Finance

Attachments: 1. FY 2008 TDA Claims Summary
               2. FY 2008 TDA/TransNet Non-Motorized Projects
               3. Highlights of the FY 2008 CTSA Work Plan
               4. Comparison of FY 2007 Productivity Improvement Goals and Results
               5. FY 2008 Productivity Improvement Goals

Key Staff Contact: Sookyung Kim, (619) 699-6909, ski@sandag.org
## TRANSPORTATION DEVELOPMENT ACT (TDA)
### FY 2008 CLAIMS SUMMARY (revised apportionment)

<table>
<thead>
<tr>
<th></th>
<th>Metropolitan Transit System</th>
<th>North County Transit District</th>
<th>SANDAG</th>
<th>CTSA</th>
<th>Bicycle and Pedestrian</th>
<th>County Auditor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2008 Available Apportionment</td>
<td>$83,773,463</td>
<td>$33,436,022</td>
<td>$4,198,720</td>
<td>$117,369</td>
<td>$2,394,426</td>
<td>$42,000</td>
<td>$123,962,000</td>
</tr>
<tr>
<td>Prior Year Carryover</td>
<td>$2,633,469</td>
<td>$6,713,129</td>
<td>$3,025,007</td>
<td>$17,783</td>
<td>$468,316</td>
<td></td>
<td>$12,857,704</td>
</tr>
</tbody>
</table>

### FY 2008 Claims

#### Article 3 - Non-Motorized (bicycle and pedestrian)

- ($2,862,680) ($2,862,680)

#### Article 4 - General Public Transit

- Operations: ($64,205,495) ($35,172,180) ($99,377,675)
- Capital: ($8,157,307) ($5,350,000) ($13,507,307)
- Planning/Administration: ($6,600,000) ($6,600,000)
- Capital Transfer to SANDAG: ($173,600) ($173,600)
- Administrative/Planning Transfer to SANDAG: ($2,329,302) ($532,475) ($2,861,777)

#### Article 4.5 - Community Transit Service (accessible service for the disabled)

- ($4,104,593) ($1,780,000) ($113,537) ($5,998,130)

#### Article 8 - Special Provisions

- Express bus: ($693,350) ($693,350)
- Ferry service: ($143,285) ($143,285)

#### Planning/Administration

- Administration: ($496,000) ($42,000) ($538,000)
- SANDAG Regional Planning: ($3,487,720) ($3,487,720)

#### Balance

<table>
<thead>
<tr>
<th></th>
<th>Metropolitan</th>
<th>North County</th>
<th>SANDAG</th>
<th>CTSA</th>
<th>Bicycle and Pedestrian</th>
<th>County Auditor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>$0</td>
<td>($2,685,504)</td>
<td>$3,240,007</td>
<td>$21,615</td>
<td>$62</td>
<td>$0</td>
<td>$576,180</td>
</tr>
</tbody>
</table>

1Additional NCTD TDA carryover balance of $4,618,876 remains uncommitted.

2In addition to prior year carryover, includes amount of funds to be returned for completed projects.
### FY 2008 TDA/TransNet Non-Motorized Projects

<table>
<thead>
<tr>
<th>Agency</th>
<th>Project</th>
<th>Type</th>
<th>Total Claim</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>TDA</td>
<td>TransNet</td>
<td></td>
</tr>
<tr>
<td>Chula Vista</td>
<td>Bayshore Bikeway Preliminary Design</td>
<td>Design</td>
<td>$300,000</td>
<td></td>
</tr>
<tr>
<td>Chula Vista</td>
<td>12 Schools Pedestrian Improvements</td>
<td>Intersection Improvements</td>
<td>$78,920</td>
<td>$78,920</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>Bay Boulevard Bike Lane</td>
<td>Bike Lane</td>
<td>$54,520</td>
<td>$54,520</td>
</tr>
<tr>
<td>El Cajon</td>
<td>Master Bicycle Plan</td>
<td>Plan</td>
<td>$150,000</td>
<td>$150,000</td>
</tr>
<tr>
<td>Escondido</td>
<td>Escondido Creek Bike Path Undercrossing at Ash Street</td>
<td>Bike Path</td>
<td>$996,100</td>
<td>$905,800 $90,300</td>
</tr>
<tr>
<td>La Mesa</td>
<td>Spring Street Trolley Station Pedestrian Access</td>
<td>Sidewalk</td>
<td>$137,850</td>
<td></td>
</tr>
<tr>
<td>La Mesa</td>
<td>El Cajon Blvd- La Mesa Blvd Pedestrian Enhancements</td>
<td>Sidewalk</td>
<td>$110,500</td>
<td></td>
</tr>
<tr>
<td>San Diego City</td>
<td>SR-56 Community Connectors</td>
<td>Bike Path</td>
<td>$345,070</td>
<td></td>
</tr>
<tr>
<td>San Diego City</td>
<td>4th Avenue and Quince Street Pedestrian Safety Improvements</td>
<td>Intersection Improvements</td>
<td>$252,000</td>
<td></td>
</tr>
<tr>
<td>San Diego City</td>
<td>El Camino Real/SR-56 Bikeway Connectors</td>
<td>Bike Path</td>
<td>$245,000</td>
<td></td>
</tr>
<tr>
<td>San Diego City</td>
<td>Safety in Traffic Education Program (STEP) - Phase 2</td>
<td>Education</td>
<td>$200,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>San Diego City</td>
<td>Bicycle Master Plan Update</td>
<td>Plan</td>
<td>$150,000</td>
<td>$150,000</td>
</tr>
<tr>
<td>San Diego City</td>
<td>Kearny Villa Road Bike Path Study</td>
<td>Study</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>San Diego City</td>
<td>India Street Improvement Study</td>
<td>Study</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>San Diego City</td>
<td>Bicycle Rings and Racks</td>
<td>Bike Parking</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>San Marcos</td>
<td>Mission Road Sidewalk Improvements</td>
<td>Sidewalk</td>
<td>$108,790</td>
<td>$108,790</td>
</tr>
<tr>
<td>SANDAG</td>
<td>RideLink Bike Locker Procurement and Retrofit Upgrade</td>
<td>Bike Parking</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>SANDAG</td>
<td>COASTER Rail Line Bike Locker Retrofit and Upgrade</td>
<td>Bike Parking</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Regional</td>
<td>Bayshore Bikeway</td>
<td>Bike Path</td>
<td>$142,000</td>
<td>$142,000</td>
</tr>
<tr>
<td>Escondido</td>
<td>Escondido Creek Bike Path Undercrossing at Ash Street</td>
<td>Bike Path</td>
<td>$200,650</td>
<td>$200,650</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>Cliff Street Bridge</td>
<td>Sidewalk</td>
<td>$400,000</td>
<td>$400,000</td>
</tr>
<tr>
<td>Regional</td>
<td>Inland Rail Trail (CMAQ match)</td>
<td>Bike Path</td>
<td>$966,000</td>
<td>$966,000</td>
</tr>
<tr>
<td>Regional</td>
<td>Coastal Rail Trail (CMAQ match)</td>
<td>Bike Path</td>
<td>$272,000</td>
<td>$272,000</td>
</tr>
</tbody>
</table>

**Total Claims**

|                      | $5,409,400 | $2,862,680 | $1,156,300 |

FY 2008 Apportionment                      $2,394,426       $1,000,000
Prior Year Carry-over                        $5,515          $35,399
Return of Funds from Completed Projects*   $462,801         $0
Estimated Interest Earnings                  $0            $121,000

**Total Available Funding**                      $2,862,742       $1,156,399
Less Recommended Allocations                   ($2,862,680) ($1,156,300)
Balance Remaining                             $62            $99

*Based on FY 2006 fiscal audits
Highlights of the FY 2008 CTSA Work Plan

1. Work with SANDAG and the community to implement the locally developed Public Transit and Human Services Transportation Coordinated Plan.

2. Provide ongoing technical assistance and support to human service transportation providers and all other interested parties to find solutions to overcome identified barriers to coordination, consolidation, and collaboration.

3. Coordinate and conduct focus groups, surveys, and assessments, both formal and informal, to determine stakeholder transportation needs, vehicle and other relevant resources, and barriers to coordination.

4. Facilitate and secure partnerships resulting in coordination, resource sharing, and consolidation using the FACT Community Partnership Program.

5. Implement the FACT North County Pilot Project.

6. Work with representatives from cities and senior centers in North County to create the initial coordination activities.

7. Facilitate and coordinate the formation of a Volunteer Driver Program Coalition.

8. Provide education and technical assistance to community organizations for federal, state, and local funding opportunities.

9. Actively make presentations to stakeholder groups that describe the vision, mission, and scope of work of FACT and the parallel responsibilities of the CTSA as stated in the Social Services Improvement Act.


11. Conduct training opportunities for human service transportation providers in such as driver training, vehicle inspection, state and federal regulations, and safety issues.

12. Maintain library of best practices and other documents related to coordination and consolidation of human service transportation.

13. Update the FACT website regularly with information on FACT and CTSA activities including meetings, links and downloads of documents relating to coordination.

14. Respond to all requests from the public for information on transportation for seniors, people with disabilities and other transportation disadvantaged individuals utilizing the STRIDE website and other available resources.

15. Update and maintain the STRIDE Website by providing new information, increasing the accuracy of data, and developing educational materials for distribution throughout the county.
### Comparison of FY 2007 TDA Productivity Improvement Goals and Results

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Productivity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passengers per Revenue Hour</td>
<td>28.00</td>
<td>28.16</td>
<td>Yes</td>
<td>24.00</td>
<td>24.65</td>
<td>Yes</td>
<td>30.00</td>
<td>30.25</td>
<td>Yes</td>
<td>190.00</td>
<td>198.38</td>
<td>Yes</td>
<td>2.55</td>
<td>3.36</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Service Efficiency</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Cost per Passenger (below CPI 3.40%)</td>
<td>$2.01</td>
<td>$1.89</td>
<td>Yes</td>
<td>$2.37</td>
<td>$2.32</td>
<td>Yes</td>
<td>$2.94</td>
<td>$2.90</td>
<td>Yes</td>
<td>$1.63</td>
<td>$1.42</td>
<td>Yes</td>
<td>$17.42</td>
<td>$17.95</td>
<td>Yes</td>
</tr>
<tr>
<td>Farebox Recovery Ratio (increase from prior year)</td>
<td>38.24%</td>
<td>44.34%</td>
<td>Yes</td>
<td>35.93%</td>
<td>40.03%</td>
<td>Yes</td>
<td>30.38%</td>
<td>29.68%</td>
<td>No</td>
<td>50.78%</td>
<td>53.71%</td>
<td>Yes</td>
<td>16.39%</td>
<td>14.69%</td>
<td>No</td>
</tr>
<tr>
<td>3. Quality of Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-Time Performance</td>
<td>96.00%</td>
<td>93.90%</td>
<td>No</td>
<td>90.00%</td>
<td>83.50%</td>
<td>No</td>
<td>90.00%</td>
<td>77.40%</td>
<td>No</td>
<td>98.30%</td>
<td>96.00%</td>
<td>No</td>
<td>90.00%</td>
<td>97.00%</td>
<td>Yes</td>
</tr>
<tr>
<td>Percent of Completed Trips</td>
<td>99.80%</td>
<td>99.90%</td>
<td>Yes</td>
<td>99.90%</td>
<td>99.95%</td>
<td>Yes</td>
<td>99.90%</td>
<td>99.75%</td>
<td>No</td>
<td>99.85%</td>
<td>99.95%</td>
<td>Yes</td>
<td>99.85%</td>
<td>100.00%</td>
<td>Yes</td>
</tr>
<tr>
<td>4. Service Effectiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Did ridership growth exceed population growth?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Last year's report showed the goal for passengers per hour as 5.66, but it should have been 2.55

1 Fixed Route Contract Services includes Suburban, Express, Poway and South Bay Service

2 Demand Response Contract Services includes former ADA, DART, Sorrento Valley Coaster Connection and Rural.

### NCTD Objectives

<table>
<thead>
<tr>
<th>NCTD Objectives</th>
<th>Goal</th>
<th>Estimate</th>
<th>Met?</th>
<th>Goal</th>
<th>Estimate</th>
<th>Met?</th>
<th>Goal</th>
<th>Estimate</th>
<th>Met?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Productivity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passengers per Revenue Hour</td>
<td>21.20</td>
<td>19.65</td>
<td>No</td>
<td>245.00</td>
<td>257.93</td>
<td>Yes</td>
<td>1.95</td>
<td>1.99</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Service Efficiency</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Cost per Passenger (increase below CPI 3.40%)</td>
<td>$4.54</td>
<td>$4.64</td>
<td>Yes</td>
<td>$10.63</td>
<td>$11.65</td>
<td>No</td>
<td>$31.66</td>
<td>$38.79</td>
<td>No</td>
</tr>
<tr>
<td>Farebox Recovery Ratio</td>
<td>22.00%</td>
<td>20.67%</td>
<td>No</td>
<td>39.00%</td>
<td>35.07%</td>
<td>No</td>
<td>11.00%</td>
<td>11.85%</td>
<td>Yes</td>
</tr>
<tr>
<td>3. Quality of Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-Time Performance</td>
<td>96.50%</td>
<td>97.60%</td>
<td>Yes</td>
<td>95.00%</td>
<td>95.80%</td>
<td>Yes</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Percent of Completed Trips</td>
<td>99.50%</td>
<td>100.00%</td>
<td>Yes</td>
<td>99.60%</td>
<td>98.10%</td>
<td>No</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Schedule Time</td>
<td>96.00%</td>
<td>85.31%</td>
<td>No</td>
<td>96.00%</td>
<td>85.31%</td>
<td>No</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>4. Service Effectiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Did ridership growth exceed population growth?</td>
<td>No (NCTD service area population grew by 1.54 percent and NCTD ridership declined by 0.81 percent)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FY 2007 estimates are based on the first six months of data (July to December 2006).
## MTS Objectives

<table>
<thead>
<tr>
<th>MTS Objectives</th>
<th>Chula Vista Transit</th>
<th>MTS Contract (Fixed Route)</th>
<th>MTS Contract (DAR)</th>
<th>SD Transit</th>
<th>SD Trolley</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Productivity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Passengers per Revenue Hour</td>
<td>30</td>
<td>25</td>
<td>3</td>
<td>35</td>
<td>200</td>
</tr>
<tr>
<td>2. Service Efficiency</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Cost per Total Passenger</td>
<td>Increase to not more than CPI Increase from prior year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farebox Recovery Ratio</td>
<td>44%</td>
<td>40%</td>
<td>15%</td>
<td>30%</td>
<td>50%</td>
</tr>
<tr>
<td>3. Quality of Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-Time Performance</td>
<td>90.0%</td>
<td>90.0%</td>
<td>90.0%</td>
<td>90.0%</td>
<td>97.0%</td>
</tr>
<tr>
<td>Percent of Completed Trips</td>
<td>99.9%</td>
<td>99.9%</td>
<td>99.9%</td>
<td>99.9%</td>
<td>99.9%</td>
</tr>
<tr>
<td>4. Service Effectiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Passengers per Population</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Fixed Route Contract Services includes Suburban, Express, Poway, and South Bay Service

*Demand Response Contract Services includes former ADA, DART, Sorrento Valley Coaster Connection, and Rural

---

## NCTD Objectives

<table>
<thead>
<tr>
<th>NCTD Objectives</th>
<th>Breeze/Fast</th>
<th>Coaster</th>
<th>NCTD ADA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Productivity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Passengers per Revenue Hour</td>
<td>20.0</td>
<td>260.0</td>
<td>2.00</td>
</tr>
<tr>
<td>2. Service Efficiency</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Cost per Total Passenger</td>
<td>Increase not more than CPI Increase</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farebox Recovery Ratio</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>22%</td>
<td>37%</td>
<td>12%</td>
</tr>
<tr>
<td>3. Quality of Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-Time Performance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of Completed Trips</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schedule Time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>NA</td>
<td>NA</td>
<td>96.0%</td>
</tr>
<tr>
<td>4. Service Effectiveness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Passengers per Population</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To grow at a rate faster than that of the MTS area population

To grow at a rate faster than that of the NCTD area population

---

FY 2008 Productivity Improvement Goals

Attachment 5
San Diego Association of Governments

TRANSPORTATION COMMITTEE

June 15, 2007

AGENDA ITEM NO.: 7

Action Requested: APPROVE

DRAFT 2008 TRANSIT AGENCY OPERATING BUDGETS

File Number 7000100

Introduction

Consistent with its role as the consolidated transportation agency, SANDAG is responsible for approving the transit agency budgets for funding. The Transportation Committee approved the guiding principles and objectives for development of the FY 2008 transit operating budgets on January 19, 2007, and the Board of Directors approved the transit revenue apportionments on February 23, 2007. On May 18, the Transportation Committee discussed the proposed budgets, acknowledging the recent downward revision in revenues would require some adjustments.

