



**BOARD OF DIRECTORS  
JANUARY 25, 2008**

**AGENDA ITEM NO. 08-01-1A  
ACTION REQUESTED - APPROVE**

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**BOARD OF DIRECTORS DISCUSSION AND ACTIONS  
DECEMBER 7, 2007**

Chair Mary Sessom (Lemon Grove) called the meeting of the SANDAG Board of Directors to order at 10:04 a.m. The attendance sheet for the meeting is attached.

1. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

Pedro Orso-Delgado, Caltrans District 11 Director, introduced Laurie Bergman, new Caltrans Capital Program Chief Deputy.

**REPORTS (2 through 3)**

2. DRAFT 2007 REGIONAL ECONOMIC PROSPERITY STRATEGY (DISCUSSION)

Coronado Councilmember and Co-Chair of the Regional Economic Prosperity Strategy Working Group Phil Monroe stated that this is the third strategy presented in this format to the SANDAG Board. He recognized the efforts of fellow Co-Chair Julie Meier-Wright; SANDAG staff members Marney Cox, Gabriel Renteria, and Monika Clark; and Jun Onaka, Onaka Planning and Economics, the consultant.

Councilmember Monroe provided information related to job growth in the region by income range. The bottom line is a call to balance the investment of dollars into areas that will expand and attract higher paying jobs. The majority of jobs is on the lower one-third level. To expand and attract these jobs, we need improved, reliable, and expanded infrastructure. To attract new industries or help expand existing companies, we need to increase the inventory of affordable housing, improve education and training, and protect the inventory of employment lands throughout the region. The recommendations are to endorse additional transmission to the San Diego region, endorse free trade, and keep updated on nuclear energy to generate electricity. These strategies focus on the years ahead to raise the quality of life for our residents.

Marney Cox, Senior Economist, reviewed the strategy's key findings, which are unbalanced job growth and increased wage disparity and the high cost of living eroding purchasing power. He went over the strategic goals to address these major challenges and proposed changes to the recommended actions, as well as some immediate actions to consider. The most important finding is that the standard of living is not keeping pace with the state or the nation.

Mr. Cox said that in attempting to address these issues it is important to start with a different set of public actions and infrastructure investments. We need a retention strategy for our local businesses and labor force. The more productive we are, the higher the wages, and the higher the wages, the higher the standard of living.

Mr. Cox described the proposed adjustments to the recommended actions related to housing and water supply. The strategic goal for housing includes constructing units in Smart Growth areas, streamlining the permit process, and removing fiscal disincentives. The adjustment to this goal is to add the recommendation to pre-approve residential development in Smart Growth Opportunity Areas (Master Environmental Impact Reports [EIRs]) to better match supply with demand to stabilize prices and for more efficient use of capital. The initial recommended actions for the water strategic goal are source diversification, increasing conservation and use of reclaimed water, and assessing and planning for effects of climate change. The revised goal would have 100 percent use of reclaimed water and establish a competitive water market in California.

Mr. Cox said that the question is: should public and private leaders endorse the following immediate actions: pre-approve residential development, construct a third border crossing to reduce wait times, support additional energy transmission capacity, protect prime industrial land in General and community plans, establish a clean-tech business park in South County with regional investments, approve a desalination plant in Carlsbad, and insist on 100 percent use of reclaimed water.

Julie Meier-Wright stated that this has been a rewarding process to co-chair with Councilmember Monroe and the internal staff team. There were about 80 people on this working group, and there were always lively engaged discussions. The San Diego Regional Economic Development Corporation (EDC) is completing a comprehensive planning process to reaffirm its strategy for strong proactive goals. To accomplish many of our economic goals we need to work with others. The ability to move quickly to a more business-friendly environment is key. San Diego offers something unique. As an economic development person, Ms. Meier-Wright was impressed with Florida's efforts to develop a biotech industry. One of our state's boldest efforts is related to stem cell research. This put San Diego on the map, and competition has grown over the past couple of years. We need to constantly benchmark ourselves against our competition. We need to focus on the right things and all move in the same direction. The strategy pinpoints the areas of improvement. She acknowledged Chula Vista Mayor Cheryl Cox and Supervisor Ron Roberts for supporting this process. She said that private sector Chief Executive Officers (CEOs) feel we need to address water, workforce housing, and skilled labor. From the public and private sector, these are the primary issues that collectively define our lack of competition and our inability to balance our job growth. We have to be more competitive. This depends on our collective abilities, and we need to strengthen our partnerships with the private sector. We need to create a state of economic readiness, and it will take all of us to invest in these strategies.

Councilmember Jim Madaffer (City of San Diego) commented that this report is why SANDAG has done such a good job leading in the region. He supported these actions and provided comments on a number of the goals related to the City of San Diego. Giving certainty in land use development is very important. This infrastructure for growth along transit lines will reduce greenhouse gases. He said that what we do in Otay Mesa will be crucial.

