EXECUTIVE COMMITTEE
AGENDA

Friday, September 11, 2009
9 to 10 a.m.
SANDAG, 7th Floor Conference Room
401 B Street
San Diego

AGENDA HIGHLIGHTS

• 2010 ANNUAL SANDAG BOARD SUMMIT
• DESTINATION LINDBERGH PLAN IMPLEMENTATION
• LEGISLATIVE STATUS REPORTS

PLEASE TURN OFF CELL PHONES DURING THE MEETING

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.

San Diego Association of Governments  •  401 B Street, Suite 800, San Diego, CA 92101-4231
(619) 699-1900  •  Fax (619) 699-1905  •  www.sandag.org
Welcome to SANDAG. Members of the public may speak to the Executive 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 Executive 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 Executive 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 511 or see 511sd.com for route information.
EXECUTIVE COMMITTEE
Friday, September 11, 2009

ITEM #                        RECOMMENDATION

+1. APPROVAL OF JULY 10, 2009, MEETING MINUTES                          APPROVE

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Members of the public will have the opportunity to address the Executive Committee on any issue within the jurisdiction of the Committee that is not on this agenda. 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.

REPORTS (3 through 6)

+3. 2010 ANNUAL SANDAG BOARD SUMMIT (Colleen Windsor)                    RECOMMEND

The 2010 SANDAG Board of Directors Summit is scheduled from January 28 to January 29 in the community of Lakeside. The primary objective of this public meeting is to afford participants the opportunity to discuss strategies for some of the agency’s more important regional policies and programs, and develop ideas for the future direction of the agency. Each year, the Executive Committee serves as the working group to help develop the annual summit agenda and format. The Executive Committee is asked to discuss the proposed topics, speakers, and format to help the Board of Directors and SANDAG staff develop the Summit agenda. The Committee also is asked to recommend Board approval of the Summit agenda.

+4. DESTINATION LINDBERGH PLAN IMPLEMENTATION
    (Dave Schumacher and Tim Watson)                                      DISCUSSION/POSSIBLE ACTION

The San Diego County Regional Airport Authority is moving ahead with advanced planning for the consolidated rental car facility (CONRAC) and other on-airport improvements for Phase 1 of the Destination Lindbergh Plan. It is important for SANDAG to start advanced planning work for the Phase 1 Intermodal Transportation Center (ITC) to ensure the coordination of the development of the ITC and CONRAC facilities. Developing detailed capital cost estimates for the freeway connecting ramps also is being proposed. Staff will present estimates to complete these work efforts and possible funding sources for Executive Committee discussion.
LEGISLATIVE STATUS REPORT (Victoria Stackwick and Genevieve Morelos)

+A. FEDERAL LEGISLATIVE STATUS (Victoria Stackwick) INFORMATION

This report summarizes key elements of FY 2010 appropriations process and current discussions regarding the next federal surface transportation authorization.

+B. STATE LEGISLATIVE STATUS (Genevieve Morelos) DISCUSSION/POSSIBLE ACTION

This report summarizes the key elements of the FY 2009-2010 state budget and the status of Senate Bill 575 (Steinberg). The Executive Committee is asked to discuss and take possible action on Senate Bill 802 (Leno) Public Contracts: Retention Proceeds and Assembly Bill 672 (Bass) Transportation Bond-Funded Projects: Letter of No Prejudice.

6. REVIEW OF SEPTEMBER 25, 2009, DRAFT BOARD AGENDA APPROVE (Renée Wasmund)

7. UPCOMING MEETINGS INFORMATION

The next meeting of the Executive Committee is scheduled for October 9, 2009, at 9 a.m.

8. ADJOURNMENT

+ next to an agenda item indicates an attachment
Chair Lori Holt Pfeiler (North County Inland) called the Executive Committee meeting to order at 9:14 a.m. The attendance sheet for the meeting is attached.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

Jim Schmidt, a member of the public, provided a copy of a guest commentary he wrote that was published in The Daily Transcript newspaper on July 3, 2009, entitled, “Possibility of returning tolls to the Coronado Bridge being studied.”

Supervisor Dianne Jacob (County of San Diego) stated that one goal of the San Diego River Conservancy is to create a trail along the San Diego River from the river’s headwaters near Julian to the Pacific Ocean. Several stakeholders are involved in this effort. She asked that SANDAG work with the San Diego River Conservancy on identifying possible funding for this project. Gary Gallegos, Executive Director, provided information how the Conservancy could employ Service Bureau for design efforts, and other related SANDAG efforts to develop a Regional Bicycle Plan.

1. APPROVAL OF MINUTES

Upon a motion by First Vice Chair Jerome Stocks (North County Coastal) and a second by Mayor Ron Morrison (South County), the minutes of the June 12, 2009, Executive Committee meeting were unanimously approved.

CHAIR’S REPORT

3. PERFORMANCE EVALUATION OF EXECUTIVE DIRECTOR (RECOMMEND)

Pursuant to the employment agreement with the Executive Director, the Board of Directors shall annually review his performance. If the Executive Director’s performance is determined to be satisfactory, the Board of Directors shall adjust his base salary in accordance with the employment agreement provisions.

Action: Upon a motion by Chair Pfeiler, and a second by Council President Ben Hueso (City of San Diego), the Executive Committee voted to recommend that the Board of Directors approve: (1) the Executive Director’s performance evaluation for the period July 2008 to June 2009; and (2) performance objectives for the upcoming evaluation period July 2009 to June 2010.
REPORTS (4 through 8)

4. ANNUAL REVIEW AND PROPOSED AMENDMENTS TO BOARD POLICY NO. 003: INVESTMENT POLICY, AND ANNUAL REVIEW OF BOARD POLICY NO. 032: SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION INTEREST RATE SWAP POLICY (RECOMMEND)

The required annual review of Board Policy Nos. 003: Investment Policy, and 032: San Diego County Regional Transportation Commission Interest Rate Swap Policy, has been conducted by the Director of Finance and the SANDAG investment advisor, Public Financial Management (PFM). There are two recommended changes to Policy No. 003, and no recommended changes to Policy No. 032.

