TRANSPORTATION COMMITTEE AGENDA

Friday, June 19, 2009
9 a.m. to 12 noon
SANDAG Board Room
401 B Street, 7th Floor
San Diego

AGENDA HIGHLIGHTS

• FINAL DRAFT FY 2010 TRANSIT AGENCY OPERATING BUDGETS
• TRANSIT IMPEDIMENTS STUDY
• REPORT ON STATE ROUTE 67

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MISSION STATEMENT

The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus, makes strategic plans, obtains and allocates resources, plans, engineers, and builds public transit, and provides information on a broad range of topics pertinent to the region’s quality of life.
Welcome to SANDAG. Members of the public may speak to the Transportation Committee on any item at the time the Committee is considering the item. Please complete a Speaker’s Slip, which is located in the rear of the room, and then present the slip to Committee staff. Also, members of the public are invited to address the Committee on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Speakers are limited to three minutes. The Transportation Committee may take action on any item appearing on the agenda.

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

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TRANSPORTATION COMMITTEE
Friday, June 19, 2009

ITEM #  RECOMMENDATION

+1. APPROVAL OF JUNE 5, 2009, MEETING MINUTES  APPROVE

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Members of the public will have the opportunity to address the Transportation Committee on any issue within the jurisdiction of the Committee 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.

CONSENT (3 through 4)

+3. SPRINTER PROJECT STATUS REPORT (Jim Linthicum)  INFORMATION

This item provides a monthly status report on the SPRINTER rail project, including discussion of implementation and effectiveness of project cost control measures. SANDAG staff will summarize recent progress on the project.

+4. SANDAG/NORTH COUNTY TRANSIT DISTRICT FY 2009 CALIFORNIA TRANSIT SECURITY GRANT APPLICATION UNDER PROPOSITION 1B (Sookyung Kim)  RECOMMEND

The Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006, approved by the voters as Proposition 1B at the November 07, 2006 general election, authorizes the issuance of general obligation bonds for specified purposes, including funding for the Transit Security Grant program for transit system safety, security and disaster response projects. Consistent with existing State Transit Assistance (STA) requirements, SANDAG applies for the Proposition 1B funds on behalf of the North County Transit District (NCTD). The Transportation Committee is asked to recommend that the Board of Directors approve Resolution No. 2009-35, authorizing the Executive Director to apply for FY 2009 Proposition 1B Transit Security Grant Program funds on behalf of North County Transit District.

REPORTS (5 through 13)

+5. 2008 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: AMENDMENT NO. 14 (Sookyung Kim)  APPROVE

SANDAG processes amendments to the Regional Transportation Improvement Program (RTIP) generally on a quarterly basis and occasionally on a more frequent basis as circumstances arise. Amendment No. 14 includes changes for transit projects as requested by the transit agencies. The Transportation Committee is asked approve Amendment No. 14 to the 2008 RTIP with Project NCTD06 being contingent upon Board approval of the Proposition 1B Transit Security Grant Application on behalf of NCTD.
+6. FINAL DRAFT FY 2010 TRANSIT AGENCY OPERATING BUDGETS  
(Tim Watson, SANDAG; Richard Hannasch, North County Transit District; and Paul Jablonski, Metropolitan Transit System)  

Metropolitan Transit System and North County Transit District will present their final budgets, including contingencies, for review, discussion, and approval for the use of funding, subject to transit agency board approvals. The Transportation Committee is asked to approve the North County Transit District and Metropolitan Transit System operating budgets for funding, with final budgets subject to approval by the respective transit district boards.

+7. MEMORANDUM OF AGREEMENT BETWEEN SANDAG AND THE CITY OF SANTEE REGARDING TransNet EXTENSION ORDINANCE COMMERCIAL PAPER PROGRAM AND REQUEST FOR AN EXCEPTION TO RULE #16 OF BOARD POLICY NO. 031 (Lauren Warrem)  

The Santee City Council has approved the borrowing of $3.95 million in TransNet Commercial Paper funding based on the revenue projections provided by SANDAG. Participation at this level will allow the City of Santee to complete the funding needs for the Forester Creek Improvement Program. The Transportation Committee is asked to recommend that the Board of Directors: (1) approve the use of the TransNet Commercial Paper program for the City of Santee in the amount of $3.95 million; (2) approve an exception to Rule #16 of Board Policy No. 031 to increase the repayment period from five years to ten years for this instance; and (3) authorize the Executive Director to execute the Memorandum of Agreement in substantially the same form as attached to the report.

+8. TRANSIT IMPEDIMENTS STUDY (Dave Schumacher)  

DISCUSSION/POSSIBLE ACTION  
At the April 24, 2009, Board meeting, the Transit Impediments Study report was accepted for public distribution and referred the Study to the Transportation Committee for review of the alternatives identified in the report. This item will report on public comments received and request direction from Transportation Committee on possible next step actions for the Board’s consideration at the June 26, 2009, meeting. The Transportation Committee is asked to provide input on the alternatives identified in the Transit Impediments Study and provide recommendations on possible next steps, for the Board’s consideration at its June 26, 2009, meeting.

+9. FY 2010 TDA/TransNet BICYCLE, PEDESTRIAN, AND NEIGHBORHOOD SAFETY/TRAFFIC CALMING FUNDING RECOMMENDATIONS (Chris Kluth)  

RECOMMEND  
The Board of Directors annually allocates funds under the Transportation Development Act (TDA) and the TransNet local sales tax program to support nonmotorized transportation projects in the San Diego region. For FY 2010, approximately $7.7 million is available for allocation. The Bicycle and Pedestrian Working Group used the project selection criteria approved at the April 3, 2009, Transportation Committee meeting to produce this year’s project list. The Transportation Committee is asked to recommend that the Board of Directors approve (1) the list of projects for funding as shown in Attachment 1; and (2) Resolution No. 2009-30, approving the FY 2010 TDA Article 3 allocation, in substantially the same form as attached to the report.
+10. EAST COUNTY BUS MAINTENANCE FACILITY BUDGET CONSOLIDATION (John Dorow)

The Metropolitan Transit System Board of Directors has approved budget changes and grant transfers for various East County Bus Maintenance Facility (ECBMF) projects. The changes include a consolidation of two separate SANDAG Capital Improvement Projects (CIPs) and the transfer of federal grant dollars from an MTS CIP into the new consolidated SANDAG CIP. Funding is being transferred into one single project to facilitate the construction of site improvements at ECBMF in the near term. The Transportation Committee is asked to recommend that the Board of Directors: (1) approve the transfer of the remaining $686,386 in SANDAG project 1142700 (ECBMF CNG Station) to SANDAG project 1049600 (ECBMF); and (2) accept the transfer of $501,600 in dedicated funding, including federal grant E2007-BUSP-0062, from MTS CIP 11237 (East County Land Acquisition) to SANDAG project 1049600 (ECBMF).

+11. REPORT ON STATE ROUTE 67 (Pedro Orso-Delgado, Caltrans)

At the April 3, 2009, Transportation Committee meeting, Caltrans was asked to report on the status of studies and investigations on State Route 67 in San Diego County. In response, Caltrans District Director Pedro Orso-Delgado and the California Highway Patrol will present an overview of recent efforts undertaken regarding the state highway.

+12. INTERSTATE 15 INTEGRATED CORRIDOR MANAGEMENT SYSTEM: PROJECT STATUS (Alex Estrella)

Staff will provide a status report on the Integrated Corridor Management (ICM) system project. The ICM project provides for improved mobility in the I-15 corridor through multimodal operations and systems implementation. The project will connect existing systems for arterial, freeway, and transit management to provide a comprehensive and forward looking view of the corridor and enable proactive traffic management.

+13. REGIONAL ARTERIAL MANAGEMENT SYSTEM - STATUS UPDATE (Ellison Alegre)

Staff will provide a status report for the Regional Arterial Management System (RAMS). The RAMS project is a regionwide effort to deploy a common traffic light management system for the Cities and Caltrans District 11. The goal of the project is to create regional synchronized timing plans that improve traffic flow across jurisdictional boundaries.

14. UPCOMING MEETINGS

The next meeting of the Transportation Committee is scheduled for Friday, July 17, 2009, at 9 a.m.

15. ADJOURNMENT

+ next to an agenda item indicates an attachment
TRANSPORTATION COMMITTEE ACTIONS
MEETING OF JUNE 5, 2009

The meeting of the Transportation Committee was called to order by Chair Jack Dale (East County) at 9:01 a.m. See the attached attendance sheet for Transportation Committee member attendance.

1. APPROVAL OF MEETING MINUTES

Action: Upon a motion by Supervisor Ron Roberts (County of San Diego) and a second by Vice Chair Matt Hall (North County Coastal), the Transportation Committee approved the minutes from the May 15, 2009, meeting.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Don Stillwell, a member of the public spoke regarding bus route cancellations.

REPORTS (3-5)

3. FY 2010 TRANSPORTATION DEVELOPMENT ACT ALLOCATIONS (RECOMMEND)

As the designated Regional Transportation Planning Agency for the San Diego region, SANDAG is responsible for the annual allocation of Transportation Development Act (TDA) funds to the region’s cities, the County, and transit operators.

Action: Upon a motion by Supervisor Roberts, and a second by Councilmember Judy Ritter (North County Inland), the Transportation Committee recommended that the Board of Directors approve Resolution Nos. 2009-31 to 2009-34 in substantially the same form as attached, approving FY 2010 TDA allocations.

4. PROPOSED AMENDMENT TO THE TransNet EXTENSION ORDINANCE REGARDING AUDIT REPORTING FOR THE REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RECOMMEND)

The TransNet Extension Ordinance (Commission Ordinance 04-01) includes language suggesting that all local jurisdictions have their RTCIP financial records available for audit by July 1 of each calendar year. It is proposed that the audit requirements for the RTCIP be aligned with the annual fiscal and compliance audit requirements for the TransNet program.

Action: Upon a motion by Chairman Bob Campbell (North County Transit District [NCTD]), and a second by Councilmember Carrie Downey (South County), the Transportation Committee recommended that the Board of Directors approve Commission Ordinance 09-01 as an amendment
to Commission Ordinance 04-01 (“Amendment”) in substantially the same form as Attachment 1. The Transportation Committee further recommended that the Board of Directors approve a one-time extension of time to September 1, 2009, for jurisdictions to submit financial records pertaining to their RTCIP Funding Programs for review and audit in order to allow sufficient time for the proposed Amendment to be reviewed and potentially approved.

5. SAN DIEGO REGIONAL BICYCLE PLAN - GOALS, POLICY OBJECTIVES, AND ACTIONS AND PROJECT PRIORITIZATION CRITERIA (ACCEPT)

The San Diego Regional Bicycle Plan (Regional Bicycle Plan) is being developed to support implementation of both the Regional Comprehensive Plan and the Regional Transportation Plan. This report presents draft Goals, Policy Objectives as well as proposed project prioritization criteria.

Action: Upon a motion by Supervisor Roberts, and a second by Councilmember Downey, the Transportation Committee accepted the draft Goals and Policy Objectives for use in the Regional Bicycle Plan; and accepted the draft project prioritization criteria that will be used to prepare the regional bicycle network phasing plan.

6. UPCOMING MEETINGS

The next meeting of the Transportation Committee is scheduled for Friday, June 19, 2009, at 9 a.m.

7. ADJOURNMENT

Chair Dale adjourned the meeting at 9:53 a.m.

TRANSPORTATION COMMITTEE AND REGIONAL PLANNING COMMITTEE ACTIONS JOINT MEETING OF JUNE 5, 2009

The joint meeting of the Transportation Committee and the Regional Planning Committee was called to order by Chair Jim Janney (South County) at 10:30 a.m.

1. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

William Sheets, a member of the public spoke regarding lack of security on the Blue Line trolley.

Chair Dale stated that SANDAG received the California Transportation Foundation awards for the Interstate 15 (I-15) Express Lanes and the Smart Corner Transit-Oriented Development projects. SANDAG also received the National Association of Regional Councils (NARC) Major Metro General Achievement award for the I-15 Express Lanes.

REPORTS (A through D)

A. 2050 REGIONAL TRANSPORTATION PLAN: WORK PROGRAM AND SCHEDULE (INFORMATION)

This report provides an overview of the 2050 Regional Transportation Plan (RTP) work program and schedule. The 2050 RTP will be based on a 2050 Regional Growth Forecast, will incorporate the
results of the many regional and corridor studies currently underway, and will include new components as required by Senate Bill 375. Additionally, responsibilities and roles of various working groups and the Policy Committees are outlined. This report is being provided to the Regional Planning and Transportation Committees for information and will be provided to the Board of Directors at a future meeting.

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

B. **2050 REGIONAL GROWTH FORECAST (RECOMMEND)**

In preparation for the 2050 RTP, work is underway to develop the 2050 Regional Growth Forecast. This report provides an overview of the process to develop the forecast and progress to date. Additionally, the report presents draft alternative land use scenarios that have been developed in collaboration with the Regional Planning Technical Working Group as a means to address future growth in the region.

**Action:** Upon a motion by Supervisor Pam Slater Price (County of San Diego), and a second by Chairman Campbell, the Regional Planning and Transportation Committees recommended that the Board of Directors accept and distribute selected draft alternative land use scenarios for public review and use in upcoming public workshops.

C. **PILOT SMART GROWTH INCENTIVE PROGRAM STATUS REPORT (INFORMATION)**

After extensive work with the Regional Planning and Transportation Committees, in 2005, the Board of Directors awarded $24 million to 14 smart growth projects through the Pilot Smart Growth Incentive Program. This status report is being provided to the Regional Planning and Transportation Committees for information.

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

D. **2035 CALIFORNIA TRANSPORTATION PLAN (INFORMATION)**

The California Transportation Plan (CTP) is a statewide, long-range transportation plan for meeting statewide mobility needs. The CTP defines goals, policies, and strategies to achieve a collective vision for California’s future transportation system. This plan, with a minimum 20-year planning horizon, is prepared by Caltrans in response to federal and state requirements and is updated every five years. The current CTP 2025 was approved in 2006 and updated by an addendum in October 2007 to comply with SAFETEA-LU requirements. An update to the plan for 2035 planning horizon was initiated in September 2008. Caltrans staff will provide an update on the development of this latest planning effort.

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

2. **ADJOURNMENT**

Chair Dale adjourned the joint meeting at 11:32 a.m.
## Confirmed Attendance

### SANDAG Transportation Committee Meeting

**June 5, 2009**

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SPRINTER PROJECT STATUS REPORT

Introduction

The North County Transit District (NCTD) SPRINTER Rail Project converted an existing 22-mile freight rail corridor into a Diesel Multiple Unit (DMU) transit system connecting Oceanside, Vista, unincorporated County areas, San Marcos, and Escondido. The SPRINTER is a TransNet-funded project to increase east-west mobility in the State Route (SR) 78 corridor. In response to requests from NCTD and the Federal Transit Administration (FTA), SANDAG staff is currently providing support and oversight services for the project and has been asked by the Board of Directors to report on its progress monthly to the Transportation Committee.

Discussion

Current Progress

All contract work is complete on the Mainline contract. NCTD and the contractor have reached a tentative agreement on the final cost of the contract. The final execution of the agreement is pending. The period of time for the contractor to file claims against NCTD expired and no new claims were presented.

Outstanding Issues

There are no major outstanding issues. Small contracts will continue to be let to clean up minor work items along the corridor. This is normal and to be expected on a project of this size and complexity.

Estimate at Completion

The current estimate at completion (EAC) continues to forecast a final total project cost of $479.3 million. This includes the tentatively agreed upon final cost of the Mainline contract described above.

The project budget set by the NCTD Board and included in the Amended Recovery Plan for the FTA is $484.1 million, giving NCTD an additional $4.8 million of capacity between budget and EAC.

JACK BODA
Director of Mobility Management and Project Implementation

Key Staff Contact: Jim Linthicum, (619) 699-1970, jlin@sandag.org
SAN DIEGO ASSOCIATION OF GOVERNMENTS
TRANSPORTATION COMMITTEE
June 19, 2009

AGENDA ITEM NO.: 4

Action Requested: RECOMMEND

SANDAG/NORTH COUNTY TRANSIT DISTRICT FY 2009
CALIFORNIA TRANSIT SECURITY GRANT APPLICATION
UNDER PROPOSITION 1B

File Number 4000500

Introduction

Proposition 1B provides funding for the Transit Security Grant Program using the existing State Transit Assistance (STA) distribution formula. Consistent with STA requirements, SANDAG applies for the Proposition 1B funds on behalf of the North County Transit District (NCTD).

Discussion

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, known as Proposition 1B, authorizes the issuance of approximately $19.9 billion in general obligation bonds for specified purposes, including several of the programs already approved by the Board such as the Corridor Mobility Improvement Account; the Trade Corridor Improvement Fund; and the Public Transportation Modernization, Improvement, and Service Enhancement Account programs. Proposition 1B funds also will provide grants for transit system safety, security, and disaster response projects through a $1 billion Transit Security Grant Program (TSGP). The Governor’s Office of Homeland Security (OHS) is responsible for program management of the TSGP, and funds must be appropriated on an annual basis before they may be allocated.

The FY 2009 Proposition 1B TSGP appropriation totals $60 million. These funds have been allocated to eligible recipients using the same formula used to distribute STA funds. Fifty percent of the FY 2009 TSGP funds have been allocated to eligible agencies based on population and 50 percent to eligible operators using a fare revenue-based formula. As with STA funding, the Metropolitan Transit System is eligible to receive those funds directly under both formula distributions. SANDAG is the sole eligible recipient for the NCTD share, and therefore SANDAG must approve the application to be filed on behalf of NCTD for these funds. Under the funding formulas, NCTD would be eligible to receive $860,494 of these FY 2009 TSGP funds.

Eligible uses of the TSGP funding are summarized in the following list:

A. A capital project that provides increased protection against a security or safety threat, including but not limited to:
   1. Construction or renovation projects that are designed to enhance the security of public transit stations, tunnels, guideways, elevated structures, or other transit facilities and equipment.

Recommendation

The Transportation Committee is asked to recommend that the Board of Directors approve Resolution No. 2009-35 (Attachment 1), authorizing the Executive Director to apply for FY 2009 Proposition 1B Transit Security Grant Program funds on behalf of North County Transit District.
2. Explosive device mitigation and remediation equipment.
3. Chemical, biological, radiological, and nuclear explosives search, rescue, or response equipment.
4. Interoperable communications equipment.
5. Physical security enhancement equipment.
6. The installation of fencing, barriers, gates, or related security enhancements that are designed to improve the physical security of transit stations, tunnels, guideways, elevated structures, or other transit facilities and equipment.
7. Other security-related projects approved by OHS.

B. A capital project that increases the capacity of transit operators to prepare for disaster-response transportation systems that can move people, goods, emergency personnel, and equipment in the aftermath of a disaster.

NCTD wishes to use the $860,494 for two separate projects to enhance safety and security: (1) Planning and Design for Positive Train Control in the amount of $594,200, and (2) SPRINTER Network Back-Up (Redundancy) Capabilities in the amount of $266,294.

Positive Train Control (PTC)

PTC is a predictive collision avoidance technology that can stop a train before it collides with another train or a misaligned switch. PTC is designed to keep a train within authorized limits on a track and under its maximum speed limit. To accomplish this, sophisticated technology and braking algorithms will automatically bring PTC-equipped trains to a safe stop. This will help prevent train-to-train collisions, over-speed derailments, and casualties or injuries to passengers, the public, and railway workers. The Rail Safety Improvement Act of 2008, passed by Congress and signed by the President in October 2008, mandates implementation of PTC nationwide by December 2015. This mandate applies to NCTD's coastal rail system due to mixed passenger and freight operations.

Because of the level of technological sophistication of PTC systems, including the absolute need for seamless interoperability between freight and passenger trains and among multiple operators nationwide, implementation requires extensive planning and design. In order to meet the December 2015 deadline, NCTD must initiate planning and design activities now. Toward this end, NCTD has been and will continue to coordinate PTC project development activities with the multiple operators and owners of the rail right-of-way along the LOSSAN corridor to ensure this project is effectively and efficiently planned, designed, and implemented. NCTD will also be coordinating with SANDAG to ensure that this project receives the proper visibility and financial commitment necessary for its successful implementation. Future allocations under this program will be used to help fund the purchase of the requisite hardware, software, and integration required to implement PTC.

SPRINTER Network Back-Up (Redundancy) Capabilities

The SPRINTER network currently relies upon a single network card at the SONET node at each station. SONET, or Synchronous Optical NETworking, is a type of networking protocol designed for large volumes of data like video. SONET rings, known as “self-healing rings,” use two or more transmission paths between network nodes. The intent in the implementation of this technology is
that if there is a break in one line, the other may still be available. For the best security against failure, when possible, different physical routes are used for the two lines. If these cards fail, the station equipment is not accessible through the central security console. A new card must be configured and installed before the system capabilities are once again operational. These cards are a critical element of the SPRINTER security system. Since these cards have demonstrated a higher failure rate than originally anticipated, and significantly higher than any other component in the SPRINTER network, staff is proposing to install redundant cards at each station to provide failover capability so that there is a back-up if there is a loss of a card. Staff considers this project to be a critical security component since it is directly related to the security team’s ability to access cameras, PA systems, and electronic call boxes at the SPRINTER stations.

With a submittal deadline of June 5, 2009, NCTD staff will be submitting the required Investment Justification on or before this date, on behalf of SANDAG, subject to approval of the SANDAG and NCTD Boards for this item. OHS has agreed to process this request based on the Investment Justification while awaiting final approval of the resolutions, which are due by June 30, 2009.

The NCTD Board is scheduled to approve this action at its meeting on June 18, 2009. This project also is included in the 2008 Regional Transportation Improvement Program (RTIP) Amendment No. 14 (Agenda Item No. 5). Although the Transportation Committee has the authority to approve RTIP amendments, the approval for this project (NCTD06) will be delayed until final Board approval scheduled for June 26, 2009.

LAUREN WARREM
Director of Finance (Acting)

Attachment: 1. Resolution No. 2009-35

Key Staff Contact: Sookyung Kim, (619) 699-6909, ski@sandag.org
RESOLUTION
NO. 2009-35

APPROVING A FUNDING APPLICATION ON BEHALF OF THE NORTH COUNTY TRANSIT DISTRICT FOR THE TRANSIT SECURITY GRANT PROGRAM–CALIFORNIA STATE TRANSIT ASSISTANCE FUND FY 2009 PROPOSITION 1B–6161-0002

WHEREAS, The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B at the November 7, 2006, general election, authorizes the issuance of approximately $19.9 billion in general obligation bonds for specified purposes, including grants for transit system safety, security, and disaster response projects; and

WHEREAS, $1 billion of said bond proceeds is to be made available in the Transit System Safety, Security, and Disaster Response Account, which for FY 2009 will provide $60 million for the Transit Security Grant Program (TSGP); and

WHEREAS, funds under the TSGP must be allocated utilizing the distribution formulas of the State Transit Assistance program;

NOW THEREFORE

BE IT RESOLVED that the SANDAG Board of Directors does hereby:

1. Approve the allocation of TSGP funding to NCTD set forth below:

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2. Authorize the Executive Director or designee to take any actions necessary for the purpose of securing Transit Security Grant Funding for NCTD as noted above.

PASSED AND ADOPTED this 26th day of June, 2009.

______________________________________  ATTEST: ______________________________________
CHAIRPERSON                   SECRETARY

MEMBER AGENCIES: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, Vista, and County of San Diego.

ADVISORY MEMBERS: California Department of Transportation, Metropolitan Transit System, North County Transit District, Imperial County, U.S. Department of Defense, San Diego Unified Port District, San Diego County Water Authority, Southern California Tribal Chairmen’s Association, and Mexico.
San Diego Association of Governments

TRANSPORTATION COMMITTEE

June 19, 2009

AGENDA ITEM NO.: 5

Action Requested: APPROVE

2008 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM:

AMENDMENT NO. 14

File Number 4000600

Introduction

On July 25, 2008, the Board of Directors adopted the 2008 Regional Transportation Improvement Program (RTIP), the multiyear program of proposed major highway, arterial, transit, and bikeway projects in the San Diego region covering the period FY 2009 to FY 2013. The 2009 Federal State Transportation Improvement Program (FSTIP) which includes the SANDAG 2008 RTIP received federal approval on November 17, 2008.

Discussion

There are two types of RTIP amendments, formal and administrative. Formal amendments require, among other things, a 15-day public notice period while administrative amendments are considered minor in nature and do not require a public notice period. Chapter 2 of the adopted 2008 RTIP provides additional details regarding the difference between formal and administrative amendments. Amendment No. 14 is considered administrative. SANDAG processes amendments to the RTIP generally on a quarterly basis and occasionally on a more frequent basis as circumstances arise. Amendment No. 14 (Attachment 1) represents revisions for various transit projects as requested by the transit agencies.

Below is a summary of proposed amendments with additional information included in Attachment 2.

