MEETING NOTICE
AND AGENDA

CITIES/COUNTY TRANSPORTATION ADVISORY COMMITTEE (CTAC)
The CTAC may take action on any item appearing on this agenda.

Thursday, September 6, 2007
9:30 to 11:30 a.m.

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

Chair: Greg Humora, City of La Mesa
Vice Chair: Frank Rivera, City of Chula Vista

Staff Contact: Charles “Muggs” Stoll
(619) 699-6945
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mst@sandag.org

AGENDA HIGHLIGHTS

• TransNet EXTENSION MAINTENANCE OF EFFORT (MOE) REQUIREMENT

• STATE ROUTE 94 SOUNDWALL PROJECT UPDATE AND COST INCREASE FUNDING PROPOSAL

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ITEM #

1. INTRODUCTIONS


   a. The summary for the June 7, 2007, CTAC meeting is attached. CTAC is asked to review and approve the meeting summary.

   b. The summary for the July 12, 2007, joint meeting with the Regional Planning Technical Working Group is attached. CTAC is asked to review and approve the meeting summary.

3. PUBLIC COMMENTS

   Members of the public will have the opportunity to address the Working Group during this time.

4. TransNet EXTENSION MAINTENANCE OF EFFORT (MOE) REQUIREMENT (Craig Scott and Renee Wasmund)

   Staff will update CTAC on the status of the effort underway to establish the new MOE base level as required by the TransNet Extension Ordinance. A team of independent auditors is being used to conduct an analysis of each local jurisdiction’s expenditures of local discretionary funds during the new base years of FY 2001, 2002, and 2003. Once finalized, these new base MOE levels will be used beginning in FY 2009 to determine compliance with the TransNet Ordinance through the annual fiscal and compliance audit process.
## ITEM # | RECOMMENDATION
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5. | **UPDATE ON THE REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RCTIP)**
   (Marney Cox)

**DISCUSSION**

The Regional Transportation Congestion Improvement Plan, approved by votes as part of the TransNet extension in November 2004, requires a fee be collected on each (most) new residential units to help pay for the impacts to the Regional Arterial System. Staff will provide updated information from the Nexus Study and address outstanding questions posed at the workshop held in April 2007.

6. | **STATE ROUTE 94 SOUNDWALL PROJECT UPDATE AND COST INCREASE FUNDING PROPOSAL**
   (Erwin Gojuangco, Caltrans)

**APPROVAL**

A project on State Route 94 in La Mesa and Lemon Grove in the vicinity of Massachusetts Avenue to construct a soundwall is in need of additional funds due to cost increases in the project development process. Caltrans staff will present the project to CTAC and request a recommendation to approve STIP Augmentation reserve funds to address the project budget shortfall.

7. | **ANNOUNCEMENTS**

**INFORMATION**

CTAC members are encouraged to share items of interest.

8. | **UPCOMING MEETING**

**INFORMATION**

The next CTAC meeting is scheduled for Thursday, October 4, 2007, from 9:30 to 11:30 a.m.

+ next to an item indicates an attachment
SUMMARY OF THE JUNE 7, 2007, CTAC MEETING

Introductions

Greg Humora chaired the meeting. Meeting participants introduced themselves.

Meeting Summaries

CTAC approved the meeting summary from the May 3, 2007, meeting as written.

Public Comments

There were no comments from the public.

Regional Arterial System (RAS) Update

Heather Werdick reported that the final recommendation for the RAS was presented to the Transportation Committee on June 1, 2007, and the staff recommendation was approved for inclusion in the Draft Regional Transportation Plan (RTP).

Mr. Humora clarified the SANDAG recommendations are the 86 out of the 126 proposed beginning on page 11 of the agenda report. Larry Pierce (Vista) asked about whether State Routes 67 and 282 had been added. Ms. Werdick responded that they were not due to the fact that they were state highways. Bob Johnson (Carlsbad) asked about the segment of road bypassing State Route 67 in the vicinity of Ramona. Fred Luedke (Escondido) expressed his appreciation for the accommodation shown by SANDAG staff during the process of updating the RAS.