Lauren Warrem, Acting Finance Director, provided the staff report.

Action: Upon a motion by Mayor Morrison and second by Council President Hueso, the Executive Committee voted to recommend that the Board of Directors approve the proposed changes to SANDAG Board Policy No. 003, as shown in Attachment 2 to the agenda report.

5. MARINE LIFE PROTECTION ACT INITIATIVE COMMENT LETTER (RECOMMEND)

The Marine Life Protection Act Initiative has been working on designating Marine Protection Areas (MPA) within the Southern California region, which includes San Diego County. Certain MPA designations have the potential to affect the ability of local coastal jurisdictions to carry out shoreline management and other activities along the coastline. Staff has drafted a letter outlining concerns consistent with the SANDAG Shoreline Preservation Strategy and Regional Comprehensive Plan.

Rob Rundle, Principal Planner, provided the staff report.

Action: Upon a motion by First Vice Chair Stocks, and a second by Council President Hueso, the Executive Committee voted to recommend that the Board of Directors approve the submittal of the Marine Life Protection Act comment letter, in substantially the same form as attached to the agenda report.

6. 2008 PROGRESS REPORT ON CONSOLIDATION (ACCEPT)

State law requires SANDAG to submit in each even-numbered year a report on the progress of the agency consolidation under Senate Bill 1703 and Assembly Bill 361. The 2008 progress report highlights major accomplishments and identifies future challenges and opportunities.

Genevieve Morelos, Senior Legislative Analyst, provided the staff report.

Action: Upon a motion by First Vice Chair Stocks, and a second by Mayor Morrison, the Executive Committee voted to accept the 2008 Progress Report on Consolidation for distribution to the Governor and Legislature, in substantially the same form as attached to the agenda report.
7. **STATE LEGISLATIVE STATUS REPORT (DISCUSSION/POSSIBLE ACTION)**

Periodic status reports on legislative activities are provided to the Executive Committee during the year. This report provided a summary of the key elements of the state budget as well as an update on the status of SANDAG-proposed amendments to Senate Bill 575 (SB 575). The Executive Committee is asked to discuss possible amendments to SB 575.

Genevieve Morelos, Senior Legislative Analyst, provided the staff report, including the status of the state budget. She also discussed proposed amendments to SB 575 and recommended that the Executive Committee support amendments to the bill made by the Assembly Local Government Committee on July 8, 2009.

**Action:** Upon a motion by Council President Hueso, and a second by Supervisor Jacob, the Executive Committee voted to support the proposed amendments to SB 575 as amended by Assembly Local Government Committee on July 8, 2009.

8. **REVIEW OF JULY 24, 2009, DRAFT BOARD AGENDA (APPROVE)**

Renée Wasmund, Chief Deputy Executive Director, reviewed the draft agenda for the July 24 Board meeting, noting several changes.

**Action:** Upon a motion by Mayor Morrison, and a second by Council President Hueso, the Executive Committee voted to approve the draft agenda for the July 24, 2009, Board of Directors meeting, as amended.

9. **UPCOMING MEETINGS**

The August 4, 2009, meeting of the Executive Committee has been cancelled. The next meeting of the Executive Committee is scheduled for September 11, 2009, at 9:00 a.m.

10. **ADJOURNMENT**

Chair Pfeiler adjourned the meeting at 10:04 a.m.

Attachment: Attendance Sheet
<table>
<thead>
<tr>
<th>GEOGRAPHICAL AREA</th>
<th>JURISDICTION</th>
<th>NAME</th>
<th>MEMBER/ ALTERNATE</th>
<th>ATTENDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>North County Inland</td>
<td>City of Escondido</td>
<td>Lori Holt Pfeiler, Chair</td>
<td>Member</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>City of Poway</td>
<td>Don Higginson</td>
<td>Alternate</td>
<td>No</td>
</tr>
<tr>
<td>North County Coastal</td>
<td>City of Encinitas</td>
<td>Jerome Stocks, 1st Vice Chair</td>
<td>Member</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>City of Carlsbad</td>
<td>Matt Hall</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td>South County</td>
<td>City of National City</td>
<td>Ron Morrison</td>
<td>Member</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>City of Imperial Beach</td>
<td>Jim Janney</td>
<td>Alternate</td>
<td>No</td>
</tr>
<tr>
<td>East County</td>
<td>City of Santee</td>
<td>Jack Dale, 2nd Vice Chair</td>
<td>Member</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>City of Lemon Grove</td>
<td>Mary Sessom</td>
<td>Alternate</td>
<td>No</td>
</tr>
<tr>
<td>City of San Diego</td>
<td></td>
<td>Jerry Sanders</td>
<td>Member</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ben Hueso</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tony Young</td>
<td>Alternate</td>
<td>No</td>
</tr>
<tr>
<td>County of San Diego</td>
<td></td>
<td>Dianne Jacob</td>
<td>Member</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pam Slater-Price</td>
<td>1st Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ron Roberts</td>
<td>2nd Alternate</td>
<td>No</td>
</tr>
</tbody>
</table>
Introduction

The SANDAG annual Summit is scheduled to start on Thursday, January 28, 2010, and conclude on Friday morning, January 29, 2010. The venue is Barona Resort in the community of Lakeside.