North County Transit District

- **Bus/Rail Support Equipment and Facility (NCTD06):** This amendment proposes to add $860,494 in state transit security funding. Refer to Agenda Item No. 4, which discusses in detail this project. Also, this RTIP approval is pending the final Board approval (scheduled for June 26, 2009). The total project increases to $21,282,000.

San Diego Association of Governments

- **Joint Transit Operations Center (SAN13):** This amendment proposes to add new FFY 2009 earmark of $451,440. The FY 2009 program includes both the new earmark as well as an earmark from FFY 2008 $434,720. Total project increases to $2,186,000.

Recommendation

The Transportation Committee is asked to approve Amendment No. 14 to the 2008 RTIP with Project NCTD06 being contingent upon Board approval of the Proposition 1B Transit Security Grant Application on behalf of NCTD.
• **Bus and Fixed Guideway Support Equipment (SAN55):** This amendment revises the project funding in future years. Total programmed is reduced to $2,400,000.

**Metropolitan Transit System**

• **TransNet Expanded Service Subsidy and ADA Operations (MTS23A):** This amendment adds $50,000 in federal stimulus Federal Transit Administration (FTA) Section 5311(f) discretionary funding. Other changes include the transfer of $18 million in FTA Section 5307 funds from MTS28 and a revision to the TransNet revenues based on the SANDAG Board approved reduction. Total project increases to $122,228,000.

• **Bus and Rail Rolling Stock Purchases (MTS28):** This amendment proposes to transfer $18 million in FTA 5307 funds to MTS23A. Total programmed is reduced to $165,963,000

• **Senior Disabled Program (MTS33A):** Based on the recent Board action to reduce TransNet revenues, this amendment reflects a reduction under this program. Total programmed is reduced to $4,792,000.

**Air Quality Analysis**

On July 25, 2008, SANDAG found the 2008 RTIP in conformance with the Regional Air Quality Strategy/State Implementation Plan (SIP) for the San Diego region. All of the required regionally significant capacity increasing projects were included in the quantitative emissions analysis conducted for the 2030 San Diego Regional Transportation Plan: Pathways for the Future (2030 RTP) and the 2008 RTIP. The Federal Highway Administration (FHWA) and the FTA jointly approved the conformity determination for the 2008 RTIP and the conformity redetermination for the 2030 RTP on November 17, 2008.

Projects in RTIP Amendment No. 14 are exempt from the requirement to determine conformity according to the Transportation Conformity Rule (40 CFR §93.126). SANDAG followed interagency consultation procedures to determine which projects are exempt. Amendment No. 14 does not interfere with the timely implementation of Transportation Control Measures. The 2008 RTIP, including Amendment No. 14, remain in conformance with the SIP.

LAUREN WARREM
Director of Finance (Acting)

Attachment: 1. Amendment No. 14

Key Staff Contact: Sookyung Kim, (619) 699-6909, ski@sandag.org
### Table 1

**2008 Regional Transportation Improvement Program**  
**Amendment No. 14**  
**San Diego Region (in $000s)**

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**DESCRIPTION:** NCTD service area - facility and support equipment for fixed route and rail services including radio equipment, buildings and structures, shop and garage equipment, computer hardware & software, furnitures and fixtures, and service vehicles

**CHANGE REASON:** Increase funding

**EST TOTAL COST:** $21,282

#### North County Transit District

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Page 1  
Tuesday, June 2, 2009
### San Diego Region (in $000s)

#### MPO ID: SAN13

**Title:** Joint Transit Operations Center

**Capacity Status:** NCI

**Exempt Category:** Mass Transit - Construction or renovation of power, signal, and communications systems

**Description:** Regionwide - operations facility/control center to coordinate and integrate several ITS deployments; part of ITS regional architecture

**Change Reason:** Increase funding

**EST Total Cost:** $2,186

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#### MPO ID: SAN55

**Title:** Bus & Fixed Guideway Support Equipment and Facilities 114-00 / 124-00

**Capacity Status:** NCI

**Exempt Category:** Mass Transit - Purchase of office, shop and operating equipment for existing facilities

**Description:** MTS service area - provide for support equipment and facilities work related to bus and rail operations such as roof renovations, shop equipment, LRV car wash replacement, building repairs, IT infrastructure, servers, and storage, non-revenue vehicles, and safety and security equipment

**Change Reason:** Reduce funding

**EST Total Cost:** $2,400

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San Diego Metropolitan Transit System

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DESCRIPTION: MTS service area - operating support for existing service including rural bus service linking communities in the rural portions of San Diego county to shopping and medical centers in the San Diego urban areas. Service is regularly scheduled and includes published timetables and maps.

CHANGE REASON: Increase funding

EST TOTAL COST: $141,269

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### San Diego Metropolitan Transit System

**MPO ID:** MTS28  
**Capacity Status:** NCI  
**RTIP #:** 08-14  
**TITLE:** Bus & Rail Rolling Stock purchases

#### DESCRIPTION:
MTS service area - The purchase replacement buses (9 mid-size CNG, 141 ADA small, 11 medium, 130 40-foot CNG, 26 high capacity); procurement of LRV tires, rehabilitation, or retrofit of LRV mechanical and LRV electrical components

#### CHANGE REASON:
Reduce funding

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**EST TOTAL COST: $165,963**

### MPO ID: MTS33A  
**Capacity Status:** NCI  
**RTIP #:** 08-14  
**TITLE:** Senior Disabled Program

#### DESCRIPTION:
MTS service area - Subsidy for senior and disabled as required by TransNet

#### CHANGE REASON:
Reduce funding

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**EST TOTAL COST: $4,792**
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San Diego Association of Governments

TRANSPORTATION COMMITTEE

June 19, 2009

AGENDA ITEM NO.: 6

Action Requested: APPROVE

FINAL DRAFT FY 2010 TRANSIT AGENCY OPERATING BUDGETS

File Number 7000100

Introduction

Consistent with its role as the consolidated transportation agency, SANDAG is responsible for approving the transit agency budgets for funding. The Transportation Committee approved the guiding principles and objectives (Attachment 1) for development of the FY 2010 transit operating budgets on January 16, 2009, and the Board of Directors approved the FY 2010 revised transit revenue apportionments on May 22, 2009. The guiding principles and revenue apportionments have been used by the transit agencies in preparing their FY 2010 budgets.

Recommendation

The Transportation Committee is asked to approve the North County Transit District and Metropolitan Transit System operating budgets for funding, with final budgets subject to approval by the respective transit district boards.

Discussion

As identified in the Transition Plan adopted on February 28, 2003, one of SANDAG’s responsibilities is to examine the transit agencies’ budgets and the budget process in an effort to obtain efficiencies. To help achieve this goal, SANDAG reviews and updates the guiding principles each year, and provides funding estimates for those revenues distributed through SANDAG. The transit agencies use this information as input into their budget development process. Attachments 2 through 5 contain narrative and numerical summaries of key budget information as presented by North County Transit District (NCTD) and the Metropolitan Transit System (MTS).

Matt Tucker (Executive Director for NCTD), Richard Hannasch (Director of Fiscal and Support Services for NCTD), and Paul Jablonski (Chief Executive Officer for MTS) will give oral presentations for their respective agencies.

LAUREN WARREM
Director of Finance (Acting)

Attachments: 1. FY 2010 Transit Agency Budget Preparation - Guiding Principles and Objectives
2. MTS Draft Operations Budget
3. MTS Draft Operating Budget Summary (A – D)
4. NCTD Draft Total Operating Budget
5. NCTD Draft Operating Budget Summaries (A – F)

Key Staff Contacts: Lauren Warrem, (619) 699-6931, lwa@sandag.org
Tim Watson, (619) 699-1966, twa@sandag.org
FY 2010 TRANSIT AGENCY BUDGET PREPARATION

Guiding Principles and Objectives

The following guiding principles and objectives were developed over the last several years and have been reviewed and updated with input from the MTS and NCTD staffs.

1. The overarching goal is to work toward achieving a sustainable level of service whereby recurring revenues are sufficient to cover recurring expenditures and includes a multi-year operating plan as a foundation. When necessary, this approach allows for frequent incremental service reductions, rather than a one-time severe cut in services.

2. On the revenue side, the fare structure will be reviewed each year as part of the budget process (or more frequently if necessary), and SANDAG should aggressively pursue new recurring revenue sources as part of the legislative process. The regional fare structure has been amended several times over the last year to enact a more simplified, unified and consistent regional fare structure. A regional fare study is close to being completed and the complete study is scheduled to be available by the end of March 2009.

3. The RSRTP is now developed as part of the Coordinated Public Transit–Human Services Transportation Plan, as approved in October 2008. A key purpose of the consolidated plan is to establish regional productivity guidelines for service, recognizing that areas with different levels of urban development (e.g., urban vs. rural) have different services and guidelines. The plan provides a five-year blueprint for the enhancement of the regional transit system, and is updated annually.

4. There should be flexibility to readjust services each year to react to changing circumstances (e.g., passage of new federal transportation legislation, changes in revenue received, and changing ridership patterns).

5. It is the responsibility of SANDAG to prepare fund estimates, including allocations, and to provide this information to the transit operators by March 1 of each year. Due to the rapidly changing economic conditions, information currently is being shared with MTS and NCTD staffs on a quarterly basis.

6. The transit operators will use a zero-based budget approach for the annual FY 2010 budget, using high and low ranges provided by SANDAG for projecting FY 2011 through FY 2014. The FY 2011 to FY 2014 projections shall be presented at a highly summarized level. The transit agencies will coordinate with each other to present the information in a consistent format and level of detail, as previously directed by the Transportation Committee.

7. Preserve current service levels as much as possible and evaluate opportunities for cost efficiencies and opportunities for potential implementation of changes as outlined in the federally mandated Coordinated Public Transit–Human Service Transportation Plan.
8. Define recurring operating revenue to include the use of up to the maximum amount of TDA, STA, TransNet, and federal formula funds for operations. The level of funds to be used for operations is a decision to be made by the transit agencies as they proceed through the budget process and balance operating and capital needs. Recurring operating revenue also shall include passenger fares and any other operating revenues that the transit agency can demonstrate are stable, reliable, and long-term in nature.

9. Provide budget information, financial reporting, and quarterly performance measurements in a standardized format consistent with TDA reporting requirements.
To: SANDAG TRANSPORTATION COMMITTEE/BOARD OF DIRECTORS
Date: June 19, 2009
Subject: MTS: DRAFT OPERATIONS BUDGET

MTS BUDGET STATUS REVIEW
Staff held a public hearing and received final budget approval from the MTS Board of Directors on May 28, 2009.

Historical Recap – Operations / Budget
As a recap of the current financial position and objectives for MTS, the following is a review of historical operations and budgetary information over the past few years.

Fiscal Year 2009 Operational Highlights
- **Federal Transit Administration's (FTA) Triennial Review**
  The FTA has just concluded its Triennial Review of MTS operations. The triennial review is one of the FTA’s management tools for examining grantee performance and adherence to current FTA requirements and policies. It examines how recipients of Urbanized Area Formula Program funds meet statutory and administrative requirements. After thoroughly reviewing the 23 different areas of responsibility, the auditor found zero deficiencies.

- **Bus Procurements**
  During fiscal year 2009, MTS took delivery of 50 CNG-powered forty-foot buses, 26 CNG-powered, sixty-foot articulated buses and 12 thirty-five-foot SuperLoop gasoline hybrid-electric buses. These new buses replaced diesel buses that are up to 16 years old, as well as some 14 year old forty-foot CNG buses. As a result, MTS combined operations have reduced their consumption of diesel fuel by almost 50%.

- **Transit Oriented Development at Grossmont Trolley**
  MTS partnered with Fairfield Residential and the City of La Mesa to create a residential development on the site of MTS-owned parking lots adjacent to the Grossmont Transit Center in
La Mesa. This transit-oriented development project started leasing apartments this winter. The project will provide MTS with $685 million in operating revenue over the life of the 99 year lease.

- **I-15 BRT Service**

Two interim BRT stations opened in fiscal year 2009, served by existing Premium Express routes: Sabre Springs in January and Rancho Bernardo in March. MTS maintains the stations. The Sabre Springs Station is served by routes 820 and 860. The Rancho Bernardo Station is served by routes 20, 810, 845, and 880. Route 880 is a new premium service developed for 4S Ranch that provides service to Sorrento Valley and is funded through developer fees.

- **Super Loop Service**

Super Loop, a new rapid bus circulator route in the University City area, was included in the voter-approved TransNet II Ordinance list of transit projects. Full construction of the project is not scheduled for completion until 2010; however, MTS has procured the hybrid gas electric buses and has partnered with SANDAG to begin a pilot service in the area on June 15, 2009. The pilot will include running service in both directions every 10 minutes in the peak on a loop route, serving nine stops between University of California San Diego’s campuses, University Towne Centre, and La Jolla Village Square. This pilot will provide additional service in the north city area, which has experienced high transit demand and will be a precursor to the full Super Loop Project.

- **Amalgamated Transit Union (ATU) Agreement**

MTS staff negotiated and finalized a 5-year agreement with the Amalgamated Transit Union (ATU) in May 2008. This deal included concessions by ATU in agreeing to change dozens of work rules that will help management run a more cost-effective operation, including the first shake up with packaged (rostered) schedules. In exchange, the money generated from these savings will allow MTS the flexibility to increase bus operator pay, maintain current benefit levels, and ensure labor harmony for several more years.

MTS was able to negotiate changes that improved its ability to recruit bus operators, ensure operator staffing, and enable management to reduce absenteeism, overtime, and lost work as well as improve bus service to its passengers. Staff estimates these changes will have had a $4.5 million favorable impact in fiscal year 2009.

- **International Brotherhood of Electrical Workers (IBEW) Agreement**

MTS staff negotiated and finalized a 3-year agreement with the International Brotherhood of Electrical Workers (IBEW). This agreement included a 15 month pay freeze and other concessions by the IBEW that will help management run a more cost effective operation. In exchange, the money generated from these savings will allow MTS to maintain current benefit levels for existing employees and ensure a cooperative relationship for several more years.

- **Hosted APTA National Convention and Expo**

MTS was proud to host the most important gathering of public transit professionals in the country, the 2008 American Public Transportation Association (APTA) EXPO at the San Diego Convention Center, October 5 to 8, 2008. EXPO 2008 was the largest public transportation EXPO in the world. More than 15,000 public transportation leaders from a myriad of international venues attended EXPO 2008 to view more than 800 exhibits from manufacturers and suppliers of transit innovation - everything from passenger services and operations to alternative-powered and
alternative-fueled vehicles that will continue to drive our “green technology.” The local economic impact of the event was estimated to be $58 million.

- **Rail Centralized Train Control (CTC)**

CTC will provide real time train location and systems information to the SDTI Central Control Facility. The initial phase of this project is due for implementation by SANDAG in October of 2009 and will encompass downtown to Old Town and out to Santee on the Green Line. The remainder of the system extending from center city San Diego on the Blue and Oranges Lines will be part of phase 2 and implemented in future years.

- **Trolley Blue and Orange Line Rehabilitation Project**

Progress was made on the Trolley Blue and Orange Line Rehabilitation and Low Floor Vehicle Project. Both the Blue and Orange Lines will be retrofitted to accept low floor light rail vehicles as part of the overall project, and MTS will procure vehicles to ensure at least one new vehicle per train. In addition, this project will rehabilitate track, track switches, overhead catenary wire, stations, grade crossings, crossing signal equipment, signal cases and substation enclosures and activation switches. A combination of state bond funding, TransNet, MTS federal 5309 and economic stimulus funding will be used to complete the project and purchase new low floor vehicles. MTS joined with the Utah Transit Authority to contract with Siemens for an ultra short low floor vehicle that better suits the shorter blocks in downtown San Diego. This option will speed delivery of the vehicles once the stations have been retrofitted to accommodate them system wide.

- **Rail System Operations Modification**

The MTS Board approved staff’s recommendation to modify system operations by extending the Green Line Terminal from the Old Town Transit Center to the Imperial Station, via the Bayside Corridor. Stations from Washington Street to Imperial Station Terminal will be modified to accommodate low-floor access. The Blue Line will terminate at the America Plaza Station and the Orange Line will terminate at the Santa Fe Depot with a timed Green Line transfer. This change in operations will produce an estimated $750K annual operating savings.

- **Ridership**

Fiscal year 2009 ridership is expected to top 90 million passengers for the second year in a row, with a slight increase over fiscal year 2008. This increase has occurred despite budgetary service reductions, multiple fare adjustments, stabilizing gas prices, and a county wide unemployment increase from 5.9% in June 2008 to 9.3% in March 2009.

**Historical Budgetary Recap**

The long-term ongoing goal of the MTS operating budget is to fund operations solely utilizing recurring revenues. In fiscal year 2005, the MTS operating budget was balanced using $15 million of nonrecurring revenues with $8.2 million from contingency reserves. Through significant operational and fiscal management, fiscal year 2007 was the first year in recent history in which MTS achieved a balanced operating budget entirely with recurring revenues. That year MTS was able to shift additional funding to its capital program and reserves.

Changes in the economic environment have created significant budget challenges in the past several years. Late in the 2007 fiscal year, MTS learned that sales tax receipts would be lower than anticipated and that trend is expected to continue into fiscal year 2010. The decline in sales
tax revenue impacts MTS’s TransNet and Transportation Development Act (TDA) revenues that together make up approximately 47 percent of operating revenue.

In early November 2008, MTS staff was informed by the state that the agency’s share of STA revenue would be cut from a projected $14.1 million to approximately $4.0 million. This represents the 25% of the total originally budgeted STA revenues. When the state closed their budget in February 2009, MTS was notified that they would receive 50% of the original budget, approximately $7.0 million, for fiscal year 2009, but STA funding would be discontinued for the next five years. The elimination of all state assistance to public transportation has at least a $14.5 million annual impact on MTS’s budget.

The significant loss of subsidy revenues experienced by MTS in the past several years has forced a number of initiatives to reduce costs and generate revenue. These included service and fare adjustments, management personnel reductions, management benefit reductions, increased advertising and real property revenues, and belt-tightening initiatives. MTS also began to see beneficial results from efficiency-related changes such as a new contract for operation of approximately half of its bus service, the Comprehensive Operations Analysis implemented in 2007, risk management improvements, and consolidation of administrative functions.

Review of MTS Financial Status

Staff began the fiscal year 2010 budgetary process in November 2008. Despite belt-tightening measures, lower than anticipated fuel costs, and increased fare revenues, staff presented a budget shortfall of $11.0 million to the MTS Budget Development Committee (BDC), MTS Executive Committee (EC), and MTS Board of Directors. This was primarily due to the complete elimination of STA funding, as well as the continued reductions in TDA and TransNet revenues. At the same time, the MTS Board of Directors was presented a scenario and options to close this $11.0 million shortfall with adjustments to recurring revenue and recurring expenses in five categories: fiscal year 2009 projected carry-forward, non-fare revenue, non-service cost adjustments, personnel, fares and service.

1. **FY 09 Projected Carry-Forward** - This category includes the projected $1.8 million revenues exceeding expenses in FY 09. These funds would be carried into the FY 10 operating budget as a buffer as there are many initiatives (particularly subsidy projections) in the following four categories that could fluctuate and have positive or negative impacts to our FY 10 operating budget.

2. **Non-fare Revenue Adjustments** – Options included expanding advertising within MTS kiosks, timetables, regional transit maps as well as website and telephone advertising. It also includes exploring advertising opportunities to establish sustainable markets, including pass sales to convention centers, etc. Establishing additional property development options and the El Cajon Transit Center redevelopment are included within this category.

3. **Non-Service Cost Adjustments** - MTS has been committed to running a lean operation, and this category focuses on the continuing of our internal “belt-tightening”.

4. **Personnel Adjustments** – The scenario presented included options to eliminate open positions, continue to freeze other positions, make additional staff reductions, and other benefit adjustments. Over the last several years, administrative staffing has been reduced by 18.6%.

5. **Fare / Service Adjustments** - A total of $6.9 million in fares and service adjustments were targeted in order to balance the budget. Numerous scenarios varying the mix between fare and service changes were presented.
The MTS Board of Directors approved the initiatives proposed. As part of the budget closure, the following categories were addressed: State Transit Assistance funding, fare changes, service changes, and energy.

State Transit Assistance (STA)

In fiscal year 2007, the total amount of STA funds totaled $28.6 million. Internally, MTS distributed $11.0 million to the operating budget (based upon the “recurring” portion of STA) and just over $17.6 million to the capital budget (based upon the spillover funding and Proposition 42 payback). Spillover and Proposition 42 funds have historically been volatile, unreliable sources of revenue due to State of California legislative actions. In fiscal year 2008, STA funds totaled $14.6 million. MTS distributed $9.4 million to the operating budget and $5.2 million to capital.

By law, STA projections for fiscal year 2009 totaled approximately $62 million. In order for the governor and legislative bodies to balance the state budget, MTS’s allocation of STA funds dropped by $48 million, which is approximately a 77% reduction to $14 million. As a result, no STA funds were incorporated in MTS’s fiscal year 2010 capital program. In February 2009 the state of California finally approved its fiscal year 2009 budget. It included an additional 50% reduction in STA funding, as well as the complete elimination of STA funding for five years.

Fare Changes

A total of $2.2 million in fare adjustments were approved by the MTS Board of Directors on March 12, 2009. The approved fare adjustments, effective July 1, 2009, are as follows (the first three items listed have been approved by SANDAG; the fourth is pending):

- $4 increase in adult monthly pass (to $72) which triggers adjustments in other monthly passes: Senior and Disabled (up $1 to $18), Youth (up $2 to $36). Premium Express pass was also raised $10 per month to $100.
- Increase the special circular route rate of $1 one-way adult cash fare on four routes to match the $2.25 one-way adult cash fare for the rest of the system.
- Eliminate the $1.25 downtown trolley fare.
- Increase the senior age eligibility to 65 years over a five year period by increasing the age one year each year. The reason for the progression of the age is to allow anyone who currently is included within the program would not be affected by the change. This request has been made to SANDAG.

Service Changes

A total of $4.7 million in service adjustments were approved by the MTS Board of Directors on March 12, 2009. These adjustments were primarily focused on unproductive weekend routes as only 1 weekday route was proposed to be eliminated. Most of the weekend service changes pertained to frequency reductions with only four routes being eliminated. MTS staff projects approximately 3.7 million trips impacted (3.7% of the total) and only 644,000 annual trips lost (0.7% of the total).

Energy

Energy prices over this past fiscal year have fallen substantially. The original 2009 fiscal year budget rates for CNG and diesel for the MTS system were $1.47 per therm and $3.29 per gallon, respectively. Staff now projects that the actual fiscal year 2009 rates will be $1.30 per therm and $2.69 per gallon, respectively. In staff’s proposed fiscal year 2010 operating budget, the MTS system budgeted rates are $1.35 per therm for CNG and $2.30 per gallon for diesel. Total MTS energy expenses for fiscal year 2010 are budgeted at $26,971,000, compared to midyear-adjusted fiscal year 2009 at $28,520,000, a decrease of $1,549,000 (-5.4%).
For reference, an increase of $0.01 per gallon of diesel has an operating impact of approximately $13,000. An increase of $0.01 per therm of CNG has an operating impact of approximately $84,000. Approximately 80% of all MTS fixed route operations are operated using CNG.

**FY 2010 Overview**

As indicated within Attachment 3B, the fiscal year 2010 total budgeted revenues are projected at $225,106,000, and total projected expenses are budgeted at $225,106,000, resulting in a balanced budget for fiscal year 2010.

- **FY 2010 Revenue**

  Please refer to Attachment 3A for a summary of fiscal year 2010 budgeted revenues.

- **FY 2010 Operating Revenues**

  Combined passenger revenue for fiscal year 2010 is projected to increase $6,269,000 (7.2%) compared to midyear-adjusted fiscal year 2009 levels and is primarily due to fare changes. Phase two of fiscal year 2009’s fare adjustments were implemented in January 2009, as well as the additional monthly pass fare adjustments scheduled for July 2009, which are expected to generate additional passenger revenues.

- **FY 2010 Other Revenues**

  Total other revenue is budgeted to decrease by $787,000 (-10.1%). This is primarily due to reduced advertising revenues projected within the fiscal year, as well as a decrease in the projected interest income.

- **FY 2010 Subsidy Revenues**

  Subsidy revenues are currently budgeted to decrease by $7,607,000 or -6.2 percent. As indicated within Attachment 3A, this fiscal year utilizes carry-forward revenue of $1,750,000, as well as additional reserve revenues for San Diego and Arizona Eastern Railway Company and Taxicab Administration, as they are self-funded operations.

- **FY 2010 Expenses**

  Please refer to Attachment 3B for functional related fiscal year 2010 budgeted expenses and Attachment 3C for an operational look at fiscal year 2010 budgeted expenses.

- **FY 2010 Combined Expenses**

  Fiscal year 2010 combined expenses total $225,106,000, which is an increase from midyear-amended fiscal year 2009 of $1,452,000 (0.6%). This increase includes $2.2 million (2.2%) in additional personnel expenses.