Councilmember Matt Hall (Carlsbad) noted that it would be interesting to see the benchmarks for the cities in this region on these items to see how we are actually performing. SANDAG should provide information on other cities'/county's best practices for things like streamlining the permit process.

Mr. Cox said that one of the things discussed with the Business Industry Association (BIA) was what bothers them most. One response was the tandem parking issue. Current building policies do not allow things the market will support.

Councilmember Ed Gallo (North County Transit District [NCTD]) asked when the last survey was done on employment lands. Mr. Cox responded that it was in 2002; however, we are in the process of doing another one. He added that we also will include residential lands in this survey. The objective is to clarify what is immediately available versus long-term.

Councilmember Gallo agreed with having pre-approved residential development so that we have it when the market dictates we need it. He also agreed with having Master EIRs and pursuing nuclear and geothermal energy as well as transmission issues. With regard to land conversions, sales tax is our best source of income, but retail provides jobs in the lower employment category. We need to have a regional approach on how to achieve these goals.

Mayor Cheryl Cox (Chula Vista) admired the work the team has done on this. She was particularly taken by the images on the front page of the PowerPoint. She asked Mr. Cox if he would be willing to make this presentation to other cities or groups. He agreed to do so.

Mayor Cox agreed that constructing a third border crossing would reduce wait times, but we also need to construct the roads to get there. She agreed with protecting industrial lands and providing energy transmission capacity. We need a greater reliance on sustainable and reliable energy sources with attention to both generation and transmission. She said that all of us in the region want to create clean tech business parks, not just in South County. She mentioned that corporate air traffic is growing by leaps and bounds and there are businesses that thrive because of corporate air traffic. She asked how this fits in with the long-term strategy.

Councilmember Jack Feller (Oceanside) commented that this strategy is one of the most important things to discuss because we have to rely on each other for all kinds of things. This is a great start. The quicker a developer can plan, construct, and sell a unit, the faster the funds can be reused to continue the process. He liked the changes expressed by Mayor Cox. Some of our master planning could be similar to Anaheim, CA. That's just zoning overlay. What you get out of that is an opportunity for property owners to get onboard with what we are trying to do. Employment lands are going to be on our SPRINTER corridor. Now we have to juggle the housing on that line. The hope is that all of those issues are considered as we move forward.

Mr. Orso-Delgado said that the State Route (SR) 905 project is out to bid, and development of the Presidential Permit for the third border crossing is in review. We hope to be delivering that next month to Washington, D.C. We have to take advantage of our very distinct geographic location. Our friends south of here are ahead of us in terms of development around the border.

Ms. Meier-Wright observed that you can find best practices from other areas. The Silicon Valley has done some work related to unified building codes and permitting. It might be interesting to bring people down here or go up there. The SDEDC will be doing a Mega Industry Study including cross-border efforts.

Mayor Art Madrid (La Mesa) agreed with Councilmember Hall in that it starts with local government. We need to see where we fit. He expressed concern about climate change. We could collectively address all of these issues and ignore climate change and be decimated by standards that are being set on that issue. He also agreed with rephrasing the energy issue. Energy can come from a variety of sources. It is critical that we address all of these issues.

Mr. Cox said that climate change is an important issue. There are elements that address this throughout the prosperity strategy. What we didn't do was tie the items together. We will do a better job at that. He clarified that the recommended actions are for immediate implementation versus longer-term actions.

Councilmember Monroe mentioned that this process has been going on for two years. About a year ago, climate change came up. The committee decided it was involved in some of these other goals and decided not to have a separate climate change goal.

Mayor Ron Morrison (National City) spoke about the pre-approved residential development issue. National City just did a downtown specific plan and pre-approved the projects. This allowed up to 10,000 housing units. You have to give developers every opportunity to work within the market cycles. He was glad to see that water supply was included. We need to take a look at our water countywide. There are different levels of reliability and diversification. Groundwater is less expensive and more available, but it is not drinkable. That needs to be moved to the top of the list.

Mayor Mickey Cafagna (Poway) commended the committee for a terrific job. He said that we have to realize the differences between San Diego County and other areas. The housing demand issue makes us unique. The biggest impacts are environmental. We have the most formidable environmental supporters in the nation. There are areas where this can work, and some areas where it cannot work. These are the obstacles we have to deal with before we can make policy changes.

Mr. Cox didn't believe the "sunshine tax" is true. We create the capacity to enable low income industries to thrive. The blame rests on how we spend our public dollars. We need to think longer term and plan in advance of cycles.

Mayor Jim Desmond (San Marcos) said that his city approved a specific plan for the downtown area that included tandem parking. This might be an opportunity for industrial land or a business park. In a global economy, people won't go to businesses as much; however, they will work from home. We have to look ahead at how we attract industries and people. These are all people issues. We have to look beyond 2030 and what will attract the people.