Discussion

At the May 18 meeting, the transit agencies’ budgets were reviewed and discussed, including accomplishments in this fiscal year and highlights of the FY 2008 budget. At that meeting, the revised TransNet revenue estimates were discussed, but the TDA revised estimates were not yet available.

Historically, the TDA revenue estimates have been developed in consultation with the County Auditor and with the use of the SANDAG Demographic and Economic Forecasting Model (DEFM). DEFM was primarily developed for long-term forecasting. The recent trends in sales tax receipts have highlighted the need for SANDAG to develop a short-term model that can consider near-term economic influences. This new short-term model, currently under development, would complement DEFM and would be available for use beginning this fall. In the meantime, SANDAG has been working closely with MTS, NCTD and the County Auditor in developing the revised TDA estimates.

Following is a summary of the impact of the revised FY 2008 TDA estimates on MTS and NCTD:

<table>
<thead>
<tr>
<th></th>
<th>Original TDA Estimate</th>
<th>Revised TDA Estimate</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTS</td>
<td>87,888,000</td>
<td>81,271,000</td>
<td>(6,617,000)</td>
</tr>
<tr>
<td>NCTD</td>
<td>35,589,000</td>
<td>32,904,000</td>
<td>(2,685,000)</td>
</tr>
</tbody>
</table>

Recommendation

The Transportation Committee is asked to approve the North County Transit District (NCTD) and Metropolitan Transit System (MTS) FY 2008 operating budgets for funding (not to exceed the revised Transportation Development Act (TDA) and TransNet revenue estimates) and contingent upon approval by the respective Boards of each transit agency and the Board of Directors approval of the TDA allocations on June 22, 2007.
Following is a summary of the impact of the revised FY 2008 TransNet estimates on MTS and NCTD:

<table>
<thead>
<tr>
<th></th>
<th>Original TransNet Estimate</th>
<th>Revised TransNet Estimate</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTS–Capital</td>
<td>38,271,000</td>
<td>36,041,000</td>
<td>($2,230,000)</td>
</tr>
<tr>
<td>MTS–Operating</td>
<td>25,514,000</td>
<td>24,028,000</td>
<td>($1,486,000)</td>
</tr>
<tr>
<td>MTS–ADA</td>
<td>644,000</td>
<td>607,000</td>
<td>($37,000)</td>
</tr>
<tr>
<td>NCTD–Capital</td>
<td>15,352,000</td>
<td>14,457,000</td>
<td>($895,000)</td>
</tr>
<tr>
<td>NCTD–Operating</td>
<td>10,235,000</td>
<td>9,638,000</td>
<td>($597,000)</td>
</tr>
<tr>
<td>NCTD–ADA</td>
<td>258,000</td>
<td>243,000</td>
<td>($15,000)</td>
</tr>
</tbody>
</table>

Assumes the maximum available for operating (40%). ADA denotes Americans with Disabilities Act.

The attached MTS budget information recognizes the revised TDA and TransNet revenue estimates and reflects its interim plan for balancing the FY 2008 Budget including the use of additional State Transportation Assistance (STA) funds, FY 2007 budget savings and anticipated Compressed Natural Gas fuel rebates. The MTS Board is scheduled to approve the FY 2008 Budget on June 14, 2007. Attachments 1 and 2 contain narrative and numerical summaries of key budget information as presented by MTS.

The NCTD Planning Committee directed staff to maintain the existing proposed FY 2008 Budget and to maintain the current TDA claim which balances that budget. NCTD is scheduled to take action on its FY 2008 Budget on June 21, 2007, which will still reflect the original TDA and TransNet revenue estimates. The outcome of the treatment of the STA spillover funding in the State budget will play a large role in the actions taken by NCTD and the options available to fill the revenue gap created by the revised TDA and TransNet revenue estimates. NCTD plans on amending its budget early in FY 2008 after the State budget is finalized. In the meantime, SANDAG can approve the NCTD TDA claim up to the revised revenue estimate. Attachments 3 and 4 contain narrative and numerical summaries of key budget information as presented by NCTD.

Representatives from both MTS and NCTD will be available to discuss their respective budgets. The Transportation Committee’s approval of the budgets is contingent upon approval on June 22, 2007, by the Board of the TDA allocations discussed under Item 6 of this agenda.

RENÉE WASMUND
Director of Finance

Attachments: 1. MTS Draft Operating Budget Memo
             2. MTS Draft Operating Budget Tables
             3. NCTD Draft Operating Budget Memo
             4. NCTD Draft Operating Budget Tables

Key Staff Contacts: Renée Wasmund, (619) 699-1940, rwa@sandag.org
                   Tim Watson, (619) 699-1966, twa@sandag.org
To: SANDAG TRANSPORTATION COMMITTEE
Date: June 15, 2007
Subject: MTS: DRAFT OPERATIONS BUDGET

RECOMMENDATION:

That the Transportation Committee receive the Combined MTS FY 2008 Draft Operating Budget Report.

Budget Impact

None at this time.

DISCUSSION:

A public hearing is scheduled for June 14, 2007 for public comment as staff will present the following budget and request MTS Board of Director approval.

MTS staff began the operating budget review in December 2006. Staff reviewed personnel and non-personnel expenses for every division and department and were dedicated in keeping controllable expenses within manageable levels. Staff presented their results to the Budget Development Committee and MTS Board of Directors and received guidance for budget closure. A draft balanced budget was presented in April.

As discussed at the May 18, 2007 SANDAG Transportation Committee meeting, MTS has just recently been informed by SANDAG that sales tax receipts are lower than anticipated for Fiscal Year 2007, and that the trend will continue through Fiscal Year 2008. This decline impacts MTS’s share of TransNet and Transportation Development Act (TDA) revenues that make up a considerable portion of MTS’s operating revenue. (TransNet comprises approximately 11 percent, and TDA comprises 36 percent of MTS’s overall operating revenue.)

The latest estimates for fiscal year 2007 and fiscal year 2008 are as follows:
### Subsidy Funding Updates
**Fiscal Year 2007/2008**

<table>
<thead>
<tr>
<th></th>
<th>Original Budget Projections</th>
<th>5/15/2007 Latest Proj.</th>
<th>Revenue Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY07 Transnet</td>
<td>17.3</td>
<td>16.3</td>
<td>(1.1)</td>
</tr>
<tr>
<td>FY08 TDA</td>
<td>$ 82.4</td>
<td>$ 75.7</td>
<td>$ (6.6)</td>
</tr>
<tr>
<td>FY08 Transnet</td>
<td>20.0</td>
<td>18.5</td>
<td>(1.5)</td>
</tr>
<tr>
<td>FY08 Subtotal</td>
<td>$ 102.4</td>
<td>$ 94.3</td>
<td>$ (8.1)</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>119.7</strong></td>
<td><strong>110.5</strong></td>
<td><strong>(9.2)</strong></td>
</tr>
</tbody>
</table>

As this dramatically reduced subsidy information has been received at such a late date in the budgetary cycle, staff has reviewed an interim plan for balancing the fiscal year 2008 budget with the MTS Board of Directors. The MTS Board of Directors provided direction to the following interim solution to balance fiscal years 2007 and 2008.

#### MTS Interim Solution
**Fiscal Year 2007/2008**

<table>
<thead>
<tr>
<th></th>
<th>Total Savings</th>
<th>To Use In FY08 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>STA FY08 latest projections:</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>FY07 Operating Budget Savings:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid Year Projections</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Additional Savings (Through April 2007)</td>
<td>1.3</td>
<td>0.7</td>
</tr>
<tr>
<td>Total FY07 Operating Budget Savings:</td>
<td>3.5</td>
<td>2.9</td>
</tr>
<tr>
<td>CNG Fuel Credits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY07 Projected Rebate</td>
<td>2.3</td>
<td>2.3</td>
</tr>
<tr>
<td>FY08 Projected Rebate</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Total CNG Fuel Credit</td>
<td>5.3</td>
<td>5.3</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>9.8</strong></td>
<td><strong>9.2</strong></td>
</tr>
</tbody>
</table>

The May revision of the Governor’s draft budget included an increase in State Transit Assistance with MTS revenue increasing approximately $1.0 million compared to the previous version. This projection may change before final budget approval in June.

MTS is in a positive operating budget position in fiscal year 2007. The Board approved a mid year budget in February 2007 which had a $2.2 million surplus. Additionally, there has been additional savings through April 2007 of approximately $1.3 million. The short term solution would be to utilize a portion of these operating budgetary savings to assist in balancing our fiscal year 2008 budget.

There has been federal legislation passed that allows CNG providers to receive a rebate of 50 cents per therm of CNG as part of an incentive for providers to increase infrastructure of
this cleaner fuel. This is a three year rebate program administered through the IRS running through fiscal year 2009. MTS has received IRS approval of our registration and we have filed claims for two quarters in fiscal year 2007. The total annual financial rebate for MTS is approximately $3.0 million. While MTS has applied for this CNG rebate, MTS has not received any proceeds to date.

Staff will coordinate meetings with the MTS Budget Development Committee and the MTS Board of Directors in the summer to discuss a longer term solution. This will include balancing future budgets with recurring revenues.

Additionally, MTS will work with SANDAG to become more involved with the TDA and Transnet sales tax inflows and outflows at the County level. The goal is to project potential sales tax fluctuations and catch any funding shortfalls earlier in the budgetary process.

**Five-Year Operating Forecast.**

The goals of MTS on a five-year basis are to:

1. continue the matching of recurring revenues to recurring expenses;

2. control operating expenses as close as possible to inflation; and

3. continue the shift of recurring revenues that exceed recurring expenses to the Capital Improvement Program.

Currently operating revenue growth is projected at approximately 2.3% to 3.0% beyond fiscal year 2008. This is primarily due to the full impact of the goal of the COA to structure the MTS system to better meet the public’s ridership needs.

MTS has recurring subsidy projections averaging between 3.1% to 3.2%. In fiscal year 2009, there is an approximate $9.2 million increase from fiscal year 2008. This is primarily due to the MTS Board and SANDAG Board-approved TransNet II operating funding beginning within fiscal year 2009. The timing of this additional funding is crucial as our nonrecurring CMAQ funding (assisting in the Mission Valley East start-up operations) discontinues after fiscal year 2008.

With the growth in energy, health care, and pension costs going well above inflation, expenses are projected to grow between 3.5% and 4.8%. This leaves the organization with an approximate $5.3 million deficit within fiscal year 2009 and a $13.1 million deficit by fiscal year 2012. MTS remains committed to bridge these deficits, and discussions on long term solutions with our elected officials is important to keep our goal of using recurring revenues to balance recurring expenses.

**Attachments:** 2A. MTS Operating Budget – Revenue Summary  
2B. MTS Operating Budget – Functional Format  
2C. MTS Operating Budget – Functional Format Excluding Debt Service  
2D. MTS Operating Budget – Divisional / Operational Format  
2E. MTS Operating Budget – Five Year Forecast
## SAN DIEGO METROPOLITAN TRANSIT SYSTEM
### OPERATING BUDGET
#### REVENUE SUMMARY
**FY 2008**

<table>
<thead>
<tr>
<th>OPERATING REVENUE</th>
<th>BUDGET FY07</th>
<th>MID YEAR BUDGET FY07</th>
<th>BUDGET FY08</th>
<th>DOLLAR CHANGE BUDGET/ PROJECTED</th>
<th>% CHANGE BUDGET/ PROJECTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>PASSENGER REVENUE</td>
<td>$ 70,865,316</td>
<td>$ 71,970,598</td>
<td>$ 73,361,866</td>
<td>$ 1,391,268</td>
<td>1.9%</td>
</tr>
<tr>
<td>ADVERTISING REVENUE</td>
<td>850,000</td>
<td>900,000</td>
<td>925,000</td>
<td>25,000</td>
<td>2.8%</td>
</tr>
<tr>
<td>CONTRACT SERVICE REVENUE</td>
<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>OTHER INCOME</td>
<td>2,407,008</td>
<td>2,883,842</td>
<td>2,932,179</td>
<td>48,337</td>
<td>1.7%</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUE</strong></td>
<td>$ 74,152,324</td>
<td>$ 75,784,440</td>
<td>$ 77,249,045</td>
<td>$ 1,464,606</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SUBSIDY REVENUE</th>
<th>BUDGET FY07</th>
<th>MID YEAR BUDGET FY07</th>
<th>BUDGET FY08</th>
<th>DOLLAR CHANGE BUDGET/ PROJECTED</th>
<th>% CHANGE BUDGET/ PROJECTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEDERAL REVENUE</td>
<td>$ 23,217,500</td>
<td>$ 23,417,500</td>
<td>$ 24,358,166</td>
<td>$ 940,666</td>
<td>4.0%</td>
</tr>
<tr>
<td>TRANSPORTATION DEVELOPMENT ACT (TDA)</td>
<td>78,943,303</td>
<td>78,943,303</td>
<td>75,746,723</td>
<td>(3,196,580)</td>
<td>-4.0%</td>
</tr>
<tr>
<td>STATE TRANSIT ASSISTANCE (STA)</td>
<td>11,026,100</td>
<td>11,026,100</td>
<td>9,393,706</td>
<td>(1,632,394)</td>
<td>-14.8%</td>
</tr>
<tr>
<td>STATE REVENUE - OTHER</td>
<td>617,892</td>
<td>2,178,039</td>
<td>2,192,858</td>
<td>14,819</td>
<td>0.7%</td>
</tr>
<tr>
<td><strong>TOTAL SUBSIDY REVENUE</strong></td>
<td>$ 133,130,362</td>
<td>$ 134,320,509</td>
<td>$ 131,566,371</td>
<td>$(2,754,138)</td>
<td>-2.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NONRECURRING REVENUES</th>
<th>BUDGET FY07</th>
<th>MID YEAR BUDGET FY07</th>
<th>BUDGET FY08</th>
<th>DOLLAR CHANGE BUDGET/ PROJECTED</th>
<th>% CHANGE BUDGET/ PROJECTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>USE OF TransNet (BRT) FUNDS</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FEDERAL CMAQ FOR MISSION VALLEY EAST</td>
<td>4,569,305</td>
<td>4,569,305</td>
<td>5,149,292</td>
<td>579,987</td>
<td>12.7%</td>
</tr>
<tr>
<td>OTHER RESERVES (TAXICAB/SD&amp;AE)</td>
<td>104,641</td>
<td>136,778</td>
<td>236,717</td>
<td>99,939</td>
<td>73.1%</td>
</tr>
<tr>
<td>CONTINGENCY RESERVES</td>
<td>-</td>
<td>-</td>
<td>4,137,436</td>
<td>4,137,436</td>
<td>#DIV/0!</td>
</tr>
<tr>
<td><strong>TOTAL NONRECURRING REVENUES</strong></td>
<td>$ 4,673,946</td>
<td>$ 4,706,083</td>
<td>$ 9,523,445</td>
<td>$ 4,817,361</td>
<td>102.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEBT SERVICE/LEASE LEASEBACK REVENUE</th>
<th>BUDGET FY07</th>
<th>MID YEAR BUDGET FY07</th>
<th>BUDGET FY08</th>
<th>DOLLAR CHANGE BUDGET/ PROJECTED</th>
<th>% CHANGE BUDGET/ PROJECTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 28,316,087</td>
<td>$ 28,316,087</td>
<td>$ 20,686,070</td>
<td>$ (7,630,017)</td>
<td>-26.9%</td>
<td></td>
</tr>
</tbody>
</table>

| GRAND TOTAL REVENUES               | $ 240,272,719| $ 243,127,119       | $ 239,024,931| $(4,102,188)                    | -1.7%                     |