The primary objective of the Summit is to afford participants the opportunity to strategize about regional public policies and programs. From these Summit discussions, participants can develop ideas for the future direction of SANDAG. Board members also may want to consider some of these issues during the ensuing months as they develop the FY 2011 Overall Work Program and associated Budget.

In previous years, the Executive Committee has served as the working group to help the Board of Directors and SANDAG staff develop the Summit agenda and format. Staff is suggesting that the Executive Committee continue in this important role and that the Executive Committee recommend agenda topics, speakers, and the format for the Summit to the SANDAG Board of Directors for approval at its September 25, 2009, Board meeting.

Discussion

To date, individual Board members and staff have suggested the following topics as potential Summit agenda items:

- Discuss the progress made on the quality of life funding effort and public education needs;
- Discuss the 2050 Regional Transportation Plan (RTP), including the Sustainable Communities Strategy, the RTP goals, and evaluation criteria for RTP projects;
- Receive status of airport planning efforts and discuss future SANDAG involvement; and
- Hold forum with state and federal elected officials to receive and discuss legislative and budget updates, including the Southern California region’s effort on high speed rail, federal economic stimulus spending and opportunities for the region to garner additional infrastructure dollars, and work conducted and needed on the third border crossing.

In addition, staff welcomes suggestions the Executive Committee might have regarding a particular topic or specific keynote speaker for the Summit.

Recommendation

The Executive Committee is asked to discuss the proposed topics, speakers, and format to help the Board of Directors and SANDAG staff develop the Summit agenda. The Committee also is asked to recommend Board approval of the Summit agenda.
Format

It has been suggested that the entire Summit be conducted in one group setting, instead of using break out sessions for a portion as in previous years.

Why Have a Summit?

A Summit provides the opportunity for Board members and alternates to collaborate on critical regional issues of great importance in a relaxed and informal atmosphere to allow time for more in-depth discussions. Clear goals will be established for the Summit to make implementation more effective. A well-planned, well-executed summit provides the time for reflection on and evaluation of the worthiness of existing programs as well as the development of new initiatives. For example, initiatives from past gatherings have resulted in the development of the Regional Comprehensive Plan, the Regional Economic Prosperity Strategy, and the creation of the Public Safety Committee. In addition, a well-organized Summit enhances team building, program planning, commitment to goal accomplishment, and organizational development.

Where Is the Best Location?

The key to any Summit is to get participation. It is important to afford participants a different physical setting from the routine and pressures of their daily workplaces. The best location is a place that lends itself to clear, creative thought. After a competitive procurement process, Barona Resort, located in the community of Lakeside, has been selected as the SANDAG Summit venue.

What’s the Proper Duration for the Summit?

A one and one-half to two-day Summit offers the best opportunity to incorporate work time and team building, according to the California Association of Chambers of Commerce. A two-day session may allow time for a presentation by an outside speaker, reports on various committees and projects, brainstorming, and development of annual priorities.

Conclusion

The annual Summit has been of immense value for SANDAG Board members and alternates to help set the direction of the agency. Based on the Executive Committee’s discussions, staff will draft an agenda report for the Board’s consideration at its September 25, 2009, meeting. Once the Board approves the Summit agenda, a letter of invitation along with an RSVP card will be mailed to Board members by mid-December 2009. The final agenda, background materials, and Summit logistics will be mailed to participants by mid-January 2010.

COLLEEN WINDSOR
Communications Director

Key Staff Contact: Colleen Windsor, (619) 699-1960, cwi@sandag.org
DESTINATION LINDBERGH PLAN IMPLEMENTATION

Introduction

The Destination Lindbergh Plan, which was completed earlier this year, includes a 2015 Phase 1 improvement plan for development of a consolidated rental car facility (CONRAC) and Intermodal Transportation Center (ITC), as well as long-term plans for direct freeway connecting ramps to a northside airport terminal.

The San Diego County Regional Airport Authority (SDCRAA) is already moving ahead with advanced planning for the CONRAC facility and other on-airport improvements for the Phase 1 plan. It is important for SANDAG to start advanced planning work for the Phase 1 ITC to ensure the coordination of the development of the ITC and CONRAC facilities. This advanced planning work would entail developing and evaluating alternatives for the ITC station layout, developing capital cost estimates (including right-of-way needs), outlining a ground access plan, refining transit ridership estimates, evaluating opening day traffic level of service impacts, developing a preliminary environmental assessment, and outlining a financial funding plan and implementation schedule. This advanced planning study would be completed by June 30, 2010, and would set the stage for the formal environmental studies.

Developing detailed capital cost estimates for the freeway connecting ramps also is being proposed. Having these cost estimates will enable us to seek future federal funding, in the multiyear transportation authorization bill and/or annual appropriations process.

The current estimated cost to undertake these two work efforts is in the range of $1 million to $1.5 million. A number of possible funding sources have been identified, including carryover consolidated planning grant funds recently approved by Caltrans ($493,338), a pending FY 2010 Caltrans planning grant ($300,000), and a funding contribution from the City of San Diego ($200,000). Any additional funding could come from SANDAG Contingency Reserve. Staff is currently working with Caltrans to develop a detailed cost estimate for this work effort and will bring an FY 2010 budget amendment to the Board of Directors at its September 25, 2009, meeting, in order to allow this work effort to begin as soon as possible.

BOB LEITER
Director of Land Use and Transportation Planning

Key Staff Contacts:  Tim Watson, (619) 699-1966, twa@sandag.org
                    Dave Schumacher, (619) 699-6906, dsc@sandag.org
FEDERAL LEGISLATIVE STATUS

Introduction

Periodic status reports on legislative activities are provided to the Executive Committee during the year. This status report provides an update on recent federal legislation pertaining to the FY 2010 federal budget and the federal surface transportation authorization legislation.