Public Scoping Meeting for the Notice of Preparation (NOP) of an Environmental Impact Report (EIR) for the 2007 RTP

Shelby Tucker presented a summary of the May 24, 2007, NOP for the 2007 RTP update. She noted that SANDAG was seeking written comments on the NOP by June 29, 2007. She then went over the EIR schedule in some detail.
Paul Vo asked for clarification on whether the EIR would be posted on the Web site. Both Ms. Tucker and Mike Hix responded that it would be. Mr. Humora asked for and received clarification that the public review period for the EIR would be 45 days. Mr. Johnson asked if there were any “hot button” issues for the RTP or the EIR. Ms. Werdick and Mr. Hix responded that the “Transit-Focused” alternative included as a result of the settlement of litigation with Save our Forests and Ranchlands (SOFAR) and the treatment of the Greenhouse Gas impact issue were likely to be of interest in this update.

**Nomination and Election of a New CTAC Committee Vice Chair**

Mr. Humora called for nominations. Mr. Luedke nominated Frank Rivera (Chula Vista) and Mr. Johnson seconded the nomination. Mr. Rivera was elected in a unanimous vote.

**Announcements**

Charles “Muggs” Stoll announced the fact that a Pedestrian Safety Workshop was planned for July 11-13, 2007, at the Caltrans District 11 Office and passed out a North County Transit District Public Hearing Notice for June 21, 2007. Steve Kirkpatrick formally announced his recent move to the City of Lemon Grove. Erwin Gouongco (Caltrans) announced that the next south Tehachapi meeting would be on August 3, 2007, with topics on bridge projects and bond matching funds. Mr. Humora suggested that a future agenda item for CTAC should be an update on the Regional Transportation Congestion Improvement Program (RTCIP).
SUMMARY OF THE JULY 12, 2007, JOINT MEETING OF CTAC
AND THE REGIONAL PLANNING TECHNICAL WORKING GROUP

Welcome and Introductions

Jim Sandoval, City of Chula Vista, and Greg Humora, City of La Mesa, co-chaired the meeting. Self-introductions were conducted. Muggs Stoll, SANDAG staff, conducted a “pop quiz” testing the Working Group’s familiarity of their civic counterparts.

Public Comments and Communications

Jay Powell, City Heights Development Corporation, commented on the Mid-City rapid transit project along the Interstate 15 (I-15) referred to as the “Centerline.” He distributed a summary of key issues surrounding this project. He felt the key issues are that the draft 2007 Regional Transportation Plan (RTP) identifies the I-15 as a future high occupancy vehicle (HOV) corridor and a key freight corridor, which would prevent the Centerline stations at University Avenue and El Cajon Boulevard from being constructed as transit-oriented development projects and would contribute to air quality and noise pollution, especially as related to a local elementary school immediately adjacent to the I-15. He spoke against the inclusion of a goods movement route within the I-15 corridor, and urged that the median in the center of the freeway be dedicated for use of the rapid transit stations on the plazas where University Avenue and El Cajon Boulevard cross the freeway. He added that the transit stations are already constructed and would contribute to the advancement of smart growth.

Draft 2007 Regional Transportation Plan

Heather Werdick, SANDAG staff, stated that on June 22, 2007, the SANDAG Board released the draft 2007 Regional Transportation Plan (RTP) for review and comment. Ms. Werdick presented an overview of Reasonably Expected Revenue Scenario and a schedule of the RTP public outreach workshops. Working Group members were invited to discuss and comment on the draft plan and were encouraged to attend the workshops in their subregions.

Jerry Backoff, City of San Marcos, asked which scenario the Palomar Airport Bus Rapid Transit (BRT) service is included in. Ms. Werdick responded that it is included in the Revenue Constrained Scenario, not the Reasonably Expected Scenario.
Ed Kleeman, City of Coronado, asked about the structure of the public workshops and asked if they will be the same at each location. Ms. Werdick answered that the workshops will begin with an informational presentation on the draft RTP followed by an open house and discussion.