<table>
<thead>
<tr>
<th>NONRECURRING REVENUES TO CAPITAL</th>
<th>BUDGET FY07</th>
<th>MID YEAR BUDGET FY07</th>
<th>BUDGET FY08</th>
<th>DOLLAR CHANGE BUDGET/ PROJECTED</th>
<th>% CHANGE BUDGET/ PROJECTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 4,479,710</td>
<td>$ 4,479,710</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$ 2,019,120</td>
<td>2,019,120</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$ 6,498,830</td>
<td>$ 6,498,830</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Legend:
BRT = Bus Rapid Transit
CMAQ = Congestion Mitigation and Air Quality
SD&AE = San Diego and Arizona Eastern Railway
### SAN DIEGO METROPOLITAN TRANSIT SYSTEM

#### TOTAL OPERATING BUDGET

**PROPOSED FY 2008 BUDGET**

(in $000’s)

<table>
<thead>
<tr>
<th></th>
<th>FY 2007 APPROVED BUDGET</th>
<th>FY 2007 AMENDED BUDGET</th>
<th>FY 2008 PROPOSED BUDGET</th>
<th>$ VARIANCE FY08 BUDGET TO FY07 AMENDED</th>
<th>% VARIANCE FY08 BUDGET TO FY07 AMENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fare Revenue</td>
<td>$70,865</td>
<td>$71,971</td>
<td>$73,362</td>
<td>$1,391</td>
<td>1.9%</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>3,287</td>
<td>3,814</td>
<td>3,887</td>
<td>73</td>
<td>1.9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>$74,152</td>
<td>$75,784</td>
<td>$77,249</td>
<td>$1,465</td>
<td>1.9%</td>
</tr>
<tr>
<td>Subsidy</td>
<td>166,120</td>
<td>167,343</td>
<td>161,776</td>
<td>(5,567)</td>
<td>-3.3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$240,273</td>
<td>$243,127</td>
<td>$239,025</td>
<td>$(4,102)</td>
<td>-1.7%</td>
</tr>
<tr>
<td>Wages</td>
<td>$60,845</td>
<td>$60,695</td>
<td>$63,488</td>
<td>$2,793</td>
<td>4.6%</td>
</tr>
<tr>
<td>Fringes</td>
<td>33,545</td>
<td>36,692</td>
<td>38,211</td>
<td>1,519</td>
<td>4.1%</td>
</tr>
<tr>
<td>Services</td>
<td>16,274</td>
<td>16,343</td>
<td>16,617</td>
<td>274</td>
<td>1.7%</td>
</tr>
<tr>
<td>Purchased Transportation</td>
<td>51,879</td>
<td>52,909</td>
<td>56,550</td>
<td>3,641</td>
<td>6.9%</td>
</tr>
<tr>
<td>Materials</td>
<td>7,961</td>
<td>7,735</td>
<td>7,353</td>
<td>(382)</td>
<td>-4.9%</td>
</tr>
<tr>
<td>Energy</td>
<td>28,015</td>
<td>26,268</td>
<td>25,504</td>
<td>(764)</td>
<td>-2.9%</td>
</tr>
<tr>
<td>Risk Management</td>
<td>5,733</td>
<td>5,695</td>
<td>4,634</td>
<td>(1,060)</td>
<td>-18.6%</td>
</tr>
<tr>
<td>General and Administrative</td>
<td>1,291</td>
<td>1,290</td>
<td>1,105</td>
<td>(185)</td>
<td>-14.4%</td>
</tr>
<tr>
<td>Vehicle/Facility Lease</td>
<td>332</td>
<td>363</td>
<td>446</td>
<td>84</td>
<td>23.1%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>34,397</td>
<td>32,942</td>
<td>25,117</td>
<td>(7,826)</td>
<td>-23.8%</td>
</tr>
<tr>
<td>Reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Costs</td>
<td>$240,273</td>
<td>$240,933</td>
<td>$239,025</td>
<td>$(1,908)</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Overhead Allocation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenue Less Total Costs</td>
<td>$ -</td>
<td>$2,194</td>
<td>$ -</td>
<td>$(2,194)</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Net Operating Subsidy</td>
<td>$(166,120)</td>
<td>$(165,148)</td>
<td>$(161,776)</td>
<td>$3,373</td>
<td>-2.0%</td>
</tr>
</tbody>
</table>

(Attachment 2B)
<table>
<thead>
<tr>
<th>NET OPERATING MID YEAR BUDGET</th>
<th>BUDGET FY07</th>
<th>BUDGET FY08</th>
<th>RTMS AFC LRV</th>
<th>NET OPERATING BUDGET FY08</th>
<th>DOLLAR VARIANCE</th>
<th>PERCENT VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL OPERATING REVENUES</td>
<td>$ 75,784,441</td>
<td>$ 77,249,045</td>
<td>$ -</td>
<td>$ 77,249,045</td>
<td>$ 1,464,605</td>
<td>1.9%</td>
</tr>
<tr>
<td>TOTAL NON OPERATING REVENUE</td>
<td>$ 139,026,592</td>
<td>$ 161,775,886</td>
<td>20,686,070</td>
<td>$ 141,089,816</td>
<td>2,063,224</td>
<td>1.5%</td>
</tr>
<tr>
<td>TOTAL COMBINED REVENUES</td>
<td>$ 214,811,033</td>
<td>$ 239,024,932</td>
<td>$ 20,686,070</td>
<td>$ 218,338,862</td>
<td>$ 3,527,829</td>
<td>1.6%</td>
</tr>
<tr>
<td>TOTAL PERSONNEL EXPENSES</td>
<td>$ 97,387,526</td>
<td>$ 101,699,315</td>
<td>$ -</td>
<td>$ 101,699,315</td>
<td>$ 4,311,789</td>
<td>4.4%</td>
</tr>
<tr>
<td>TOTAL PURCHASED TRANSPORTATION</td>
<td>$ 52,909,203</td>
<td>$ 56,549,791</td>
<td>$ -</td>
<td>$ 56,549,791</td>
<td>3,640,587</td>
<td>6.9%</td>
</tr>
<tr>
<td>TOTAL OUTSIDE SERVICES</td>
<td>$ 16,343,403</td>
<td>$ 16,617,078</td>
<td>$ -</td>
<td>$ 16,617,078</td>
<td>273,675</td>
<td>1.7%</td>
</tr>
<tr>
<td>TOTAL MATERIALS AND SUPPLIES</td>
<td>$ 7,734,500</td>
<td>$ 7,352,792</td>
<td>$ -</td>
<td>$ 7,352,792</td>
<td>(381,708)</td>
<td>-4.9%</td>
</tr>
<tr>
<td>TOTAL ENERGY</td>
<td>$ 26,268,066</td>
<td>$ 25,503,677</td>
<td>$ -</td>
<td>$ 25,503,677</td>
<td>(764,389)</td>
<td>-2.9%</td>
</tr>
<tr>
<td>RISK MANAGEMENT</td>
<td>$ 5,694,908</td>
<td>$ 4,634,442</td>
<td>$ -</td>
<td>$ 4,634,442</td>
<td>(1,060,466)</td>
<td>-18.6%</td>
</tr>
<tr>
<td>GENERAL AND ADMINISTRATIVE</td>
<td>$ 1,290,294</td>
<td>$ 1,104,842</td>
<td>$ -</td>
<td>$ 1,104,842</td>
<td>(185,452)</td>
<td>-14.4%</td>
</tr>
<tr>
<td>DEBT SERVICE</td>
<td>$ 4,626,306</td>
<td>$ 25,116,648</td>
<td>20,686,070</td>
<td>$ 4,430,578</td>
<td>(195,728)</td>
<td>-4.2%</td>
</tr>
<tr>
<td>VEHICLE / FACILITY LEASE</td>
<td>$ 362,640</td>
<td>$ 446,348</td>
<td>$ -</td>
<td>$ 446,348</td>
<td>83,708</td>
<td>23.1%</td>
</tr>
<tr>
<td>TOTAL OPERATING EXPENSES</td>
<td>$ 212,616,846</td>
<td>$ 239,024,932</td>
<td>$ 20,686,070</td>
<td>$ 218,338,862</td>
<td>$ 5,722,016</td>
<td>2.7%</td>
</tr>
<tr>
<td>TOTAL REVENUES LESS TOTAL EXPENSES</td>
<td>$ 2,194,187</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>(2,194,187)</td>
<td></td>
</tr>
</tbody>
</table>
## SAN DIEGO METROPOLITAN TRANSIT SYSTEM

### TOTAL OPERATING BUDGET

#### PROPOSED FY 2008 BUDGET

*(in $000's)*

<table>
<thead>
<tr>
<th></th>
<th>FY 2007 Mid Year Expense Budget</th>
<th>FY 2008 Current Expense Budget</th>
<th>Difference</th>
<th>Percent Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Bus Operations</td>
<td>75,945</td>
<td>75,170</td>
<td>(775)</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Rail Operations</td>
<td>52,746</td>
<td>54,110</td>
<td>1,364</td>
<td>2.6%</td>
</tr>
<tr>
<td>Contract Services - Fixed Route</td>
<td>48,362</td>
<td>49,447</td>
<td>1,085</td>
<td>2.2%</td>
</tr>
<tr>
<td>Contract Services - Paratransit</td>
<td>11,685</td>
<td>12,793</td>
<td>1,108</td>
<td>9.5%</td>
</tr>
<tr>
<td>Chula Vista Transit</td>
<td>6,959</td>
<td>8,088</td>
<td>1,129</td>
<td>16.2%</td>
</tr>
<tr>
<td>Coronado Ferry</td>
<td>139</td>
<td>143</td>
<td>4</td>
<td>3.0%</td>
</tr>
<tr>
<td>Administrative Pass Through</td>
<td>344</td>
<td>344</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Combined Operations</strong></td>
<td>196,181</td>
<td>200,096</td>
<td>3,915</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>Combined Other Operations</strong></td>
<td>893</td>
<td>982</td>
<td>88</td>
<td>9.9%</td>
</tr>
<tr>
<td><strong>Combined Administrative</strong></td>
<td>14,445</td>
<td>16,337</td>
<td>1,892</td>
<td>13.1%</td>
</tr>
<tr>
<td><strong>Combined Debt Service</strong></td>
<td>29,414</td>
<td>21,611</td>
<td>(7,803)</td>
<td>-26.5%</td>
</tr>
<tr>
<td><strong>Combined Grand Total</strong></td>
<td>240,933</td>
<td>239,025</td>
<td>15,063</td>
<td>6.3%</td>
</tr>
<tr>
<td><strong>COMBINED OPERATIONS</strong></td>
<td>196,181</td>
<td>200,096</td>
<td>3,915</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>COMBINED OPERATIONS - OTHER</strong></td>
<td>893</td>
<td>982</td>
<td>88</td>
<td>9.9%</td>
</tr>
<tr>
<td><strong>COMBINED ADMINISTRATION</strong></td>
<td>14,445</td>
<td>16,337</td>
<td>1,892</td>
<td>13.1%</td>
</tr>
<tr>
<td></td>
<td>211,519</td>
<td>217,414</td>
<td>5,895</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

* Allocation differences included in FY 2007 mid year expense budget for analytical purposes.
## SAN DIEGO METROPOLITAN TRANSIT SYSTEM
### FIVE YEAR FINANCIAL PROJECTIONS
#### FISCAL YEAR 2008

<table>
<thead>
<tr>
<th></th>
<th>APPROVED BUDGET FY07</th>
<th>AMENDED BUDGET FY07</th>
<th>PROPOSED BUDGET FY08</th>
<th>PROJECTED FY09</th>
<th>PROJECTED FY10</th>
<th>PROJECTED FY11</th>
<th>PROJECTED FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUE - BASE</strong></td>
<td>69,601,630</td>
<td>72,806,376</td>
<td>74,181,640</td>
<td>79,548,000</td>
<td>81,962,000</td>
<td>83,867,000</td>
<td>85,820,000</td>
</tr>
<tr>
<td><strong>OPERATING REVENUE - Mission Valley East</strong></td>
<td>4,550,694</td>
<td>2,978,064</td>
<td>3,067,406</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td>74,152,324</td>
<td>75,784,440</td>
<td>77,249,045</td>
<td>79,548,000</td>
<td>81,962,000</td>
<td>83,867,000</td>
<td>85,820,000</td>
</tr>
<tr>
<td><strong>RECURRING SUBSIDY FUNDING</strong></td>
<td>133,130,362</td>
<td>134,320,509</td>
<td>131,566,371</td>
<td>140,808,118</td>
<td>145,337,118</td>
<td>149,808,118</td>
<td>154,451,118</td>
</tr>
<tr>
<td><strong>BASE COMBINED OPERATOR TRANSP. SERVICES</strong></td>
<td>186,953,993</td>
<td>186,888,677</td>
<td>189,749,751</td>
<td>207,099,285</td>
<td>217,452,760</td>
<td>225,063,607</td>
<td>232,940,833</td>
</tr>
<tr>
<td><strong>MISSION VALLEY EAST START UP SERVICE</strong></td>
<td>9,713,751</td>
<td>9,713,751</td>
<td>10,346,177</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>ADMINISTRATIVE EXPENSES</strong></td>
<td>14,174,462</td>
<td>14,023,250</td>
<td>17,261,287</td>
<td>17,779,126</td>
<td>18,312,500</td>
<td>18,861,875</td>
<td>19,427,731</td>
</tr>
<tr>
<td><strong>OTHER ACTIVITIES</strong></td>
<td>1,114,427</td>
<td>1,991,167</td>
<td>981,647</td>
<td>1,001,280</td>
<td>1,021,306</td>
<td>1,041,732</td>
<td>1,062,566</td>
</tr>
<tr>
<td><strong>TOTAL RECURRING EXPENSES</strong></td>
<td>211,956,633</td>
<td>212,616,845</td>
<td>218,338,862</td>
<td>225,879,691</td>
<td>236,786,566</td>
<td>244,967,213</td>
<td>253,431,130</td>
</tr>
<tr>
<td><strong>ANNUAL RECURRING EXCESS (DEFICIT) OF REVENUE OVER EXPENSES</strong></td>
<td>(4,673,948)</td>
<td>(2,511,896)</td>
<td>(9,523,446)</td>
<td>(5,523,573)</td>
<td>(9,487,448)</td>
<td>(11,292,095)</td>
<td>(13,160,012)</td>
</tr>
<tr>
<td><strong>NON RECURRING REVENUES</strong></td>
<td>4,673,946</td>
<td>4,706,083</td>
<td>9,523,445</td>
<td>200,000</td>
<td>150,000</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>NET DEBT SERVICE/LEASE REVENUE/(EXPENSE)</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>ANNUAL EXCESS (DEFICIT) OF REVENUES OVER EXPENSES</strong></td>
<td>-</td>
<td>2,194,187</td>
<td>-</td>
<td>(5,323,573)</td>
<td>(9,337,448)</td>
<td>(11,192,095)</td>
<td>(13,060,012)</td>
</tr>
</tbody>
</table>
Subject:

NCTD DRAFT OPERATING BUDGET

RECOMMENDATION:

That the Transportation Committee approve the NCTD FY 2008 Draft Operating Budget Report for funding

Budget Impact

None at this time.