Discussion

FY 2010 Appropriations Process

The House of Representatives approved the FY 2010 Transportation, Housing and Urban Development (THUD) spending bill, H.R. 3288, by a vote of 256 to 168 on July 23, 2009. The House-passed bill contains a total of $75.7 billion in spending for the U.S. Department of Transportation (USDOT). The legislation provides $41.8 billion for highway spending, $10.5 billion for transit programs, and $23.4 billion for aviation, safety, and other related transportation programs.

The Senate Appropriations Committee passed its version of the THUD bill on July 30, 2009. The legislation, approved unanimously, includes $76.2 billion in spending for the USDOT, of which $42.5 billion is slated for highway programs, $11 billion for transit-related programs, and $22.7 billion for aviation, safety, and other related transportation programs.

The pending FY 2010 appropriations legislation also includes discretionary funding for the following projects in the San Diego region:

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordahl Bridge Widening at State Route (SR) 78</td>
<td>$500,000</td>
</tr>
<tr>
<td>SR 56 Connectors and Interstate 5 Widening</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Interstate 805 Managed Lanes</td>
<td>$500,000</td>
</tr>
<tr>
<td>Regional Transportation Management System</td>
<td>$800,000</td>
</tr>
<tr>
<td>Bradley Avenue/SR 67 Interchange</td>
<td>$400,000</td>
</tr>
<tr>
<td>SR 52 East/West Improvements</td>
<td>$400,000</td>
</tr>
<tr>
<td>Total</td>
<td>$3,600,000</td>
</tr>
</tbody>
</table>

The full Senate is expected to consider its version of the THUD Appropriations bill in September 2009. Once that occurs, leaders of the House and Senate will need to convene a conference to develop a compromise version for final passage and the President’s signature.
High Speed and Intercity Rail and Positive Train Control

The House-passed appropriations measure included $4 billion for High Speed and Intercity Rail. This is a $3 billion increase over the Administration’s request. The Senate Appropriations Committee, however, rejected the funding boost for high-speed rail. The Senate bill provides $1.2 billion for High Speed and Intercity Rail grants and $50 million in funding for Positive Train Control. The House measure did not contain any Positive Train Control funding.

National Infrastructure Bank and Projects of National Significance

Of the $4 billion set aside in the House-passed measure for High Speed and Intercity Rail, the legislation also contains a provision that would allow $2 billion of this amount to be transferred to a National Infrastructure Bank, if one is created by Congress prior to September 30, 2010.

The Senate bill provides no funding for a National Infrastructure Bank and no ability to transfer appropriated funds to such a bank. However, the Senate did include $1.1 billion for a multimodal program for “projects of national significance.” Under this program, which is similar to the Transportation Investment Generating Economic Recovery (TIGER) grants program created in the American Recovery and Reinvestment Act (ARRA), funding would be available for nationally and regionally significant highway, transit, freight rail, and port infrastructure projects.

Sustainable Communities Initiative

On March 18, 2009, U.S. Department of Housing and Urban Development (HUD) Secretary Shaun Donovan and USDOT Secretary Ray LaHood announced the creation of the Sustainable Communities Initiative, a joint partnership between the two agencies aimed at helping families gain better access to affordable housing, more transportation options, and integrating regional planning with land use, transportation, and housing policy.

Creating livable communities is a key aspect of both President Obama’s urban policy agenda and Vice President Biden’s Middle Class Initiative. Specifics of the Sustainable Communities Initiative have yet to be released, but elements will be aimed at redefining housing affordability to include transportation costs; providing more choices for affordable housing near potential employers; providing more transportation options to reduce transportation costs, shorten travel times, and improve the environment; and supporting safe, livable, and healthy communities.

A total of $150 million in funding for this new initiative is included within the House-passed and Senate Appropriations Committee version of the FY 2010 THUD appropriations bills, as part of the Community Development Block Grants program.

Highway Trust Fund Fix and Surface Transportation Authorization

The Senate and the USDOT originally supported an 18-month extension of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) that would have provided a $27 billion cash infusion into the Highway Trust Fund (HTF), and ensured the solvency of the HTF through March 2011. However on July 30, 2009, the Senate agreed to pass H.R. 3357, which was previously passed in the House on July 29, by a roll call vote of 363 to 68. The legislation transfers $7 billion from the General Fund of the Treasury to the HTF to ensure the trust fund’s solvency through September 30 of this year. It was signed into law on August 7, 2009 (P.L. 111-46).
H.R. 3357 will provide a temporary solution by addressing the solvency of the HTF, but it does not resolve the bigger question of how to fund a new multi-year surface transportation authorization bill. The current authorization expires at the end of September, and either an extension or a new authorization would be needed to ensure continuation of federal transportation programs. It is widely anticipated that Congress will work on an extension rather than a new authorization due to the limited time left in the fiscal year and lack of room on the Congressional calendar. (The remaining FY 2010 appropriations bills and health care are expected to consume most of the time when Congress returns from the August recess.)

However, Chairman James Oberstar (D-MN) of the House Transportation and Infrastructure Committee has stated he will move his six-year bill, entitled the Surface Transportation Authorization Act of 2009 (STAA), before the end of September. He has wide support from the House Transportation and Infrastructure Committee and has picked up important support from a number of Ways and Means Committee members, who are tasked with coming up with the additional revenue to support the bill. The full Transportation and Infrastructure Committee could pass the STAA in September, but without additional resources it will be difficult to move the bill to the House floor.