**Five-Year Forecast**

Attachment 3D provides a look at MTS operations through FY 14. Passenger revenues are projected to increase by approximately 2.7% over the next four years. Early sales tax projections for FY 11 estimate a slight increase of approximately 1.0%, which impacts MTS’s TDA and TransNet subsidy revenue. Expenses are projected to increase by approximately 2.8% over the following four fiscal years, primarily due to expected continued operating expense increases including energy costs.
Summary

Despite the significant challenge of a continuing funding shortfall in TDA and TransNet over the past two fiscal years, coupled with the complete elimination of STA due to the latest State of California’s budget proposal, MTS has balanced the operating budget for fiscal year 2010.

Attachments:  
3A. MTS Operating Budget – Revenue Summary  
3B. MTS Operating Budget – Consolidated (Functional Format)  
3C. MTS Operating Budget – Proposed 2008 Budget (Divisional / Operational Format)  
3D. MTS Operating Budget – Five-Year Financial Projection
## SAN DIEGO METROPOLITAN TRANSIT SYSTEM
### OPERATING BUDGET
#### REVENUE SUMMARY
##### FISCAL YEAR 2010

<table>
<thead>
<tr>
<th>OPERATING REVENUE</th>
<th>APPROVED BUDGET FY09</th>
<th>AMENDED BUDGET FY09</th>
<th>PROPOSED BUDGET FY10</th>
<th>DOLLAR CHANGE PROPOSED/AMENDED</th>
<th>% CHANGE PROPOSED/AMENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>PASSENGER REVENUE</td>
<td>79,696,081</td>
<td>$ 87,411,480</td>
<td>$ 93,680,214</td>
<td>$ 6,268,734</td>
<td>7.2%</td>
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<tr>
<td>ADVERTISING REVENUE</td>
<td>3,210,000</td>
<td>2,411,280</td>
<td>2,008,232</td>
<td>(403,048)</td>
<td>-16.7%</td>
</tr>
<tr>
<td>CONTRACT SERVICE REVENUE</td>
<td>28,000</td>
<td>28,000</td>
<td>29,400</td>
<td>1,400</td>
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<tr>
<td>OTHER INCOME</td>
<td>5,482,914</td>
<td>5,371,572</td>
<td>4,985,748</td>
<td>(385,824)</td>
<td>-7.2%</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>88,416,995</td>
<td>95,222,332</td>
<td>100,703,594</td>
<td>5,481,261</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

### SUBSIDY REVENUE

| FEDERAL REVENUE            | 25,102,497           | 34,935,545           | 34,624,174           | (311,371)                      | -0.9%                     |
| TRANSPORTATION DEVELOPMENT ACT (TDA) | 70,668,906   | 56,773,548           | 54,899,413           | (1,874,135)                    | -3.3%                     |
| STATE TRANSIT ASSISTANCE (STA) | 13,326,730          | 7,618,343            | -                    | (7,618,343)                    | -100.0%                   |
| STATE REVENUE - OTHER      | 2,000,000            | 2,000,000            | 1,000,000            | (1,000,000)                    | -50.0%                    |
| TRANSNET                   | 21,479,466           | 20,229,452           | 22,768,984           | 2,539,532                      | 12.6%                     |
| FEDERAL CMAQ FOR MISSION VALLEY EAST | -               | -                   | -                    | -                              | -                         |
| OTHER LOCAL SUBSIDIES      | 928,918              | 976,727              | 1,633,578            | 656,851                        | 67.3%                     |
| Total Subsidy Revenue      | 133,506,517          | 122,533,615          | 114,926,149          | (7,607,466)                    | -6.2%                     |

### NON RECURRING REVENUES

| CARRY-FORWARD              | -                   | -                   | 1,749,754            | 1,749,754                      | #DIV/0!                   |
| RESERVES (CONTINGENCY/TAXICAB/SD&AE) | 160,126            | 60,243              | 142,227              | 81,984                         | 136.1%                    |
| Total Non Recurring Revenues | 160,126             | 60,243              | 1,891,981            | 1,831,738                      | 3040.6%                   |

### SUBTOTAL RECURRING/NONRECURRING OPERATIONS

| 222,083,638                | 217,816,190          | 217,521,724          | (294,466)            | -0.1%                          |

### DEBT SERVICE/LEASE LEASEBACK REVENUE

| 7,588,385                  | 7,588,385            | 7,584,715            | (3,670)              | 0.0%                           |

### GRAND TOTAL REVENUES

| 229,672,023                | $225,404,575         | $225,106,439         | $(298,136)           | -0.1%                          |
SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
OPERATING BUDGET - CONSOLIDATED  
FISCAL YEAR 2010  
in ($000s)  

<table>
<thead>
<tr>
<th></th>
<th>APPROVED BUDGET FY09</th>
<th>AMENDED BUDGET FY09</th>
<th>PROPOSED BUDGET FY10</th>
<th>DOLLAR CHANGE PROPOSED/AMENDED</th>
<th>% CHANGE PROPOSED/AMENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>PASSENGER REVENUE</td>
<td>$79,696</td>
<td>$87,411</td>
<td>$93,680</td>
<td>$6,269</td>
<td>7.2%</td>
</tr>
<tr>
<td>OTHER REVENUE</td>
<td>8,721</td>
<td>7,811</td>
<td>7,023</td>
<td>(787)</td>
<td>-10.1%</td>
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<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td>88,417</td>
<td>95,222</td>
<td>100,704</td>
<td>5,481</td>
<td>5.8%</td>
</tr>
<tr>
<td><strong>TOTAL NON-OPERATING REVENUE</strong></td>
<td>141,255</td>
<td>130,182</td>
<td>124,403</td>
<td>(5,779)</td>
<td>-4.4%</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>229,672</td>
<td>225,405</td>
<td>225,106</td>
<td>(298)</td>
<td>-0.1%</td>
</tr>
<tr>
<td>PERSONNEL EXPENSES</td>
<td>101,827</td>
<td>99,107</td>
<td>101,263</td>
<td>2,157</td>
<td>2.2%</td>
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<tr>
<td>OUTSIDE SERVICES</td>
<td>16,869</td>
<td>15,521</td>
<td>15,777</td>
<td>256</td>
<td>1.6%</td>
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<tr>
<td>PURCHASED TRANSPORTATION</td>
<td>55,813</td>
<td>55,462</td>
<td>56,076</td>
<td>614</td>
<td>1.1%</td>
</tr>
<tr>
<td>MATERIALS AND SUPPLIES</td>
<td>7,513</td>
<td>7,454</td>
<td>6,990</td>
<td>(463)</td>
<td>-6.2%</td>
</tr>
<tr>
<td>ENERGY</td>
<td>30,466</td>
<td>28,520</td>
<td>26,971</td>
<td>(1,549)</td>
<td>-5.4%</td>
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<tr>
<td>RISK MANAGEMENT</td>
<td>3,619</td>
<td>3,981</td>
<td>4,033</td>
<td>52</td>
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<tr>
<td>GENERAL AND ADMINISTRATIVE</td>
<td>1,007</td>
<td>975</td>
<td>1,241</td>
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<tr>
<td>VEHICLE / FACILITY LEASE</td>
<td>569</td>
<td>460</td>
<td>624</td>
<td>164</td>
<td>35.5%</td>
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<tr>
<td>DEBT SERVICE</td>
<td>11,989</td>
<td>12,173</td>
<td>12,131</td>
<td>(43)</td>
<td>-0.4%</td>
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<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>229,672</td>
<td>223,655</td>
<td>225,106</td>
<td>1,452</td>
<td>0.6%</td>
</tr>
<tr>
<td>OVERHEAD ALLOCATION</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES LESS TOTAL EXPENSE</strong></td>
<td>0</td>
<td>1,750</td>
<td>0</td>
<td>(1,750)</td>
<td>100.0%</td>
</tr>
<tr>
<td>NET OPERATING SUBSIDY</td>
<td>$ (141,255)</td>
<td>$ (128,432)</td>
<td>$ (124,403)</td>
<td>$ 4,030</td>
<td>3.1%</td>
</tr>
</tbody>
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## San Diego Metropolitan Transit System
### Total Operating Budget
#### Fiscal Year 2010
##### (in $000's)

<table>
<thead>
<tr>
<th></th>
<th>Approved Expense Budget FY09</th>
<th>Allocation Differences FY09</th>
<th>Adjusted Expense Budget FY09</th>
<th>Proposed Expense Budget FY10</th>
<th>Difference</th>
<th>Percent Variance</th>
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<tbody>
<tr>
<td><strong>Operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Bus Operations</td>
<td>$76,579</td>
<td>-</td>
<td>$76,579</td>
<td>$74,654</td>
<td>$(1,925)</td>
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<td>Rail Operations</td>
<td>53,764</td>
<td>(7,445)</td>
<td>46,320</td>
<td>47,644</td>
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<td>Contract Services - Fixed Route</td>
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<td>-</td>
<td>48,691</td>
<td>47,683</td>
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<td>Contract Services - Paratransit</td>
<td>12,798</td>
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<td>12,798</td>
<td>13,764</td>
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<tr>
<td>Chula Vista Transit</td>
<td>7,298</td>
<td>-</td>
<td>7,298</td>
<td>7,208</td>
<td>(90)</td>
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<tr>
<td>Coronado Ferry</td>
<td>148</td>
<td>-</td>
<td>148</td>
<td>152</td>
<td>4</td>
<td>3.0%</td>
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<tr>
<td>Administrative Pass Through</td>
<td>344</td>
<td>-</td>
<td>344</td>
<td>344</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Combined Operations</strong></td>
<td>199,623</td>
<td>(7,445)</td>
<td>192,178</td>
<td>191,450</td>
<td>(728)</td>
<td>-0.4%</td>
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<tr>
<td><strong>Combined Other Operations</strong></td>
<td>923</td>
<td>-</td>
<td>923</td>
<td>939</td>
<td>16</td>
<td>1.7%</td>
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<tr>
<td><strong>Combined Administrative</strong></td>
<td>23,109</td>
<td>7,445</td>
<td>30,554</td>
<td>32,717</td>
<td>2,164</td>
<td>7.1%</td>
</tr>
<tr>
<td><strong>Combined Grand Total</strong></td>
<td>$223,655</td>
<td>$</td>
<td>$223,655</td>
<td>$225,106</td>
<td>$1,452</td>
<td>0.6%</td>
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### San Diego Metropolitan Transit System
#### Five Year Financial Projections
Fiscal Year 2010

<table>
<thead>
<tr>
<th></th>
<th>Approved Budget FY09</th>
<th>Amended Budget FY09</th>
<th>Proposed Budget FY10</th>
<th>Projected FY11</th>
<th>Projected FY12</th>
<th>Projected FY13</th>
<th>Projected FY14</th>
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</thead>
<tbody>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>$88,416,995</td>
<td>$95,222,332</td>
<td>$100,703,594</td>
<td>$103,004,000</td>
<td>$105,402,000</td>
<td>$107,881,000</td>
<td>$110,443,000</td>
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<tr>
<td><strong>Recurring Subsidy Funding</strong></td>
<td>133,506,516</td>
<td>122,533,615</td>
<td>114,926,149</td>
<td>115,711,200</td>
<td>117,329,200</td>
<td>119,737,200</td>
<td>123,043,200</td>
</tr>
<tr>
<td><strong>Total Recurring Revenues</strong></td>
<td>221,923,511</td>
<td>217,755,947</td>
<td>215,629,743</td>
<td>218,715,200</td>
<td>222,731,200</td>
<td>227,618,200</td>
<td>233,486,200</td>
</tr>
<tr>
<td><strong>Base Combined Operator Transp. Services</strong></td>
<td>204,469,691</td>
<td>199,623,166</td>
<td>191,450,178</td>
<td>195,279,000</td>
<td>201,137,000</td>
<td>207,171,000</td>
<td>213,386,000</td>
</tr>
<tr>
<td><strong>Administrative Expenses</strong></td>
<td>16,641,404</td>
<td>15,520,439</td>
<td>25,132,618</td>
<td>25,635,000</td>
<td>26,404,000</td>
<td>27,196,000</td>
<td>28,012,000</td>
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<tr>
<td><strong>Other Activities</strong></td>
<td>972,541</td>
<td>922,830</td>
<td>938,928</td>
<td>958,000</td>
<td>987,000</td>
<td>1,017,000</td>
<td>1,048,000</td>
</tr>
<tr>
<td><strong>Total Recurring Operating Expenses</strong></td>
<td>222,083,637</td>
<td>216,066,436</td>
<td>217,521,724</td>
<td>221,872,000</td>
<td>228,528,000</td>
<td>235,384,000</td>
<td>242,446,000</td>
</tr>
<tr>
<td><strong>Annual Recurring Excess (Deficit) of Revenue Over Expenses</strong></td>
<td>(160,125)</td>
<td>1,689,511</td>
<td>(1,891,981)</td>
<td>(3,156,800)</td>
<td>(5,796,800)</td>
<td>(7,765,800)</td>
<td>(8,959,800)</td>
</tr>
<tr>
<td><strong>Non Recurring Revenues</strong></td>
<td>160,126</td>
<td>60,243</td>
<td>1,891,981</td>
<td>160,000</td>
<td>160,000</td>
<td>160,000</td>
<td>160,000</td>
</tr>
<tr>
<td><strong>Net Debt Service/Lease Revenue/(Expense)</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Annual Excess (Deficit) of Revenues Over Expenses</strong></td>
<td>$1</td>
<td>$1,749,754</td>
<td>$0</td>
<td>$(2,996,800)</td>
<td>$(5,636,800)</td>
<td>$(7,605,800)</td>
<td>$(8,799,800)</td>
</tr>
</tbody>
</table>

1 The SDTI Security Department was recategorized in FY 2010 from Operator Transportation Services to MTS Administration.
To: SANDAG TRANSPORTATION COMMITTEE/BOARD OF DIRECTORS

Date: June 19, 2009

Subject: NCTD: DRAFT OPERATIONS BUDGET

Budget Impact

None at this time.

DISCUSSION:

NCTD BUDGET PRESENTATION

This budget has been developed based on guidance provided by the NCTD Board of Directors, and has been released for public comment. The budget information included in this agenda item has not yet been approved by the NCTD Board. A public hearing and final approval of the FY 2010 budget is scheduled for the NCTD Board Meeting on June 18, 2009. This agenda item responds to SANDAG’s request to receive information related to NCTD’s FY 2010 budget.

FY 2009 Operational Highlights

Elimination of state transit assistance and declining sales tax revenues represent a financial tsunami for NCTD’s budget, and ultimately for our ability to deliver transit services. At the state level, STA funding has been diverted to the state’s general fund for the past several years; the cumulative impact on NCTD over the past six years has been over $30 million. For the current FY 2009, NCTD’s original allocation for STA funds was over $10 million; actual STA receipts will be a fraction of this amount, and the state plans to eliminate STA funding entirely for the next several years.

At the local level, economic declines and job losses have forced consumers to curtail spending, resulting in decreased sales tax receipts. Current year TDA and TransNet funding for the region have decreased by millions of dollars from initial projections, as discussed below.

NCTD’s ridership reached record highs during the summer of 2008, but then began to trend downward due to job losses, and due to the cost of gasoline for automobile drivers declining from record highs. Total system ridership is expected to be 2.5% higher than the previous fiscal year, but this total is about 5.5% less than had been budgeted. For the first time since FY 2000, COASTER ridership for the current year is projected to be less than the previous year.

Despite a worsening financial outlook due to the economic slowdown, NCTD has made strides to improve the transit experience for its customers. A Transit Buddy volunteer program was created to assist seniors in learning to use transit. Grant funds from the Job Access Reverse
Commute (JARC) program allowed the expansion of weekend SPRINT service from 60 minute to 30 minute intervals. Grant funds for rural intercity transportation funding, known as 5311(f), provided expanded transit service in North County; bus service to casinos and employment centers increased to 16 trips per day, 7 days a week. Parking issues were improved by adding 130 spaces at Carlsbad Village.

Communications to customers were improved with the new quarterly In Transit newsletter and the NCTD Twitter service. NCTD is planning to add its schedules to Google’s Public Transit trip planning function, to provide improved access to NCTD’s transit information. NCTD also adopted Go Green initiatives, including a non-smoking policy at all transit centers, bus stops, and rail stations.

**Budget Highlights**

**FY 2009 Financial Recap**

As noted above, the state eliminated the STA program during the fiscal year. NCTD expects to receive a portion of its FY 2009 $4.4 million allocation of STA funding for capital projects; unfortunately, the $1 million of STA funding budgeted for operations has been eliminated.

TDA revenues comprise over 35% of NCTD’s operating revenues. As sales tax collections declined during the fiscal year, estimates for FY 2009 TDA funding were revised downward twice. In November 2008, the original estimated 2009 TDA apportionment for the County of $119.7 million was revised down to $113.8 million. In May 2009, a second revision reduced the estimate to $110.9 million, a total reduction of over 7% for the region. (SANDAG noted that TDA reserves at the County should be sufficient to absorb the second reduction of approximately $3 million, and did not adjust the transit operators’ allocation a second time.) The impact on NCTD was a reduction in TDA revenues of over $1.5 million.

TransNet revenues for FY 2009, comprising over 12% of NCTD’s operating revenues, were also revised downward. The total amount available to the region for transit purposes, originally estimated at $39.3 million, was reduced to $36.7 million in May 2009, a decrease of over 6%. The impact to NCTD was over $700,000.

Total revenues for FY 2009 are projected to be $85.6 million, about $6.2 million less than the $91.8 million that had been budgeted. Total expenses are projected to be about $84 million, about $7.8 million less than the $91.8 million that had been budgeted. Accordingly, NCTD is projecting a net surplus of about $1.6 million to be added to reserves.

**FY 2010 Overview**

The NCTD’s Planning Committee and Board of Directors reviewed the FY 2010 budget in detail during its March, April and May meetings. Although the FY 2010 budget is balanced, forecasts for future years indicate large and increasing deficits. Accordingly, the NCTD Board is considering FY 2010 to be a transitional year, during which NCTD will make strategic plans to live within existing revenue streams while giving first priority to providing transit services.

As noted above, the state has eliminated STA funding through FY 2013 due to the state’s fiscal crisis. Since NCTD had used STA funds for both the operating and capital budgets, both budgets will suffer due to the loss of funding. Further, since STA funds will not be available to use as a local match for federal capital funds, NCTD will be forced to divert over $2 million
annually of TDA funds from operating to capital activities, putting further strain on the operating budget.

Local funding, based on sales tax collections, have been significantly reduced due to the compounding effect of several years of reduced estimates. For example, in February 2006, the estimated amount of TDA and TransNet revenues expected to be available to NCTD for FY 2010 was $50 million. Instead, the actual amount expected to be available for FY 2010 is about $41.3 million.

Also, FY 2010 is the last of three years of CMAQ funding for SPRINTER operations. NCTD will receive $4.5 million of CMAQ funds for FY 2010.

To address the deteriorating revenue picture, NCTD has taken a number of actions to reduce costs. Significantly, during FY 2009 NCTD reduced headcount by 38 represented positions (a decrease of 9%) and 28 non-represented positions (a decrease of 15%).

The FY 2010 budget includes additional cost-cutting measures, including:

- Compensation freeze for coach operators and all non-represented employees, for a projected savings of about $1.2 million.
- Reduction in contracted services, for a savings of about $1.7 million.

NCTD’s unconstrained CIP budget for 2010 is over $21 million. However, only $10.5 million is available for the current fiscal year, leaving over $10 million unfunded. Sources for capital funding must be identified and secured to help our region’s future mobility needs.

FY 2010 Total Operating Budget – Attachment 5A

Total budgeted revenue for FY 2010 is $87.9 million, and total budgeted expenses are projected at $87.9 million, resulting in a balanced budget for the year. These totals are down significantly from the FY 2009 budgeted levels of $91.8 million.

FY 2010 Revenue Summary – Attachment 5B

Operating Revenue

1. **Passenger fares** - Total system ridership is projected to remain at about the same level as FY 2009. Total passenger fare revenue is projected to be about $19 million, a small increase over the estimated actual of $18.5 million for FY 2009, due to the impact of a full year of fare adjustments.

2. **Auxiliary Revenue** – This category includes advertising, shared use, dispatch, and concession revenue. The FY 2010 budget shows a projected increase of $714,827 or 9.4%, primarily due to additional shared use revenues from BNSF.

3. **Non-transportation Revenue** – This category includes lease revenue, permit revenues, and other miscellaneous revenues. This category is expected to be essentially flat at $1.7 million.
Grant Revenue

1. **Federal Formula Funds** – The amount for FY 2010 is based on revenue estimates provided by SANDAG and published in the Federal Register. The apportionment of 5307 formula funds to NCTD for FY 2010 is $16,213,200, and the apportionment of 5309 funds is $5,814,900, for a combined total of $22,028,100. This revenue is used to both fund capital projects and the operating budget. The amount allocated to support operations for FY 2010 is $13,645,000.

2. **Other Federal Funding** – This funding source is projected to be higher during FY 2010 by $397,792 compared to FY 2009 actual. The increase is mainly due to additional 5311(f) funding for rural bus routes of about $370,000. In addition, the FY 2010 budget includes funding of about $450,000 for MAA (Medi-Cal Administrative Activities) reimbursements related to ADA service; $229,000 of New Freedom Mobility grants for mobility travel training; and $156,000 of JARC (Job Access Reverse Commute) funding.

3. **TDA Revenue 4.0** – NCTD’s total allocation of TDA funding is based on revenue estimates provided by SANDAG. For FY 2010, TDA 4.0 allocated to NCTD is projected to be about $29.6 million. Further, since $2.8 million of TDA funding will be needed to replace STA funding as the local match for capital projects, NCTD will have about $26.8 million of TDA funds to support operations.

4. **TDA Revenue 4.5** – TDA 4.5 revenues are used for disabled and senior services. NCTD’s total projected funding is about $1.5 million.

5. **State Grants – STA** – As noted above, the state has eliminated STA funding through FY 2013.

6. **Other State Grants** – This category includes a CalTrans grant of $27,000 related to transit oriented development.

7. **TransNet** – NCTD’s allocation of TransNet for FY 2010 is $10,308,000 for operations and $273,000 for ADA services. NCTD was also awarded a TransNet senior mini grant for $58,242 for mobility services. Total Transnet funding is $10,639,242.

Non-Operating Revenue

7. Non-operating revenue is projected to decrease by about $257,000 in FY 2010 due to lower projected investment income. FY 2009 included higher-than-expected investment income due to timing differences relating to funding for capital projects.

Non-Recurring Revenue

8. For FY 2010, this category includes CMAQ (Congestion Mitigation and Air Quality) funding of $4.5 million, and $463,000 in Economic Stimulus funding for Preventive Maintenance. Both of these funding sources are expected to end in FY 2010.
1. **Salaries and Wages** - Salaries and wages for FY 2010 are projected to be slightly below the estimated actual for FY 2009. Compensation for coach operators and non-represented employees have been frozen for FY 2010.

2. **Employee Benefits** – Benefits are projected to increase about $471,000 over the FY 2009 actual, primarily due to projected higher unemployment insurance costs.

3. **Professional Services/Reimbursements** – The net increase for FY 2010 is about $173,000 compared to FY 2009 actual. A Comprehensive Operations Analysis (COA) and other strategic reviews are planned for FY 2010. These costs will be offset by reductions in contracted services in other areas.

   This category also includes a new ongoing cost of over $450,000 per year to be paid to SANDAG, representing the amount allocated to NCTD for Compass Card back office expenses.

4. **Fuel and Taxes** – This category includes gasoline, diesel fuel, CNG and related fuel taxes. The projected increase over FY 2009 actual is about $1.6 million. NCTD is budgeting diesel at $3.00/gallon excluding taxes. During FY 2009, the actual cost for diesel has been about $2.25/gallon during the year.

5. **Materials and Supplies** – This category includes vehicle spare parts and office supplies. This category is projected to decrease slightly compared to FY 2009 actual.

6. **Utilities** – The FY 2010 budget projects an increase of about $58,000 compared to FY 2009 actual.

7. **Casualty and Liability** – This category is projected to increase about $391,000 compared to FY 2009 actual. Insurance premiums are projected to be somewhat higher in FY 2010, and close to the amount originally budgeted for FY 2009.

8. **Purchased Transportation** – This category shows an increase of about $782,000 over FY 2009 actual, primarily due to contractual increases.

9. **Advertising and Misc.** – This category shows an increase for FY 2010 of about $109,000 over FY 2009, but is significantly lower than the amount originally budgeted for FY 2009.

10. **Leases and rentals** – This category shows an increase of about $55,000 over FY 2009 actual, due to the addition of 2 new leased repeater sites and improvements to the leased MOW facility.

11. **Workers’ Compensation** – This category shows an increase of about $93,000 over FY 2009 actual, but is significantly less than the amount budgeted for FY 2009.