Lance Schulte, North County Transit District (NCTD), asked if the RTP Environmental Impact Report (EIR) will address parking and related land costs. Rob Rundle, SANDAG staff, responded that the EIR will not get into that type of specificity. He added that the draft EIR will likely be available by August 15 instead of the projected August 3 timeline.

There was an inquiry regarding how long it will be before the next update of the RTP. Ms. Werdick responded that the RTP is a long range document that is updated every four years. Since the plan assumes an additional $17 billion, many of the revenues will not start until after 2015 because a funding source needs to be identified. Mr. Stoll added that the phasing of transportation projects is included in Appendix A.

Mr. Sandoval stated that the Chula Vista General Plan update results in an additional 15,000 housing units over the previous general plan, and this may include another 7,000 units due to the future university in the Otay Ranch area. He commented that there should be more East/West transit routes in south county, and that there is a need to take a closer look at the transportation demands of development projects that serve as regional attractors. While local developments should be able to pay their own way, it might be worthwhile to consider subregional funding approaches for the necessary transportation improvements of regional attractors. He added that it is valuable to look at goods movement because there are many economic impacts generated from travel from Mexico and back. He added that we also need to look at how corridors are accessed. He hopes that people in south county will rely on State Route (SR) 125, but they will also use SR 94 heavily.

**Response to Questions on Regional Transportation Congestion Improvement Program (RTCIP)**

Marney Cox, SANDAG staff, stated that the TransNet Extension Ordinance includes a Regional Transportation Congestion Improvement Program (RTCIP) that requires developers of new residential units to help pay for impacts on regional arterials. A workshop was held in April to discuss how the money should be spent on the regional arterials. Mr. Cox addressed the following unresolved questions that came out of those meetings and discussions.

- For multi-family units, should the average fee amount from the Nexus study be used or should a specific amount based on trips per unit be used. Mr. Cox responded that the average amount was greater than $2,000 and the specific amount was less than $2,000, which was the threshold in the TransNet ordinance. He presented a way to estimate fees through 2006 even though the fees will not take affect until 2008. The Caltrans cost index has increased more than the Bureau of Labor Statistics, and we are not locked into a particular cost index. He foresees the fee per unit will be above the $2,000 threshold.
• Guidelines to match up with the mitigation fee impact. Mr. Cox commented that the guidelines in the ordinance will need to match up with the Mitigation Fee Act, and the consultants will help provide continuity between those two requirements. He addressed two written comments from CTAC members related to this item. First, if jurisdictions would like to collect impact fees for nonresidential units, they can use information from the Nexus study to determine the amount of the fees. Second, he pointed out that changes to the Regional Arterial System (RAS) definition have resulted in the addition of 100 more regional arterial lane miles. He commented that this does not change the Nexus study even though the system has grown. The amount of the fee will not be recalculated. The expansion of the RAS simply allows jurisdictions to spend the collected funds on an expanded set of roads, and the question then becomes one of allocation. He added that jurisdictions can conduct their own Nexus study to recalculate fee amounts, as long as the fees collected for residential units are higher than those specified by the Nexus study per the TransNet ordinance.

• Variations in costs per trip. Mr. Cox addressed the reasoning behind the variations in costs per trip. In typical Nexus studies, no trip is different from another, but since this one only looked at impact fees on residential units, the consultants looked at the proportion of trips that should be allocated to commercial uses. The assumptions used for the different trip allocations resulted in three different costs per trip. This is because some trips originally allocated to commercial uses have been allocated to residential.

• Future fee adjustments. Mr. Cox explained that the impact fee amount in 2008 and beyond will be adjusted annually based on the construction cost index. The ordinance specifies the Engineering News Record (ENR) index or a similar index for determining fee increases. There is a big difference between the Caltrans cost increases and ENR, but SANDAG is leaning towards the Caltrans cost increases.

• Fee waivers. Mr. Cox stated that there are two ways for jurisdictions to receive fee waivers. One is for the provision of very low, low, and moderate-income households. The other is through redevelopment projects that do not result in overall trip increases.