DISCUSSION:

NCTD PROPOSED BUDGET REVIEW

The following budget has not been approved by the NCTD Board of Directors as of June 15, 2007. This budget has been reviewed by NCTD’s Planning Committee at two budget workshops held in March and April and presented to the full Board for review on May 17, 2007. This budget will be presented to the full Board for adoption on June 21, 2007 following a public hearing.

A special meeting of NCTD’s Planning Committee was held on May 24, 2007 to discuss the revised TransNet and TDA funding estimates recently provided by SANDAG. These revised estimates significantly impact NCTD’s current proposed budget. The short time period between release of the revised estimates and the scheduled budget adoption date of June 21, 2007 will not allow NCTD to make significant changes to its proposed budget and still abide by the public hearing and public comment process required before formal budget adoption. Therefore, NCTD will submit its proposed budget for adoption in June using the original February TDA and TransNet estimates. NCTD will make a formal budget amendment early in fiscal year FY 2008 after final approved TransNet and TDA funding estimates are received from SANDAG and after the State of California budget for FY 2008 is finalized.

Budget Highlights

As North County’s public transit provider, NCTD recognizes that to retain and attract riders, we must provide high-quality services that meet our customers’ needs. The FY 2008 budget represents our plan to continue to provide these essential services while meeting statutory obligations to ensure the economic stability of the transit system. NCTD’s proposed budget for FY 2008 reflects $85.3 million in funds to operate the District’s 165 buses that serve 53 routes along with 7 locomotives and accompanying 28 passenger coaches that operate on 41 miles of NCTD-owned railroad right of way in the LOSSAN rail corridor. The FY 2008 budget also includes the commencement of SPRINTER revenue service, scheduled to begin in December, 2007. The cost of mobilizing and operating 12 SPRINTER DMU’s with stops at 15 stations along 22 miles of NCTD-owned and maintained inland railroad is estimated at $11M for FY 2008.

Operating expenditures are budgeted to increase by $9M or 11.8% over FY 2007 estimated actual. While this increase appears significant, it is all attributed to the incremental cost of providing SPRINTER service, reflecting considerable budget restraint and some budget reductions in other areas of NCTD. Fortunately, expenses such as fuel, insurance premiums, and purchased transportation costs are
forecasted to remain at current levels for FY 2008. Diesel fuel was budgeted at $2.26/gallon (without taxes) for FY 2007, and the current YTD average since last July is $2.10/gallon. The four month average is $2.05. The proposed FY 2008 budget includes diesel at $2.26/gallon. CNG fuel costs are stable due to a long term contract through June, 2010 that locks in the cost at $.615/therm plus compression costs for FY 2008.

In previous years, NCTD had built up a reserve of TDA funds to be used for start up and other costs related to beginning SPRINTER service. Funding estimates for both FY 2007 and FY 2008 are based on estimates received from SANDAG in February, 2007. In FY 2007, NCTD used $1.7M in TDA carryover monies to fund one-time SPRINTER mobilization costs, and the FY 2008 proposed budget includes an additional $1.5M in mobilization costs also funded with the carryover monies.

No fare increases are included in the proposed FY 2008 budget.

NCTD's overall service plan will include several major adjustments for FY 2008 as SPRINTER service is introduced. BREEZE service is estimated to decrease by 29,000 revenue hours and approximately 400,000 revenue miles as duplicative service with the SPRINTER is reduced. FAST, ADA/Paratransit, and Coaster service levels will remain the same. SPRINTER service is forecasted at 10,600 revenue hours and 237,000 revenue miles for FY 2008.

Ridership for BREEZE service is projected to increase 4.4% for FY 2008 while FAST service ridership is projected to decrease 2.4%. ADA/Paratransit and COASTER ridership are both projected to increase 3.0%.

NCTD’s unconstrained CIP budget for 2008 is $23,286,298 yet only $11,900,000 is available for current fiscal year funding leaving $11,386,298 unfunded. Capital project needs are unmet every year, widening the funding gap on an accumulated basis. Sources for capital funding must be identified and secured if we are to continue to provide the levels of service our riders expect and if we are to remain viable to help in our region’s future mobility needs.

**FY 2008 Total Operating Budget – Attachment 4A**

The total budgeted revenue for FY 2008 is projected at $85,274,571 and the total budgeted expenses are projected at $85,274,571 resulting in a balanced budget for the year. Total revenue is projected at 11.5% higher than FY 2007 estimated actual and total expenses are projected at 11.8% higher than FY 2007 estimated actual.

**FY 2008 Revenue – Attachment 4B**

**Operating Revenue**

1. **Passenger fares** - Total fare revenue is projected to increase $1,784,837 (10.8%) compared to the FY 2007 estimated actual. This increase is primarily due to an estimated $1,767,609 in new fare revenue generated by SPRINTER service based on the projected service date of December, 2007.

2. **Auxiliary Revenue** – This category includes advertising, shared use, dispatch, and concession revenue. The FY 2008 budget shows a projected increase of $223,868 or 3.2% which is primarily due to new concession revenue from SPRINTER stations.

3. **Non-transportation Revenue** – This category includes lease revenue, permit and administrative fee revenues and other miscellaneous revenues. The category in total is expected to increase $71,039 or 5.5%. The increase is due to annual adjustments incorporated into existing lease contracts.
Grant Revenue

4. **Federal Formula Funds** – The amount for FY 2008 is based on revenue estimates provided by SANDAG and published in the Federal Register. The apportionment of 5307 formula funds to NCTD for FY 2008 is $14,339,000 and the apportionment of 5309 funds is $4,712,000 for a total of $19,051,000. This revenue is used to both fund capital projects and support operations. The amount allocated to support operations for FY 2008 is $9,990,000, an increase of $341,344 or 3.5%.

5. **Other Federal Funding** – Several new federal funding sources have been identified for FY 2008. Two of the grants will support and enhance NCTD’s ADA/Paratransit service. The MAA (Medi-Cal Administrative Activities) reimbursement program is estimated to provide $600K for NCTD’s contracted expenses, and the New Freedom grant will support mobility travel training in the amount of $34K. A third new funding source is JARC (Job Access Reverse Commute) which is estimated at $200K for FY 2008.

6. **TDA Revenue 4.0** – For FY 2008, TDA 4.0 is used exclusively to support operations. The total increase for FY 2008 is projected at $3,845,900 or 13.0% and is based on estimates from SANDAG dated February, 2007.

7. **TDA Revenue 4.5** – For FY 2008, TDA 4.5 is also used to support operations but must be used exclusively for disabled and senior services. The projected increase for FY 2008 is $229,000 or 14.8% and is based on estimates from SANDAG dated February, 2007.

8. **State Transit Assistance STA** – NCTD’s allocation of STA funding FY 2008 is based on revenue estimates provided by SANDAG in the amount of $2,639,000. The entire amount will be used as the local match for federal funding for capital projects. Thus, no STA funding is included in the FY 2008 operating budget.

9. **Other State Grants** – The amount in this category represents two CalTrans grants. One is a new grant for Hispanic Outreach related to the introduction of SPRINTER service for $90,000 and the other is a continuing grant for land use studies in the amount of $70,000.

10. **TransNet** – Approximately 20% of the total TransNet revenue estimate for NCTD has been budgeted for operations, consistent with the District’s past policy. The projected increase for FY 2008 is $270,200 or 5.2% and is based on estimates from SANDAG dated February, 2007.

Non-Operating Revenue

11. The amount for FY 2008 is projected to decrease by $31,101 or 19.9% over the FY 2007 estimated actual. The decrease is primarily due to less projected investment income.

Non-Recurring Revenue

12. This category reflects the use of CMAQ (Congestion Mitigation and Air Quality) funding in the amount of $5,000,000 and TDA Carryover in the amount of $1,500,000 for the mobilization and start up operations of SPRINTER service. CMAQ funding is available for a three-year period to support operating costs when a new operating mode comes online.
1. **Salaries and Wages** - Salaries and wages for FY 2008 are projected to increase by $1,230,059 or 5.1%. This increase is a result of two activities: 1) contractual and merit wage increases; and 2) new positions required to support SPRINTER operations, primarily for facilities maintenance and security.

2. **Employee Benefits** – Benefits are projected to increase $288,465 or 2.3% for FY 2008 due to the reasons listed above.

3. **Professional Services/Reimbursements** – The increase for FY 2008 is $3,044,847 or 24.7%. This increase is due to new SPRINTER operations which include mobilization costs ($1.4M), contracted security services ($1.2M) and railway maintenance ($1.2M). Also included in this category is the reimbursable portion of professional service expenses and various expense allocations.

4. **Fuel and Taxes** – This category includes all lubricants, gasoline, diesel fuel and related fuel taxes. The increase is $553,462 or 8.5%. The FY 2008 budget for diesel is currently set at $2.26/gallon without taxes. The FY 2007 budget was also $2.26/gallon and the current fiscal year actual average is $2.10/gallon. The FY 2008 budget includes an additional 427,000 gallons of diesel for SPRINTER test runs and revenue service and a decrease of 10% for bus fuel due to reduced BREEZE service. NCTD’s total estimated diesel consumption for FY 2008 is 2.23 million gallons; every $0.10 increase in a gallon of diesel results in a $223,000 increase in annual fuel expense.

    NCTD currently has a 5 year contract for CNG fuel that keeps the commodity price at $.619/therm through June, 2010.

5. **Materials and supplies** – This includes office supplies, advertising, and all printed media for NCTD and is projected to increase $122,192 or 4.5% for FY 2008.

6. **Utilities** – The increase for FY 2008 is $459,676 or 32.7% and is due to the opening of the new SPRINTER vehicle maintenance facility and new SPRINTER stations.

7. **Casualty and Liability** – This category is projected to increase $404,916 or 10.8% from the FY 2007 estimated actual. The increase is due to new insurance premiums related to SPRINTER service.

8. **Purchased Transportation** – A new purchased transportation contract will be in effect for FY 2008 for the SPRINTER in the amount of $2.2M for the projected six months of service.

9. **Advertising and Misc.** – This category shows a decrease for FY 2008 in the amount of $73,258 or 13.4%. This increase is related to the marketing campaign for the SPRINTER.

10. **Leases and rentals** – This category shows a decrease of $26,777 or 5.3%.

11. **Workers’ Compensation** – This category shows an increase of $168,172 or 12.2% from FY 2007 estimated actual.

12. **Debt Service** – This expense in past years represented the costs of administering the auction rate securities for the SPRINTER debt. FY 2008 also includes the interest expense for the debt that was previously capitalized during SPRINTER construction.
Attachment 4D shows NCTD’s operating budget through fiscal year 2012. Passenger fare revenues are projected to increase three to five percent over the next four years, primarily due to increased SPRINTER ridership. Grant revenue is based on SANDAG estimates dated February, 2007 using the midpoint revenue projections for TDA, Transnet, and STA funding and the SANDAG estimate for federal formula funding. Expenses are projected to increase approximately 3% per year with adjustments for renegotiated labor and service contracts. CMAQ funding is scheduled to end in FY 2010, leaving a significant funding gap in FY 2011 and beyond.
## NORTH COUNTY TRANSIT DISTRICT
### TOTAL OPERATING BUDGET
#### PROPOSED FY 2008 BUDGET

( ) indicates unfavorable variance

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>FY 2006 Actual</th>
<th>FY 2007 Budget</th>
<th>FY 2007 Estimated Actual</th>
<th>FY 2008 Proposed Budget</th>
<th>$ Variance FY08 Budget to FY07 Est. Actual</th>
<th>% Variance FY08 Budget to FY07 Est. Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Fares</td>
<td>$15,901,987</td>
<td>$17,367,252</td>
<td>$16,465,209</td>
<td>$18,250,046</td>
<td>$1,784,837</td>
<td>10.8%</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>8,367,425</td>
<td>8,313,615</td>
<td>8,344,857</td>
<td>8,639,764</td>
<td>294,907</td>
<td>3.5%</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>$24,269,412</td>
<td>$25,680,867</td>
<td>$24,810,066</td>
<td>$26,889,810</td>
<td>$2,079,744</td>
<td>8.1%</td>
</tr>
<tr>
<td>Grant Revenue¹</td>
<td>44,436,765</td>
<td>50,078,561</td>
<td>49,806,652</td>
<td>51,759,728</td>
<td>1,953,076</td>
<td>3.9%</td>
</tr>
<tr>
<td>Other Non-operating Revenue</td>
<td>34,214</td>
<td>105,305</td>
<td>156,134</td>
<td>125,033</td>
<td>(31,101)</td>
<td>(19.9%)</td>
</tr>
<tr>
<td>Non-recurring Revenue</td>
<td>1,700,000</td>
<td>1,700,050</td>
<td>6,500,000</td>
<td>4,799,950</td>
<td>282.3%</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>$68,740,391</td>
<td>$77,564,733</td>
<td>$76,472,902</td>
<td>$85,274,571</td>
<td>$8,801,669</td>
<td>11.5%</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$68,568,206</td>
<td>$77,564,733</td>
<td>$76,293,475</td>
<td>$85,274,571</td>
<td>$8,981,096</td>
<td>11.8%</td>
</tr>
<tr>
<td><strong>ANNUAL SURPLUS (DEFICIT)</strong></td>
<td>$172,185</td>
<td>-</td>
<td>$179,427</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹These amounts based on February 2007 estimates from SANDAG
## NORTH COUNTY TRANSIT DISTRICT
### OPERATING BUDGET
#### REVENUE SUMMARY
#### PROPOSED FY 2008 BUDGET