12. **Debt Service** – This category includes an increase over FY 2009 actual, due to potential instability in credit markets.
Attachment 5E shows projections for NCTD’s operating budget through fiscal year 2014, based on current levels of service and expenses. As noted above, although the FY 2010 budget is balanced, forecasts for future years indicate large and increasing deficits. Accordingly, the NCTD Board is considering FY 2010 to be a transitional year, during which NCTD will make strategic plans to live within existing revenue streams while giving first priority to providing transit services.
## NORTH COUNTY TRANSIT DISTRICT
### TOTAL OPERATING BUDGET
#### FY 2010 BUDGET

( ) indicates unfavorable variance

<table>
<thead>
<tr>
<th></th>
<th>FY 2008 Actual</th>
<th>FY 2009 Estimated Actual</th>
<th>FY 2010 Budget</th>
<th>$ Variance FY10 Budget to FY09 Est. Actual</th>
<th>% Variance FY10 Budget to FY09 Est. Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger Fares</td>
<td>$ 17,402,899</td>
<td>$ 18,497,483</td>
<td>$ 18,972,669</td>
<td>$ 475,186</td>
<td>2.6%</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>9,102,633</td>
<td>9,277,323</td>
<td>10,008,633</td>
<td>731,310</td>
<td>7.9%</td>
</tr>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td>$ 26,505,532</td>
<td>$ 27,774,806</td>
<td>$ 28,981,302</td>
<td>$ 1,206,496</td>
<td>4.3%</td>
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<tr>
<td>Recurring Grant Revenue</td>
<td>47,757,750</td>
<td>48,468,643</td>
<td>53,875,610</td>
<td>5,406,967</td>
<td>11.2%</td>
</tr>
<tr>
<td>Other Non-operating Revenue</td>
<td>88,394</td>
<td>19,000</td>
<td>50,000</td>
<td>(257,476)</td>
<td>(83.7%)</td>
</tr>
<tr>
<td>Non-recurring Revenue</td>
<td>7,363,129</td>
<td>9,037,000</td>
<td>4,963,000</td>
<td>(4,074,000)</td>
<td>(45.1%)</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>$ 81,714,805</td>
<td>$ 85,587,925</td>
<td>$ 87,869,912</td>
<td>$ 2,281,987</td>
<td>2.7%</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$ 81,185,623</td>
<td>$ 83,951,752</td>
<td>$ 87,869,912</td>
<td>$ (3,918,160)</td>
<td>(4.7%)</td>
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<tr>
<td><strong>ANNUAL SURPLUS (DEFICIT)</strong></td>
<td>$ 529,182</td>
<td>-</td>
<td>$ 1,636,173</td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>
# North County Transit District Operating Budget
## Revenue Summary
### FY 2010 Budget

<table>
<thead>
<tr>
<th>Notes</th>
<th>Operating Revenue</th>
<th>FY 2008 Actual</th>
<th>FY 2009 Budget</th>
<th>FY 2009 Estimated Actual</th>
<th>FY 2010 Budget</th>
<th>( ) indicates unfavorable variance FY10 Budget to FY09 Est. Actual</th>
<th>% Variance FY10 Budget to FY09 Est. Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Passenger Fares</td>
<td>$17,402,899</td>
<td>$20,675,995</td>
<td>$18,497,483</td>
<td>$18,972,669</td>
<td>$475,186</td>
<td>2.6%</td>
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<tr>
<td>2</td>
<td>Auxiliary Revenue</td>
<td>$7,309,706</td>
<td>7,592,734</td>
<td>7,592,173</td>
<td>8,307,000</td>
<td>714,827</td>
<td>9.4%</td>
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<tr>
<td>3</td>
<td>Non-transportation Revenue</td>
<td>$1,792,927</td>
<td>1,604,986</td>
<td>1,685,150</td>
<td>1,701,633</td>
<td>16,483</td>
<td>1.0%</td>
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<td>TOTAL OPERATING REVENUE</td>
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<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>Grant Revenue</th>
<th>FY 2008 Actual</th>
<th>FY 2009 Budget</th>
<th>FY 2009 Estimated Actual</th>
<th>FY 2010 Budget</th>
<th>( ) indicates unfavorable variance FY10 Budget to FY09 Est. Actual</th>
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</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Federal Formula Funds - 5307/5309</td>
<td>$9,982,424</td>
<td>$11,420,000</td>
<td>$6,563,464</td>
<td>$13,645,000</td>
<td>$7,081,536</td>
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<td>5</td>
<td>Other Federal Funding</td>
<td>$1,018,552</td>
<td>650,615</td>
<td>818,224</td>
<td>1,216,016</td>
<td>397,792</td>
<td>48.6%</td>
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<tr>
<td>6</td>
<td>Transportation Development Act - 4.0</td>
<td>$29,660,997</td>
<td>30,765,000</td>
<td>29,266,078</td>
<td>26,836,318</td>
<td>(2,429,760)</td>
<td>(8.3%)</td>
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<tr>
<td>7</td>
<td>Transportation Development Act - 4.5</td>
<td>$1,550,570</td>
<td>1,288,000</td>
<td>1,232,859</td>
<td>1,512,034</td>
<td>279,175</td>
<td>22.6%</td>
</tr>
<tr>
<td>8</td>
<td>State Transit Assistance - STA</td>
<td>-</td>
<td>1,027,261</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>N/A</td>
</tr>
<tr>
<td>9</td>
<td>Other State Grants</td>
<td>$211,737</td>
<td>133,191</td>
<td>198,994</td>
<td>27,000</td>
<td>(171,994)</td>
<td>(86.4%)</td>
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<tr>
<td></td>
<td>TransNet</td>
<td>$5,333,470</td>
<td>11,108,240</td>
<td>10,389,024</td>
<td>10,639,242</td>
<td>250,218</td>
<td>2.4%</td>
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<tr>
<td></td>
<td>TOTAL GRANT REVENUE</td>
<td></td>
<td>$47,757,750</td>
<td>$56,392,307</td>
<td>$48,468,643</td>
<td>$53,875,610</td>
<td>$5,406,967</td>
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<table>
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<tr>
<th>Notes</th>
<th>Non-Operating Revenue</th>
<th>FY 2008 Actual</th>
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<th>FY 2010 Budget</th>
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<tr>
<td>10</td>
<td>Investment income</td>
<td>$65,175</td>
<td>$10,000</td>
<td>$307,476</td>
<td>$50,000</td>
<td>(257,476)</td>
<td>(83.7%)</td>
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<tr>
<td></td>
<td>Gain (Loss) on Disposal of Capital Assets</td>
<td>23,219</td>
<td>9,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>TOTAL NON-OPERATING REVENUE</td>
<td>$88,394</td>
<td>$19,000</td>
<td>$307,476</td>
<td>$50,000</td>
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<td>(83.7%)</td>
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<th>FY 2009 Budget</th>
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<th>% Variance FY10 Budget to FY09 Est. Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Federal CMAQ for Sprinter</td>
<td>$6,000,000</td>
<td>$5,500,000</td>
<td>$5,500,000</td>
<td>$4,500,000</td>
<td>(1,000,000)</td>
<td>(18.2%)</td>
</tr>
<tr>
<td></td>
<td>TDA Carryover</td>
<td>1,363,129</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Economic Stimulus - Preventive Maint.</td>
<td>3,537,000</td>
<td>463,000</td>
<td>3,074,000</td>
<td>(407,000)</td>
<td>(45.1%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL NON-RECURRING REVENUE</td>
<td>$7,363,129</td>
<td>$5,500,000</td>
<td>$9,037,000</td>
<td>$4,963,000</td>
<td>(4,074,000)</td>
<td>(45.1%)</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Notes</th>
<th>TOTAL REVENUE</th>
<th>FY 2008 Actual</th>
<th>FY 2009 Budget</th>
<th>FY 2009 Estimated Actual</th>
<th>FY 2010 Budget</th>
<th>( ) indicates unfavorable variance FY10 Budget to FY09 Est. Actual</th>
<th>% Variance FY10 Budget to FY09 Est. Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TOTAL REVENUE</td>
<td>$81,714,805</td>
<td>$91,785,022</td>
<td>$85,587,925</td>
<td>$87,869,912</td>
<td>$2,281,987</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

1 These amounts based on May 2009 estimates from SANDAG
## NORTH COUNTY TRANSIT DISTRICT
### OPERATING BUDGET
#### EXPENSE SUMMARY BY CLASSIFICATION
##### FY 2010 BUDGET

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>FY 2008 Actual</th>
<th>FY 2009 Budget</th>
<th>FY 2009 Estimated Actual</th>
<th>FY 2010 Budget</th>
<th>FY10 Budget to FY09 Est. Actual</th>
<th>% Variance</th>
<th>$ Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>1 24,706,888</td>
<td>24,077,342</td>
<td>23,075,388</td>
<td>23,034,509</td>
<td>40,879</td>
<td>0.2%</td>
<td>40,879</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>2 13,077,902</td>
<td>12,125,329</td>
<td>12,762,424</td>
<td>13,233,047</td>
<td>(470,623)</td>
<td>(3.7%)</td>
<td></td>
</tr>
<tr>
<td>Professional Services/Reimbursements</td>
<td>3 12,638,944</td>
<td>16,310,842</td>
<td>14,856,673</td>
<td>15,029,960</td>
<td>(173,287)</td>
<td>(1.2%)</td>
<td></td>
</tr>
<tr>
<td>Fuel and Taxes</td>
<td>4  7,481,844</td>
<td>11,970,458</td>
<td>7,359,737</td>
<td>8,974,739</td>
<td>(1,615,002)</td>
<td>(21.9%)</td>
<td></td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>5  3,200,366</td>
<td>3,229,303</td>
<td>2,982,884</td>
<td>2,942,622</td>
<td>40,262</td>
<td>1.3%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>6  1,683,847</td>
<td>2,132,242</td>
<td>1,852,704</td>
<td>1,911,451</td>
<td>(58,747)</td>
<td>(3.2%)</td>
<td></td>
</tr>
<tr>
<td>Casualty and Liability</td>
<td>7  4,806,491</td>
<td>3,791,909</td>
<td>3,393,177</td>
<td>3,784,806</td>
<td>(391,629)</td>
<td>(11.5%)</td>
<td></td>
</tr>
<tr>
<td>Purchased Transportation</td>
<td>8 11,172,893</td>
<td>14,276,320</td>
<td>14,349,721</td>
<td>15,131,760</td>
<td>(782,039)</td>
<td>(5.4%)</td>
<td></td>
</tr>
<tr>
<td>Advertising and Misc.</td>
<td>9   509,045</td>
<td>668,584</td>
<td>446,709</td>
<td>555,938</td>
<td>(109,229)</td>
<td>(24.5%)</td>
<td></td>
</tr>
<tr>
<td>Leases and Rentals</td>
<td>10 430,914</td>
<td>495,488</td>
<td>470,446</td>
<td>526,080</td>
<td>(55,634)</td>
<td>(11.8%)</td>
<td></td>
</tr>
<tr>
<td>Workers’ Compensation</td>
<td>11 833,342</td>
<td>1,200,000</td>
<td>1,006,889</td>
<td>1,100,000</td>
<td>(93,111)</td>
<td>(9.2%)</td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>12 643,147</td>
<td>1,507,205</td>
<td>1,395,000</td>
<td>1,645,000</td>
<td>(250,000)</td>
<td>(17.9%)</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL EXPENSES**

$81,185,623 $91,785,022 $83,951,752 $87,869,912 $3,918,160 (4.7%)
### NORTH COUNTY TRANSIT DISTRICT
**OPERATING BUDGET**

**EXPENSE SUMMARY BY TRANSPORTATION MODE**

**FY 2010 BUDGET**

<table>
<thead>
<tr>
<th></th>
<th>FY 2008 Actual</th>
<th>FY 2009 Budget</th>
<th>FY 2009 Estimated Actual</th>
<th>FY 2010 Budget</th>
<th>$ Variance FY10 Budget to FY09 Est. Actual</th>
<th>% Variance FY10 Budget to FY09 Est. Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Route and FAST(^1)</td>
<td>$ 48,397,742</td>
<td>$ 45,271,682</td>
<td>$ 43,092,071</td>
<td>$ 44,114,737</td>
<td>$(1,022,666)</td>
<td>(2.4%)</td>
</tr>
<tr>
<td>ADA/Paratransit</td>
<td>3,515,308</td>
<td>3,826,525</td>
<td>3,922,689</td>
<td>4,404,819</td>
<td>(482,130)</td>
<td>(12.3%)</td>
</tr>
<tr>
<td>Coaster</td>
<td>17,851,115</td>
<td>20,330,510</td>
<td>16,956,216</td>
<td>17,792,503</td>
<td>(836,287)</td>
<td>(4.9%)</td>
</tr>
<tr>
<td>Coastal Railroad</td>
<td>2,631,801</td>
<td>2,652,024</td>
<td>2,530,403</td>
<td>2,703,433</td>
<td>(173,030)</td>
<td>(6.8%)</td>
</tr>
<tr>
<td>Sprinter</td>
<td>7,864,663</td>
<td>18,952,228</td>
<td>16,836,948</td>
<td>18,180,542</td>
<td>(1,343,594)</td>
<td>(8.0%)</td>
</tr>
<tr>
<td>Inland Railroad</td>
<td>724,994</td>
<td>752,053</td>
<td>613,425</td>
<td>673,878</td>
<td>(60,453)</td>
<td>(9.9%)</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$ 81,185,623</strong></td>
<td><strong>$ 91,785,022</strong></td>
<td><strong>$ 83,951,752</strong></td>
<td><strong>$ 87,869,912</strong></td>
<td><strong>$(3,918,160)</strong></td>
<td><strong>(4.7%)</strong></td>
</tr>
</tbody>
</table>

\(^1\) FAST Service eliminated August 2008
# NORTH COUNTY TRANSIT DISTRICT
## OPERATING BUDGET
### FIVE YEAR PROJECTIONS
#### FY 2010 BUDGET

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimate</td>
<td>Budget</td>
<td>Projected</td>
<td>Projected</td>
<td>Projected</td>
<td>Projected</td>
</tr>
<tr>
<td>Passenger fares</td>
<td>18,497,483</td>
<td>18,972,669</td>
<td>19,376,217</td>
<td>20,619,582</td>
<td>21,167,450</td>
<td>21,730,862</td>
</tr>
<tr>
<td>Auxiliary revenues</td>
<td>7,992,173</td>
<td>8,307,000</td>
<td>8,514,675</td>
<td>8,727,542</td>
<td>8,945,730</td>
<td>9,169,374</td>
</tr>
<tr>
<td>Non-transportation revenues</td>
<td>1,685,150</td>
<td>1,701,633</td>
<td>1,735,666</td>
<td>1,770,379</td>
<td>1,805,787</td>
<td>1,841,902</td>
</tr>
<tr>
<td><strong>Operating Revenue</strong></td>
<td><strong>27,774,806</strong></td>
<td><strong>28,981,302</strong></td>
<td><strong>29,626,558</strong></td>
<td><strong>31,117,503</strong></td>
<td><strong>31,918,967</strong></td>
<td><strong>32,742,138</strong></td>
</tr>
<tr>
<td>Recurring Non-Operating Revenue</td>
<td>307,476</td>
<td>50,000</td>
<td>51,000</td>
<td>52,020</td>
<td>53,060</td>
<td>54,122</td>
</tr>
<tr>
<td>Recurring Grant Revenue</td>
<td>48,468,643</td>
<td>53,875,610</td>
<td>49,035,715</td>
<td>49,647,972</td>
<td>50,780,732</td>
<td>52,003,946</td>
</tr>
<tr>
<td><strong>TOTAL RECURRING REVENUE</strong></td>
<td><strong>76,550,925</strong></td>
<td><strong>82,906,912</strong></td>
<td><strong>78,713,273</strong></td>
<td><strong>80,817,495</strong></td>
<td><strong>82,752,759</strong></td>
<td><strong>84,800,206</strong></td>
</tr>
<tr>
<td>TOTAL RECURRING OPERATING EXPENSES</td>
<td>83,951,752</td>
<td>87,869,912</td>
<td>90,439,092</td>
<td>95,561,360</td>
<td>98,778,840</td>
<td>102,102,842</td>
</tr>
<tr>
<td><strong>NON RECURRING REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CMAQ</td>
<td>5,500,000</td>
<td>4,500,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Preventive Maintenance</td>
<td>3,537,000</td>
<td>463,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL NON RECURRING REVENUES</strong></td>
<td><strong>9,037,000</strong></td>
<td><strong>4,963,000</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ANNUAL OPERATING SURPLUS (DEFICIT)</td>
<td><strong>1,636,173</strong></td>
<td>-</td>
<td><strong>(11,725,819)</strong></td>
<td><strong>(14,743,865)</strong></td>
<td><strong>(16,026,081)</strong></td>
<td><strong>(17,302,636)</strong></td>
</tr>
<tr>
<td>Debt Service - Principal payments</td>
<td>-</td>
<td>-</td>
<td>1,100,000</td>
<td>1,125,000</td>
<td>1,200,000</td>
<td>1,225,000</td>
</tr>
<tr>
<td>NET ADDITION (REDUCTION) TO TDA RESERVES</td>
<td><strong>1,636,173</strong></td>
<td>-</td>
<td><strong>(12,825,819)</strong></td>
<td><strong>(15,868,865)</strong></td>
<td><strong>(17,226,081)</strong></td>
<td><strong>(18,527,636)</strong></td>
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</tbody>
</table>
### NORTH COUNTY TRANSIT DISTRICT
** Capital Improvement Program Summary  
**FY 2010 to FY 2014**

<table>
<thead>
<tr>
<th></th>
<th>FY 10</th>
<th>FY 11</th>
<th>FY 12</th>
<th>FY 13</th>
<th>FY 14</th>
<th>Five Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Formula Program 5307</td>
<td>$16,213</td>
<td>$16,847</td>
<td>$17,521</td>
<td>$18,222</td>
<td>$18,951</td>
<td>$87,754</td>
</tr>
<tr>
<td>Local Match for 5307</td>
<td>4,053</td>
<td>4,212</td>
<td>4,380</td>
<td>4,556</td>
<td>4,738</td>
<td>21,939</td>
</tr>
<tr>
<td>Federal Formula Program 5307 - Carryover</td>
<td>2,217</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2,217</td>
</tr>
<tr>
<td>Local Match for 5307 - Carryover</td>
<td>554</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>554</td>
</tr>
<tr>
<td>Federal Formula Program 5309 Rail Modernization</td>
<td>$5,815</td>
<td>6,048</td>
<td>6,290</td>
<td>6,541</td>
<td>6,803</td>
<td>31,497</td>
</tr>
<tr>
<td>Local Match for 5309</td>
<td>1,454</td>
<td>1,512</td>
<td>1,573</td>
<td>1,635</td>
<td>1,701</td>
<td>7,875</td>
</tr>
<tr>
<td>Federal Formula Program 5309 Rail Modernization - Carryover</td>
<td>1,892</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,892</td>
</tr>
<tr>
<td>Local Match for 5309 - Carryover</td>
<td>473</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>473</td>
</tr>
<tr>
<td>Section 5311 including local match of $45K</td>
<td>395</td>
<td>438</td>
<td>460</td>
<td>483</td>
<td>507</td>
<td>2,283</td>
</tr>
<tr>
<td>Prop 1B - TSGP</td>
<td>860</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>860</td>
</tr>
<tr>
<td>Homeland Security Grant</td>
<td>848</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>848</td>
</tr>
<tr>
<td>SLRTC earmark - E2008-BUSP-0692 incl local match of $61K</td>
<td>306</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>306</td>
</tr>
<tr>
<td>Other - local match adj on ADA</td>
<td>2,225</td>
<td>1,961</td>
<td>2,100</td>
<td>2,175</td>
<td>2,250</td>
<td>10,711</td>
</tr>
<tr>
<td><strong>Total Federal Funding (including local match)</strong></td>
<td><strong>$37,305</strong></td>
<td><strong>$31,018</strong></td>
<td><strong>$32,324</strong></td>
<td><strong>$33,612</strong></td>
<td><strong>$34,950</strong></td>
<td><strong>$169,209</strong></td>
</tr>
<tr>
<td>Preventive Maintenance/Planning/ADA Paratransit</td>
<td>(26,600)</td>
<td>(21,961)</td>
<td>(22,725)</td>
<td>(22,988)</td>
<td>(23,625)</td>
<td>(117,999)</td>
</tr>
<tr>
<td><strong>Total Funding Available For Capital Projects</strong></td>
<td><strong>$10,518</strong></td>
<td><strong>$8,870</strong></td>
<td><strong>$9,412</strong></td>
<td><strong>$10,437</strong></td>
<td><strong>$11,138</strong></td>
<td><strong>$50,375</strong></td>
</tr>
<tr>
<td><strong>Total Project Needs</strong></td>
<td>21,073</td>
<td>21,116</td>
<td>22,801</td>
<td>18,101</td>
<td>18,343</td>
<td>101,434</td>
</tr>
<tr>
<td><strong>Total Deficit</strong></td>
<td>(10,555)</td>
<td>(12,246)</td>
<td>(13,388)</td>
<td>(7,664)</td>
<td>(7,205)</td>
<td>(51,059)</td>
</tr>
<tr>
<td><strong>% of Funding/Needs</strong></td>
<td>49.9%</td>
<td>42.0%</td>
<td>41.3%</td>
<td>57.7%</td>
<td>60.7%</td>
<td>49.7%</td>
</tr>
</tbody>
</table>
MEMORANDUM OF AGREEMENT BETWEEN SANDAG AND THE
CITY OF SANTEE REGARDING TransNet EXTENSION ORDINANCE
COMMERCIAL PAPER PROGRAM AND REQUEST FOR AN EXCEPTION
TO RULE #16 OF BOARD POLICY NO. 031

Introduction

In accordance with Rule #16 of Board Policy No. 031, “TransNet Ordinance and Expenditure Plan Rules,” local jurisdictions may access the SANDAG Commercial Paper (CP) program to advance local TransNet eligible projects with a repayment period of up to five years. Local jurisdictions must document their understanding of the requirements for using the TransNet CP program in an executed Memorandum of Agreement (MOA) (Attachment 1). The City of Santee has requested access to TransNet CP to cover the shortfall in funding for the Forester Creek Improvement project.

Recommendation

The Transportation Committee is asked to recommend that the Board of Directors: (1) approve the use of the TransNet Commercial Paper program for the City of Santee in the amount of $3.95 million; (2) approve an exception to Rule #16 of Board Policy No. 031 to increase the repayment period from five years to ten years for this instance; and (3) authorize the Executive Director to execute the Memorandum of Agreement in substantially the same form as attached to the report (Attachment 1).

Discussion

The Forester Creek Improvement project, a congestion relief project, is a regionally significant project that included both TransNet Highway and Surface Transportation Program (STP) funding. This project included construction of the Olive Lane and Mission Gorge Road bridges over the flood control channel and was open to traffic in August 2007. The entire Forester Creek Improvement project qualifies as congestion relief because it prevents flooding and minimizes bridge lengths for the State Route 52 projects and two local streets, Olive Lane and Mission Gorge Road.

At its September 28, 2005, meeting, the Santee City Council approved a resolution awarding the contract for the Forester Creek Improvement project (Attachment 2). A funding shortfall was discussed in the Council Report and it was noted that SANDAG agreed to provide interim funding of $4.5 million through the TransNet CP program, once it was needed. Should there be no alternative funding source available; the City of Santee (City) would then use its TransNet local funds as the permanent funding source.

The City has pursued numerous options to cover the gap funding needs for the Project, originally at $4.5 million. The City was able to identify funding of $550,000 and has temporarily borrowed from various City funds to cover the $3.95 million remainder while continuing to pursue funding options.

At its meeting on April 22, 2009, the Santee City Council approved the request to borrow against its annual TransNet Extension revenue for this purpose (Attachment 3). On May 1, 2009, the
Transportation Committee approved Amendment No. 12 to the 2008 Regional Transportation Improvement Program contingent upon the Board of Directors approving the CP request.

Rule #16 of Board Policy No. 031, TransNet Ordinance and Expenditure Plan Rules, requires repayment of the principal amount of CP to be completed within five years of the agency's receipt of the proceeds. The City has requested an exception to the five-year repayment period in an effort to continue with other approved local projects. Based on the capacity analysis (Attachment 4), it was determined that a ten-year repayment period would allow the City to meet its annual CP obligations and receive enough TransNet funds to continue with other Local Street Improvement projects.

Rule #16 includes an option to roll the outstanding CP amount into a long-term bond issue during the repayment period. It is the intent of the City to pursue this option and include any outstanding CP in SANDAG’s next long-term bond issue.

At its May 15, 2009, meeting, the Transportation Committee was presented with the above information. The Transportation Committee agreed to delay action until staff followed up on five points as requested by the Independent Taxpayer Oversight Committee (ITOC), the independent citizen oversight committee that reviews TransNet-funded projects, and reported back to ITOC at its next meeting on June 10, 2009. Staff responses to the five points were presented to ITOC at its June 10, 2009, meeting and the ITOC recommended support of the proposal to the Transportation Committee and the Board of Directors.