• Fee credits. Mr. Cox stated that jurisdictions can receive fee credits if they have a fee program in place that is collecting and spending an amount that will satisfy the requirements of the ordinance. This money must be spent on the RAS system, and reflect complete compliance. Jurisdictions that do not have a fee program today must adopt one, and he recommended cooperation between cities to help guide the formation of fee programs. Mr. Cox encouraged members to e-mail him additional comments or questions.

Mr. Humora asked when the consultant will complete the remaining work and get back to the Working Group. Mr. Cox answered that they will start in August, and information will be available by mid-September.

Mr. Backoff requested a summary of the RAS. Mr. Cox said it is defined by the most recent RTP in 2003 and is being updated through the 2007 RTP. Mr. Backoff asked if SANDAG will build the regional connecting roads. Mr. Cox said that the strategy is for jurisdictions to collect the funds and pool their resources to be spent on the arterial system.

Mr. Humora commented that his city’s attorney interpreted the Nexus study literally and will apply the fee based on the single and multi-family home figures in the Nexus study. Mr. Cox responded that that is a correct way to do it and that he will come back with a fee amount for both single and multi family homes above the threshold.
Zoubir Ouadah, asked whether a jurisdiction could meet its $2,000 requirement if it applied impact fees to both residential and commercial developments. Mr. Cox responded no, that the ordinance does not allow that.

Bill Chopyk, City of La Mesa, commented that there should be consideration given to the jobs/housing balance. He thinks the addition of commercial to residential should create an offset because it can reduce the overall impacts to the transportation system. Mr. Cox answered that the ordinance cannot be changed, but the RTP has strategies to encourage the proximity of housing to jobs outside of the RTCIP.

Mr. Ouadah, asked how the original ordinance calculated trips costs. Mr. Cox responded that the total incremental cost was divided by the costs per lane mile to determine the overall cost. Mr. Ouadah asked if an overall deficiency in the system was assumed upon the adoption of the ordinance. Mr. Cox said that the Mitigation Fee Act states that a jurisdiction can only charge new growth for its impact. It can also charge for nonresidential impacts, but that is not required.

Stephan Marks, NCTD, asked if there is a mechanism in the ordinance to allow money to be spent on mitigating transportation impacts through transportation demand management measures or transit. Mr. Cox replied yes, that the drafters of the ordinance anticipated that jurisdictions may want to spend the funds on transit, and there are provisions allowing this to occur for BRT and other projects.

Jim Griffin, City of El Cajon, asked if there is a reporting mechanism to show how many dwelling units were developed and the funds that were collected. Mr. Cox stated that SANDAG is hoping to wrap this information into the TransNet expenditure audits on a fiscal year basis.

**TransNet Smart Growth Incentive Program Ad Hoc Working Group**

Stephan Vance, SANDAG staff, stated that building upon the "Lessons Learned" from the Pilot Smart Growth Incentive Program (SGIP), SANDAG staff is preparing to develop the long-term TransNet-funded SGIP at approximately $6 million per year. He reported on the implementation timeline and requested TWG/CTAC participation in an ad hoc working group to guide program development.

Mr. Vance stated that one of the best lessons learned is that it is valuable to take the time to develop the selection criteria with the participation of those most directly involved in applying for these funds. He added that this will come before the Regional Planning Committee in November, and would like to have draft guidelines by March. There will be a call for projects in June, and SANDAG is looking at different ways to increase the availability and flexibility of the incentive funds.

Mr. Chopyk asked whether jurisdictions interested in volunteering their time to help define the criteria will be limited from competing for funds. Mr. Vance answered no, and that it would provide those jurisdictions a comprehensive understanding of the process. He said that in the Pilot program,
criteria members were drawn from the Regional Planning Stakeholders Working Group (SWG), but that that group will sunset once the RTP is adopted. The following TWG/CTAC members volunteered for the Smart Growth Incentive Program ad hoc Working Group:

- Paul Vo, San Marcos
- Linda Niles, City of Del Mar
- Patrick Murphy, City of Encinitas
- Lance Schulte, NCTD
- Linda Marabian (plus another staff member), City of San Diego
- Jim Sandoval, City of Chula Vista
- Ed Batchelder, City of Chula Vista
- Gary Halbert, City of Santee
- Maryam Babaki, National City
- Rosemary Rowan, County of San Diego

**Funding Options: Public/Private Partnerships and Joint Development**

Jane Signaigo-Cox, SANDAG staff, stated that SANDAG is exploring ways to fund transportation and transit projects and to implement smart growth in areas identified on the Smart Growth Concept Map through public/private partnerships (PPP) and joint development, particularly at transit stations. An attached report provided information on the work done to date in this area and on anticipated work for FY 2008.