H.R. 3357 also does not address Section 10212 of SAFETEA-LU, which requires a rescission of $8.5 billion on September 30, 2009. (Including a rescission in SAFETEA-LU at the end of the multi-year measure was a way to get the total SAFETEA-LU appropriation low enough for then-President Bush to sign.) Rescinding the funds would likely affect Congressional appropriations and federal transportation funding available for regional agencies.

Senator Kit Bond (R-MO) offered an amendment to repeal section 10212 of SAFETEA-LU during Senate consideration of H.R. 3357. The amendment failed because it would have violated the Budget Act, so the actual vote was on the motion to waive the Budget Act with respect to the amendment. A waiver would have required at least 60 votes, but the motion failed by a vote of 34-63. Once the motion to waive was defeated, the Bond amendment automatically failed.

An effort to repeal the rescission may come up again when the Congress returns in September to address an extension of SAFETEA-LU. However, the Federal Highway Administration has already announced that unless the rescission is repealed before September 25, 2009, it would shut down the highway program for FY 2009 at the close of business on Friday, September 25, in order to calculate the rescission impacts by September 30. Congress would need to pass an extension bill before September 25 in order to prevent a temporary shut down of the highway program.

KIM KAWADA  
Policy and Legislative Affairs Program Manager

Key Staff Contact: Victoria Stackwick, (619) 699-6926, vst@sandag.org
STATE LEGISLATIVE STATUS

Introduction

Periodic status reports on legislative activities are provided to the Executive Committee during the year. On July 28, 2009, Governor Arnold Schwarzenegger signed a package of bills aimed at closing the $23.2 billion budget shortfall that had emerged since the February budget agreement was signed into law. This report provides a summary of the amendments to the FY 2009-2010 state budget, a status update on Senate Bill 575 (Steinberg), as well as analysis of Senate Bill 802 (Leno) and Assembly Bill 672 (Bass).

Recommendation

The Executive Committee is asked to discuss and take a possible action on Senate Bill 802 (Leno) Public Contracts: Retention Proceeds, and Assembly Bill 672 (Bass) Transportation Bond-Funded Projects: Letter of No Prejudice.

Discussion

State Budget Update

On July 24, 2009, the Legislature passed amendments to the FY 2009-2010 Budget Bill to the Governor. The Governor signed the budget package, which included $489 million in line item vetoes to various General Fund appropriations. The amended budget authorizes total General Fund spending of $84.6 billion and leaves an estimated reserve of $500 million at the end of the fiscal year (June 30, 2010). The following is a summary of key budget issues related to transportation and local government.

Transportation

There are four significant impacts to transportation funding in the final budget package signed by the Governor. The first is a deferment of Proposition 42 (Prop. 42) payments. Although Prop. 42 was not proposed to be suspended, the final budget package delayed both the first and second quarter payments to cities and counties until the third quarter (March 2010).

Additionally, the budget amendments diverted $562 million in additional spillover revenue¹ that is projected to accrue in FY 2009-2010 to fund transit bond related debt service. As reported on June 12, 2009, the diversion of the spillover was included in the adopted FY 2009-2010 budget; however, since February the spillover revenue has grown from $90 million to $562 million. This diversion would relieve the General Fund of these debt service costs.

¹ Spillover revenues occur when revenue derived from sales taxes on gasoline is proportionately higher in relationship to revenue derived from all taxable sales.
The final budget package also included provisions to provide full funding to the California High Speed Rail Authority ($139 million) from Proposition 1A (2008) bond funds. Finally, the last impact on transportation relates to the Highway Users Tax Account (HUTA). Although the Senate included provisions to divert $1 billion of gas tax revenues for local streets and roads funding, the Assembly eliminated these HUTA provisions from the final package that was sent and eventually signed by the Governor.

Local Government

The amendments to the FY 2009-2010 budget included provisions to suspend Proposition 1A of 2004 (Prop. 1A) and borrow $1.9 billion in property tax funds from local governments. Prop. 1A allows for suspensions of property tax revenue under the following conditions:

- Governor must issue a proclamation declaring a severe fiscal hardship;
- Legislature must enact an urgency statute suspending Prop. 1A with a two-thirds vote of each house;
- Legislature must enact a law providing for full repayment of the borrowed funds plus interest within three years;
- Legislature may not enact a suspension more than twice in a ten-year period and may only do so if any previous borrowing has been repaid; and
- Legislature may borrow not more than 8 percent of the total amount.

The legislation signed by the Governor requires the state to repay the borrowed funds by June 30, 2013, contains language to allow local governments to bond against the state’s promise to repay the funds, and caps the amount of interest that can be paid on the bonds issued at 8 percent.

Additionally, the budget amendments included a diversion of $1.7 billion in FY 2009-2010 and another $350 million in FY 2010-2011 from redevelopment agencies to be deposited in county “Supplemental” Educational Revenue Augmentation Funds to meet the state’s Proposition 98 obligations to schools within redevelopment areas.

Special Session in September

Although the Legislature and Governor have already addressed the $23.2 billion deficit in the FY 2009-2010 state budget, the Governor called a special session for late September 2009 for the Legislature to consider recommendations by the Commission on the 21st Century Economy. The Commission was created earlier this year to examine California’s tax laws, and it is expected to release its recommendations by this time.

Additionally, there is discussion that the Legislature will have to revisit the FY 2009-2010 budget to make additional cuts before the end of the 2009 calendar year. Staff will continue to monitor the state budget and provide status updates as necessary to the Executive Committee.
Senate Bill 575 (Steinberg) Local Planning: Housing Element

SANDAG is seeking to eliminate an “interim” housing element cycle, which based on Senate Bill 375 (Steinberg, 2008), would be due in 2010. This would allow the region to focus its resources on developing the next Regional Housing Needs Assessment (RHNA), Sustainable Communities Strategy (SCS), and Regional Transportation Plan (RTP) in accordance with the goals of SB 375. If the 2010 housing element cycle is eliminated, the deadline for completion of the next housing element would be December 31, 2010.