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING REVENUE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger Fares</td>
<td>1</td>
<td>$15,901,987</td>
<td>$17,367,252</td>
<td>$16,465,209</td>
<td>$18,250,046</td>
<td>$1,784,837</td>
</tr>
<tr>
<td>Auxiliary Revenue</td>
<td>2</td>
<td>6,869,628</td>
<td>7,052,367</td>
<td>7,062,332</td>
<td>7,286,200</td>
<td>223,868</td>
</tr>
<tr>
<td>Non-transportation Revenue</td>
<td>3</td>
<td>1,497,797</td>
<td>1,261,248</td>
<td>1,282,525</td>
<td>1,353,564</td>
<td>71,039</td>
</tr>
<tr>
<td>TOTAL OPERATING REVENUE</td>
<td></td>
<td>$24,269,412</td>
<td>$25,680,867</td>
<td>$24,810,066</td>
<td>$26,889,810</td>
<td>$2,079,744</td>
</tr>
</tbody>
</table>

| GRANT REVENUE | | | | | | |
| Federal Formula Funds - 5307/5309 | 4 | $8,725,231 | $9,867,849 | $9,648,656 | $9,990,000 | $341,344 | 3.5% |
| Other Federal Funding | 5 | 29,279 | - | 37,805 | 859,412 | 821,607 | 2173.3% |
| Transportation Development Act - 4.0 | 6 | 26,101,394 | 29,675,321 | 29,676,280 | 33,522,180 | 3,845,900 | 13.0% |
| Transportation Development Act - 4.5 | 6 | 1,385,121 | 1,551,000 | 1,551,000 | 1,780,000 | 229,000 | 14.8% |
| State Transit Assistance - STA | 7 | 2,982,667 | 3,492,000 | 3,492,000 | - | (3,492,000) | (100.0%) |
| Other State Grants | 8 | 242,746 | 115,696 | 133,998 | 160,000 | 26,002 | 19.4% |
| TransNet | 9 | 4,904,464 | 5,376,695 | 5,177,936 | 5,448,136 | 270,200 | 5.2% |
| Local operating grants - Other | 10 | 65,863 | - | 88,977 | - | (88,977) | (100.0%) |
| TOTAL GRANT REVENUE | | $44,436,765 | $50,078,561 | $49,806,652 | $51,759,728 | $1,953,076 | 3.9% |

| NON-OPERATING REVENUE | | | | | | |
| Investment income | 11 | $1,152 | $5,000 | $78,829 | $50,000 | (28,829) | (36.6%) |
| Gain on Disposal of Capital Assets | | 33,062 | 45,000 | 22,000 | 19,728 | (2,272) | (10.3%) |
| Other | | - | 55,305 | 55,305 | 55,305 | - | 0.0% |
| TOTAL NON-OPERATING REVENUE | | $34,214 | $105,305 | $156,134 | $125,033 | (31,101) | (19.9%) |

| NON-RECURRING REVENUE | | | | | | |
| Federal CMAQ for SPRINTER | 12 | $ - | $ - | $5,000,000 | $5,000,000 | N/A |
| TDA Carryover | | - | 1,700,000 | 1,700,050 | 1,500,000 | (200,050) | (11.8%) |
| TOTAL NON-RECURRING REVENUE | | $ - | $1,700,000 | $1,700,050 | $6,500,000 | $4,799,950 | 3 |

| TOTAL REVENUE | | | | | | |
| | $68,740,391 | $77,564,733 | $76,472,902 | $85,274,571 | $8,801,669 | 11.5% |

1 These amounts based on February 2007 estimates from SANDAG
## NORTH COUNTY TRANSIT DISTRICT
### OPERATING BUDGET
#### EXPENSE SUMMARY BY CLASSIFICATION
##### PROPOSED FY 2008 BUDGET

<table>
<thead>
<tr>
<th>Notes</th>
<th>FY 2006 Actual</th>
<th>FY 2007 Budget</th>
<th>FY 2007 Estimated Actual</th>
<th>FY 2008 Proposed Budget</th>
<th>FY08 Budget to FY07 Est. Actual</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$23,054,931</td>
<td>$24,593,553</td>
<td>$24,086,572</td>
<td>$25,316,631</td>
<td>$1,230,059</td>
<td>5.1%</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>11,519,020</td>
<td>12,432,733</td>
<td>12,745,874</td>
<td>13,034,339</td>
<td>288,465</td>
<td>2.3%</td>
</tr>
<tr>
<td>Professional Services/Reimbursements</td>
<td>10,225,466</td>
<td>13,630,070</td>
<td>12,350,431</td>
<td>15,395,278</td>
<td>3,044,847</td>
<td>24.7%</td>
</tr>
<tr>
<td>Fuel and Taxes</td>
<td>5,951,544</td>
<td>6,521,339</td>
<td>6,482,102</td>
<td>7,035,564</td>
<td>553,465</td>
<td>8.5%</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>2,084,589</td>
<td>2,816,567</td>
<td>2,715,328</td>
<td>2,837,520</td>
<td>122,192</td>
<td>4.5%</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,269,811</td>
<td>1,472,883</td>
<td>1,406,324</td>
<td>1,866,000</td>
<td>459,676</td>
<td>32.7%</td>
</tr>
<tr>
<td>Casualty and Liability</td>
<td>3,652,123</td>
<td>2,943,067</td>
<td>3,763,526</td>
<td>4,168,442</td>
<td>404,916</td>
<td>10.8%</td>
</tr>
<tr>
<td>Purchased Transportation</td>
<td>8,110,044</td>
<td>9,955,500</td>
<td>10,146,861</td>
<td>12,200,687</td>
<td>2,053,826</td>
<td>20.2%</td>
</tr>
<tr>
<td>Advertising and Misc.</td>
<td>450,532</td>
<td>579,994</td>
<td>545,806</td>
<td>619,064</td>
<td>73,258</td>
<td>13.4%</td>
</tr>
<tr>
<td>Leases and Rentals</td>
<td>457,805</td>
<td>461,025</td>
<td>509,582</td>
<td>482,805</td>
<td>(26,777)</td>
<td>(5.3%)</td>
</tr>
<tr>
<td>Workers’ Compensation</td>
<td>1,407,628</td>
<td>1,800,002</td>
<td>1,381,828</td>
<td>1,550,000</td>
<td>168,172</td>
<td>12.2%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>384,713</td>
<td>358,000</td>
<td>159,241</td>
<td>768,241</td>
<td>609,000</td>
<td>382.4%</td>
</tr>
</tbody>
</table>

**TOTAL EXPENSES**

|                  | $68,568,206 | $77,564,733 | $76,293,475 | $85,274,571 | $8,981,096 | 11.8% |

( ) indicates favorable variance
## NORTH COUNTY TRANSIT DISTRICT
### OPERATING BUDGET
#### FIVE YEAR PROJECTIONS
##### PROPOSED FY 2008 BUDGET

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>$24,966,200</td>
<td>$27,014,843</td>
<td>$27,825,288</td>
<td>$28,660,047</td>
<td>$29,519,848</td>
<td>$30,405,444</td>
</tr>
<tr>
<td>Recurring Grant Revenue(^1)</td>
<td>49,806,702</td>
<td>51,759,728</td>
<td>61,634,000</td>
<td>64,639,000</td>
<td>67,090,000</td>
<td>71,303,000</td>
</tr>
<tr>
<td>TOTAL RECURRING OPERATING REVENUE</td>
<td>74,772,902</td>
<td>78,774,571</td>
<td>89,459,288</td>
<td>93,299,047</td>
<td>96,609,848</td>
<td>101,708,444</td>
</tr>
<tr>
<td>TOTAL RECURRING OPERATING EXPENSES</td>
<td>76,293,475</td>
<td>85,274,571</td>
<td>92,910,836</td>
<td>97,245,620</td>
<td>101,480,583</td>
<td>105,666,944</td>
</tr>
<tr>
<td>TOTAL NON RECURRING REVENUES</td>
<td>1,700,000</td>
<td>6,500,000</td>
<td>5,000,000</td>
<td>6,000,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ANNUAL OPERATING SURPLUS (DEFICIT)</td>
<td>$179,427</td>
<td>- $1,548,452</td>
<td>$2,053,427</td>
<td>$(4,870,734)</td>
<td>$(3,958,500)</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) These amounts based on February 2007 estimates from SANDAG
INTRODUCTION

At its June 1, 2007, the Transportation Committee recommended that the Board of Directors approve a $37.7 million budget increase for the Interstate 15 (I-15) Managed Lanes Corridor projects. However, questions were raised about the escalation rate used for establishing the budget amounts. This is a follow up informational report on this issue.

DISCUSSION

SANDAG and Caltrans staffs use a two-step process to escalate project costs and establish a project budget prior to advertising and soliciting contractor bids. First, the existing preliminary project costs are updated based on actual construction price data from construction project bids received during 2006. Using price data from construction bids reflects the contractor's expectations for how they expect prices to behave over the course of the construction cycle. For example, the 2006 bid price for concrete reflects what the contractor expects to pay when the concrete is needed for the project, not the price of concrete at the time the bid is submitted (2006). Contractors bidding on projects during 2006 are well aware of the significant price increases that have occurred on construction material that began in 2003. Using these bid prices to update costs for the I-15 corridor projects provides a good way to interject private contractor price expectations for construction material and labor over the next two to four years. Most of the I-15 projects are scheduled to be sent out for competitive bid during 2008, making the bid prices received during 2006 appropriate for estimating construction prices in 2008.

Second, to this updated cost estimate, an additional escalation factor is needed to reflect how much construction prices might increase beyond 2008. These price increases, especially during turbulent times of change that make historical trends less useful, are the most difficult to predict, and present SANDAG and Caltrans the most risk from two aspects: first, if SANDAG is overly conservative (expecting annual price increases to be very high) we do not program as many projects and we are not as prepared to capture new funding opportunities if and when they become available. Second, if SANDAG is fiscally undisciplined (expecting annual price increases to be very low) many projects will be over budget; requiring one or more budget adjustments and/or downscaling or deferral.

The established procedure at SANDAG is to apply the long run annual cost escalation factor to the anticipated annual cash expenditures through the end of construction. The SANDAG long run cost escalation factor is 3.6 percent. Not all organizations use this method of applying an escalation factor to cash expenditures. Some organizations escalate costs to the beginning of construction, the time at which a project's costs are locked in under a delivery contract. Using this method, an annual escalation factor of 6.3 percent would be required to match the amount of escalation under SANDAG's established procedure. Both methodologies are acceptable within the industry; and more importantly both procedures provide the same contract adjustment amount, even though each employs different annual escalation factor.
Another and related question is whether the 3.6 percent escalation factor (or 6.3 percent using the cost to beginning of construction period procedure) is an appropriate factor to use. Between 1979 and 2003, the Caltrans construction index escalated at a compounding rate of 2.6 percent per year. Between 2003 and 2007, the index has doubled. This most recent time period equates to a compounding rate of 19 percent per year and a doubling of prices every four years for as long as it is in effect. Staff does not believe that this pace can be sustained. Staff also believes that the period between 2003 and 2007 should be viewed as an adjustment period; e.g., the construction price index is adjusting to local and global market demands. As shown below, the most recent four quarters show the price index starting to stabilize, indicating that the rate of increase in construction prices should begin to slow and trend toward a more stable long run growth rate. Staff is not anticipating that the construction price index will return to the historical 2.6 percent rate previously experienced but rather to 3.6 percent, a rate more than 38 percent higher than the historical one. Another important trend emerging statewide that could also help reduce the rate of increase in construction prices is a rise in the level of competition. Statewide, the number of contractors bidding on each new transportation job has increased to 5.1 from 3.5 bids per project. Staff believes this increased competition, combined with the updated cost estimates based on recent and actual bid prices and a long run cost escalation factor that recognizes that the demand for construction material will likely remain strong, but not increase at an increasing rate, provides a satisfactory level of confidence for setting the I-15 project budget.

Staff will continue to monitor this issue, including conducting a survey of the region’s infrastructure providers to benchmark the escalation rates and methodologies used by others. Staff will report back to the Transportation Committee on its findings.

![Caltrans Quarterly Construction Price Index](chart)

Marney Cox  
Chief Economist

Key Staff Contact: Marney Cox, (619) 699-1930, mco@sandag.org
SPRINTER PROJECT STATUS REPORT AND SANDAG INDEPENDENT ASSESSMENT

Introduction

The North County Transit District (NCTD) SPRINTER Rail Project converts an existing 22-mile freight rail corridor into a Diesel Multiple Unit (DMU) transit system connecting Oceanside, Vista, unincorporated County areas, San Marcos, and Escondido. The SPRINTER is a TransNet I funded project. In response to requests from NCTD and the Federal Transit Administration (FTA), SANDAG staff is currently providing support and oversight services for the project and has been asked by the SANDAG Board of Directors to report on its progress monthly to the Transportation Committee.

Discussion

Current Progress

The SPRINTER Vehicle Maintenance Facility is substantially complete and has been occupied by NCTD staff. All DMU vehicles are on site and being tested; all problems with the vehicles to date have been minor and have been resolved.

The California State University, San Marcos (CSUSM) Loop contract is complete except for the CSUSM station elevator and landscaping.

Communication and signal systems installation continues to be the main focus of the Main Line contractor’s efforts as this continues to be the work that impacts the critical path schedule. To that end, the fiber optic cable network was completed last month. The contractor also continues with the track and station construction.

Settlement Agreement

NCTD acknowledges there have been an abnormally high number of changes to the Main Line contract since its award. NCTD and the contractor recently concluded three months of negotiating the impact of these changes and have executed an agreement to compensate the contractor for delay, disruption, inefficiency, and additional overhead costs; these are commonly referred to as impact damages. The agreement also compensates the contractor for future costs to accelerate the work in order to commence revenue operations by the end of this calendar year. The following is a brief summary of the settlement.
1. As full settlement of all impact damages, NCTD will pay the contractor for actual costs not to exceed $12.2 million. The contractor will only be paid for those costs for which adequate supporting documentation is provided. The parties agree to take any dispute regarding the validity of the supporting documentation to binding arbitration.

2. The contractor has agreed to re-sequence and accelerate any work that is necessary to ensure a revenue operation date of December 2007. New progress milestones were developed and if all are achieved the contractor will receive an additional payment of $3.3 million. Conversely, if they are not achieved the contractor will pay NCTD liquidated damages up to $20,000 per day they are late. The $3.3 million represents the construction management, administrative, and field office overhead costs to NCTD for the three months of additional time NCTD owes the contractor for the changes to the contract. The contractor is developing a new baseline schedule so all parties may track their progress.

3. The contractor agrees to cooperate with NCTD in the event of claims involving third parties.

Staff believes this settlement is balanced and in the best interest of NCTD. The contractor will only be compensated for costs that clearly prove actual damages thus resolving the impact of over 2,000 changes. Frequently owners wait too long to resolve these issues resulting in huge legal expenses and settlements or judgments exceeding those which could have been negotiated earlier. But with a cooperative contractor, NCTD was able to negotiate a settlement and mitigate the risk of a very large end of job claim.