Ms. Signaigo-Cox presented the Working Group with information on ways to bridge the $17 billion gap between the Reasonably Expected and Revenue Constrained RTP Scenarios. She informed the Working Group that a Request for Proposals (RFP) is being assembled for three funding options and for the development of guidelines for PPP in San Diego. One option aims at evaluating joint Transit Oriented Development (TOD) in existing or potential areas on the Smart Growth Concept Map. Another option seeks to evaluate the I-15 BRT sites at Rancho Bernardo and Sabre Springs. The RFP also will identify other PPP’s to offset the public sector costs in the Reasonably Expected Revenue Scenario. Ms. Signaigo-Cox added that a scope of work is being put together, and a short list for all three components should be expected by the fall.

Mr. Kleeman commented that these partnerships seem to have the ability to eliminate smart growth areas through the prioritization of certain smart growth areas as deemed by the consultants. Ms. Signaigo-Cox responded that the RTP has ranked certain projects, but the PPP is set to look at the projects that are in the Reasonably Expected Scenario and can be realized through this funding mechanism. Coleen Clementson, SANDAG staff, added that SANDAG is looking for the best opportunities for joint development to occur and this does not affect the priority when allocating smart growth incentive funds.

Mr. Sandoval asked if there is a way to evaluate the projects that are actually ready to go instead of only looking at possible projects. Ms. Clementson said there is not a lot of money for funding right now, so SANDAG wants to make sure that the funds that are allocated make positive and significant contributions. Ms. Clementson also solicited comments of this nature to be forwarded to staff to better develop this option. Mr. Stoll added that the consultants should be looking at these issues, and if there is a few potential deals out there that need a little extra funding, SANDAG would like to be made aware of them.

Mr. Schulte commented that NCTD is in the process of one TOD PPP development, and is halfway through three more, and would be happy to share lessons learned up to this point.
Mr. Stoll commented on the potential for High Occupancy Toll (HOT) PPP’s, and recent state legislation has only allowed for four toll schemes. He projected the desire to be open to those ideas, but the current legislative process may affect any toll-related proposals.

Biannual Transit Development Review Report

Ms. Clementson introduced SANDAG’s intergovernmental review work element. There are four components of this element, one of which is transit review. She added that SANDAG serves as the regional clearinghouse for environmental documents. In that role, staff reviews developments and plans, and evaluates how they impact our congestion management program and how they relate to the Regional Comprehensive Plan (RCP). SANDAG evaluates the need for fair share contributions from future developments, and proposals that are adjacent to or near smart growth areas. This is done to maintain eligibility for such funds as the Smart Growth Incentive Program.

Chris Kluth, SANDAG staff, said that the goal of intergovernmental review is to strengthen the link between transit and land use. He added that this process was started at MTDB, and work has been done with the cities to formalize that process. Now that this is at SANDAG, it is important to remind everyone of what SANDAG can offer. The attached report to the Transportation Committee summarized the results of SANDAG’s efforts to coordinate transit and land use through the project development review process during July to December 2006. SANDAG staff works closely with local jurisdictions to ensure the integration of transit facilities into development projects and to improve the pedestrian environment wherever possible. During the aforementioned reporting period, these efforts resulted in the inclusion of $873,450 worth of privately funded transit and pedestrian facilities. This report will be provided to the Regional Planning Committee later this year.

Mr. Chopyk asked at what point the improvements appear on the program list. Mr. Kluth said that the project is put on the list once it has gone through permitting, but over the years, projects have been changed after permitting. The table just gives an overview of the potential improvements that have been realized through the program. Mr. Chopyk asked how the values of these improvements were generated. Mr. Kluth said that the figures came from consulting with planners at MTS and the figures they use to develop a budget.