At its July 10, 2009, meeting, the Executive Committee took a support position on Senate Bill 575 (SB 575) based on the July version of the bill. On August 17, 2009, SB 575 was amended again. The new August amendments are technical in nature and clarify the language that was agreed upon by Senator Steinberg, the California League of Conservation Voters, statewide and local affordable housing advocates, and SANDAG. With the amendments, SB 575 would align the next RHNA and housing elements for all 19 jurisdictions in the San Diego region with our next RTP (eliminating the 2010 housing element due date). It also would provide incentives for those jurisdictions in the region without current 2005-2010 housing elements to complete their elements and any necessary rezoning programs by dates certain.

On September 1, 2009, SB 575 passed off the Assembly Floor by a vote of 51-25; next the bill will move to the Senate for concurrence on amendments and then to the Governor for his signature. Staff will continue to update the Executive Committee as the bill makes its way through the legislative process.

Senate Bill 802 (Leno) Public Contracts: Retention Proceeds

In accordance with Goal No. 4C of the 2009 SANDAG Legislative Program, staff monitors legislation requiring local agencies to implement new administrative compliance measures. Senate Bill 802 (SB 802) was introduced on February 27, 2009, by Senator Jared Leno (D-San Francisco). SB 802 would limit the amount of retention proceeds that may be withheld from any progress payment on any state or local government public contract entered into after January 1, 2010, to 5 percent of the progress payment.

SANDAG routinely uses retention in its contracts, because it provides bargaining leverage in the event the contractor is not performing well and helps ensure that funds are available to pay a subcontractor if the prime contractor is not paying its subcontractors on a timely basis. The retentions serve as a financial incentive for contractors to complete a project. SANDAG currently withholds up to 10 percent for retention on contracts, but usually waives this fee on construction contracts if there is not a documented problem with the contractor paying its subcontractors on a timely basis. On service contracts, SANDAG at times may lower the percentage of the retention or may waive it when the consultant is one with a proven record that SANDAG has worked with in the past.

The most significant impact that SB 802 would have on our agency would be on smaller contracts with smaller companies or with companies that SANDAG does not have a prior work history. This bill would prevent SANDAG from withholding the 10 percent that we normally would retain, which helps provide the financial incentive for contractors to complete work, provide final deliverables in accordance with their agreements, and pay subcontractors on a timely basis.
SB 802 passed out of the Assembly Appropriations Committee by a vote of 17-0, and the bill would next move to the Assembly Floor. The bill is sponsored by the California Association of Sheet Metal and Air Conditioning Contractors’ National Association and supported by a variety of contractors. The bill is opposed by the California State Association of Counties, the League of California Cities, and the California Special Districts Association, among others. The Executive Committee is asked to discuss and take a possible position on SB 802.

Assembly Bill 672 (Bass) Transportation Bond-Funded Projects: Letter of No Prejudice

In accordance with Goal No. 2A of the 2009 SANDAG Legislative Program, SANDAG supports legislation to pursue funding from the statewide infrastructure bond measures, including participating in the development of guidelines to maximize the availability and flexibility of funding for the San Diego region. Assembly Bill 672 (AB 672) was introduced February 25, 2009, by Assembly Speaker Karen Bass. AB 672 would allow an agency responsible for administering a Proposition 1B (Prop. 1B) program to issue a letter of no prejudice to a local agency, providing an assurance that the administrative agency will reimburse the local agency for expenditures it makes on a Proposition 1B project that has been programmed, but for which funds have not yet been allocated.

According to the Senate Floor analysis, the recent instability of the bond market and the Pooled Money Investment Board’s freeze on distributing funds has affected some of the projects funded in part by Prop. 1B. Bond sale proceeds are currently used to fund existing commitments, and they are not being issued to fund any new allocations, slowing some transportation projects that are ready to move forward. AB 672 would allow a local agency, such as SANDAG, the option to spend its own funds to keep projects moving with an assurance, through a letter of no prejudice that it would be reimbursed for local funds it spends on a Prop.1B project.

AB 672 passed out of the Senate Floor by a vote of 38-0, and has moved to the Governor’s desk for his signature. The bill is sponsored by the Metropolitan Transportation Commission and supported by Santa Clara Valley Transportation Authority. The Executive Committee is asked to discuss and take a possible position on AB 672.

KIM KAWADA
Policy and Legislative Affairs Program Manager

Key Staff Contact: Genevieve Morelos, (619) 699-1994, gmo@sandag.org
REVIEW OF SEPTEMBER 25, 2009, DRAFT BOARD AGENDA

+1. APPROVAL OF MEETING MINUTES

+ A. JULY 10, 2009, BOARD POLICY MEETING MINUTES
+ B. JULY 24, 2009, MEETING MINUTES

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG that is not on this agenda. Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk of the Board prior to speaking. Public speakers should notify the Clerk of the Board if they have a handout for distribution to Board members. Speakers are limited to three minutes. Board members also may provide information and announcements under this agenda item.

+3. ACTIONS FROM POLICY ADVISORY COMMITTEES

This item summarizes the actions taken by the Borders Committee on July 24, the Transportation and Regional Planning Committees on July 31, the Executive Committee on September 11, and the Transportation and Public Safety Committees on September 18, 2009.

CONSENT ITEMS (4 through XX)

+4. TransNet ENVIRONMENTAL MITIGATION PROGRAM (EMP) STATUS REPORT (Keith Greer)*

The TransNet EMP Status Report outlines the status, successes, and challenges of implementing the TransNet Environmental Mitigation program under the Memorandum of Agreement signed in March 2008 by the Board of Directors. This report has been presented to the Independent Taxpayer Oversight Committee, the Regional Planning and Transportation Committees, and Board of Directors for information.