The settlement is also balanced as it addresses schedule. If the work is accelerated and the new milestones are achieved, the contractor will be paid accordingly. If not, NCTD will collect liquidated damages.

**Estimate at Completion**

For several months SANDAG staff has made a recommendation that NCTD conduct a workshop that reviews the estimate at completion (EAC) in great detail in order to ensure an accurate projected final cost for the project. Because of the NCTD focus on the above settlement agreement, this workshop did not occur until May 29.

At the workshop SANDAG and NCTD staff reviewed assumptions made during the development of the EAC last fall. Staff also discussed future costs for construction management, design, insurance, environmental mitigation, local agency oversight, storm water protection, and start-up.

The current EAC is $460 million which includes the maximum cost of the settlement agreement but does not include adjustments for the future cost/savings of the items listed above. It also does not include the cost of the recent settlement with the City of Vista. Therefore, the current EAC should be considered tentative as it does not reflect the anticipated final cost of the project.

Now that the impact costs have been addressed, the most significant risk to cost comes from the potential over run of construction quantities that have been placed but not yet accounted for and for change orders where the work is complete but the final cost not yet negotiated.

The not to exceed budget set by FTA and the NCTD Board for the project is $484.1 million.
Project Concerns

The settlement agreement mitigates the potential claim for impact damages which was the largest single risk to final cost. However, until final quantities have been estimated, outstanding change order costs negotiated, and the adjustments for construction management and other cost items listed above are complete, the EAC will be tentative at best and will likely continue to rise. Although no one anticipates it will approach the not to exceed budget of $484.1 million, it is always prudent to have an accurate estimate of final costs at all times and NCTD has committed to dedicate estimating resources to ensure a more accurate determination of the final project cost.

The settlement agreement with new progress milestones increases SANDAG confidence in the contractor’s ability to complete the work timely. However, until the contractor submits a new baseline schedule, NCTD will not be able to track their progress and mitigate delays to the critical items of work.

JACK BODA
Director of Mobility Management and Project Implementation

Key Staff Contact: Jim Linthicum, (619) 699-1970, jlin@sandag.org
SPRINTER BUS SERVICE REDESIGN

Introduction

The SPRINTER is scheduled to begin operation between Oceanside and Escondido in December 2007. The start up of the rail service will require an almost total redesign of local bus service in the communities served by the SPRINTER, including Oceanside, Vista, San Marcos, and Escondido. The North County Transit District (NCTD) has prepared a plan for the proposed changes to bus routes and schedules and is presenting the concept to the public. A public hearing will be held by the NCTD Board before approval. Stefan Marks from NCTD will provide the Transportation Committee with a brief overview of the proposed changes.

A copy of the Public Information Guide for the Proposed Service Changes for Breeze, Fast & SPRINTER as prepared by NCTD is attached. Additional information is available on the Internet at: http://www.gonctd.com/PublicHearing/PublicHearingPage.htm.
To all Mayors, Council Members and Members of the Board of Supervisors:

The voters of California voted in support of Prop 1A and 1B in hopes that such passage would ease traffic congestion. As you know, Proposition 1A will make it very difficult, BUT NOT IMPOSSIBLE, to spend the $3.4 billion dollars of gasoline sales tax on anything other than transportation infrastructure. Proposition 1B allows the state to sell $19.9 billion in bonds for transportation infrastructure. Since California already spends $20 billion a year on transportation, and cannot begin to keep up with California’s growth, it seems clear to me that the additional funds provided by Props 1A and 1B will be woefully insufficient to solve the county’s existing deficit in needed traffic infrastructure.

A recent AAA poll indicates that, nationwide, drivers would even prefer toll roads to additional fuel, vehicle, sales, income or property taxes.\(^1\) It is doubtful that in Southern California, the home of freeways, that such an option would be as amenable. Left out of that poll was the option of developers paying their fair share. As a member of Traffic Relief is Possible (TRIP), I support a region-wide development impact fee to help make up the deficit in needed transportation infrastructure funds.

The City of Hollister, California, recently funded a study by MuniFinancial, released October 6, 2006, that supported adding $20,000 to existing developer impact fees. San Diego County should complete a similar study to determine the true cost of growth to the county, including the cost needed for additional transportation infrastructure.

I urge you to support a region-wide development impact fee such as that already imposed by Riverside County. Please respond to me at the address below.

Sincerely

Address: ______

______

______

Carlsbad 92011

\(^1\) Dec. 11, 2006, North County Times, “Toll-road idea gets boost with poll.”
ON THE ROAD
Toll-road idea gets boost with poll

Toll roads are an idea for which the time has come. At least that was the opinion of Encinitas Councilman Jerome Stocks, as expressed during a meeting of a regional transportation board earlier this fall.

Toll roads are an idea for which the time has come. At least that was the opinion of Encinitas Councilman Jerome Stocks, as expressed during a meeting of a regional transportation board earlier this fall.

And according to a new national poll, that is the opinion of a majority of American motorists, too.

In a telephone poll of 2,394 adults nationwide between Nov. 16 and Nov. 20, AAA found that 71 percent of American motorists believe it is time to pump more money into a transportation network that is not keeping pace with the nation's population growth.

When asked where they would get the money, by far the most popular response was tolling.

Yup, 52 percent prefer new toll roads and new lanes. They made it clear, however, they do not favor charging a fee for driving on lanes that already exist.

On the other hand, higher taxes would not appear to be an option. Just 21 percent favor boosting taxes on gasoline and diesel fuel. Even fewer, 19 percent, like the idea of replacing fuel taxes with a vehicle tax based on how many miles one drives.

Fewer still — 15 percent — embrace the notion of boosting nonfuel taxes, such as those on sales, income and property, to fund road projects. Love it or hate it, tolling may be the only way we're going to get some needed roads built around San Diego and Riverside counties. We're going to have to get used to the idea.

San Diego and southern Riverside counties. Gary Gallegos, association executive director, said two of the most likely candidates for receiving new lanes reserved for paying drivers are the stretches of Interstate 15 between Temecula and Escondido and Interstate 5 between Oceanside and San Clemente.

The agency's fledgling toll plan received a boost last week from a national survey by AAA Market Research, the research arm of the national auto organization that goes by the same name.

In a telephone poll of 2,394 adults nationwide between Nov. 16 and Nov. 20, AAA found that 71 percent of American motorists believe it is time to pump more money into a transportation network that is not keeping pace with the nation's population growth.

When asked where they would get the money, by far the most popular response was tolling.

Yup, 52 percent prefer new toll roads and new lanes. They made it clear, however, they do not favor charging a fee for driving on lanes that already exist.

On the other hand, higher taxes would not appear to be an option. Just 21 percent favor boosting taxes on gasoline and diesel fuel. Even fewer, 19 percent, like the idea of replacing fuel taxes with a vehicle tax based on how many miles one drives.

Fewer still — 15 percent — embrace the notion of boosting nonfuel taxes, such as those on sales, income and property, to fund road projects. Love it or hate it, tolling may be the only way we're going to get some needed roads built around San Diego and Riverside counties. We're going to have to get used to the idea.

National poll boosts toll-road idea

Readers respond to our Dec. 11 story that reports that a new national poll shows that the majority of American drivers favor toll roads. As a result, SANDAG has agreed to explore tolling as one of several options for shoring up a projected $12 billion-plus gap between the cost of road projects the transportation agency wants to build over the next couple of decades and the money it expects to have on hand.

Convoluted article

Tricia: "Californians love their cars, but hate traffic. I love my car too, more than that I'd love to see California and the U.S.A., in general, spend money on public transportation that actually works. Light rail and high-speed trains are needed, not only in San Diego County, but all over California. Something needs to be done so that car manufacturers and oil companies can benefit from the idea so that they don't keep squashing it. A light-rail system running from Temecula into San Diego with several stops along the way in North County would reduce traffic and be very successful. Adding lanes to the 15 freeway isn't the answer and toll roads aren't a total solution."

Another View

Q: What solutions do local leaders have for bumper to bumper traffic?

A: More lanes of bumper to bumper traffic...
May 2006

Dear Elected Official,

As you probably know, Riverside County has mandatory Development Impact Fees (DIFs) to help defer the costs of development's impact on regional transportation. Currently Riverside County is proposing increases in this fee from $7,248 to $9,319 per residential unit to be effective July 1, 2006. (See enclosed articles regarding this increase.)

A previous SANDAG study indicates there is at least a $14 Billion deficit in the amount needed for transportation infrastructure, just to keep traffic from getting worse. San Diego County now has a $2,000 DIF for regional transportation—woefully inadequate to prevent gridlock.

I demand that a NEXUS study be done to determine the correct amount of fees to be collected, that the results of this study be made public, and that the appropriate fees be collected.

Please initiate this study as soon as possible.

Sincerely,

Address: Chula Vista CA 91911
Boost for county fee finds local backing

**INFRASTRUCTURE:** A group of city managers favors an increase.
Businesses are less sure.

BY PHIL PITCHFORD
THE PRESS-ENTERPRISE

Cities across Riverside County already are raising more than twice as much money each year for county-wide transportation needs as their counterparts in San Bernardino County. That amount will increase even more if a fee on new development is raised next month.

Riverside County's Transportation Uniform Mitigation Fee seeks to raise about $3 billion over 20 years for major road, street and intersection projects, the equivalent of about $150 million annually.

A panel of city managers from across the county on Thursday endorsed a plan to raise that target to $5 billion over two decades, or about $250 million a year. A vote on that proposal is scheduled for Feb. 6.

**TUMF FEES**

Riverside County collects a transportation uniform mitigation fee, or TUMF, from developers.

**CURRENT TUMF**

Houses: $7,249 per unit
Apartments: $5,021 per unit
Industrial: $1.05 per square foot
Retail: $3.57 per square foot
Service: $3.52 per square foot

**NONRESIDENTIAL PORTION OF THE FEE IS BEING PHASED IN OVER THREE YEARS: FULL FEE TAKES EFFECT JULY 1. ONLY EXCEPTION IS CLASS 1 OFFICE SPACE, WHICH IS CAPPED AT ONE-THIRD OF THE FEE UNTIL JUNE 30, 2007.**

**TUMF INCREASE ALREADY SCHEDULED FOR JULY 1**

Houses: $7,249 per unit
Apartments: $5,021 per unit
Industrial: $1.59 per square foot
Retail: $3.51 per square foot
Office: $5.26 per square foot

**NONRESIDENTIAL PORTION OF THE FEE IS BEING PHASED IN OVER THREE YEARS: FULL FEE TAKES EFFECT JULY 1. ONLY EXCEPTION IS CLASS 1 OFFICE SPACE, WHICH IS CAPPED AT ONE-THIRD OF THE FEE UNTIL JUNE 30, 2007.**

**PROPOSED TUMF INCREASE FOR JULY 1**

Houses: $9,319 per unit
Apartments: $6,544 per unit
Industrial: $2.18 per square foot
Retail: $12.01 per square foot
Service: $6.09 per square foot

**NONRESIDENTIAL PORTION OF THE FEE INCREASE IS PHASED IN OVER THREE YEARS, WITH THE FULL FEE TAKING EFFECT JULY 1, 2009.**

Sources: Western Riverside Council of Governments
To all Mayors, Council Members and Members of the Board of Supervisors:

The Transportation Impact Fee (TIF) passed by the San Diego County Board of Supervisors in April of this year was a good start towards a Region Wide Development Impact Fee. It was disappointing (but not surprising) to see that the Building Industry Association (BIA) has filed a lawsuit against the TIF, indicating their reluctance to pay even this fraction of the cost of new infrastructure needed to support the increased traffic from their development. This is a good step for the unincorporated area in San Diego County. The TIF should be extended to include the 18 cities in San Diego County as is done in Riverside County.

Thank you, Supervisors Cox, Jacob, Slater-Price, and Horn for voting for the TIF. I encourage all elected officials to push for adoption of a Regional Transportation Impact Fee as Riverside County has done (and recently increased.)

The BIA will try to convince you that such fees will make “needed development”, such as the proposed Valley Center Shopping Center economically unfeasible. However, many in Valley Center have questioned why the proposed large shopping center was “needed.”

The voters of San Diego County have agreed (by voting for Proposition A) to pay an additional $14 billion for regional transportation. They will also suffer the increased traffic gridlock of new development. Developers need to pay their fair share through a Regional Transportation Impact Fee. Please lend your support to such a fee.

Please respond to me at the address below.

Sincerely

Address: ____________________________________________________________________________

______________________________________

Escondido, CA 92029
February 2005

To all Mayors, Council Members and Members of the Board of Supervisors:

Proposition A, was advertised as necessary to solve San Diego’s transportation needs, leading many to think that this forty-year TransNet sales tax extension would solve San Diego’s transportation needs. This is, as you know, not true.

On November 23, 2004, the North County Times in an editorial, “GRIDLOCK FIXES NOW ENTRUSTED TO OUR LEADERS,” noted “The TransNet extension will raise $14 billion toward $42 billion in total spending by 2030. The $42 billion figures include a hoped-for hike in gasoline taxes and massive infusions of federal transportation money. Yet even that boatload of cash is insufficient to solve the county’s existing traffic woes and to manage growth--$67 billion is needed.”

I agree with this editorial, and believe that a Region Wide Development Impact Fee is necessary to help make up this difference. The voters have agreed to pay an additional $14 billion for regional transportation. It’s time for developers to pay their fair share too. Please don’t tell me they already are. If growth were paying its fair share we would not have this gridlock nightmare.

On January 20, 2005, in an editorial: “URBAN AGGRAVATION, Transportation facing $1 billion funding cut,” the San Diego Union stated “For San Diego...it will mean a loss of more than $403 million.” That is for this year alone. At the same time Riverside County is increasing its Regional Transportation Impact Fees to make future growth pay its fair share. When will political leaders in San Diego County do the same thing?

Please respond to me at the address below.

Sincerely

Address:

ALPINE, CA 91901

Our view: North County Nine must fix TransNet plan
It’s time to celebrate: 67 percent of our county’s voters wisely approved Proposition A, the 40-year extension of the local TransNet sales tax that was too important to fail. Much credit for this public policy victory goes to seven local mayors and two city council members. All nine are members of the regional transportation board that will spend many billions in the name of easing gridlock. Before the election, the North County Nine promised voters to work for a better plan to spend more on freeways. We suspect that is why North County voters, who comprise 29 percent of the county’s population, climbed aboard a scheme that will fail to fix the region’s traffic congestion. Now begins the hard work of repairing the plan. The TransNet extension will raise $14 billion toward $42 billion in total spending by 2030. The $42 billion figure includes a hoped-for hike in gasoline taxes and massive infusions of federal transportation money. Yet even that boatload of cash is insufficient to solve the county’s existing traffic woes and to manage growth — $67 billion is needed. In short, regional politicians have bought themselves, and us, little breathing room. Voters know that traffic already is a mess. We deserve clear solutions to the congestion that degrades our standard of living and threatens the local economy. Under the existing plan, just 11 percent of the TransNet $14 billion goes to fixing North County’s four critical arteries: Highways 78 and 76, and Interstates 5 and 15. This is where congestion is worst. Of the anticipated $42 billion in total spending, a staggering 38 percent is allocated to public transportation projects. Most are poorly conceived.