The five points and staff responses are as follows:

1. Include in the agenda report the fiscal advantage of this action;

   **Response** - General advantages of the CP program include accelerating the delivery of TransNet-funded local street and road improvement projects, a historically significantly lower cost of capital than fixed rate bonds, and the flexibility to refinance. In addition, agencies may take advantage of the current low construction bid environment by advancing the construction of the TransNet-funded projects.

   Allowing the City to make repayment over ten years rather than five years provides additional funding capacity for street rehabilitation projects in the early years of the repayment period. A capacity analysis was presented to ITOC at its June 10, 2009, meeting that showed additional costs of approximately $7.2 million if the ten year repayment period is not approved. Furthermore, if the Forester Creek Improvement Project had not been completed as scheduled, a 5,248 foot bridge would have been required to span the floodplain resulting in an estimated cost of $67 million.

2. Establish reasonable criteria for repayment, such as limiting the extension for repayment to 10 years;

   **Response** - Board Policy No. 031, Rule #16 currently includes repayment criteria, such as full repayment within five years. In an effort to keep the CP program flexible and advantageous for the recipient agency, there may be special circumstances when the five year repayment period does not provide the best fiscal advantage for both the recipient agency and its programmed TransNet projects. Therefore, allowing a recipient agency to request an exception to Rule #16 for a longer repayment period appears to be a prudent option.
3. Include the criterion that if a jurisdiction loses eligibility for TransNet funding in any year, that repayment of the borrowed funds would occur in full in the same year;

Response - The attached MOA (Attachment 1) has been revised to include a repayment for borrowed funds within 30 days from written notice from SANDAG if the City becomes ineligible for TransNet funding.

4. Include an analysis of all other potential funding sources or lack thereof;

Response - Other funding sources of the City that were deemed unavailable for the funding gap are: (1) the General Fund, which currently has a fiscal year operating deficit in excess of $1.2 million and the deficit is expected to increase next year; (2) redevelopment funds which are expected to have an undesignated fund balance next year below $2 million with declining property tax revenues; (3) Drainage Development Impact Fees currently have a shortfall for the Mission Gorge Road Drainage Improvement project and Corrugated Metal Pipe Replacement project; and (4) Traffic Mitigation Development Impact Fees, which currently have a shortfall for the Olive Lane Widening project. The City also has pursued numerous federal and state grants since late 2005 with no success.

5. Clearly state that the capacity calculation is from the congestion relief portion of TransNet Local Street and Road funds.

Response - Attachment 4 includes footnotes in addition to those provided at the May 15, 2009, Transportation Committee meeting. The analysis assumes 100% of the estimated TransNet revenues during the repayment periods are Congestion Relief since the City has no future projects programmed in the Maintenance category.

LAUREN WARREM
Director of Finance (Acting)

Attachments: 1. MOA between SANDAG and the City of Santee
   2. Santee City Council Agenda Item No. 6A
   3. Santee City Council Agenda Item No. 2B
   4. City of Santee Capacity Analysis

Key Staff Contact: Lisa Kondrat-Dauphin, (619) 699-1942, lko@sandag.org
MEMORANDUM OF AGREEMENT
BETWEEN SAN DIEGO ASSOCIATION OF GOVERNMENTS, ACTING AS THE SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION AND THE CITY OF Santee REGARDING DEBT FINANCING THROUGH THE TRANSNET PROGRAM

This Memorandum of Agreement (“MOA”) is made and entered into effective as of this _____ day of _____________, 2009, by and between the San Diego Association of Governments, acting as the San Diego County Regional Transportation Commission (“SANDAG”) and City of Santee (City).

RECITALS

The following recitals are a substantive part of this Agreement:

WHEREAS, SANDAG serves as the San Diego County Regional Transportation Commission, and in that role is responsible for the administration of programs under the TransNet Extension Ordinance (Proposition A, November 2004), which sets forth permitted uses for revenues from a one-half cent transactions and use tax in San Diego County (TransNet Extension Program); and

WHEREAS, in order to accelerate the implementation of TransNet tax-funded projects, SANDAG has established a commercial paper program for short-term debt financing program to provide advanced funding for eligible projects under the TransNet Extension program; and

WHEREAS, SANDAG Board Policy No. 031, Rule No. 16 requires that an agency receiving proceeds from the TransNet Commercial Paper program shall be responsible for its proportionate share of the ongoing interest and related administrative costs from the date the proceeds are received until the principal amount of the loan is fully repaid; and

WHEREAS, the City wishes to borrow three million, nine hundred-fifty thousand dollars ($3,950,000) from the TransNet Extension program for the Forester Creek project; and

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

AGREEMENT

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

SANDAG AGREES:

1. To lend City three million, nine hundred-fifty thousand dollars ($3,950,000) through debt financing for the Forester Creek project from the TransNet Extension Program subject to certain conditions set forth below and SANDAG Board Policies concerning TransNet Extension Program loans.
2. SANDAG will transfer the funds to the City within thirty (30) days following execution of this MOA.

THE CITY AGREES:

1. The governing body of the City at its April 22, 2009, meeting approved the request to borrow three million, nine hundred-fifty thousand dollars ($3,950,000) through debt financing using the SANDAG commercial paper program for Forester Creek project.

2. The City agrees to use the funding provided under this MOA solely for the Forester Creek project.

3. The City will pay its proportionate share of the annual interest and administrative costs from the date the proceeds are received until the principal amount of the loan is fully repaid.

4. Repayment of the principal amount shall commence within three (3) years of the receipt of the proceeds and shall be completed within ten (10) years. Repayment of the proceeds will be accomplished by rolling the outstanding amount into a long-term bond issued during the ten (10) year repayment period if the opportunity for the conversion exists and is agreed to by SANDAG. In such case, the City would be responsible for its proportionate share of the bond issuance costs and annual debt service costs.

5. The repayment of debt, in all cases, is the first priority on the use of the City’s annual TransNet revenues. The City agrees not to subordinate the SANDAG lien on the TransNet revenues to any other claim upon these funds. The amounts to be deducted and the terms of repayment (if appropriate) are estimated and set forth in the Repayment Schedule, which is Attachment A hereto.

6. In the event City becomes ineligible for TransNet funding in any year in which repayment is due to SANDAG under this Agreement, City shall pay the full amount owed SANDAG for borrowed funds for that year within thirty (30) days of receiving written notice from SANDAG.

7. The City agrees to indemnify, hold harmless, and defend SANDAG, the San Diego County Regional Transportation Commission, and all officers and employees thereof against all causes of action or claims related to projects financed through funding provided under this MOA.

THE PARTIES MUTUALLY AGREE:

1. That all obligations of SANDAG under the terms of this MOA are subject to the appropriation of the required resources by SANDAG and the approval of the SANDAG Board of Directors.

2. Any notice required or permitted under this MOA may be personally served on the other party, by the party giving notice, or may be served by certified mail, return receipt requested, to the following addresses:

   For SANDAG                        For the City of Santee
   401 B Street, Suite 800          10601 Magnolia Ave.
   San Diego, CA 92101              Santee, CA 92071
   Attn: Director of Finance        Attn: Tim McDermott
3. That unless it is amended by the parties in writing, this MOA shall terminate on June 30, 2019, or on such earlier or later date as the parties may agree to in writing.

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

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

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

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

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

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

10. This MOA may be executed in any number of identical counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument when each party has signed one such counterpart.

11. This MOA may be executed and delivered by facsimile signature, and a facsimile signature shall be treated as an original.

IN WITNESS WHEREOF, the Parties hereto have executed this MOA effective on the day and year first above written.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

GARY L. GALLEGOS
Executive Director

APPROVED AS TO FORM:
Office of General Counsel

CITY OF SANTEE

KEITH TILL
City Manager

APPROVED AS TO FORM:
Legal Counsel
MEETING DATE September 28, 2005 AGENDA ITEM NO. 6A

ITEM TITLE RESOLUTION AWARDING THE CONSTRUCTION CONTRACT, AUTHORIZING STAFF TO APPROVE CONSTRUCTION CHANGE ORDERS, APPROVING A CONSULTANT CONTRACT FOR CONSTRUCTION MANAGEMENT AND TESTING, AND APPROVING A CHANGE TO THE DESIGN CONTRACT FOR FORESTER CREEK IMPROVEMENTS, CIP 2002-21, AND AUTHORIZING APPROPRIATION OF FUNDS

DIRECTOR/DEPARTMENT Douglas Williford, Development Services

SUMMARY This item is to award the construction contract for the Forester Creek Improvement Project. The project includes improving a one-mile stretch of the creek from the Mission Gorge Bridge upstream to Prospect Avenue. This portion of the creek can currently only handle less than a 10-year flood and has experienced a number of storms that have flooded and damaged nearby properties.

Past flooding from Forester Creek has also closed major thoroughfares such as Mission Gorge Road, Carlton Hills Boulevard, Olive Lane, and Via Zapador, inhibiting the safe travel of regular and emergency vehicles. The proposed project will achieve 100-year flood protection in Forester Creek, protect transportation facilities, minimize risk to public health and safety, reduce damage to private property, protect and enhance natural resources, and significantly improve water quality. Additionally it will encourage redevelopment that is consistent with the City's General Plan and Redevelopment Plan, as well as improve traffic circulation.

A critical related project that necessitates the need for moving forward with the Forester Creek improvements is the extension of State Route (SR) 52 through Santee. The State of California Department of Transportation (CalTrans) is currently preparing design of this portion of the highway, which is planned to cross the city eastward from the SR 125/SR 52 interchange to Cuyamaca Street and then eastward to SR 67. Without the Forester Creek project, SR 52 would not be able to proceed.

FINANCIAL STATEMENT RECOMMENDATION See budget exhibits attached and staff report.

Adopt the attached Resolution approving the following actions:
1. Awarding the construction contract to Archer Western for a total of $23,190,000;
2. Authorizing staff to approve change orders totaling $1,000,000;
3. Approving a change order to the pre-construction services contract with PBS&J in the amount of $55,000;
4. Approving a contract to PBS&J for Construction Management in an amount not to exceed $1,781,000, and changes to the contract not to exceed $200,000;
5. Authoring purchase of office equipment for the project in an amount not to exceed $20,000;
6. Approving a change order to the designer, Earth Tech, for additional design services in an amount not to exceed $140,000;
7. Approving a contract with Earth Tech for construction support in the amount of $175,000, and changes to the contract not to exceed $50,000;
8. Authorizing payments to Caltrans not to exceed $4.15 Million for right of way costs.

ATTACHMENTS Resolution Bid Summary Project Budget and Estimated Costs
B. PROJECT DESCRIPTION

At its June 25, 2003 meeting, Council certified the Environmental Impact Report (EIR) for the Forester Creek Improvements, CIP 2002-21. Final plans and bidding, right of way takes, resident and business relocations, and structure demolition have now been completed.

The proposed project widens and revegetates a one-mile stretch of Forester Creek, between Mission Gorge Road and Prospect Avenue, to contain the 100-year flood within the channel banks. The current channel is between 85 feet and 110 feet in width. The proposed project consists of an earthen channel varying in width from 180 feet to 380 feet, which will maximize infiltration to improve water quality. The downstream portion of the channel is to be protected from erosion with use of a soil stabilization material and lining under the Mission Gorge Bridge. A trash collection and energy dissipation structure will be placed at the upstream end of the channel to reduce water velocity and further improve water quality. Enhancement of the channel with the planting of fresh water marsh and southern willow scrub is provided.

Additionally, lengthening of the Mission Gorge Bridge by 123 feet is required to pass the 100-year flow under the bridge. The project includes an eight-foot wide paved bikeway on the south-side of the channel from Prospect Avenue to Mission Gorge Road. A landscaped "mini-park" bike rest area is provided near Prospect and will include picnic tables and interpretative signage with information on the native flora and fauna.

Also included is the demolition of the undersized Via Zapador bridge and replacement with a new bridge at Olive Lane, in accordance with the City's new Circulation Element and in conjunction with the SR 52 project (which will eliminate the link between Via Zapador and Atlas View Drive). The new bridge extends Olive Lane southward to a signalized intersection at Prospect Avenue and Argent Street. This will improve traffic circulation by providing a more efficient link between Mission Gorge Road and Prospect Avenue to serve as an alternate to Cuyamaca Street.

This project will protect over 40 single family residences, 130 mobile home units, 96 apartment units and several businesses from the floodway and/or floodplain, including the Rollerskateeland complex, Goodyear Tire, Al's Sport Shop, and the former Southland Envelope site.

Construction Contract

Eleven Contractors were pre-qualified to bid on the project. The project was advertised for a January 2005 bid; however, all prospective bidders dropped out just days prior to the bid citing concerns regarding unknown risks associated with possible additional requirements of the Regional Water Quality Control Board as well as the relocation of other agencies' utilities. Staff met with contractors and made revisions to plans to address these concerns. The plans were re-advertised in May 2005.

On July 14, 2005, four bids were received and opened, with a low of $23,190,000 and a high of $24,172,883. The low bid was submitted by Archer Western and was 24.1% higher than the most recent Engineer's estimate of $18,677,783. The difference between the high and low bid was only 4.2%. An in depth analysis of the bids revealed that the bid price was higher than the Engineer's estimate due mostly to increased prices for steel and concrete related bid items. Other agencies have recently experienced similar bid cost increases which have been reported to be a result of increased material costs for items such as steel, concrete and fuel. Given the bids varied by a maximum of 4.2%, it is staff's opinion that the bids received are competitive and reflect the actual costs to perform the work and that re-bidding would not result in a lower cost.
Staff and the City Attorney have reviewed the bid submitted by Archer Western and have concluded that it is complete and accurate and meets all standards for acceptance. Staff recommends award of the contract to Archer Western in the amount of $23,190,000.

Staff requests authorization to approve contingency construction change orders up to $1,000,000, which is 4.3% of the total project cost. Given the cost of the project, this additional authorization is requested to ensure that delays do not occur in processing and approving change orders, if needed. If the cumulative total of change orders exceeds $1,000,000, staff will return to City Council for further approval.

**Construction Administration/Support**

Given the size, length and complexity of the project, it is necessary to hire a Construction Administration firm to provide full time testing, inspection and management of the construction. Early this year, the City published a request for qualifications for construction administration firms and received six responses. Four firms were selected as the most qualified and were asked to provide proposals. The four firms were interviewed by a panel consisting of representatives from the City, Caltrans and the design engineer’s staff. PBS&J was selected as the most qualified firm due to their extensive experience managing similar projects. After selection, Council authorized a contract with PBS&J for $98,985 to perform pre-construction services for the project, plus $6598 in staff authorized change orders. Additional services in the amount of $55,000 are required of PBS&J as a result of the re-advertisement of the bid, to assist with utility relocations, and to prepare documents for the Caltrans pre-award audit. Staff requests authorization for a change to the PBS&J pre-construction services contract in the amount of $55,000.

PBS&J’s performance on the pre-construction services contract has been excellent. As part of the review of their work, Caltrans conducted a pre-award audit of PBS&J’s accounting procedures and hourly rates, as required by Federal Aid regulations. For the construction management of the entire project, Staff has negotiated a scope of services with a fee not to exceed $1,781,000. Staff requests Council authorization for a consultant contract with PBS&J for an amount not to exceed $1,781,000. Staff additionally requests authorization to approve changes to the consultant contract not to exceed $200,000 for additional work that may be required to manage construction.

PSB&J will have four staff members dedicated to the project and various additional specialists involved as needed. At least one staff member will be located primarily in City offices. The balance of PBS&J’s staff will work from a construction trailer furnished by the contractor. Staff requests authorization to purchase computers, software, telephones, fax machines, service connections and related equipment for staff dedicated to the project. All software and equipment would remain City property for use by City staff after completion of construction. It is estimated that the cost of required items will not exceed $20,000.

**Design Contract Change Order**

Additional services in the amount of $140,000 are needed from the project engineering designer, Earth Tech, including costs to re-bid the project, coordinate relocation of utilities, and prepare floodplain mapping. Additionally, support from the designer will be required during construction which may include clarification or changes of design, review of contractor work, shoring and pre-stressing plans, and review of contractor proposed material substitutions. Staff has negotiated a scope of services for construction support for a fee not to exceed $175,000. Staff requests approval of a change to the existing design contract with Earth Tech in the amount of $140,000, and a new contract for construction services in the amount of $175,000. Additionally, staff requests authorization to approve changes to the construction support contract in an amount not to exceed $50,000, on an as-needed basis.
Right of Way Costs
On December 17, 2003, Council approved an amendment to the Cooperative Agreement with Caltrans for right of way takes which added six parcels to the Agreement increasing the City's obligation to $3.693 Million. The City's share of costs has increased to $4.034 Million as a result of increases in the cost of relocation assistance and associated costs. Additional costs may be incurred as court cases are settled. Staff requests authorization to amend the City's share of right of way costs to not to exceed $4.15 Million.

Additionally, Caltrans and utility owners are obligated to pay certain portions of utility relocation costs. At its June 9, 2004 and November 10, 2004 meetings, Council approved Agreements with Caltrans, Padre Dam, the City of El Cajon, the County of San Diego and SDG&E to share costs of utility relocations. The City will pay for relocations of utilities which are within easements and are required for the Forester Creek project. Caltrans will pay for relocation required for the SR 52 project. Utility owners, the City of El Cajon, County of San Diego, and Padre Dam will pay for relocation of utilities not within easements and betterments to their facilities. These agencies are responsible for an estimated $2.38 Million of the construction cost, as established in executed relocation Agreements. Approximately $471,000 of cost responsibilities of the City of El Cajon are being disputed and will require further action to resolve.

Additional Funding
Due to the bids being higher than expected, there is an approximate $4.5 million shortfall in current funding for the project. It is critical to both Santee and the region that this project goes forward at this time. Delaying the project would result in direct delays to the completion of State Route 52, which is a regionally significant freeway and would also likely result in higher construction costs for Forester Creek itself.

Recognizing this, SANDAG has agreed to provide interim funding for the additional $4.5 million, once it is needed. Given the projected timing of construction, it is expected these funds will not actually be needed for 12 to 15 months (i.e. – late 2006/early 2007). From the point of receipt of these funds, the City will pay low interest only payments to SANDAG until the next Transnet bond issuance is completed in 2008. At that point, the City's portion of annual Transnet payments will go up from our current level of $817,000, to approximately $1.4 million. From this amount we would be obligated to pay back to SANDAG approximately $350,000 per year, based on a 20-year payment schedule, to fully pay back the $4.5 million.

However, before this occurs, the City will be seeking any and all available alternative funding sources to permanently fund the $4.5 million deficit, including Federal and State grants and bond monies for freeway, flood protection and clean water purposes. If the City can achieve these additional funding sources in the next three years, it would alleviate all additional financial obligations to the City.

Documents related to the interim funding to be provided by Sandag will be brought forward to the City Council at a subsequent meeting.
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF Santee, California Awarding the Construction Contract, Authorizing Staff to Approve Construction Change Orders, Approving a Consultant Contract for Construction Management and Testing, and Approving a Change to the Design Contract for Forester Creek Improvements, CIP 2002-21, and Authorizing the Advance and Appropriation of Funds

WHEREAS, the City Clerk, on the 14th day of July, 2005, publicly opened and examined sealed bids for the Forester Creek Improvements, CIP 2002-21; and

WHEREAS, Archer Western was found to be the lowest responsible bidder with their bid amount of $23,190,000; and

WHEREAS, staff requests authorization to approve change orders totaling $1,000,000 which is 4.3% of the total contract amount; and

WHEREAS, additional services in the amount of $55,000 are required for pre-construction services by PBS&J; and

WHEREAS, staff has selected PBS&J as the most qualified construction administration and testing firm and has negotiated a fee in the amount of $1,781,000 and staff requests authorization to approve change orders up to $200,000; and

WHEREAS, staff requests authorization to purchase office equipment and software as need for PBS&J staff dedicated to the project for an amount not to exceed $20,000; and

WHEREAS, additional services in the amount of $140,000 are needed from the designer, Earth Tech; and

WHEREAS, construction support in the amount of $175,000 is needed from the designer, Earth Tech and staff requests authorization to approve change orders up to $50,000; and

WHEREAS, the City’s share of right of way costs for properties acquired by Caltrans have increased to $4.034 Million and staff requests authorization to make payments to Caltrans not to exceed $4.15 Million; and

WHEREAS, additional funding in the amount of $4.5 Million is needed to complete the project.
NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Santee, California, that the construction contract for the Forester Creek Improvements, CIP 2002-21, be awarded to Archer Western for the amount of $23,190,000 and the City Manager is authorized to execute the contract on behalf of the City; and

1. That staff has authorization to approve change orders totaling $1,000,000; and

2. That a contract with a PBS&J for construction administration and testing in the amount of $1,781,000 be approved and the Deputy City Manager is authorized to execute the contract on behalf of the City and approve change orders not to exceed $200,000; and

3. That a change to the pre-construction services contract with PBS&J in the amount of $55,000 be approved; and

4. That staff has authorization to purchase office equipment and software as needed for the project for an amount not to exceed $20,000; and

5. That a change to the design contract with Earth Tech in the amount of $140,000 be approved for costs to re-bid the project, coordinate utility relocation and provide floodplain mapping; and

6. That a contract with Earth Tech for construction support in the amount of $175,000 be approved and the Deputy City Manager is authorized to execute the contract on behalf of the City and approve change orders not to exceed $50,000; and

7. That payments to Caltrans for joint right of way acquisitions be increased up to $4.15 Million; and
ADOPTED by the City Council of the City of Santee, California, at a regular meeting thereof held this 28th day of September 2005, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

RANDY VOEPEL, MAYOR

ATTEST:

LINDA A. TROYAN, CITY CLERK
City of Santee
COUNCIL AGENDA STATEMENT

MEETING DATE April 22, 2009

ITEM TITLE RESOLUTIONS OF THE CITY COUNCIL OF THE CITY OF Santee
REQUESTING AN AMENDMENT TO THE 2008 REGIONAL TRANSPORTATION
IMPROVEMENT PROGRAM FOR TRANSNET LOCAL STREET IMPROVEMENT PROJECTS
FOR THE CITY OF Santee FOR FISCAL YEARS 2009 THROUGH 2013 AND
REQUESTING SANDAG, ACTING AS THE SAN DIEGO COUNTY REGIONAL
TRANSPORTATION COMMISSION TO PROVIDE ADVANCED FUNDING THROUGH DEBT
FINANCING FOR THE FORESTER CREEK IMPROVEMENTS PROJECT (CIP 2002-21)

DIRECTOR/DEPARTMENT Jim O’Grady, Interim Director of Development Services
Tim K. McDermott, Director of Finance

SUMMARY

This item requests that the City Council adopt the attached resolutions to 1) amend the City’s list
of projects to be completed through TransNet funding for Fiscal Years 2009 through 2013 as the
result of the swap of American Recovery and Reinvestment Act ("ARRA") federal stimulus funds
for additional TransNet funds, and 2) authorize an advance of TransNet funding in an amount
not to exceed $3,950,000 for the Forester Creek Improvements Project.

(see attached staff report)

FINANCIAL STATEMENT

$918,000 in additional TransNet funding will be received in exchange for the federal stimulus
(ARRA) funds. The repayment of TransNet funds advanced to the City through the commercial
paper borrowing program will be made from a portion of the City’s annual TransNet revenues.
Repayment will ultimately be accomplished by rolling the outstanding amount into a long-term
bond issued by SANDAG.

CITY ATTORNEY REVIEW □ N/A √ Completed

RECOMMENDATION

Conduct and close the public hearing. Adopt the attached resolutions approving an
amendment to the 2008 Regional Transportation Improvement Program for TransNet local
street improvement projects for fiscal years 2009 through 2013 and requesting SANDAG to
provide advanced funding through debt financing for the Forester Creek Improvements project.

ATTACHMENTS
Staff Report
Resolutions (with attachments)
STAFF REPORT

A. Amendment to the 2008 Regional Transportation Improvement Program

The American Recovery and Reinvestment Act (ARRA) of 2009 included funds for local agency transportation projects. At its March 27, 2009 meeting, the SANDAG Board approved a plan to replace ARRA funds allocated to Cities with TransNet funding. The TransNet funding has fewer restrictions and administrative requirements.

The City of Santee’s allocation of funding is $918,000. Staff recommends that the following project be added to the Regional Transportation Improvement Program for TransNet projects for Fiscal Years 2009-2013:

SNT12 – Major Street Rehabilitation and Improvements

The proposed project includes major pavement rehabilitation on Mission Gorge Rd. from Fanita Dr. to the Post Office, and on Magnolia Ave. from Mast Blvd. to Second St. Should additional funding become available, staff recommends additional pavement rehabilitation be conducted on Magnolia Ave. from Mast Blvd. to El Nopal and on Mission Gorge Rd from Big Rock Rd. and West Hills Pkwy.