+5. SANDAG FY 2010 DISADVANTAGED BUSINESS ENTERPRISE GOALS (Elaine Richardson)

As recipients of U.S. Department of Transportation funds through Caltrans and the Federal Transit Administration (FTA), SANDAG is required to develop and submit annual Disadvantaged Business Enterprise (DBE) goals. The Board of Directors is
asked to approve the FY 2009 Annual Anticipated DBE Participation Level for Federal Highway Administration-assisted projects and an Overall Annual DBE Goal for FTA-assisted projects, as no comments were received during the 45-day public comment period.

+6.  SOUTHERN CALIFORNIA DISADVANTAGED BUSINESS ENTERPRISE DISPARITY STUDY FOR SANDAG (Elaine Richardson)  ACCEPT

SANDAG must implement the Federal Disadvantaged Business Enterprise (DBE) Program to receive U.S. Department of Transportation (USDOT) funds. Recent court decisions and guidance from USDOT have led SANDAG to reexamine how it implements the DBE Program. Using the disparity study conducted by Caltrans, SANDAG has completed its reevaluation of the DBE Program for Federal Highway Administration-funded projects as described in the previous agenda item. SANDAG has joined four Southern California public transportation agencies in a joint DBE disparity study to reevaluate its DBE Program for FTA-funded projects. The Board of Directors is asked to accept the Southern California DBE Disparity Study for a 45-day public comment period.

+7.  ANNUAL RIDESHARE WEEK (Thomas Bruccoleri)  APPROVE

Each year, SANDAG sponsors Rideshare Week in the San Diego region as a way of highlighting alternative modes to the solo commute. This year’s event is scheduled for October 5-9, 2009. The Board of Directors is asked to approve a proclamation for Rideshare Week. The report also includes information on the region’s transportation demand management strategies included in the new iCommute Program.

+8.  QUARTERLY INVESTMENT REPORT – PERIOD ENDING JUNE 30, 2009 AND ANNUAL REPORT AND EVALUATION OF BOARD POLICY NO. 032: SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION INTEREST RATE SWAP POLICY (Lauren Warrem)*  INFORMATION

The SANDAG Investment Policy requires that the Board of Directors be provided a quarterly report of investments held by SANDAG. This report includes all money under the direction or care of SANDAG as of June 30, 2009. Board Policy No. 032: San Diego County Regional Transportation Commission Interest Rate Swap Policy also requires an annual report and evaluation of all outstanding interest rate swaps.

+9.  QUARTERLY PROGRESS REPORT ON TRANSPORTATION PROJECTS (José A. Nuncio)*  INFORMATION

This quarterly report summarizes the current status of major highway, transit, arterial, traffic management, and transportation demand management (TDM) projects in SANDAG’s five-year Regional Transportation Improvement Program (RTIP) for the period April to June 2009.
+10. REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY EXECUTIVE DIRECTOR (Lauren Warrem)

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

+11. REPORTS ON MEETINGS AND EVENTS ATTENDED ON BEHALF OF SANDAG (Kim Kawada)

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

12.

13.

CHAIR’S REPORT (14 through XX)

+14. ROLE OF SANDAG IN THE 2010 CENSUS (Kristen Rohanna)

This report will discuss the importance of counting everyone in the 2010 Census and the formation of a Regional Complete Count Committee by SANDAG to aid in the 2010 Census efforts.

+15. AMERICAN PLANNING ASSOCIATION CALIFORNIA: 2009 DISTINGUISHED LEADERSHIP AWARD

At its September 2009 annual conference, the California Chapter of the American Planning Association awarded the 2009 Distinguished Leadership Award to Jane Clough-Riquelme, SANDAG Tribal Liaison. The Reservation Transportation Authority nominated Ms. Clough-Riquelme for this award, commending her ability to facilitate dialogue between tribal nations and public agencies and her high level of respect for tribal people, customs, and institutions.

+16. APPOINTMENT OF NOMINATING COMMITTEE FOR SANDAG BOARD OFFICERS

In accordance with the SANDAG Bylaws, the Chair will appoint up to a six-person nominating committee for Board officers, made up of Board members from each of the four subregions and a member from the City of San Diego and the County of San Diego. However, the nominating committee shall not include Board members from jurisdictions that have applicants for the Chair or a Vice Chair position on the Board of Directors. The nominating committee will submit its slate nominees, in writing, for mailing to Board members in or around November.

17.

18.
REPORTS (19 through XX)

+19. DESTINATION LINDBERGH PLAN IMPLEMENTATION (Dave Schumacher and Tim Watson)  APPROVE

The San Diego County Regional Airport Authority is moving ahead with advanced planning for the consolidated rental car facility (CONRAC) and other on-airport improvements for Phase 1 of the Destination Lindbergh Plan. It is important for SANDAG to start advanced planning work for the Phase 1 Intermodal Transportation Center (ITC) to ensure the coordination of the development of the ITC and CONRAC facilities. Developing detailed capital cost estimates for the freeway connecting ramps also is being proposed. Pending action by the Executive Committee on September 11, 2009, the Board of Directors is asked to approve an amendment to the FY 2010 Budget for the proposed advanced planning work.