Supervisor Roberts questioned a cost of living chart in the presentation because it didn't show a starting point. Mr. Cox clarified the information.

Supervisor Roberts suggested that we adopt a series of things that are not a stick approach but will be a framework for local governments to work along with the state. There are specific things that will help local governments to understand the greater situation. He referred to Singapore as an example of an area that looked at its strengths and how it could be competitive. As a result, it has become the health care center for that geographic region. Supervisor Roberts said that we don't have that long-range vision. He wondered why San Diego is not the leader in solar power. We need to start doing what makes sense here. There are things we should be doing, and we are not. Our schools are economic engines. We are producing a lot of labor for the visitor industry. To compete in the 21<sup>st</sup> Century economy, we have to look at governmental entities and our current fragmentation.

Councilmember Jack Dale (Santee) noted that we should not take this blueprint and redo it 18 times. It makes more sense to have a part of the region provide one thing and another part provide something else. We need to deal with fiscal reform. There is so much more we can do with education. The problem with employers in East County is getting skilled workers.

Councilmember Mike Nichols (Solana Beach) spoke about the goal of 100 percent of reclaimed water. He said that there are not sufficient amounts of reclaimed water to meet this goal. We need to look more in terms of actual demand and not at matching capacity.

Marilyn Dailey (San Diego County Regional Water Authority) stated that we are struggling with water and land planning. Today, Maureen Stapleton is coming to the Borders Committee meeting and will provide information on water supply. Congress recently passed a water bill in which San Diego will benefit, but she was not sure about the amount of money.

Councilmember Crystal Crawford (Del Mar) agreed that we need to evaluate and borrow best practices from all over. She agreed with the importance of environmental issues and that education for the public is key. She noted that desalination has very high energy costs, and there are no plans for the desalination plant to go solar. We need to adopt a commitment for our region for best practices that look at sustainability over the long term. This would affect our economy positively. We also need to look at what is happening across the border.

Chair Sessom stated that this will come back to the Board in March 2008.

3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Potential initiation of litigation pursuant to subdivision (c) of Section 54956.9: (One potential case)

Chair Sessom convened the meeting into a closed session at 11:41 a.m., and reconvened into open session at 12:06 p.m.

John Kirk, Deputy General Counsel, reported the following out of closed session: the Board authorized the initiation of litigation against the California State University challenging the San Diego State University Master Plan EIR.

4. UPCOMING MEETINGS

The next Board Business meeting is scheduled for Friday, December 21, 2007, at 9 a.m. The next Board Policy meeting of the SANDAG Board of Directors is scheduled for Friday, January 11, 2008, at 10 a.m.

5. ADJOURNMENT

The meeting was adjourned at 12:07 a.m.

DGunn/M/DGU

**ATTENDANCE  
SANDAG BOARD OF DIRECTORS' MEETING  
DECEMBER 7, 2007**

JURISDICTION/ ORGANIZATION	NAME	ATTENDING
City of Carlsbad	Matt Hall (Member)	Yes
City of Chula Vista	Cheryl Cox (Member)	Yes
City of Coronado	Phil Monroe (Member)	Yes
City of Del Mar	Crystal Crawford (Member)	Yes
City of El Cajon	Mark Lewis (Member)	Yes
City of Encinitas	Jerome Stocks, 2nd Vice Chair (Member)	Yes
City of Escondido	Lori Holt Pfeiler, 1st Vice Chair (Member)	Yes
City of Imperial Beach	Jim Janney (Member)	Yes
City of La Mesa	Art Madrid (Member)	Yes
City of Lemon Grove	Mary Sessom, Chair (Member)	Yes
City of National City	Ron Morrison (Member)	Yes
City of Oceanside	Jack Feller (2nd Alternate)	Yes
City of Poway	Mickey Cafagna (Member)	Yes
City of San Diego - A	Jim Madaffer (1st Alternate)	Yes
City of San Diego - B	Toni Atkins (Member B)	No
City of San Marcos	Jim Desmond (Member)	Yes
City of Santee	Jack Dale (Member)	Yes
City of Solana Beach	Mike Nichols (2nd Alternate)	Yes
City of Vista	Judy Ritter (Member)	Yes
County of San Diego - A	Ron Roberts (Member A)	Yes
County of San Diego - B	Bill Horn (Member B)	No
Caltrans	Pedro Orso-Delgado (Alternate)	Yes
MTS	Harry Mathis (Member)	Yes
NCTD	Ed Gallo (Member)	Yes
Imperial County	Victor Carrillo (Member)	No
US Dept. of Defense	CAPT Steve Wirshing (Member)	No
SD Unified Port District	Sylvia Rios (Member)	No
SD County Water Authority	Marilyn Dailey (Member)	Yes
Baja California/Mexico	Primary (Vacant)	No
Southern California Tribal Chairmen's Association	Robert H. Smith (Member)	No