Mr. Schulte thanked SANDAG staff for helping integrate transit and land use, providing mobility options. He commented that it is important that cities send SANDAG projects that are appropriate for review. He added that it may be useful to develop some regional standards to streamline the process and incorporate them with general plans and zoning ordinances.

Mr. Kluth stated that the City of San Diego and the former Metropolitan Transit Development Board (MTDB) went into great detail with checklists and participation in their general plan update.

Mr. Ouadah commented that the City of Poway is struggling with infrastructure improvements to the roadway for transit. The city often makes improvements, but decreases in ridership sometimes results in the discontinuation of the transit service. Mr. Marks stated that where housing and sewers go, transit eventually follows. In smaller areas where a route gets discontinued, there still may be the possibility to add that route back later on. The improvements have to be made to have access to travel from bus stops and sidewalks. This should be done when planning for infrastructure, even if it may one day lose service. Mr. Marks added that one challenge with bus stops is that there is not a specific funding source to maintain them. The depletion of capital funding makes it harder to continue services. MTS allows advertising on their shelter and benches; whereas NCTD does not want to go that route to compensate for funding shortfalls.
Adjournment and Next Meetings

The next CTAC meeting is scheduled for Thursday, September 6, 2007, from 9:30 to 11:30 a.m. The next TWG meeting is scheduled for Thursday, September 13, 2007, from 1:15 to 3:15 p.m. (The August CTAC and TWG meetings are cancelled.)
February 26, 2007

Ms. Lisa Irvine
City of Carlsbad
1635 Faraday Avenue
Carlsbad, CA 92008

Dear Ms. Irvine:

SANDAG has contracted with Caporicci & Larson to conduct the Maintenance of Effort (MOE) base audit for the three fiscal years ending June 30, 2001, 2002, and 2003. The new MOE base will be applied to the TransNet Extension (Proposition A, November 2004) funds allocated to the City of Carlsbad beginning in Fiscal Year 2009.

The Independent Taxpayer Oversight Committee (ITOC) has reviewed the procedures that Caporicci & Larson will be performing. I have attached the procedures so you have an idea of what to expect. In addition, I have attached an excerpt from the TransNet ordinance which formed the basis for the MOE procedures. Please be advised that an MOE audit team member of Caporicci & Larson will be contacting you shortly to schedule a mutually convenient time to begin the fieldwork.

If you have any questions on the above, please do not hesitate to call me at (619) 699-1940.

Sincerely,

Renée Wasmund
Director of Finance

RW/LK/dsn
SECTION 8. MAINTENANCE OF EFFORT: It is the intent of the Legislature, as stated in the Act, and the Commission that revenues provided from this measure be used to augment, not supplant existing local revenues being used for the purposes set forth in Section 4 herein. Each local agency receiving revenues pursuant to Section 4(D) shall annually maintain as a minimum the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years completed prior to the operative date of this Ordinance (Fiscal Years 2000-01, 2001-02, 2002-03), as was reported in the State Controller's Annual Report of Financial Transactions for Streets and Roads and as verified by an independent auditor. The maintenance of effort level as determined through this process shall be subject to adjustment every three years based on the Construction Cost Index developed by Caltrans. Any increase in the maintenance of effort level based on this adjustment shall not exceed the growth rate in the local jurisdiction’s General Fund revenues over the same time period. The Commission shall not allocate any revenues pursuant to Section 4(D) to any eligible local agency in any fiscal-year until that local agency has certified to the Commission that it will include in its budget for that fiscal year an amount of local discretionary funding for streets and roads purposes at least equal to the minimum maintenance of effort requirement. An annual independent audit shall be conducted to verify that the maintenance of effort requirement for each agency was met. Any local agency which does not meet its maintenance of effort requirement in any given year shall have its funding under Section 4(D)(1) reduced in the following year by the amount by which the agency did not meet its required maintenance of effort level. In the event that special circumstances prevent a local agency from meeting its maintenance of effort requirement, the local agency may request up to three additional fiscal years to fulfill its requirement. Such a request must be approved by the Commission. The Independent Taxpayer Oversight Committee shall also review such requests and make recommendations to the Commission. Any local street and road revenues not allocated pursuant to the maintenance of effort requirement shall be redistributed to the remaining eligible agencies according to the formula described in Section 4(D)(1). The maintenance of effort requirement also shall apply to any local agency discretionary funds being used for the other purposes specified under Section 4. In addition, revenues provided from this Ordinance shall not be used to replace other private developer funding that has been or will be committed for any project.