B. TransNet Funding Advance – Forester Creek Improvements Project

On September 28, 2005 the City Council approved a resolution awarding the construction contract for the Forester Creek Improvements project. The State Route 52 extension project, a critical and regionally significant freeway project necessitated the need for moving forward with the Forester Creek Improvements project. Without the Forester Creek project being completed the SR 52 extension would not have been able to proceed. At the time of the award of the Forester Creek Improvements contract a $4.5 million funding shortfall was identified. The City planned to seek any and all available alternative funding sources to permanently fund this shortfall, including a variety of federal and state grants for freeway, flood protection and clean water purposes. SANDAG agreed to provide interim funding of $4.5 million through its TransNet commercial paper program as needed. Should insufficient alternative funding sources be obtained the City could then use our TransNet funds as the permanent funding source through a long-term bond issue by SANDAG.

The City has pursued numerous options to cover this gap, which as the result of project cost savings is now down to $3.95 million. The City has temporarily borrowed from
various City funds to cover this shortfall while pursuing numerous funding alternatives. Staff now recommends that the City Council authorize the use of the SANDAG commercial paper program to borrow against future TransNet revenues to eliminate this shortfall.

In accordance with SANDAG board policy the repayment of the principal amount of commercial paper borrowing is to be completed within five years of an agency's receipt of the proceeds. We have requested (with approval from SANDAG staff) an exception to the five-year repayment period in order to receive sufficient TransNet revenues (after debt-service obligations) to enable the City to continue to invest in other local street projects such as the ongoing Street Repair and Rehabilitation program. Based upon a capacity analysis (Attachment A) it was determined that a ten-year repayment period would allow the City to meet its debt obligations and receive enough annual TransNet funds to continue with such local street improvement projects. Under a ten-year repayment period the total debt service payment for each of the next three years would be approximately $177,750, leaving more than $1 million in available TransNet revenues for other projects each of the next three years.

The City has an option to roll the outstanding commercial paper balance into a long-term bond issue during the repayment period. Staff recommends that the City utilize this option and roll the outstanding amount into the next SANDAG long-term bond issue, which is currently estimated to occur in 2011.
RESOLUTION NO. 008 – 2009

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE REQUESTING SANDAG, ACTING AS THE SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION, TO PROVIDE ADVANCED FUNDING THROUGH DEBT FINANCING FOR THE FORESTER CREEK IMPROVEMENTS PROJECT (CIP 2002-21)

WHEREAS, SANDAG, acting as the San Diego County Regional Transportation commission, is responsible for the administration of programs under the TransNet Extension Ordinance (Proposition A, November 2004), which sets forth permitted uses for revenues from the ½ cent transactions and use tax in San Diego County (TransNet Extension Program); and

WHEREAS, to accelerate the implementation of TransNet tax funded projects, SANDAG has established a commercial paper program to provide advanced funding for eligible projects under the TransNet Extension program; and

WHEREAS, SANDAG Board Policy No. 31, Rule #16 requires that an agency receiving proceeds from the TransNet commercial paper program shall be responsible for its proportionate share of the ongoing interest and related administrative costs from the date the proceeds are received until the principal amount of the loan is fully repaid; and

WHEREAS, the following project(s) being implemented by the City of Santee have been approved by SANDAG through the TransNet Extension Program of Projects included in the 2008 Regional Transportation improvement Program and would benefit from the availability of funding:

FORESTER CREEK IMPROVEMENTS which requires an amount of three million, nine hundred-fifty thousand dollars ($3,950,000) in debt financing.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Santee, California as follows:

1. That the City Manager is hereby authorized to request advance funding from SANDAG through the commercial paper program in an amount not to exceed three million, nine hundred-fifty thousand ($3,950,000) dollars.

2. That the City Manager is hereby authorized to execute any necessary documents relating to the receipt of said funds from SANDAG, including but not limited to a Memorandum of Agreement in substantially the same form as attached to this Resolution (Attachment 1).

3. That the City of Santee will be responsible for paying its proportionate share of the annual interest and administrative costs of the commercial paper program based on the ratio of the amount of financing provided to the City of Santee compared to the total commercial paper outstanding for each fiscal year.
RESOLUTION NO. 008 – 2009

4. That SANDAG will deduct said interest and administrative costs from the monthly TransNet tax allocations for the City of Santee prior to remitting any remaining TransNet tax proceeds for projects of the City of Santee.

5. That the City of Santee will repay to SANDAG the principle amount borrowed according to the Payment Schedule that will be attached to the proposed MOA.

6. That the first priority use of the City of Santee annual allocation of TransNet revenues shall be payment of the principle amount borrowed according to the Payment Schedule and any administrative costs and interest due. The City of Santee agrees not to subordinate SANDAG’s lien on the TransNet revenues to any other claim upon these funds.

7. That the City of Santee agrees to indemnify, hold harmless, and defend SANDAG, the San Diego County Regional Transportation Commission, and all officers and employees thereof against all causes of action or claims related to projects financed through funding provided under this MOA.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 22nd day of April 2009, by the following roll call vote to wit:

AYES: JONES, MINTO, RYAN

NOES: NONE

ABSENT: DALE, VOEPEL

APPROVED:

BRIAN W. JONES, VICE MAYOR

ATTEST:

PATSY BELL, CMC, INTERIM CITY CLERK

Attachment: Attachment 1 – Memorandum of Agreement (MOA) with SANDAG
MEMORANDUM OF AGREEMENT
BETWEEN SAN DIEGO ASSOCIATION OF GOVERNMENTS, ACTING AS THE SAN
DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
AND THE CITY OF Santee
REGARDING DEBT FINANCING THROUGH THE TRANSNET PROGRAM

This Memorandum of Agreement ("MOA") is made and entered into effective as of this _____ day
of _____________, 2009, by and between the San Diego Association of Governments, acting as the San
Diego County Regional Transportation Commission ("SANDAG") and City of Santee (City).

RECITALS

The following recitals are a substantive part of this Agreement:

WHEREAS, SANDAG serves as the San Diego County Regional Transportation Commission,
and in that role is responsible for the administration of programs under the TransNet Extension Ordinance
(Proposition A, November 2004), which sets forth permitted uses for revenues from a ½ cent transactions
and use tax in San Diego County (TransNet Extension Program); and

WHEREAS, in order to accelerate the implementation of TransNet tax funded projects, SANDAG
has established a commercial paper program for short term debt financing program to provide advanced
funding for eligible projects under the TransNet Extension program; and

WHEREAS, SANDAG Board Policy No. 31, Rule #16 requires that an agency receiving proceeds
from the TransNet commercial paper program shall be responsible for its proportionate share of the
ongoing interest and related administrative costs from the date the proceeds are received until the
principal amount of the loan is fully repaid; and

WHEREAS, the City wishes to borrow three million, nine hundred-fifty thousand dollars
($3,950,000) from the TransNet Extension program for the Forester Creek project; and

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

AGREEMENT

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

SANDAG AGREES:

1. To lend City three million, nine hundred-fifty thousand dollars ($3,950,000) through debt financing
for the Forester Creek project from the TransNet Extension Program subject to certain conditions
set forth below and SANDAG Board Policies concerning TransNet Extension Program loans.
2. SANDAG will transfer the funds to the City within 30 days following execution of this MOA.

THE CITY AGREES:

1. The governing body of City at its April 22, 2009, meeting approved the request to borrow three million, nine hundred-fifty thousand dollars ($3,950,000) through debt financing using SANDAG’s commercial paper program for Forester Creek project.

2. The City agrees to use the funding provided under this MOA solely for the Forester Creek project.

3. The City will pay its proportionate share of the annual interest and administrative costs from the date the proceeds are received until the principal amount of the loan is fully repaid.

4. Repayment of the principal amount shall commence within three years of the receipt of the proceeds and shall be completed within ten years. Repayment of the proceeds will be accomplished by rolling the outstanding amount into a long-term bond issued during the ten year repayment period if the opportunity for the conversion exists and is agreed to by SANDAG. In such case, the City would be responsible for its proportionate share of the bond issuance costs and annual debt service costs.

5. The repayment of debt, in all cases, is the first priority on the use of the City's annual TransNet revenues. The City agrees not to subordinate SANDAG’s lien on the TransNet revenues to any other claim upon these funds. The amounts to be deducted and the terms of repayment (if appropriate) are estimated and set forth in the Repayment Schedule, which is Attachment A hereto.

6. The City agrees to indemnify, hold harmless, and defend SANDAG, the San Diego County Regional Transportation Commission, and all officers and employees thereof against all causes of action or claims related to projects financed through funding provided under this MOA.

THE PARTIES MUTUALLY AGREE:

1. That all obligations of SANDAG under the terms of this MOA are subject to the appropriation of the required resources by SANDAG and the approval of the SANDAG Board of Directors.

2. Any notice required or permitted under this MOA may be personally served on the other party, by the party giving notice, or may be served by certified mail, return receipt requested, to the following addresses:

   For SANDAG  
   401 B Street, Suite 800  
   San Diego, CA 92101  
   Attn: Director of Finance

   For the City of Santee  
   10601 Magnolia Ave.  
   Santee, CA 92071  
   Attn: Director of Finance

3. That unless it is amended by the parties in writing, this MOA shall terminate on June 30, 2019 or on such earlier or later date as the parties may agree to in writing.

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

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

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

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

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

10. This MOA may be executed in any number of identical counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument when each party has signed one such counterpart.

11. This MOA may be executed and delivered by facsimile signature, and a facsimile signature shall be treated as an original.

IN WITNESS WHEREOF, the Parties hereto have executed this MOA effective on the day and year first above written.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

GARY L. GALLEGOS
Executive Director

APPROVED AS TO FORM:

Office of General Counsel

CITY OF SANTÉE

KEITH TILL
City Manager

APPROVED AS TO FORM:

City Attorney
## Santee $3.95M Commercial Paper Capacity Analysis

### 10 Year Scenario

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### Notes:

1. Assumes other project expenditures from the TransNet Extension program will fully utilize available balance after D/S obligation.
2. Estimated revenues based on January 2009 projections for the next 5 years, updated on an annual basis.
3. Years 6 through 10 (FY15 through FY19) are not part of the 5 year projection, therefore Estimated Allocations for year 5 (FY13) are used.
## Ten-Year Scenario

<table>
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<tr>
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<td>(564,286)</td>
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<td>(564,286)</td>
<td>(564,286)</td>
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<td>CP Principal Repayment</td>
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<td>$-</td>
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</tbody>
</table>

### Notes:

1. Assumes other project expenditures from the TransNet Extension program will fully utilize available balance after debt service obligation.
2. Estimated revenues based on January 2009 projections for the next five years, updated on an annual basis. Assumes 100% of estimated revenues are programmed for Congestion Relief projects. The City has no projects programmed for Maintenance.
3. Years six through ten (FY15 through FY19) are included in the five year projection, therefore Estimated Allocations for year five (FY14) are used.
4. The ten year repayment analysis results in an estimated cost of $1,162,781.
5. The City repayment of CP principal to begin 3 years after the initial borrowing, which is an option per Rule #16 of SANDAG Board Policy No. 031.
6. Interest repayments are calculated at 4.5% for the capacity analysis, but are paid based on actual costs. This includes interest costs and the City’s proportionate share of CP program fees.
TRANSPORTATION COMMITTEE

June 19, 2009

AGENDA ITEM NO.: 8

Action Requested: DISCUSSION/POSSIBLE ACTION

TRANSIT IMPEDIMENTS STUDY

File Number 4000101

Introduction

In November 2007, the Board of Directors certified the Final Environmental Impact Report (FEIR) and approved the 2030 Regional Transportation Plan (RTP). Shortly thereafter, SANDAG and several interested parties entered into a settlement agreement which identified studies to be completed by SANDAG in preparation for the 2050 RTP (Settlement Agreement). The study regarding impediments to public transit is one element of the settlement agreement.

At the April 24, 2009, meeting, the Board of Directors was given an overview of the Transit Impediments Study. The Board accepted the study for public distribution and referred it to the Transportation Committee for review of the alternatives identified in the report.

Discussion

Background

As stipulated in the Settlement Agreement, the Transit Impediments Study includes a discussion of: (1) all known and reasonably foreseeable financial impediments to maintaining long-term transit service levels throughout San Diego County; (2) all known and reasonably foreseeable impediments to maintaining long-term public transit ridership throughout San Diego County; and (3) all known and reasonably foreseeable recurring sources (i.e., not one-time sources) that provide, or can provide, funding to cover for operational expenses for public transit throughout San Diego County. As set forth in the Settlement Agreement, the discussion of each transit impediment included in the report should be considered as a set of possible alternatives that SANDAG could implement in order to overcome impediments identified in the report, increase and maintain service levels, and increase and maintain funding for operational expenses to the fullest extent possible. The Settlement Agreement calls for the Board to consider implementation of the alternatives in the study within 60 days after issuance of the final report. The Board’s consideration of such alternatives is scheduled for the June 26, 2009, Board meeting.

Study Alternatives

Key elements of the draft Transit Impediments Study report (Attachment 1) are highlighted below:

- Chapter 1 provides an introduction to the study.
• Chapter 2 spells out known financial impediments, providing an overview of the relationship between transit costs and revenues, along with a description of federal/state/local recurring funding sources and the issues that impede the use of these funds to sustain operations.

• Chapter 3 focuses on impediments to maintaining long-term ridership, providing information on recent market research and outlining strategies that can help maintain ridership.

• Chapter 4 discusses the TransNet Extension Ordinance and the flexibility to cover transit operations through reallocation of resources. At the April 24, 2009, meeting, Board members raised concerns about shifting highway and local roads funding to transit operations and its possible impact on voter trust with the TransNet measure that was approved.

• Chapter 5 outlines possible new funding sources at the regional and local level based on financing strategies that have been used elsewhere in the United States. Attachment 2 provides further details on these alternatives relative to potential funds generated, implementation authority, approval requirements, geographic applicability, and ease of administration.

• Chapter 6 outlines possible new funding sources at the federal and state level. It should be noted that consideration is being given with the new federal surface transportation authorization to allow flexibility for transit agencies to be able to use a portion of their federal funds for operations.

Further study of these alternatives will be made as part of the proposed Quality of Life initiative and development of the 2050 Regional Transportation Plan.

Public Comments

To date, there have been several requests for copies of the Transit Impediments Study (it is available on the SANDAG Web page), but no formal comments have been submitted. Staff will update the Transportation Committee and Board of Directors on any comments received.

Next Steps

Based on input from the Transportation Committee, along with public comments, the Board of Directors will consider potential implementation of the study alternatives at the June 26, 2009, meeting.

BOB LEITER
Director of Land Use and Transportation Planning

Attachments: 1. Draft Transit Impediments Study Report
2. Summary of Potential Regional and Local Revenue Sources for Transit Operations

Key Staff Contacts: Dave Schumacher, (619) 699-6906, dsc@sandag.org
                José Nuncio, (619) 699-1908, jnu@sandag.org
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SECTION 1: INTRODUCTION

In November 2007, the SANDAG Board of Directors certified the Final Environmental Impact Report (FEIR) and approved the 2030 Regional Transportation Plan (RTP). Shortly thereafter, SANDAG and several interested parties entered into a settlement agreement that identified studies to be completed by SANDAG in preparation for the 2050 RTP.

Transit Impediments Study Contents

The study regarding impediments to public transit is one element of the 2030 RTP Settlement Agreement (“Settlement Agreement”). The purpose of the study is to identify and analyze:

i. All known and reasonably foreseeable financial impediments to maintaining long-term transit service levels throughout San Diego County

ii. All known and reasonably foreseeable impediments to maintaining long-term public transit ridership throughout San Diego County

iii. All known and reasonably foreseeable recurring sources (i.e., not one-time sources) that provide, or can provide, funding to cover funding for operational expenses for public transit throughout San Diego County

Each of these topics is addressed in the report. The study describes both the financial and ridership factors that inhibit greater use of public transit, and includes alternatives that will be considered by the SANDAG Board of Directors after receiving public input. Alternatives were developed through the analysis of both existing and potential funding sources, while ridership alternatives were developed around opportunities stemming from recent survey data and planning activities associated with the SANDAG Coordinated Plan 2008–2012.

Processing Requirements and Study Review

This report was completed and posted on the SANDAG Web site within 12 months after the execution of the Settlement Agreement, signed by all parties on April 30, 2008. Per the Settlement Agreement, the SANDAG Board of Directors shall consider implementation of the alternatives at a public meeting to be held not more than 60 days after issuance of this report.

Identification of Transit Funding Needs

The determination of transit funding needs for operations and maintenance is an important first step in evaluating the financial impediments to maintaining long-term transit service levels in San Diego County. Significant changes have been made to the region’s transit systems in recent years that have resulted in improved system cost-effectiveness and service levels in the urban core areas that have strong transit-supportive land uses. However, these improvements also have added costs. The 2030 RTP calls for a major investment of $7 billion for the region’s existing transit system,
representing 42 percent of the $17 billion in funds dedicated to transit projects and services in the 2030 RTP. Much of this increase would be invested in existing bus and rail services in key travel corridors in order to provide 15-minute or better all-day service and to provide ongoing transit capital maintenance and rehabilitation needs.

Although funds are set aside for ongoing transit operations and maintenance, there is not enough money to meet the growing need. The region’s voters have approved TransNet, a sales tax measure devoted to transportation, which includes funds for maintenance and operations of the existing transit system, however, these funds alone cannot keep pace with demand. Furthermore, state funds normally used for transit operations and maintenance such as the State Transit Assistance (STA) program recently have been diverted to fund other state programs.
The lack of adequate dedicated and predictable sources of revenue for operations and maintenance is not the only major obstacle to expanding transit ridership; in recent years it has become a significant problem with each annual budget just to maintain existing transit operations. Among the dozens of local, state, and federal programs that target funding for various aspects of transportation, most are set aside for capital, many for only highway capital and operations, and only a few provide funding for transit operations. Compounding this problem are the increased costs and declining revenue now facing the transit agencies.

**Background**

A general overview is provided here of the relationship between transit costs and revenues, while a detailed description of federal, state, and local recurring funding sources is included in the following discussion. The graph in Exhibit 1 below tracks transit fixed-route operating costs (including administration and overhead) for the San Diego region from FY 1998 through FY 2007 and compares those costs to the Transportation Development Act Funds (TDA) and TransNet transit operations funds received in the region during the same period.

**Exhibit 1**

Transit Operating Revenues VS Costs and Service Provided

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<td>06</td>
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- **Total Operating Costs**
- **TDA Revenues**
- **TransNet Revenues for Operations**
This exhibit shows that these two sales tax-based revenue sources have failed to keep pace with the costs of transit operations, and largely as a result of external factors (such as fuel and insurance) costs continued to climb even as the service provided, in terms of revenue miles, remained almost unchanged. According to the Metropolitan Transit System (MTS) and North County Transit District (NCTD) TDA Article 4.0 claims, the cost of operating fixed-route services, including administrative costs, grew by nearly $107 million during the ten-year period from $153.7 million in FY 1998 to $260.4 million in FY 2007. Over this same time period, TDA, the largest single subsidy source for transit operations grew by approximately $59 million, or approximately 89 percent. In June 2003, the SANDAG Board of Directors amended the TransNet Ordinance to increase the allowable share of TransNet transit funds for operations from 20 percent to 40 percent. Exhibit 1 shows the increase in available TransNet funds for operations beginning in FY 2004. During this time period and due in part to the TransNet Ordinance amendment, the TransNet revenues available for operations grew from about $9.6 million in 1998 to about $32.6 million in 2007. However, an annual gap of $16 million remained in the transit operating budgets to be filled by other revenue sources, including fares and diversion of capital funds.

Exhibit 2 shows the cost components of fixed-route operations. The transit agencies have attempted to control costs, but due to external events the agencies have limited control over many cost categories. As would be expected, labor is by far the largest component of those costs, accounting for approximately 48 percent of the operational costs. While it is a significant component of the costs, the relative proportion has decreased from 1998, when it accounted for more than 58 percent of the cost. On the other hand, components such as fuel and other energy, purchased transportation, and liability have increased from approximately 42 percent to 52 percent of the total.

**Exhibit 2**

<table>
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<tr>
<th>Regional Fixed Route Cost Components FY 1998-2007</th>
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<td><strong>Fiscal Year</strong></td>
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The graphic in Exhibit 3 shows the relative make up of the revenues used for funding the two transit agencies’ operations over the same 10-year period.

Exhibit 3

Regional Fixed Route Operating Revenues
FY98-FY07

Fares  TDA  TransNet  STA  Federal  Other

In the early years depicted in this graphic, in excess of 45 percent of the costs of operations were paid through the farebox, among the highest in the transit industry. As costs increased over time, the regional farebox recovery ratio could not be sustained, falling to 35 percent in FY 2007. This situation was one of the main reasons MTS conducted a Comprehensive Operations Analysis (COA) in order to gain more riders and cut non-performing services. NCTD is preparing to undertake a similar operations analysis. In addition, MTS has consolidated transit operators and contracts, which has achieved considerable cost savings. As a result of these efforts, the MTS average farebox recovery increased to 42 percent as of December 2008.

For the most part TDA grew as a percentage of the total budget through FY 2001, but started declining in FY 2002. It became necessary for the transit agencies to assemble funding plans that included, most notably, diverting an increasing amount of federal funds normally used for capital replacement to operations. In 1998 the transit agencies used approximately $12 million (36%) of their $33 million combined federal formula apportionments for operations. In 2007 the transit agencies reported using nearly $37 million in federal funds for operations. Their combined apportionment totaled $63 million, meaning that 52 percent of these federal apportionments were used for operations. This resulted in the deferral of capital replacement. (It should be noted that the federal funds identified above as used for operations could have included minor amounts of discretionary funds from the federal Department of Homeland Security or from the Federal Transit Administration Jobs Access and Reverse Commute programs, which make the total federal contribution in FY 2007 slightly greater than referenced here.)
Exhibit 2 does not fully show how complicated the funding picture is for transit agencies. Year to year, the transit boards come up with new combinations of revenues and constantly monitor system productivity to balance their budgets. More recently, FY 2008 sales tax revenues actually have declined due to the economic downturn. TransNet receipts declined by 1.4 percent and TDA went down 1.42 percent. FY 2009 appears to be even more challenging as TransNet revenues are projected to decline 4 percent for the year, and TDA apportionments have been reduced 4.96 percent. These declines are coming in a period of serious economic decline for most segments of the economy throughout the country, and so transit is experiencing effects similar to other industries.

MTS and NCTD have both taken proactive steps during the FY 1998–FY 2007 period to enhance productivity. NCTD completed its “Fast Forward” effort that looked at the system in place and revamped it to provide greater quality and more cost-effective service. More recently, MTS undertook its COA with an eye on the same goals. Both of these agencies believed that they had achieved systems that could be sustained with known revenues at that time. The recent trends described above continue to raise the concern of potentially deferring capital replacement needs in the future, which could affect operating costs as the agencies deal with more equipment and vehicle needs.

Recurring Funding Sources

The analysis of recurring funding sources includes all known and reasonably foreseeable sources that provide or can provide funding to cover operational expenses for public transit throughout San Diego County. This includes local, state, and federal sources of recurring funding:

- TransNet
- State Transit Assistance (STA)
- Transportation Development Act (TDA)
- FTA Section 5307 Urban Area Formula Funds
- FTA Section 5309 Fixed Guideway Modernization
- FTA Section 5310 Elderly Individuals and Individuals with Disabilities
- FTA Section 5311 Non-Urbanized Area Formula Funds
- FTA Section 5316 Jobs Access and Reverse Commute (JARC)
- FTA Section 5317 New Freedom

**TransNet**

Since 1988, TransNet, the half-cent sales tax for local transportation projects, has been instrumental in expanding the transportation system, reducing traffic congestion, and advancing critical transit projects. In November 2004, 67 percent of the county’s voters approved a 40-year extension of TransNet, which is expected to generate an additional $14 billion for public transit, highway, and local street and road improvements.
After off-the-top deduction of commitments for certain oversight, administration, and bicycle/pedestrian programs, 16.5 percent of the annual TransNet revenues are to be used for transit purposes, either capital or operating, with 94.25 percent of the 16.5 percent allocated by population to the transit operators. Also, 2.5 percent of the 16.5 percent goes to the transit agencies to aid in complying with the Americans with Disabilities Act (ADA), and 3.25 percent of the 16.5 percent is reserved for a competitive program to provide transportation services for seniors.

In addition, 8.1 percent of annual TransNet revenues (after off-the-top deductions) are set aside for operating costs of specific new services developed with capital investment from the TransNet Major Corridors program.

Increases in the annual apportionments to the transit agencies are subject to limitations on cost increases in cost per revenue vehicle hour and revenue vehicle mile as compared to the Consumer Price Index for San Diego County. The 8.1 percent is limited to the new services specifically identified in the TransNet Expenditure Plan.

Issues That Impede the Use of These Funds to Sustain Operations

The 2004 TransNet Extension measure attempts to help resolve the problem with finding monies to operate expanded transit service. The difficulty lies in projecting the costs over a 40-year period. It is necessary that growth of the TransNet sales tax keep up with inflation to ensure that the new service is operated through the end of the measure. Moreover, since many of the new services are still being developed, the funds will be spent on an as-needed basis, leading to unspent balances until the new services go into operation.