The first order of business is to flip these priorities. The plan must be reviewed every three years, a process that begins soon. In addition, we suspect voters will need to approve a new, larger TransNet tax in a few years. If North County leaders keep their promise, voters may trust planners with more cash to fix regional traffic woes. Above all, our county needs vision and leadership. Inaction has created a slow-moving but inexorable crisis that Prop. A will ultimately fail to resolve. Voters can feel proud they took this first step. Their leaders must not let them down.

Urban aggravation
Transportation facing $1 billion funding cut

On the long list of problems that Californians look to government to solve, or to at least keep from getting worse, traffic gridlock is among the very top. Bumper-to-bumper freeways are the epitome of California’s urban aggravations.

Voters statewide proved that in 2002 when they overwhelmingly passed Proposition 42, which requires Sacramento to put all revenues from the state sales tax on gasoline into a special fund that, supposedly, can only be used for transportation projects, San Diego County voters proved it again just two months ago when they defied the odds and approved, by a two-thirds margin, a 40-year extension of the existing one-half cent county sales tax for local transportation needs. Six other communities throughout the state enacted their own “self-help” transportation sales tax measures in November.

For what other government services or programs have voters continually demonstrated a willingness to tax themselves ever more? Education comes to mind, but not many others.

So it was little surprise when key transportation officials and a coalition of labor and business leaders went to Sacramento last month, in advance of the release of Gov. Arnold Schwarzenegger’s budget proposal for the fiscal year that begins July 1, to beseech him to stop siphoning off the earmarked transportation money for other state programs. At the time, a spokesman said the governor had not yet decided whether to try to seize the transportation money for the new budget and that he was waiting for new economic figures. Evidently, the economic figures did not bring good news.

The Schwarzenegger budget proposal calls for the state to use a loophole in Proposition 42 to at least partially suspend its earmarking provisions for the third consecutive year. For the current fiscal year, $1.2 billion was diverted to the general fund. For next year, the governor is proposing to seize $1.3 billion as a “loan,” promising that the transportation fund will be repaid over 15 years. The budget plan indicates he will do it a fourth time in fiscal 2006-07, but promises to remove the enabling loophole after that.

For San Diego, according to a report by Andrew Poat, the city’s chief Sacramento lobbyist, it will mean a loss of more than $403 million in transportation funding for the region. And for five other Southern California counties — Los Angeles, Orange, Riverside, San Bernardino and Ventura — it reportedly will mean the loss of more than $700 million for transportation.

If approved by the Legislature, the ramifications of that will be staggering.

Among the funding now at risk is $112 million for state Route 905 near the border, $80 million for the Sprinter rail line in North County, $80 million for state Route 92 through Santee and $14.6 million for the I-5/I-805 merge project.

In other words, freeway aggravations will worsen. Jobs will be lost. California’s economy will suffer. It will be even tougher to attract new businesses to the state.

We sympathize with the governor. He’s got a tough job trying to balance a badly out-of-whack budget without raising taxes — a goal we heartily endorse. So what should he cut instead? Education has been hit hard enough. But anything and everything else should, sadly, be fair game.
To each SANDAG board member and alternate:

Do not expect me to vote in favor of extending TransNet.

New growth should pay its fair share for new freeways, public transportation, and regional roads. SANDAG has conducted focus group studies and surveys that confirm a majority of voters favor making new population growth pay its fair share. You SANDAG members have decided to pay lip service to this majority view.

You did this by including the wording that two thousand dollars of developer impact fees (DIFs) would be collected for each building permit issued for a new house. These DIFs would be used for local roads; however, you added that if a city were already collecting two thousand dollars for local roads for each residential permit then the new regional fee would be waived. You did not consider collecting fees for major regional transportation needs. So, new population growth will not be required to pay its fair share for freeways, busses, trains and trolleys. Nor, did you consider collecting fees from commercial or industrial development. So, commercial and industrial growth also will continue to be subsidized by existing taxpayers should TransNet pass in November.

This is intellectually dishonest. When TransNet fails to pass in November, you will have two more election cycles before the original TransNet legislation expires in 2008. Please take seriously the principle that growth--be it in population or commercial and industrial development--should pay its fair share for new roads and mass transit.

Sincerely,

Address: San Diego CA 92128-1423
EDITORIAL

SANDAG’s study in futility

How about it, North County? Are you willing to forgo the tax money you parted with, on the promise that it would go toward fixing up and widening Highway 78, just so that your neighbors in central San Diego County can get more mass transit?

That’s the proposition the San Diego Association of Governments board voted to study last Friday — unanimously. This study will probably yield the same common-sense results that a similar study in 2003 revealed — that such unjust and unjustifiable reallocation of our transportation tax dollars will only make our traffic worse.

It seems that the SANDAG board, including its North County representatives, is doing everything it can to undermine efforts to improve and expand Highway 78.

Our view:

North County’s reps weighing whether to rob Highway 78 to pay appalling subsidy for San Diego transit

In April the SANDAG transportation committee approved a plan that would split $10 billion in transportation funds evenly between mass transit and freeways. This is money that will supplement the $40 billion in transportation dollars we’re paying through TransNet, a countywide, voter-approved half-cent sales tax. Without that extra cash, regional transportation planners have warned that the $800 million-plus in upgrades to Highway 78 will not happen.

At the time, only two people voted against the plan: David Druker, mayor of Del Mar, and Ed Gallo, city councilman in Escondido.

A little more than a month later, the SANDAG board, in a 19-0 vote, agreed Friday to study a plan that would devote all of that $10 billion to public transit. If adopted, this proposal would virtually ensure that Highway 78, already the bane of North County commuters’ existence, would only worsen with time and traffic growth.

The SANDAG vote is an attempt to appease Save Our Forest and Ranchlands, the nonprofit group behind the Rural Lands Initiative that voters rejected in 2004. Had it passed, the initiative would have strangled the already-slowed growth in the county’s unincorporated areas. A similar measure floated in 1998 also failed.

A huma

In 1998, the Republican Party was in disarray. “GOP Train Careens Out of Control” was the headline on one George Will column. The folks at National Review surveyed the wreckage of the Republican Revolution and asked, “What Went Wrong?”

The Republicans were not only directionless and depressed, they had sacrificed their identity as the party of limited government. They’d just passed a $217 billion highway bill with 1,850 pork barrel projects. In 1998, the Republicans spent more money than Bill Clinton thought to ask for. “Big Government Republicans,” wailed an editorial in In-
Governments to see if it could achieve by force what it couldn't accomplish by persuasion. To avoid a lawsuit, SANDAG agreed including Highway 76, were shifted to central San Diego transit in its 2003 regional transportation plan. The finding? Traffic congestion would actually get worse.

Revisions to that agreement with the environmentalists have led SANDAG down this dark alley, again. This time the SANDAG board has agreed to ask what would happen if dollars designated for highways — in this case, Highways 78 and 67 — were instead spent on trains and buses. Any guesses what the answer is likely to be?

As a representative of an Inland North County city, Escondido’s Gallo opted in April to represent the North County Transit District board instead of his actual constituents when he supported Druker’s plan to divert funds from Highway 78. But Gallo’s just the latest North County representative to our regional transportation planning bodies to lose his way. Nine current and former North County mayors promised on this Opinion page just days before the November 2004 TransNet vote to “work for more improvements to our local roads and highways during the next update of the Regional Transportation Plan.” With our endorsement, and then a narrow election victory in hand, they went right back to trying to fill up their expensive mass-transit lines with frustrated commuters by purposely allowing freeway traffic to worsen.

North County’s representatives to SANDAG were elected to defend the interests of their constituents, not make chummy with their downtown friends. Friday’s unanimous vote to study a transportation future that fails to include an expanded and improved Highway 78 can only mean that their thinking is even more severely congested than our commutes.

So we’re forced to remind them: Highway 78, not the Sprinter, is the most important east-west transportation artery in the region. Our elected officials need to stop behaving as if it’s a nice extra.

Comment online at ncetimes.com.
Notes for TRIP’s 1st presentation (6/15/’07) to the SANDAG Transportation Committee

To be done under Agenda item: “Oral Communications”
Format: two parts, 2 presenters, both with docs. for Committee board

Part 1

My name is ____________________________ I represent TRIP “Traffic Relief is Possible.”

Reading the North County Times editorial responses to the SANDAG board’s decision to move monies from the widening of 78 to public transit or to the City of San Diego; and recognizing that this is one more example of the ever-increasing shortfall that exists between transportation needs and income sources, we suggest, and again request, per our numerous previous communications with all members of every city council in the region, and by default with every board member and alternate board member of SANDAG, your serious consideration of new public policy to help new development pay for needed transportation improvements.

Riverside County is already doing this. You have no doubt looked at their program. There is no reason we shouldn’t be doing the same thing in this region: It is one more example which cries out for new public policy. Please see the May 29th North County Times editorial titled, “SANDAG’s Study in Futility,” in which you are criticized for moving freeway improvement transportation dollars from a major East-West corridor in North County, Highway 78, to public transit needs within the City of San Diego.

To be clear, TRIP applauds your efforts to support public transit. We agree that is a major need within this region if we are ever to solve our people movement requirements. However, as we have clearly and repeatedly communicated to each and every SANDAG board member, please place on a future agenda an item to discuss regional development impact fees in order to help make up for this ever-increasing short-fall between needs and resources, so that SANDAG does not continue to be looked at as a “study in futility.”

There is grassroots support for this new proposed public policy, as expressed in hundreds of letters sent by TRIP supporters to all elected officials in San Diego County in the past several years- which all of you have received, one or perhaps many letters.....-. We’ve prepared a few of those for you today.
Part II

My name is --------------------------------- I represent TRIP (Traffic Relief is Possible)
You have seen from the previous presentation, copies of letters you have received from numerous voters throughout the region over the past several years, as coordinated by our organization – (“TRIP”: Traffic Relief is Possible) -. You have responded to many of these letters. Here is a sample of a city mayor’s response to one of those voters. The response states in part, I quote: “Your concerns are most appropriately addressed to the San Diego Association of Governments directly.” The original correspondant has provided TRIP with her response to that letter.

I quote her response: “SANDAG is not a directly elected body. It is made up of representatives from each of the 18 cities, plus the county. Therefore, it is controlled by the “instructed” votes of each city’s representative. I therefore request that your city council instruct the SANDAG representative from Chula Vista to support new public policy to impose region-wide development impact fees for transportation improvements within the region, as requested in my original letter.”

TRIP concurs with her response; and, we believe that it is important for the sake of good government, that voters not be put in a position of having to explain to their elected officials how the system works. To be put in a position which creates a Catch 22 causes voters to lose faith and confidence in their elected officials and in good government. This occurs when half-truths are told as a way of dismissing voter concerns.

When some constituents have addressed the San Diego Association of Governments with the same proposal to develop new public policy, they have been told by SANDAG representatives that this new proposed public policy must first be addressed at the city level, thus creating a Catch 22.

Our question to you is this: If you create Catch 22 conditions for your voters, how can you, as directly elected officials within your city, maintain your constituents’ respect for good government at the regional level, where you are not directly elected?
San Diego, CA 92109

May 31, 2007

Mayor Cheryl Cox
276 4th Avenue
San Diego, CA 91910

Dear Mayor Cox:

I appreciate your office’s response, dated May 9, 2007, concerning Proposition A, which was the extension of TransNet (2004). However, when you say my concerns “are most appropriately addressed to the San Diego Association of Governments directly,” I disagree.

SANDAG is not a directly elected body. It is made up of representatives from each of the 18 cities plus the county. Therefore, it is controlled by the “instructed” votes of each city’s representative. I therefore request that your city council instruct the SANDAG representative from Chula Vista to support a new public policy to impose region-wide development impact fees for transportation improvements within the region, as requested in my original letter.

Thank you for sharing my concern and being supportive of it.
May 9, 2007

San Diego CA  92109

Re: Proposition A

Dear,

Thank you for your letter concerning Proposition A. The residents of Chula Vista are very concerned about regional transportation issues. Your concerns are most appropriately addressed to the San Diego Association of Governments directly.

Again, thank you for contacting our office and sharing your concern.

Sincerely,

[Signature]

Jennifer Quijano
Constituent Services Manager
Office of the Mayor
To all Mayors, Council Members and Members of the Board of Supervisors:

The voters of California voted in support of Prop 1A and 1B in hopes that such passage would ease traffic congestion. As you know, Proposition 1A will make it very difficult, BUT NOT IMPOSSIBLE, to spend the $3.4 billion dollars of gasoline sales tax on anything other than transportation infrastructure. Proposition 1B allows the state to sell $19.9 billion in bonds for transportation infrastructure. Since California already spends $20 billion a year on transportation, and cannot begin to keep up with California’s growth, it seems clear to me that the additional funds provided by Props 1A and 1B will be woefully insufficient to solve the county’s existing deficit in needed traffic infrastructure.

A recent AAA poll indicates that, nationwide, drivers would even prefer toll roads to additional fuel, vehicle, sales, income or property taxes.\(^1\) It is doubtful that in Southern California, the home of freeways, that such an option would be as amenable. Left out of that poll was the option of developers paying their fair share. As a member of Traffic Relief is Possible (TRIP), I support a region-wide development impact fee to help make up the deficit in needed transportation infrastructure funds.

The City of Hollister, California, recently funded a study by MuniFinancial, released October 6, 2006, that supported adding $20,000 to existing developer impact fees. San Diego County should complete a similar study to determine the true cost of growth to the county, including the cost needed for additional transportation infrastructure.

I urge you to support a region-wide development impact fee such as that already imposed by Riverside County. Please respond to me at the address below.