+20. MEMORANDUM OF UNDERSTANDING BETWEEN SANDAG AND SANTA BARBARA COUNTY ASSOCIATION OF GOVERNMENTS TO ACCEPT AND OBLIGATE FEDERAL FUNDS FOR THE SANTA BARBARA RAIL IMPROVEMENT PROJECT (Second Vice Chair Jack Dale, Transportation Committee Chair; Linda Culp)  APPROVE

SANDAG is a member agency of, and provides administrative staff support to, the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Agency. The Santa Barbara County Association of Governments (SBCAG), a fellow LOSSAN member agency, has requested assistance from SANDAG to accept and obligate $1 million in federal New Starts funds for a rail improvement project in Santa Barbara County. The Transportation Committee recommends that the Board of Directors approve a Memorandum of Understanding with SBCAG to accept and obligate the funds for the Santa Barbara Rail Improvement Project.

+21. PROPOSED FUND EXCHANGE WITH NORTH COUNTY TRANSIT DISTRICT TO PROVIDE OPERATING SUPPORT (Second Vice Chair Jack Dale, Transportation Committee Chair; Sookyung Kim)*  APPROVE

At its April 29, 2009, meeting, the Board of Directors received a report that discussed possible short-term alternatives that could provide “bridge funding” for public transit operations to meet operating shortfalls. The North County Transit District (NCTD) has requested to exchange its federal funding with more flexible TransNet funds. The Transportation Committee recommends that the Board of Directors: (1) approve the request by the NCTD Board of Directors for an exchange of approximately $.13 million in Federal Transit Administration Section 5307 funds with a like amount of TransNet funds; and (2) approve the resulting changes to the SANDAG budget.
+22. **INTERSTATE 15 CORRIDOR EXPRESS LANES: STATE ROUTE 78 – NORDAHL ROAD BRIDGE REPLACEMENT** (Second Vice Chair Jack Dale, Transportation Committee Chair; Gustavo Dallarda and Richard Chavez)*

The Nordahl Road Bridge over State Route 78 (SR 78), located just west of the SR 78 interchange with Interstate 15 (I-15), ultimately requires full reconstruction in order to bring it to full design standards. The cities of Escondido and San Marcos have agreed to contribute to the construction of the new bridge as part of a development agreement that requires the addition of capacity to the structure. To avoid widening a bridge that ultimately needs to be replaced, the Transportation Committee recommends that Board of Directors authorize the Executive Director: (1) to execute an agreement that provides a commitment of $10 million from the cities of Escondido and San Marcos to the Nordahl Road bridge project and a transfer by SANDAG of $2 million in savings from favorable bids received on the I-15 Express Lanes North segment to the design of the proposed Nordahl Road bridge replacement project; and (2) execute a transfer of $1 million in savings from favorable bids received on the I-15 Express Lanes North segment to Caltrans under a separate agreement for the design of the westbound auxiliary lane between I-15 and Nordahl Road.

+23. **2010 ANNUAL SANDAG BOARD SUMMIT** (First Vice Chair Jerome Stocks; Colleen Windsor)

The 2010 SANDAG Board of Directors Summit is scheduled from January 28 to January 29 in the community of Lakeside. The primary objective of this public meeting is to afford participants the opportunity to discuss strategies for some of the agency’s more important regional policies and programs, and develop ideas for the future direction of the agency. The Executive Committee recommends approval of the 2010 Summit agenda.

+24. **TransNet ENVIRONMENTAL MITIGATION PROGRAM FIVE-YEAR FUNDING STRATEGY UPDATE, FY 2010 FUNDING ALLOCATION, AND FY 2010 LAND MANAGEMENT GRANT CRITERIA** (Imperial Beach Mayor Jim Janney, Regional Planning Committee Chair; Keith Greer)*

The Regional Planning and Transportation Committees recommend that the Board of Directors (1) approve the updated Five-Year Conceptual Funding Strategic Plan, the proposed management and monitoring activities and budget for FY 2010 totaling $4 million, and authorize staff to solicit proposals and enter into contracts or amend existing contracts accordingly; and (2) approve the modifications to the submittal and evaluation criteria for FY 2010 land management grants as described in the report.

+25. **REGIONAL ALTERNATIVE FUELS, VEHICLES, AND INFRASTRUCTURE REPORT** (Imperial Beach Mayor Jim Janney, Regional Planning Committee Chair; Andrew Martin)

The Board of Directors approved distribution of the draft Regional Alternative Fuels, Vehicles, and Infrastructure Report at its June 12, 2009, meeting. SANDAG has received public comments and stakeholder input, and staff has prepared a final report. The Regional Planning Committee recommends that the Board of Directors approve the Regional Alternative Fuels, Vehicles, and Infrastructure Report.
26. THE CONNECT INNOVATION REPORT (Duane Roth, CONNECT Chief Executive Officer) INFORMATION

This item includes a presentation on the CONNECT Innovation Report (CIR), an economic indicator of the economic strength and impact of the innovation economy in San Diego. Published each quarter by CONNECT, the CIR includes new innovation start-ups, angel and venture capital investment, new patent applications and patents granted, research grants, research employment, and business survival rates. Data also is gathered on new innovation business creation in key regions across the state for comparative purposes.

27. COMPASS CARD UPDATE (James Dreisbach-Towle) INFORMATION

Staff will provide the Board of Directors with an update on recent Compass Card project activities and the status of the planned public launch.

28. FINANCIAL MARKET STATUS (Lauren Warrem and Marney Cox) INFORMATION

This monthly briefing is designed to keep the Board of Directors informed about the latest developments in the financial markets, the economy, and revenue forecasts, and the strategies we are exploring and implementing to minimize possible impacts to SANDAG.

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

30.

31.

32. UPCOMING MEETINGS

The next Policy meeting is scheduled for Friday, October 9, 2009, at 10 a.m. The next Business meeting is scheduled for Friday, October 23, 2008, at 9 a.m.

33. ADJOURNMENT

+ next to an agenda item indicates an attachment
* next to an agenda item indicates a San Diego Regional Transportation Commission item