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

A. New Development Exactions

Starting on July 1, 2008, each local agency in the San Diego region shall contribute $2,000 in exactions from the private sector, for each newly constructed residential housing unit in that jurisdiction to the RTCIP. These exactions shall ensure future development contributes its proportional share of the funding needed to pay for the Regional Arterial System and related regional transportation facility improvements, as defined in San Diego Association of Governments’ (SANDAG’s) most recent, adopted Regional Transportation Plan. New residential housing units constructed for extremely low, very-low, low, and moderate income households, as defined in California Health and Safety Code Sections 50105, 50106, 50079.5 and 50093, will be exempted from the $2,000 per unit contribution requirement. The amount of contribution shall be increased annually, in an amount not to exceed the percentage increase set forth in the Engineering Construction Cost Index published by the Engineering News Record or similar cost of construction index. Each local agency shall establish an impact fee or other-revenue Funding Program by which it collects and funds its contribution to the RTCIP. Each local agency shall be responsible for establishing a procedure for providing its monetary contribution to the RTCIP. The RTCIP revenue will be used to construct improvements on the Regional Arterial System such as new or widened arterials, traffic signal coordination and other traffic improvements, freeway interchange and related freeway improvements, railroad grade separations, and improvements required for regional
Attachment 2
PROPOSED MAINTENANCE OF EFFORT PROCEDURES

1) Obtain from SANDAG a copy of the TransNet Extension Ordinance and Expenditure Plan (the “Ordinance) and review.


   a) identify the reported amount of local discretionary funds expended for street and road purposes for the 3 fiscal years ending June 30, 2001, 2003 and 2003.

   b) inquire as to whether there were any adjustments to the amounts identified in (a) above subsequent to the submission to the State Controller.

   c) inquire as to the Local Agency’s process for determining the classification of local discretionary funds versus non-discretionary funds.

   d) inquire as to the amount of local discretionary funds used for other purposes specified in Section 4 of the Ordinance during the three year period. These purposes include the major highway and transit projects specified in the Expenditure Plan, transit operating and capital purposes, specialized transportation services for seniors and disabled persons, transit pass subsidies, bicycle and pedestrian improvements, infrastructure improvements in support of smart growth development, and habitat-related environmental mitigation activities (including management and monitoring, land acquisition, and habitat restoration work). This amount would be included in the MOE base.

   e) For each of the 3 years, obtain a list of individual revenues supporting the amount recorded in the State Controller’s Annual Report as discretionary local funds and perform the following:

      i) Select individual items totaling to 25% of the total dollar amount reported as discretionary local funds and review supporting documentation for each item selected to determine if the revenues were properly classified as discretionary local funds.

   f) For each of the 3 years, obtain a list of individual revenues supporting the amount recorded in the State Controller’s Annual Report as nondiscretionary local funds and perform the following:

      i) Select individual items totaling to 25% of the total dollar amount reported as nondiscretionary local funds and review supporting documentation for each item selected to determine if the revenues were properly classified as nondiscretionary local funds.
g) Prepare a conclusion, based on the work performed, on the reasonableness of the classification of revenues reported in the State Controller’s Annual Report as local discretionary revenue used to fund street and road expenditures.

   i) If a negative conclusion is reached, cease further efforts and contact SANDAG for guidance.

3) Obtain a representation letter from the Local Agency representing that the revenues are classified correctly between discretionary and nondiscretionary sources and that they have provided us with any local discretionary sources spent on expenditures that fall in the other qualifying categories as referenced in 2c above.