Sincerely

Address: __________

San Diego CA 92109

\(^1\) Dec. 11, 2006, North County Times, “Toll-road idea gets boost with poll.”
Capital Improvement Program
Budget Transfers

- Recommend $250k transfer & MOU with MTS for a crossover installation
- Recommend $200k ($550k cumulative) for crossing rehabilitation
- Actions recommended by MTS Board on June 14, 2007

Project Transfer Summary & Status

<table>
<thead>
<tr>
<th>PROJECT NAME</th>
<th>BUDGET ($1,000's)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EXISTING FY08</td>
<td>PROPOSED</td>
<td>CHANGE</td>
</tr>
<tr>
<td>CITY COLLEGE STATION</td>
<td>16,282</td>
<td>16,532</td>
<td>250</td>
</tr>
<tr>
<td>MTS CRANE TRUCK</td>
<td>250</td>
<td>0</td>
<td>-250</td>
</tr>
<tr>
<td>CONTACT WIRE</td>
<td>6,843</td>
<td>6,643</td>
<td>-200</td>
</tr>
<tr>
<td>L ST. &amp; WEST PARK REHABILITATION</td>
<td>350</td>
<td>550</td>
<td>200</td>
</tr>
</tbody>
</table>

CITY COLLEGE STATION
- Open station at Smart Corner June
- Install crossover & finish urban improvements in October

L STREET & WEST PARK
- Crossing materials order
- L Street construction in August
Airport Planning Issues

Transportation Committee
June 15, 2007

Previous Actions

- Concerns raised at May 18 meeting on Short Term S.D. Int’l Airport (SDIA) Master Plan:
  - Negatively impacts ground transportation and congestion
  - Will not improve long-term airport operations
- Direction given to:
  - Separate Aviation White Paper from RTP
  - Return with follow up report prior to draft RTP release
Airport Planning Approach

• Airport Authority and SANDAG to work together on a comprehensive planning effort
• Would evaluate both long-term and short-term needs for airport operations and ground access

Long-Term Needs
• Develop regional air-rail network plan
• Accelerate planning for long-term utilization of SDIA in context of air-rail network plan

Short Term Needs
• Evaluate other options for revised Short Term Master Plan that do not preclude future options
• Will identify ground access improvements needed to support airport expansion
Next Steps

• Report back in 90 days with:
  - Status of SDIA short-term Master Plan
  - Scope of work for long-term SDIA Master Plan and regional air/rail network plan

• 2007 RTP:
  - Include only currently-adopted plans
  - Update RTP as planning efforts progresses

Airport Planning Issues

Transportation Committee
June 15, 2007
As the Regional Transportation Planning Agency, SANDAG administers the TDA program and is responsible for:
- allocation of funds; and to
- approve the productivity improvement goals

TDA comes from ¼ percent sales tax assessed in the region
Revised Apportionments

- February estimate: $134 million
- Revised apportionment: $124 million

Apportionment Comparisons

<table>
<thead>
<tr>
<th></th>
<th>Feb. Est.</th>
<th>Revised May Est.</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bike/Ped</td>
<td>$2.6M</td>
<td>$2.4M</td>
<td>-$200K</td>
</tr>
<tr>
<td>MTS</td>
<td>$87.9M</td>
<td>$81.3M</td>
<td>-$6.6M</td>
</tr>
<tr>
<td>NCTD</td>
<td>$35.6M</td>
<td>$32.9M</td>
<td>-$2.7M</td>
</tr>
<tr>
<td>CTSA</td>
<td>$127K</td>
<td>$117K</td>
<td>-$10K</td>
</tr>
<tr>
<td>SANDAG</td>
<td>$7.7M</td>
<td>$7.2M</td>
<td>-$500K</td>
</tr>
<tr>
<td>County</td>
<td>$42K</td>
<td>$42K</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>$134M</td>
<td>$124M</td>
<td>-$10M</td>
</tr>
</tbody>
</table>
## Total TDA Claims

<table>
<thead>
<tr>
<th></th>
<th>Amount Available*</th>
<th>Claim Amount</th>
<th>Balance Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bike/Ped</td>
<td>$2.9M</td>
<td>$2.9M</td>
<td>$0</td>
</tr>
<tr>
<td>MTS</td>
<td>$83.9M</td>
<td>$83.9M</td>
<td>$0</td>
</tr>
<tr>
<td>NCTD</td>
<td>$40M</td>
<td>$43M</td>
<td>-$3M</td>
</tr>
<tr>
<td>CTSA</td>
<td>$135K</td>
<td>$114K</td>
<td>$21K</td>
</tr>
<tr>
<td>SANDAG</td>
<td>$10.2M</td>
<td>$7.0M</td>
<td>$3.3M</td>
</tr>
<tr>
<td>County</td>
<td>$42K</td>
<td>$42K</td>
<td>$0</td>
</tr>
</tbody>
</table>

*Includes prior year carryover and interest

---

## Transit Operations Productivity Improvement Program

- TDA requires SANDAG to evaluate transit operator performance
- SANDAG and transit agencies set performance goals annually
- SANDAG assesses achievement and effort
- Transit agencies must make a reasonable effort to achieve goals or risk losing TDA $$
Performance Goals

**Productivity:** - passengers/revenue hour

**Service Efficiency:** - operating cost/passenger
- farebox recovery ratio

**Quality of Service:** - on-time performance
- percent of completed trips

**Service Effectiveness:** - ridership growth relative to population growth

Operations Evaluated

**MTS**
- Bus Contract Services
- San Diego Transit
- San Diego Trolley
- National City Transit
- Chula Vista Transit
- DART
- Sorrento Valley Coaster Connection
- Rural Bus Service
- ADA

**NCTD**
- BREEZE Bus/FAST
- COASTER
- ADA
Met 52 out of 68 goals: Attachment 4

### On Target to Meet Most FY2007 Goals

**Challenges:**
- NCTD Operating Cost/Passenger (Mile)
- MTS On-Time Performance
- Passengers/Revenue Hour
- MTS Farebox Recovery

### Reasonable Efforts Made to Achieve FY2007 Goals

**Actions:**
- Schedule Adjustments
- MTS COA*
- Service Restructuring*
- AVL Implementation
- NCTD Fare Increase

*Ongoing actions*

---

### Ongoing Issues

- **Fuel prices** impact service efficiency (cost/passenger & farebox recovery)
- **Traffic Congestion** impacts service quality (on-time performance & passengers/hour)
- **Economy** impacts service effectiveness (ridership growth)
FY2008 Performance Goals

• Set with Transit Agencies
• Attachment 5
• All are at or above FY 2007 Goals

Future Performance Evaluation Program Enhancements

• Develop new performance evaluation process
• Incorporate into Regional Short Range Transit Plan
• Base evaluation on full year results
• Work with transit agencies to redefine goals and targets
Recommendations

Recommend SANDAG Board of Directors approve the final FY 2008 allocations and FY 2008 productivity improvement program at its June 22, 2007 meeting.

Transportation Development Act

FY 2008 Allocations and Productivity Improvement Goals
MTS Short-Term Interim Solution
Fiscal Years 2007 / 2008

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Savings</th>
<th>Use in FY07 / FY08 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>STA FY08 latest projections:</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>FY07 Operating Budget Savings:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid Year Projections</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Additional Savings (Through April 2007)</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Total FY07 Operating Budget Savings:</td>
<td>3.5</td>
<td>3.5</td>
</tr>
<tr>
<td>CNG Fuel Credits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY07 Projected Rebate</td>
<td>2.3</td>
<td>1.7</td>
</tr>
<tr>
<td>FY08 Projected Rebate</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Total CNG Fuel Credit</td>
<td>5.3</td>
<td>4.7</td>
</tr>
<tr>
<td>Grand Total</td>
<td>9.8</td>
<td>9.2</td>
</tr>
</tbody>
</table>
Long Term Solutions

• Discuss with BDC and MTS Board of Directors
  • Revenue Enhancements
    - Fare Increases
    - Other Revenue Impacts (Subsidy, Advertising, Land, etc.)
  • Expense Adjustments
    - Service Adjustments
    - Operating Budget Expense Reductions

Metropolitan Transit System
FY 2008 Operations Budget Presentation

SANDAG Transportation Committee
June 15, 2007
Recommendation

The Transportation Committee is asked to approve the NCTD and MTS FY 2008 operating budgets:

– Not to exceed the revised TDA and TransNet revenue estimates
– Contingent upon approval by the transit agency boards
– Contingent upon approval of the TDA allocations by the Board of Directors on June 22
I-15 Managed Lanes Corridor Update

Focus on Project Schedule and Costs

Transportation Committee
June 15, 2007

Major Components of a Transportation Project

- Support
  - Pre-Engineering
  - Environmental
  - Design
  - Construction Contract Administration
- Capital
  - Right of Way Cost
  - Construction Cost
Project Phases

Uncertainty Declines During Each Phase

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSR</td>
<td>Project study report, needs of project defined, feasibility study</td>
</tr>
<tr>
<td>Environmental</td>
<td>Project alternatives studied and preferred alternative selected</td>
</tr>
<tr>
<td>Design</td>
<td>Project plans, specifications, and cost estimate</td>
</tr>
<tr>
<td>Advertise</td>
<td>Job ready to go to construction</td>
</tr>
<tr>
<td>Construction</td>
<td>Contractor builds project</td>
</tr>
</tbody>
</table>

Factors that Influence Project Cost

- Scope changes
- Schedule delays
- Unit price increases
- Construction change orders
Project Contingencies Reflect Risk

- **PSR:** 25 to 30% of the project costs contingencies added to the project cost
- **Environmental:** 20 to 25% contingencies are used
- **Design:** 10% contingencies are used
- **Advertise:** 5% to 10% contingencies are used
- **Construction:** 5% Contingency; once a project is awarded to a contractor the unit prices and project estimate is fixed

Contingency Decreases

What’s Next for Construction Costs?

(Caltrans Construction Index)

- Costs Doubling Every 5 Years
- Costs Doubling Every 20 Years
- Costs Doubling Every 4 Years

TransNet Ordinance Cost Estimates Established

Construction Begins On Middle Segment

TransNet
2006 Bid Prices Reflect Future Construction Costs (2008)

Escalating Costs Beyond 2008

Long Run Cost Escalation Factor 3.6%
Increased Competition Expected to Help Keep Costs Low

**Average Number of Bidders per Job is Increasing**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Summary**

**I-15 Project Cost Confidence Builders**
- Close to sending project out to bid
- Improved project cost accuracy
- Using bid prices and escalating through project completion
- Increased competition per Job

**Concerns**
- Unstable unit prices
- Project delays
- Construction change orders
I-15 Managed Lanes Corridor Update

Focus on Project Schedule & Costs

Transportation Committee
June 15, 2007
Current Progress

- Vehicle Maintenance Facility: occupied
- San Marcos Loop: complete except for the elevator and landscaping
- Fiber Optic Network: complete
- Track & Stations: ongoing
- Communication systems (critical work): ongoing
Settlement Agreement: Main Line Contract

- Abnormally high number of changes
- Exposure to delay, disruption, inefficiency, & overhead claims (impact damages)
- Contractor due additional time for changes pushing completion date into next spring

Settlement Agreement: Main Line Contract

- Impact Damages:
  - Not to exceed $12.2 million
  - Supporting documentation required
  - Disputes over documentation goes to binding arbitration
Settlement Agreement: Main Line Contract

• Additional time (acceleration)
  – Contractor gives up his rights to additional time due to changes
  – Contractor re-sequences & accelerates work
  – New internal milestones
  – Milestone payments: up to $3.3 million
  – Amount based on project support costs
  – Liquidated Damages: up to $20,000/day

Settlement Agreement: Main Line Contract

• Staff Analysis: Impact damages
  – Resolves difficult to defend claims
  – Avoids legal fees
  – Contractor must provide supporting documentation
  – Balanced & in the best interest of NCTD
Settlement Agreement: Main Line Contract

- **Staff Analysis: Acceleration**
  - Internal milestones support early completion
  - Payments based on NCTD’s overhead savings
  - Liquidated damages protect NCTD in case milestones are not achieved
  - Balanced & in the best interest of NCTD
- **Summary:** affords NCTD much greater confidence level with both cost and schedule

Estimate at Completion (EAC)

- **EAC workshop:** May 29th
- Reviewed assumptions made in the amended recovery plan for contingency & final quantities
- Reviewed future costs for
  - construction management
  - design
  - insurance
  - environmental mitigation
  - local agency oversight
  - storm water protection
Estimate at Completion (EAC)

- Tentative EAC: $460 million
- Includes maximum value of settlement agreement
- Excludes adjustments for CM, design, insurance, etc.
- Excludes settlement with the City of Vista
- Amended Recovery Plan budget: $484.1M

Estimate at Completion (EAC)

- Future risks to cost:
  - Potential overrun of construction quantities
  - Change order work where price has not been negotiated
  - NCTD will dedicate estimating resources to project these costs
Project Concerns

- EAC will not be accurate until adjustments are made and final quantities of significant items of work are calculated
- Revenue Operations Date: new baseline schedule from contractor pending

SPRINTER STATUS REPORT

June 15, 2007
Proposed Service Changes for December 2007
Transportation Committee
June 15, 2007
Schedule & Public Process

Public Hearing – June 21
Board Approval – July 19
May - June
- Public Information Guide
- Web Information
- Transit Workshops
- Open Houses
- Presentations
- On-Line Trip Planner

Today’s Format

- Review Schedule and System Design Goals
- Review Feedback received to date at Transit Workshops, Open Houses and emails
System Design Goals

- Building a Network with coordinated arrivals and departures
- Allocate services efficiently for maximum ridership
- Faster trips
- Create flexibility to expand Network

North County Service Concept

- Present the Transit Network that is needed to maximize travel demand and meet all day needs
- Base Network to provide All Day Baseline Service
- Optimum Network support more services when funding available through Service Improvement Plan
Service Plan – Context

- Changes since 2000
- Changes to BREEZE
  Routes across most of the bus network
- Focus on work, school and college trips
- Faster and more reliable east-west trip times

SPRINTER Capacity

- 1,800 seat capacity every hour
- 1,300 seat capacity with buses now
Core Changes & Assumptions

- Route 302 - Oceanside to Escondido
- Route 318 – Oceanside to Vista
- Route 320 – SR 78 Express via Plaza Camino Real

Financial Plan assumed these routes would change with SPRINT opening
Feedback

- Requests for more service to Business Parks
- Earlier and Later service
- Focus on connections
- Requests to retain service in some areas
- Transit Workshop
- Email/Trip Planner
- Tradeoffs/Funding

---

North County Transit District

We Move People

GoNCTD.com
MTS Security Personnel

- MTS uses a combination of internal code enforcement and private contract security personnel
- A total of 160 individuals
- Patrol measures include regular on-train personnel, mobile vehicles, post guards, and undercover and plain clothes details
Basic Inspections

• Core Group of 33 code enforcement officers randomly inspect fares onboard trains and in designated Fare Paid Zones on platforms

• Officers have option to issue written/verbal warnings, citations, or detrain with offender to buy a proper fare

On-Board Inspections
Fare Paid Zones
Signs in English and Spanish

Enhanced Inspections

• All Contract private security personnel are authorized to inspect fares to augment Basic Inspection

• Private security cannot issue citations but can write warnings and ask offender to detrain and purchase proper fare
Special Enforcement Unit - Rail

- Scheduled enforcement “sweeps” every other week
- 100% of patrons inspected both directions
- Mobile revenue collection and laptop used to check violation database
- Fare evasion rates less than 2%

Special Enforcement - Bus

Periodic compliance inspections
Swarm / Saturation Detail

• Due to 4-10 schedule, one day per week extra personnel assigned to a variety of special checks and other enforcement efforts
• Unit may be in plain clothes and conduct school behavior enforcement or graffiti prevention

Revenue Collection From Citations
Calendar Year 2006

• 20,176 Citations issued annually
• $123,000 Revenue collected
• $6.00 Collected per citation after State and local courts collect fees
Fare Evasion and Inspection Comparisons

• 4.1% - Santa Clara County VTA Rail (FY06)
  - 6% of passengers inspected

• 1.3% - Los Angeles Light Rail (Feb. 07)
  - 3.1% of passengers inspected

• 1.7% - San Diego Light Rail (CY 06)
  - 33.50% of passengers inspected

Fare Inspection Summary

• MTS inspection processes considered very effective with high inspection and low fare evasion. Quality of life issues addressed

• All transit systems have fare evasion (barrier free or barrier), including BART, WMATA and MARTA

• All multi-car LRT systems are barrier free

• Only grade separated systems can incorporate barriers to control system access
Questions?