State Transit Assistance

In February 2009, the State Transit Assistance (STA) program (Senate Bill [SB] 620, as amended) was suspended through FY 2013 by the state. Previously, this program was the only ongoing source of state funding for day-to-day transit operations. For MTS and NCTD, this means the elimination of more than $20 million in funding for transit operations in the most recent budget year. In the past, the STA program was derived from the Public Transportation Account (PTA) and provided a source of operating and capital funding for transit operators. The PTA was funded primarily from sales tax on gasoline and diesel.

Beginning with FY 2008–2009, SB 717 (Chapter 733, Statutes of 2007) continuously authorized the transfers of sales tax revenue derived from the sale of motor vehicle fuels to the Transportation Investment Fund (TIF) to be distributed as follows: 20 percent to the Public Transportation Account, 40 percent to the State Transportation Improvement Program (STIP) and 40 percent to cities and counties for road maintenance and construction. This codified the Proposition 42 funding formula into law.

Within STA, 25 percent is allocated for transit capital (also part of the STIP) projects, 37.5 percent is allocated to regional transit entities according to a population formula, and the remaining 37.5 percent is allocated to regional entities to be allocated in turn to individual operators proportionately based on a revenue formula. STA funds may be used for operations provided that the transit agency’s costs do not increase at a greater rate than the Consumer Price Index (with exceptions for extraordinary costs such as fuel and liability insurance).
The State Controller is required to issue estimates of STA funds to be allocated to each regional entity by January 10 of each year. As the successor agency to the Metropolitan Transit Development Board, MTS retained its predecessor’s status within the TDA as a transportation planning agency and therefore receives its allocation directly from the State without SANDAG approval. However, holding no such legislative designation, NCTD receives its population and revenue formula-based share through SANDAG.

Issues That Impede the Use of These Funds to Sustain Operations

It is unclear whether or not this funding source will reemerge in the future. While it has been completely eliminated for the time being, this funding source was very susceptible to raids by the Legislature and the Governor in the past. Proposition 42 (2002) and Proposition 1A (2008) were both voter-approved initiatives which placed limitations on using these funds to supplement the state general fund. However, neither measure addressed what has been called the Spillover Account, which in simple terms, is the amount of sales tax that is attributable to spikes in fuel prices over and above increases in the prices of other commodities. Beginning with the FY 2008 budget year, the Governor’s budget included the cost of home school transportation and the debt service on previously sold transportation revenue bonds as “mass transportation” costs, and the courts have upheld this interpretation.

Transportation Development Act

The Mills-Alquist-Deddeh Act (SB 325) was enacted by the California Legislature to improve existing public transportation services and encourage regional transportation coordination. Known as the Transportation Development Act of 1971, this law provides funding to be allocated to transit and non-transit related purposes that comply with regional transportation plans. The TDA provides two funding sources including the STA described previously and the Local Transportation Fund (LTF), which is derived from a quarter cent of the general sales tax collected statewide. The State Board of Equalization, based on sales tax collected in each county, returns the general sales tax revenues to each county’s LTF.

TDA comprises the largest source of subsidy for the San Diego region’s transit operators. TDA funds may be used for a wide variety of transportation programs, including planning and program activities, pedestrian and bicycle facilities, community transit services, public transportation, and bus and rail projects. Providing certain conditions are met, counties with a population under 500,000 also may use the LTF for local streets and roads, construction, and maintenance.

Issues That Impede the Use of These Funds to Sustain Operations

TDA funds are sales-tax based and their growth relies totally on the growth of the economy. Short-term projections of sales tax receipts rely on different, more immediate factors than the trend-based long-term revenue projections. SANDAG recently developed a new financial model to better predict short-term sales tax receipts, as these revenues often are subject to fluctuations dependent on short-term economic conditions. Projecting new growth to expand service and increase ridership based on the existing tax would be too unreliable. In order to meet new needs, an increased tax rate would be likely required.
Federal Transit Administration Section 5307 Urbanized Area Formula Program

The Urbanized Area Formula Program makes federal resources available to urbanized areas for transit capital and operating assistance in small urbanized areas and for transportation-related planning. An urbanized area is an incorporated area with a population of 50,000 or more that is designated as such by the Bureau of the Census.

For medium and large urbanized areas such as San Diego County, the Section 5307 program does not provide assistance for operating costs such as operator salaries and overhead, but based on the need to maintain federally funded assets, this program enables transit agencies to use their Section 5307 apportionments to pay the cost of maintaining those assets. The provision, called Preventive Maintenance, allows the transit operators to recover up to 80 percent of their total maintenance costs from this source. This provision is applicable to all modes; however, use of these funds for this purpose is likely to be at the expense of funding ongoing capital needs, such as bus and other equipment replacements.

Two other special provisions under Section 5307 may be employed to direct these capital funds toward operations: the Capital Cost of Contracting and ADA Services provisions. Capital Costs of Contracting allows the transit agencies to use the Section 5307 funds to pay a portion of costs of operating contracts based on the amount of capital being provided by the contractor. The proportions vary based on the type of contract and whether the contractor provides vehicles. The transit agencies may pay up to 80 percent of the ADA operating contracts with Section 5307 funds instead of using those funds for ongoing capital needs.

Congress authorizes a multiyear federal surface transportation measure approximately every six years along with the other surface transportation programs under the Department of Transportation. The most recent authorization entitled, Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) authorized federal programs for FY 2005 through FY 2009. Based on annual levels established in the authorizing legislation, Congress then appropriates funds for FTA programs.

Urbanized Area Formula Program funds appropriated by Congress then are apportioned annually by FTA. Funds apportioned by FTA under the Urbanized Area Formula Program remain available to the recipient for four fiscal years—the year of the apportionment plus three additional years.

SANDAG is the designated recipient of the 5307 funds and apportions these funds to the transit agencies after a small portion, currently about $2.5 million, is set aside for SANDAG planning purposes. SANDAG policy has been to allocate 70 percent of the remaining funds to MTS and 30 percent to the NCTD.

Issues That Impede the Use of These Funds to Sustain Operations

As previously noted, these funds may only be used for Preventive Maintenance and certain operating contracts; however, this is not the limiting factor with regard to their use to offset operational needs. Both agencies could likely use all or nearly all of their respective apportionments toward operations through Preventive Maintenance, Capital Cost of Contracting, and ADA Services provisions. The agencies, while using substantial amounts of the Section 5307 funds for this purpose, have found it necessary to reserve certain amounts to pay the cost of ongoing capital replacement needs. Therefore, the primary obstacle is that these funds are insufficient for their needs.
Also, there is an inherent aspect in the federal formula under Section 5307 that exacerbates the problems of increased costs and reduced passenger revenue miles. The Section 5307 funds are distributed based in part on service provided (passenger revenue miles). The transit agencies annually prepare operating statistics for the National Transit Database. Some of those statistics then are used in the formula for apportionment. The statistics from one year will affect the distribution of funding two years later. As the transit agencies have to cut service to accommodate decline in other funds, their relative share of the national program also could be cut. In recent years, when the region’s agencies have seen cuts in service, the overall federal apportionment has been increased sufficiently to mask the impact these service cuts. Conversely, increases in service in one year can increase the regional share two years later.

Cost-effectiveness as in cost per revenue mile is another part of the formula that could have a negative impact. As costs rise in San Diego disproportionately with other areas in the country, the cost per revenue mile rises and the regional share also is impacted.

Another obstacle to the use of these federal funds for operations/increasing ridership is that the federal funds come with certain restrictions that could affect the costs for which they are used. Very specific bidding and procurement requirements are applied to operations-type contracts. As previously noted, however, the San Diego transit agencies have not let those requirements deter them from using the federal funds for Preventive Maintenance. Preventive Maintenance is limited to just maintenance and not other direct operating costs such as driver salaries, support, and administration.

Regardless, choosing between operations or capital presents a dilemma—more dollars for operating purposes means less for capital. In order to overcome the greatest obstacle, Congress would have to increase the amount authorized for this program. Currently, SAFETEA-LU is set to expire on September 30, 2009, and Congress is expected to begin work on a new authorization in the coming year. Of course, our Congressional leaders also face the obstacle of too little funding as the Federal Highway Trust Fund that includes the Mass Transit Account is virtually depleted of revenues. This is because the federal gas tax that goes into the Trust Fund has not been increased since 1997. The cost of maintaining existing infrastructure has outstripped the growth in revenues. The advent of more fuel-efficient vehicles, while perhaps falling short of the goal, has nonetheless exacerbated the problem with the Trust Fund insufficiency. Congress will be reviewing its options for enhancing or replacing the gas tax as a dedicated funding source for surface transportation programs with the next authorization.

**Federal Transit Administration 5309 Fixed Guideway Modernization**

This federal formula program is available to fixed guideway agencies with systems in operation for at least seven years. The term “fixed guideway” refers to any transit service that uses exclusive or controlled rights-of-way or rails, entirely or in part. The term includes heavy rail, commuter rail, light rail, trolleybus, aerial tramway, inclined plane, cable car, automated guideway transit, ferryboats, that portion of motor bus service operated on exclusive or controlled rights-of-way, and high-occupancy-vehicle (HOV) lanes. Called 5309 Rail Mod, these program funds must be used only for fixed guideway projects including Preventive Maintenance. These funds require a non-federal match of 20 percent to the federal 80 percent contribution.
Like Section 5307 funds, Fixed Guideway Modernization funds are authorized under SAFETEA-LU and are appropriated annually by Congress. FTA apportions these funds to the regions based on a complicated tiered formula using factors of revenue miles and route miles, and SANDAG apportions these funds directly to MTS (70%) and NCTD (30%).

**Issues That Impede the Use of These Funds to Sustain Operations**

The obstacles identified with the 5309 Rail Mod funds are almost identical to those related to Section 5307 funds:

- Cuts in service could result in reduced share of the total available at the national level.
- Preventive Maintenance is limited to just maintenance and not other direct operating costs, such as operator salaries, support, and administration.
- Congressional action would be needed to change the use of these funds for other operating costs, but historically, Congress has not favored operating assistance for large urbanized areas.
- Any funds used for Preventive Maintenance would not be available for capital replacement.
- The Rail Mod Program is funded from the Mass Transit Account of the Federal Highway Trust, which is approaching insolvency.

In addition, the application of these funds is more limited. While Section 5307 funds are available for any transit mode, Rail Mod funds only may be used for “fixed-guideway” systems.

**Federal Transit Administration Section 5310 Formula Funds for Service to Elderly Individuals and Individuals with Disabilities**

The goal of the Section 5310 program is to improve mobility for elderly individuals and individuals with disabilities throughout the country. These funds are included in this discussion as a potential source of operating revenues. The states are the direct recipients of these funds and the state implementing agencies, usually the transportation departments, determine how the funds may be used: capital and/or operations. The State of California has to date used these funds solely for capital, but that decision may be changed.

The states receive these funds on a formula basis, and the State of California through the actions of Caltrans and the California Transportation Commission (CTC) distributes them on a competitive basis.

The primary recipients of these funds are non-profit agencies that provide transportation for elderly individuals and the developmentally challenged; however, public transit agencies may apply if they can show that no nonprofits are readily available to provide service for which the capital funds are requested. In the past, nonprofit agencies have contracted with MTS and NCTD to provide required ADA services. These agencies successfully applied to the state for the purchase of vehicles using the Section 5310 funding. This then has helped hold down the cost of the contract service. Projects for new ADA services have competed well statewide.
Issues That Impede the Use of These Funds to Sustain Operations

The targeting of these funds to nonprofit agencies is the biggest obstacle for using these funds for public transit operations. The transit agencies cannot be certain, when they procure an operator for ADA services, that the nonprofit agency is the most qualified or most cost-effective choice. Like most FTA programs that are run through the state, this program provides a very small amount of funding, which if used for operations would bring with it the federal procurement and operating requirements. Moreover, like the other federal programs, the Section 5310 program is subject to reauthorization. There are some questions whether these smaller targeted programs will continue under a new authorization measure.

Federal Transit Administration Section 5311 Non-Urbanized Area Formula Funds

FTA apportions these funds for non-urbanized areas to the states according to a statutory formula based on each state's population in rural and small urban areas (under 50,000 population). In California, Caltrans apportions the Section 5311 funds to counties on a rural population basis. SANDAG in turn also apportions the regional funds to MTS and NCTD based on their relative rural populations according to the most recent decennial census. NCTD receives 59 percent of the funding and MTS receives 41 percent. These funds may be used for operations requiring a dollar-for-dollar match. They may be used for capital at an 80/20 federal to non-federal ratio.

Issues That Impede the Use of These Funds to Sustain Operations

These funds, like the Section 5310 program, make up a very small percentage of the transit budgets. However, their availability has enabled the agencies to provide some rural services that might not otherwise be possible. The funds cannot be used for urban or suburban transit services, so elimination of rural services also would mean the loss of this funding source. Like the other FTA programs, the Section 5311 program is subject to the next authorization measure, and like the other programs, it is unknown if and in what form the program would continue.

Federal Transit Administration Section 5311(f) Intercity Bus Program

A subsidiary program under the Section 5311 program, the Section 5311(f) program was created to help provide an intercity bus transportation system designed to address the intercity bus transportation needs of the entire state by providing financial assistance for operating, capital, and/or planning grants that support three national objectives:

- To support the connection between non-urbanized areas and the larger regional or national system of intercity bus service;
- To support services to meet the intercity travel needs of residents in non-urbanized areas; and
- To support the infrastructure of the intercity bus network through planning and marketing assistance and capital investment in facilities.

This program, while discretionary, is included in this list of recurring sources because the region's two transit agencies have been somewhat successful in obtaining these funds to support rural operations and capital needs.
**Federal Transit Administration Section 5316 Jobs Access and Reverse Commute Program**

The goal of the Job Access and Reverse Commute program (JARC) is to improve access to transportation services to employment and employment-related activities for welfare recipients and eligible low-income individuals and to transport residents of urbanized areas and non-urbanized areas to suburban employment opportunities.

This program provides financial assistance for transportation services planned, designed, and carried out to meet the transportation needs of eligible low-income individuals and of reverse commuters regardless of income. The program requires coordination of federally-assisted programs and services in order to make the most efficient use of federal resources. The formula for JARC funds is based on the number of eligible low-income and welfare recipients in urbanized and rural areas. The region may use up to 10 percent of the JARC funds for planning, administration, and technical assistance.

JARC funding is allocated by formula to states for areas with populations below 200,000 persons, and to designated recipients for areas with populations of 200,000 persons and above. SANDAG serves as the designated recipient for the San Diego region. SANDAG apportions these funds through a competitive basis. Any projects must be included in the 2008-2012 Coordinated Plan, which serves as the federally mandated locally-developed transit and human service transportation plan.

To broaden the applicability of this program, the sources for matching funds are expanded. While most FTA programs must be matched with non-federal funds, the JARC funds may be matched with other federal funds as long as that match does not come from other Department of Transportation sources. This encourages coordination with other programs such as those funded by the Department of Health and Human Services.

The JARC funds may be used for operating at a 50 percent share or for capital at an 80 percent JARC share. While social service agencies are eligible for these funds, MTS and NCTD have been the largest recipients in the region and have used them principally for operations.

**Issues That Impede the Use of These Funds to Sustain Operations**

Like all of the other FTA sources, there are significant limits on the use of these funds. It remains to be seen if specialized federal programs will remain in the next authorization.

**Federal Transit Administration Section 5317 New Freedom Program**

The New Freedom Program is authorized in SAFETEA-LU to support new public transportation services and public transportation alternatives beyond those required by the Americans with Disabilities Act (ADA) of 1990. Specific eligible projects include:

- Increases or enhancements related to geographic coverage, service quality, and/or service times that impact availability of transportation services for individuals with disabilities as a result of the New Freedom projects implemented in the current reporting year;

- Additions or changes to environmental infrastructure (e.g., transportation facilities, sidewalks, etc.), technology, and vehicles that impact availability of transportation services as a result of the New Freedom projects implemented in the current reporting year; and
• Actual or estimated number of rides (as measured by one-way trips) provided for individuals with disabilities as a result of the New Freedom projects implemented in the current reporting year.

SANDAG, as the designated recipient of these funds, distributes them on a competitive basis. MTS and NCTD may receive these grants, but nonprofit agencies also may compete and receive their funding as subrecipients of SANDAG or the transit agencies. New Freedom Program service is defined as any service or activity that was not operational on August 10, 2005, and did not have an identified funding source as of August 10, 2005, as evidenced by inclusion in the Transportation Improvement Plan (TIP) or the STIP. In other words, if not for the New Freedom Program, these projects would not have consideration for funding, and proposed service enhancements would not be available for individuals with disabilities.

Issues That Impede the Use of These Funds to Sustain Operations

These funds have been targeted at expanding a very specialized service. The funds are clearly targeted at increased ridership in a small segment of the population, but they are not available for expanding general purpose transit ridership.

Summary of Recurring Funding Sources

In summary, there are very few funding options for transit operations. Legislators and funding agencies have shown a desire to fund capital improvements, leaving the cost of operations to the local entities. Moreover, the few sources available come with restrictions and/or are targeted toward addressing the needs of certain populations. Only TDA and portions of TransNet transit operating revenues have meaningful flexibility to allow the transit operators to apply them as needed.

SANDAG has worked to inform state and federal legislators of the importance of identifying resources to fund existing and expanded transit ridership. Board members and executive management joined coalitions of regional agencies, our transit agencies, and the California Transit Association to fight the elimination of STA funds. Board members and executive management have testified in Congressional hearings and outreach sessions as to the importance of public transit to the region; however, this effort cannot be achieved without a public consensus on the priority for transit funding.

In addition, when the voters approved the TransNet Extension in 2004, they approved a provision that required that SANDAG pursue an additional sales tax measure to fund long-term habitat conservation plans in the San Diego region. Originally required to be on the ballot by 2008, the SANDAG Board of Directors approved an amendment to the TransNet Extension Ordinance to extend the deadline two years from 2008 to 2010. The Board also directed staff to explore other “quality of life” areas in need of additional funding, including shoreline preservation, water quality improvements, and public transit improvements. As part of the current FY 2009 work program and proposed FY 2010 work program, SANDAG is continuing to evaluate the timing and viability of a new funding measure, including the need to find a reliable funding source for public transit.
SECTION 3: IMPEDIMENTS TO MAINTAINING LONG-TERM RIDERSHIP

The discussion in this section focuses on understanding the impediments to maintaining long-term ridership, both in terms of factors affecting systems development (design elements of new transit services and facilities) and those affecting systems management (the efficiency and effectiveness of the existing transit system).

Discussion

Three major efforts conducted in recent years are discussed below that highlight impediments affecting transit ridership:

- MTDB TransitWorks market research study done in 2000
- SANDAG Transit Public Opinion Survey conducted in 2008
- SANDAG 2008–2012 Coordinated Plan

In addition, two other SANDAG efforts involving an update to the regional transportation model and development of new transit technologies in the region are highlighted.

Metropolitan Transit Development Board TransitWorks Study

In 2000, the San Diego Metropolitan Transit Development Board (MTDB, now known as MTS) undertook a market research approach for its TransitWorks\(^1\) Long-Range Strategy. At the core of the MTDB long-range strategic plan effort was the belief that San Diego’s transit system should deliver services that individual travelers desire. Market segmentation was seen as a powerful tool to understand and respond to the needs of transit customers.

The market research identified the attitudinal factors that influence a person’s decision on modal choice—that is, their decision whether to drive or use transit. Two of these factors—sensitivity to one’s personal travel experience and one’s need for flexibility and speed—proved to be the key components in segmenting the San Diego market into six discrete groups of travelers. The results produced useful insights into traveler’s sensitivity to certain variables based on which group they belonged to. The highlights (organized by transit attribute) include:

- **In-Vehicle Travel Time** – This measure was found to be an important factor in the decision on whether to use transit, although riders making a commute trip were found to be more sensitive to this variable than the riders making a non-commute trip. Therefore, long in-vehicle travel times, when compared to a similar auto trip, are seen as a significant ridership impediment for commuters.

\(^{1}\) The complete study can be found at http://www.sandag.org/uploads/publicationid/publicationid_1430_9421.pdf.
• **Wait Time for Transit** – Similar to in-vehicle travel time, the wait time for transit was found to be a strong disincentive for commute trips. However, it was no more burdensome than in-vehicle travel time on average non-commute trips.

• **Walk Time** – Walk time reflects the walk times to and from a transit stop. The study found the sensitivity to transit walk times was similar to the sensitivity for walk times between an auto parking location and the work destination.

• **Time Spent Searching for Parking** – The study found that respondents on a commute trip also were found to be more sensitive to time spent searching for parking than respondents on a non-commute trip.

• **Transfer Penalty** – A transit rider’s sensitivity to transferring between transit routes is significantly higher than in-vehicle travel time, suggesting that minimizing the transfers and/or transfer wait time can have a strong impact on ridership.

• **Cost of Travel** – Cost was not seen as a significant variable in the study and sensitivity to fares was not particularly strong within any of the market segments studied. Additionally, the two segments of travelers with the highest average income were those also willing to pay for a higher quality of service if in-vehicle travel times and wait and walk times are competitive with a similar auto trip.

• **Seat Availability** – Seat availability was found to have a minor impact on the attractiveness of transit.

• **Automobile Ownership** – The lack of auto ownership was found to be a significant indicator of higher transit use as would be expected. However, access to an auto was not, in and of itself, a deterrent to transit use. Rather, the decision on whether to use transit is dependent upon the effect from the other factors discussed above as well.

The TransitWorks study process also highlighted the critical role that land use plays in determining transit ridership. Areas with transit-supportive land uses enhance passenger access to transit stations and make transit a more convenient option. Lower density auto-oriented land uses, on the other hand, make it difficult to provide transit in a convenient and cost-effective manner.

Overall, the TransitWorks process showed that the transit market is not one-dimensional in nature, but rather that the different rider types respond differently to the various factors discussed above. Through a solid understanding of the types of riders that may use a particular bus, Trolley, or COASTER service and careful attention to the service design, the ability of that service to attract and retain riders can be enhanced.

**2008 Public Opinion Survey**

The 2008 Public Opinion Survey\(^2\) undertaken by SANDAG was aimed at better understanding travel preferences of both existing and potential transit riders. The results of the study discuss the factors that influence the likelihood of riding transit, including the degree to which these factors can influence both current ridership and interest in riding in the future (providing a greater level of

detail than the previous TransitWorks analysis). These factors also were designed to take into account the specific transit service types in the region including COASTER, Trolley, and bus.

The study identified nine factors that were seen as the most important transit impediments influencing existing ridership and 11 factors influencing someone’s interest in future ridership. While the factors are not ranked and the survey does not assess how difficult the factors are to change, the study does quantify how changing someone’s perceptions of these factors can increase their likelihood to ride transit. For example, it might be easier and less costly to invest in a marketing campaign that persuades potential riders that the Trolley is less stressful than the car than to make operational changes that build more stations so people have more access. While the study identifies important factors, transit experts (planning, operations, and marketing) need to assess the factors in practical terms as well.

**Table 1**
Factors Influencing Existing Riders - By Transit Service Type

**Bus Predictors**
- Ability to travel to desired locations
- Feeling safe
- Having service available when needed

**Trolley Predictors**
- Attended special events in the past
- Ability to travel to desired locations
- Having service available when needed
- Reducing stress
- Ability to get to destination on time
- Having flexibility to travel when needed
- Avoiding traffic

**COASTER Predictors**
- Ability to travel to desired locations
- Attended special events in the past
- Avoiding traffic

The same analysis was undertaken to determine the important variables in a person’s interest in riding transit in the future. Under this scenario, 11 variables were seen as the most important factors impedining future transit use as shown in the following table.
Table 2
Factors Influencing Interest in Future Riders - By Transit Service Type

**Bus Predictors**
- Avoiding traffic
- Feeling safe
- Having clean and comfortable vehicles

**Trolley Predictors**
- Feeling comfortable with someone else driving
- Considers themselves an environmentalist
- Ability to access multiple destinations
- Ability to get to destination on time
- Avoiding traffic
- Feeling safe
- Having clean and comfortable vehicles
- Reducing stress

**COASTER Predictors**
- Ability to travel to desired locations
- Feeling safe
- Attended special events in the past
- Considers themselves an environmentalist
- Avoiding traffic

**SANDAG Coordinated Plan**

The 2008-2012 Coordinated Plan includes a detailed evaluation of transit and social service operational deficiencies in the region. Two important components regarding ridership impediments are included in the report: operational deficiencies based on transit service statistics (Chapter 4), and service gaps and deficiencies based on a geographic analysis of access to transit (Chapter 7).