6) In accordance with the Ordinance, perform the following for each identified Local Agency:

   a) Calculate the average local discretionary expenditures on streets and roads (as reported in the State Controller’s Annual Report of Financial Transactions for Streets and Road (Annual Street Report)) and for other purposes as specified in Section 4 (as represented by the Local Agency) for the 3 fiscal years ending June 30, 2001, 2002, and 2003.

      (1) The calculation of the average local discretionary expenditures would involve summing the three years of expenditures and dividing by 3.

   b) Calculate the growth rate in the Construction Cost Index for the period July 1, 2003 through June 30, 2006 over the Construction Cost Index as of June 30, 2003.

      (1) The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the Index by taking the Index as of June 30, 2006 and dividing it by the Index at June 30, 2003.

   c) Calculate the growth rate in the Local Agency’s General Fund revenues for the period July 1, 2003 through June 30, 2006 over the amount of General Fund revenues as of June 30, 2003.

      (1) The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the Local Agency’s annual financial report as of June 30, 2006 and dividing it by total General Fund revenues as reported in the Local Agency’s annual financial report as of June 30, 2003.
d) Compare the growth rate in the Construction Cost Index as calculated in 6(b) above with the growth rate in General Fund revenues calculated in 6(c) above and select the lowest rate.

e) Apply the growth rate selected in 6(d) above to the MOE base developed in 6(a) above and determine the adjusted MOE base as of June 30, 2006.

7) Prepare a report for each Local Agency noting the results of the procedures performed.
STATE ROUTE 94 SOUNDWALL PROJECT UPDATE
AND COST INCREASE FUNDING PROPOSAL
File Number 1109100

LOCATION

The project is located in the Cities of La Mesa and Lemon Grove on westbound State Route 94 in the vicinity of Massachusetts Avenue (see vicinity map).

DESCRIPTION

The proposed project is to construct a soundwall. This project is part of SANDAG's Highway Noise Barrier Program for the City of La Mesa. The soundwall was proposed by the City of La Mesa as part of a call for projects solicited by SANDAG. This project was listed as the region’s highest priority within the program. Caltrans is responsible for project delivery.

PROJECT BACKGROUND

SANDAG committed to contribute Regional Short-Range Transit Plan (RSTP) funds, to be matched with non-federal TransNet funds, covered under TransNet Master Agreement 11-0387. Caltrans is near completion of the design for the project and could be ready for advertisement in December 2007. This soundwall project has $1,311,000 in RSTP and $170,000 in TransNet match committed for a total of $1,481,000 according to Local Assistance Contribution Agreement No. 11-8255 dated August 17, 2005. The current estimate shows a significant cost increase. The prior estimate and programming for construction was $996,000. The current construction estimate is $2,300,000, an increase of $1,304,000. In addition, there is a need for $300,000 in additional support costs, for a total project budget increase of $1,604,000.

The original scope and estimate of the project included a longer soundwall and a preliminary estimate with an inadequate escalation factor applied. During design, piles, safety shaped barriers, landscaping, stormwater features, and drainage issues were necessary as part of the construction and were not part of the preliminary estimate. The original project was also down-scoped in an attempt to reduce costs and bring it in line with the original preliminary estimate of $996,000, but the required design features and escalation costs during this period brought the current estimate to $2,300,000. The down-scoped costs still provide the necessary noise attenuation.
RECOMMENDATION

The SANDAG Board has a policy of dedicating 1 percent of all new State Transportation Improvement Program (STIP) programming to regional noise barrier projects. As part of the recent State Transportation Infrastructure Bond measure, Proposition 1B, SANDAG received a STIP augmentation of $163,700,000. Under the Board policy, 1 percent of that total ($1,637,000) will be available for programming of noise barrier projects. Caltrans is requesting that CTAC recommend approval to the Transportation Committee to program funds from the noise barrier reserve to cover the cost increase. Past practice has been that before adding future candidate noise barrier projects to the program, current projects that were previously programmed and identified as the regional priorities should be completed first. Caltrans believes that applying that practice is appropriate for this project.

Attachment: 1. Project Vicinity Map

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