The evaluation of transit data stems from the regional performance evaluation program included in the 2008–2012 Coordinated Plan. This program provides a tool to annually assess the overall health of the regional public transit system. Detailed demographic data were collected to assess the transportation needs of multiple groups and the corresponding transit and social service transportation network to meet their daily needs. Additionally, specific demographic sub-groups were evaluated (including low-income persons, seniors, and disabled individuals) since these groups have a greater likelihood of being transit dependent.

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3 The complete report and appendices can be found at www.sandag.org/coordinatedplan.
To date, the 2008–2012 Coordinated Plan has been utilized to fund several projects proposed to fill the transportation gaps discussed in the plan based on the following identified deficiencies:

- Lack of transit or social service transportation in various areas or neighborhoods of San Diego County (based on empirical mapping techniques)
- Lack of transit or social service transportation in various areas or neighborhoods of San Diego County with associated threshold densities (based on empirical mapping techniques)
- Absence of a centralized ride scheduling and dispatching center
- Lack of service to the rural areas
- Limited coordination among transit and social service agencies
- Minimal weekday or weekend service
- Lack of low-cost non-emergency medical transportation

This Plan is updated on an annual basis to monitor changing passenger needs, evolving demographics, and changes in transit service levels. The Plan provides an important tool in monitoring the performance of the existing system and indicating areas of improvement that could improve system efficiency both in terms of the rider convenience and cost effectiveness.

**Regional Travel Model**

The degree to which the market research and travel behavior survey results discussed above can be incorporated into the SANDAG regional travel demand model can help improve the transit ridership forecasts used in long-range planning studies and plans. SANDAG modeling staff currently is moving towards the next generation of a forecasting model involving an Activity-Based Model approach that will be able to use data from the TransitWorks and Public Opinion Survey to develop a more sophisticated set of variables in forecasting transit ridership, including:

- Perception of the various rail and bus transit modes
- Use of transit for different travel purposes
- Socioeconomic characteristics, such as car ownership, income, household size, worker status, age, gender, and education
- Travel Time
- Transit Fares
- Transit Access to Desired Locations

In the context of planning decisions, the new model also is expected to be capable of better answering policy questions such as: how to optimize the use of congestion pricing; how to optimize use of Managed Lanes; and how to evaluate benefits of transit-oriented development. In addition to being used for travel forecasts for development of the RTP and transportation corridor studies,
the model will be used for transportation modeling requests made to the SANDAG Service Bureau by cities, counties, other governmental bodies, and private sector clients across the region.

**Technology Enhancements**

There is a strong role that technology can play in improving transit operations and rider information. SANDAG completed deployment of the Regional Transit Management System (RTMS) in 2006 which provides the countywide infrastructure needed to track vehicles and deliver customer information. The RTMS is a sophisticated communications system that uses satellites to provide transit system performance, vehicle diagnostics, and life/safety emergency information.

In addition, in the last two months, SANDAG completed installation of the first set of digital message signs at several transit centers in the region as part of a longer-term plan to provide real-time transit information to passengers. The signs use cell phone technology to communicate to the RTMS network and convey real-time information about the arrival/departure status of buses serving a particular stop. This information is based on schedule deviation and the bus' current location. In the future, SANDAG will explore solutions that enhance the bus arrival prediction to include delays from traffic impacts.

Other technology enhancements include development of transit priority treatments to reduce delays for transit buses, including signal priority measures that can extend green lights if a bus is behind schedule, queue jump lanes, and dedicated transit lanes on both local arterials and freeways. These measures can both reduce transit travel times and improve schedule reliability.

**Conclusions on Impediments to Maintaining Long-Term Ridership**

The discussion above indicates that maintaining long-term ridership for public transit is more complex than simply adding more resources for the regional transit system. Rather, improvements to transit can involve both systems development (how to best allocate new resources to transit) and systems management (how to better manage the existing system in order to maximize its efficiency and effectiveness). Focusing efforts in both arenas are needed to improve the attractiveness of transit to both existing and potential riders.

Systems development improvements involve the use of a variety tools to better design future rail, bus rapid transit/rapid bus, and local bus services. The TransitWorks research and the Public Opinion Survey note the importance in better understanding the transit travel markets that will be served by new services, and designing those services with the specific attributes that will attract those market segments. Those attributes range from service frequency and travel time to the vehicle and station amenities. Improvements being made to the SANDAG regional travel model will assist in this effort by incorporating many of these market research elements to better forecast potential ridership.

Systems management improvements entail the use of various tools to explore ways, on an ongoing basis, for improving the effectiveness of existing resources devoted to public transit. The technology improvements discussed above offer the potential to improve the performance of the existing system and passenger convenience with investment in relatively low-capital cost improvements. Information from the 2008–2012 Coordinated Plan helps identify existing needs that, if overcome, would improve the quality of the system for current riders and lead to increased attractiveness to potential riders. The market research and public opinion survey also provide valuable information that can be used to better tailor existing transit market outreach efforts to reach those market segments that could be attracted to transit.
Finally, it should be recognized that public transit is only one component of a multimodal approach to transportation solutions that are geared toward giving people better choices. We have all seen what happened to use of public transit when fuel prices went up - we now understand better the variety of ways that we pay to drive our automobiles (e.g., vehicle license fee, insurance, maintenance costs, etc.) Behavioral economics needs to be part of this discussion in order to make the overall transportation system function efficiently.
SECTION 4: FINANCIAL IMPEDIMENTS - REALLOCATION OF EXISTING FUNDING SOURCES - TransNet EXTENSION ORDINANCE

In addition to the impediments detailed in Section 3, this section discusses funds that are not typically applied to transit but may be applied depending on their guidelines or bylaws. One such resource is the TransNet Extension Ordinance and the various programs and funding streams associated with it. This section evaluates the flexibility of TransNet funds to cover transit operations expenses where reallocated dollars could be reprogrammed to help maintain existing transit services in TransNet project corridors as an interim step until budgets return to prior FY 2008 levels.

Background

Excluding administrative expenses, oversight, and funds for the bicycle/pedestrian/neighborhood safety program (approximately 3%), the TransNet Extension Ordinance includes a set-aside dollar amount comprising 8.1 percent of revenues collected to operate new transit services developed by the TransNet Major Corridors program. These new services are identified in the TransNet Extension Ordinance and include the Mid-Coast Corridor transit project, the Super Loop, and Interstate 15 Bus Rapid Transit (I-15 BRT), among others.

At this time, the region is conducting an analysis to compare the updated cost estimates to operate all new services identified in the TransNet Extension Ordinance with the anticipated revenues from TransNet and to provide a reassessment of the program’s financial ability to operate these new services. If these funds were to be designated to fund existing transit operations, it would put the budget capacity in jeopardy to fund the new transit project operations as envisioned in the program approved by the voters. This also would also impact the potential for federal Full Funding Grant Agreements as evidence of adequate operations funds is a requirement for competition. Any proposal to redirect funding from the 8.1 percent program to transit operations for the existing network would require an amendment to the TransNet Extension Ordinance with two-thirds approval from the SANDAG Board of Directors, acting in its role as the San Diego County Regional Transportation Commission.

It should be noted that changes to the scope of work of the TransNet program, including the elimination, addition, or substitution of capital projects also requires an amendment to the TransNet Extension Ordinance. This amendment also would require approval by a minimum of two-thirds of the SANDAG Board of Directors. It should be noted that the elimination of the Mid-Coast Corridor transit project from the program would require a vote by the people, because it was a remaining project from the original TransNet measure.

At this time, the region has embarked on the development of several new transit services: I-15 BRT, South Bay BRT, Mid-City Rapid Bus, the Super Loop, and the Mid-Coast Corridor project. Another option the SANDAG Board of Directors has is to delay the implementation of these projects and shift the capital funds to operations. While delaying implementation of a project does not require an amendment to the TransNet Extension Ordinance, diversion of capital funds to operations would require an amendment. And, as with the discussion above, the amendment would require a two-thirds of the board to approve the change (and in the case of the Mid-Coast Corridor transit
project, a vote of the people). All major transit capital projects are included within the Major Corridors element of the program.

Beyond shifting existing TransNet transit operating or capital dollars, other potential reallocated sources involve highway, local streets and roads, bicycle/pedestrian/neighborhood safety, and Environmental Mitigation Program (EMP) funds. All of these sources would require a two-thirds vote of the SANDAG Board of Directors, with the exception of the EMP, which would require a vote of the people. These sources are described in more detail below:

**Highway Funds**

There are few strictly highway program projects in the TransNet Extension Ordinance. Most “highway” projects include elements that provide benefits to transit operations. An example is the I-15 Managed Lanes, which includes Direct Access Ramps to I-15 BRT stations. Nonetheless, if the SANDAG Board of Directors were to eliminate or down-scope a capital project, the requirement would be similar as that for a transit capital project, with a required two-thirds approval from the SANDAG Board of Directors to amend the TransNet Extension Ordinance. The Major Corridors program currently receives 38 percent of the revenues collected. All major highway capital projects are included within the Major Corridors element of the program. It should be noted that, like the Mid-Coast Corridor transit project, completion of the eastern ends of State Route (SR) 52 and SR 76 could not be eliminated without a vote of the people.

**Local Streets and Roads Program**

One part of the TransNet program that could be used for transit operations without an Ordinance change is the Local Streets and Roads program. However, it has not been the practice of the 18 cities and the County of San Diego to apply any of their 29.1 percent of the funds from TransNet to transit operations. Eligible activities include, in addition to street, road, and transportation facility improvements, operating support for local shuttle and circulator routes and other services. Therefore, a shift of these funds to transit operations would not require an amendment to the TransNet Extension Ordinance.⁴

**Bicycle, Pedestrian, and Neighborhood Safety Funds**

The Bicycle, Pedestrian & Neighborhood Safety Program receives an off-the-top 2 percent allocation of the TransNet revenues collected. A change in the amount received by this program would require a two-thirds approval by the SANDAG Board of Directors through an amendment to the TransNet Extension Ordinance.

**Environmental Mitigation Program**

The Environmental Mitigation Program (EMP) included in the TransNet Extension Ordinance provides funding for mitigation needs of the Major Corridors program as well as local street and road projects. The 6.2 percent of the funds collected through TransNet are set-aside for the large scale acquisition and management of critical habitat areas and to create a reliable approach for funding mitigation required for future transportation projects. Amendments to the TransNet Extension Ordinance regarding this program would require a vote of the people.

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⁴ Any jurisdiction could decide to spend their funds on transit operations without a TransNet amendment. However, a change in the formula dictating how the 29.1 percent funds are shared amongst the cities would require a TransNet amendment.
Beyond the reallocation of TransNet, several other funding sources were evaluated based on the feasibility of these sources to fund transit operations. These sources would potentially offer new revenue and not allocate existing revenue away from existing programmed projects, as is the case with reallocating TransNet dollars.

**Quality of Life Funding Initiative**

The creation of a Quality of Life funding measure is a potential option to increase available dollars for transit operations. A challenge to implementing this initiative as a tax would be that, contrary to the last approval where it merely was extending an existing tax, this measure would be new tax. Additionally, the current economic crisis may constrain the opportunity to advance an additional measure. Therefore, before the region embarks on asking the voters for an increase, careful assessment of priority issues for the voters should be made.

Among the priorities being evaluated is funding for dedicated transit operations, funding for additional transportation capital improvements, and funding for other quality of life areas, such as open space, habitat acquisition, water quality improvement projects, sand replenishment at local beaches, and others. An increase, however, would provide the region with the greatest amount of flexibility and stability as the revenues would be controlled regionally. A new sales tax also would create a new source of revenue to supplement existing sources. It also should be noted that a Quality of Life measure could be implemented through exercising one or several of the alternatives offered below.

**Increased Transit Fares**

Increasing transit fares is one way to increase revenue for transit operations. Since 2007, SANDAG periodically has increased fares upon request by the transit agencies. In addition, SANDAG has developed a Regional Comprehensive Fare Study with the original goal of achieving a single, simplified, equitable structure for both operators. With the current financial constraints facing MTS and NCTD, this goal has been amended also to include how best to maximize transit revenues.

At the same time, it is recognized that there are clear limitations on raising fares, and there are market forces that need to be carefully considered. It should be emphasized that fare increases are not easily accomplished, and that modification to fare policy will not by itself change the dynamics of the situation facing public transit in this region. The Comprehensive Fare Study will be brought to the SANDAG Board of Directors in spring 2009.

**Potential Local and Regional Public Transit Revenue Sources**

Other solutions to finding new sources of money also were evaluated based on their potential application as regional funding measures. These include the creation of assessment districts, levying fees, or taxes, which have been pursued by other regions or in other jurisdictions at the local level. Consideration of these possible solutions and alternatives generates a number of policy questions;
the answers to some of which may require changes in state and/or federal law. These solutions offer ancillary funding streams or could potentially replace the need for a sales tax initiative.

The process to implement the local revenue mechanisms would be dictated to a large extent by the purpose and administration of the funds. As required by Proposition 218, any tax that is collected for a special purpose (e.g., for transportation infrastructure or transit services), as the proposals in this report would be, is defined as a “special tax” subject to the two-thirds voter supermajority approval. Funding mechanisms based on real property that are structured as “fees” to pay for specific improvements or services could be implemented as a simple local city or county regulation. If a portion of these fees exceeds the reasonable cost of these improvements or services, however, then the “fee” would actually be a “tax” subject to a two-thirds voter supermajority approval.

Other Alternative Funding Mechanisms

A number of other alternative funding mechanisms were evaluated and are highlighted below.

**Benefit Assessment Districts**

Benefit Assessment Districts allow a public agency to construct and maintain improvements, such as traffic signals, parks, and others. Project costs are assessed within the boundaries of the designated benefit area of the county or city. Benefit Assessment Districts have several advantages: they tie financing of specific projects to beneficiaries; they allow different levels of infrastructure and services to vary with different demands for these public goods; and they allow an area that wants better infrastructure the ability to fund desired improvements itself. However, there are certain disadvantages. These include potential fragmentation of infrastructure and services, varying between those areas that want to pay for the improvements, and those that do not.

**Parking Assessment Districts**

Parking Assessment Districts would allow the region to assess fees on certain parking spaces within defined areas. A surcharge or fee on parking spaces through Parking Assessment Districts in congested areas, such as downtown San Diego or other major employment centers, would help raise additional revenue and reduce traffic congestion.

**Development Impact Fees for Transit**

Development Impact Fees (DIF) are fees collected by local agencies to grant development permits that are tied to certain infrastructure improvements. The DIF also could be a vehicle to fund regional transportation mitigation projects. An analysis of these options must include recognition that DIFs may be opposed by the development community, as additional fees would increase their cost of doing business. Public agencies also may find it hard to bond against projected DIF revenue, since the revenues materialize only once the development is implemented. Additionally, a nexus study would be required to justify the fees and their relationship between the cost of the transit services provided and the area served.

**Tax Increment Financing Along Transportation Corridors**

Tax Increment Financing (TIF), in contrast to DIFs, is made up of two components. The first is base revenues, which are the property taxes collected based on existing assessed property values. The
second component is the tax increment, which represents the new revenues in excess of the base revenues that are generated based on the higher assessed value of the new development. TIFs can only be imposed by cities and the County, but may be opposed by local agencies as they limit the amount of revenues that are collected in an area positively impacted by the construction of infrastructure, in this case transportation improvements. A mitigating action in the creation of TIFs is that the local agencies could keep the tax increment upon completion of payment of the financing of the transportation infrastructure.

Real Estate Transfer Taxes

Real Estate Transfer Taxes (RETT), also referred as deed recordation taxes, are imposed on the sale or transfer of real property. The fees usually are based on or measured by the consideration paid for or the fair market value of the real estate. Thirty-five states already use RETTs to generate revenue. Some of the uses in other jurisdictions in California and Oregon for revenues derived from RETTs include: affordable housing programs, open space, parkland acquisition and maintenance, and transportation infrastructure. In California, RETTs may be imposed only at the local level by cities and counties. The level of revenues generated depends on the rate, though in the San Diego region the high level of real estate valuations also would influence the amount of revenues. California law allows up to a maximum of $0.55 per $500 of the value of the property being conveyed. There may be some opposition to the imposition of these RETTs precisely because property owner tax bills may be considered high due to these higher property values. RETTs already are collected in San Diego County, and an increase would likely require a two-thirds supermajority voter approval to take the tax level above existing statutory levels.

Property Taxes

Property taxes on land and building values are generally the principal source of revenue for local governments. Portions of local property taxes are authorized widely for use by special districts and authorities, including transit agencies and school districts. Unlike RETTs, property taxes can provide an annual versus one-time funding source for public transit. Traditionally, support for public transportation has been derived from sources other than property tax to avoid competition with other basic public services such as health, education, police, and fire protection. However, with existing sources of transit funding being reduced or eliminated, property tax assessments for transit could provide a valuable tool to reduce the gap between operating costs and revenues.

Vehicle License Fees

Another potential funding source is increased revenues through an increase in annual Vehicle Registration Fees. Assembly Bill (AB) 2766 (Richmond, 1990) allows air districts to set a fee of up to $4 for the registration of vehicles within their jurisdictions. The San Diego Air Pollution Control District (APCD) currently levies a fee of $2 under AB 2766. Other existing legislation, AB 923 (Firebaugh, 2004), allows the APCD to charge an additional $2 for a total of up to $6. The first $4 of these funds typically is used for projects and programs that reduce emissions, including transit services (the Sorrento Valley COASTER Connection services were funded, in part, by the APCD through FY 2008). The additional $2 cannot be spent on transit projects and is limited to Carl Moyer projects, agricultural sources, lower emission school buses, accelerated vehicle retirement, and repair programs.
Section 44225 of the California Health and Safety Code states that a district may increase the fee by having the APCD governing board approve a resolution approving the fee increase and outlining a corresponding program for expenditure. Section 44325 of the Code provides that, “a district may use these funds to enter into, and implement, agreements with agencies which directly provide carpool, vanpool, or other ridesharing or transit services to provide these services.” The County Board of Supervisors sits as the APCD governing board for San Diego County.

**Commuter Benefits Ordinance**

San Francisco currently has an ordinance, which requires businesses with 20 or more workers to offer a commuter benefits program that allows employees to use pre-tax dollars for their commute expenses. Employers benefit from lower payroll taxes. This type of ordinance has the potential to have a direct ridership benefit for the transit agencies while encouraging mode shift in current non-riders. However, this type of program still requires that transit agencies subsidize trips made by pass holders.

**Transit Payroll Tax for Employers**

A transit payroll tax involves a tax imposed directly on the employer based on its gross payroll regardless of whether the employees use transit or not. The Portland, Oregon payroll tax is levied by the Tri-County Metropolitan Transportation District (TriMet) and the Lane County Mass Transit District (LTD). A payroll tax in San Diego potentially could generate more revenue than a commuter benefits ordinance since it could be developed to meet existing budget gaps. While the above example of a commuter benefits ordinance has the advantage of encouraging public transit ridership, this type of payroll surcharge has the potential to cover unsubsidized gaps in operating costs and revenues. SANDAG does not currently have the authority to levy transit payroll taxes.

**Parking Structure User Fees at Premium/Rapid Bus and/or Rail Stations**

Parking structures and other facilities located at premium, rapid bus, and rail stations often are filled to capacity. A potential revenue source would be to establish user fees at these facilities. Care must be exercised to develop a fee structure that does not discourage use of the bus or rail service to the point that it significantly reduces ridership. User fees also can help manage the use of this limited resource – parking space availability.

**Rental Car Fees**

Rental car fees, more commonly found in rental agreements that originate at airports, are levied in jurisdictions across the United States. While these fees are sometimes used to pay for facilities directly associated with the airport (parking structures or new terminals, for example) some jurisdictions levy these fees to pay for facilities that are not associated with airport improvements, such as stadium expansions or renovations. An option is to establish rental car fees that provide funding for transit system operations as mitigation for their contribution to congestion on the local street and highway network. These rental car fees could be extended to rental car agreements originating at locations other than airports. SANDAG does not have the authority to impose rental car fees.
Station Naming Rights

Advertising can provide a source of income with minimal associated overhead costs. Revenues from advertising typically flow directly or indirectly to the operating agencies from single or multiyear advertising contracts. Advertising revenue opportunities can include both electronic and print formats, with print ads opportunities on both buses and at transit stations. Revenue from advertising is typically modest, from 0.1 percent to about 3.0 percent of operating revenue. A targeted advertising strategy focused on station naming rights for new transit services, such as the planned BRT/Rapid Bus stations for example, could present the opportunity to help subsidize operations or maintenance costs at these stations. Any new transit advertising strategy would need to be consistent the SANDAG Board Policy No. 034 on Advertising.
SECTION 6: OTHER POTENTIAL FUTURE FEDERAL/STATE FUNDING OPPORTUNITIES

Beyond possible new regional and local funding sources covered in the previous section, this chapter evaluates potential future opportunities to develop new federal or state funding sources. These include possible changes or new programs in the next federal authorization measure, leveraging of new climate change legislation, public/private partnership opportunities, and transit/social service transportation coordination.

Next Federal Surface Transportation Authorization Measure

SAFETEA-LU is set to expire on September 30, 2009, setting the stage for a new transportation authorization. As in previous authorizations, a step increase in the amount of funding is anticipated. However, it should be noted that federal transit formula funds cannot be used directly for operations of transit services. In order for the new authorization to offer meaningful operations assistance to transit agencies, a dedicated revenue source for transit operations through a set-aside or a revised revenue-collection method that benefits transit operations would need to be included. Increased funds to rehabilitate existing infrastructure would also need to be identified to mitigate the transit agencies' difficult choice to defer preventive maintenance and rehabilitation in favor of operations (preventative maintenance). More money under the existing mechanisms would provide additional funds for capital projects, but additional flexibility in the use of the funds also would be beneficial.

Assembly Bill 32 Scoping Plan - Cap and Trade Options

California is working closely with other states and Canadian provinces in the Western Climate Initiative (WCI) to design a regional cap-and-trade program that can deliver reductions of greenhouse gas (GHG) emissions throughout the region. The California Air Resources Board (CARB) is expected to develop a cap-and-trade program for California that will link with the programs in the other WCI Partner Jurisdictions to create a regional cap-and-trade program. SANDAG will coordinate with CARB to ensure that transit is made eligible to receive credits/allocations through such a program.

Transit Operations and Protection Plan

For state highways, California has a State Highway Operation and Protection Program (SHOPP), which sets aside state transportation funds for the ongoing maintenance of the state's highway system. By state law, these expenditures are given priority over new construction and are funded "off the top" of the State Highway Account before any funding for new construction projects is allocated. A similar program, a local Transit Operation and Protection Program (TOPP), potentially could be created for transit (no such program currently exists).
In order to pursue any of these alternative funding sources, SANDAG would need to commit to the following actions:

- Work with the California Transit Association (CTA), the American Public Transit Association (APTA), and other advocacy groups to ensure that transit operations and maintenance are no longer diverted to other programs and that fund levels are increased over time.

- Determine the feasibility of a TOPP to increase the priority for transit operations and maintenance funds.

- Based on this feasibility analysis, one option may be to develop a local funding source, in conjunction with MTS and NCTD, as part of the potential Quality of Life initiative that will create a TOPP. Another option would be to work with other transit agencies, regional transportation planning agencies, and other Metropolitan Planning Organizations to create a statewide TOPP.

- Continue to work closely with MTS and NCTD to improve transit cost-effectiveness while increasing service along key corridors.

These four options represent “off-the-top” funding alternatives that can help ensure that adequate transit operating funds are identified, prioritized, and programmed into the annual budget process.

**System Coordination and Public/Private Partnerships**

Beginning with a mandate included in SAFETEA-LU, SANDAG now incorporates overall system coordination in the Coordinated Plan. This entails the evaluation of transportation provided by both public transit and social service transportation providers. With the evaluation of social service transportation now part of the overall planning framework, opportunities have begun to arise regarding potential opportunities for social service and public transit coordination. These opportunities have the potential to reduce costs through use of the most appropriate vehicle to fit the service need and through the pooling of maintenance and insurance. Additionally, the Consolidated Transportation Services Agency (CTSA) for the San Diego region, Full Access and Coordinated Transportation (FACT), has successfully received funding under SAFETEA-LU to develop a coordinated approach to regional mobility management. SANDAG manages the CTSA contract and has committed to update the 2008–2012 Coordinated Plan to take full advantage of regional investments in transportation coordination.

Under the 2008–2012 Coordinated Plan, opportunities also may exist for public/private partnerships within the transit system. One potential example of this is first- and last-mile services that provide access to job sites from regional rail and BRT services. Options should be explored where the nonprofit social service or private sector could make use of existing and under-utilized resources (e.g. existing employer shuttles) to provide first- and last-mile service. Care would need to be exercised so that partnerships would not lead to reduced transit ridership due to service and/or fare changes outside regional control.
## Summary of Potential Regional and Local Revenue Sources for Transit Operations

<table>
<thead>
<tr>
<th>Potential Measure</th>
<th>Assumptions</th>
<th>Potential Annual Funds Generated (SM)</th>
<th>Who Has the Authority at the Local Level?</th>
<th>What are the Requirements to Get It Implemented?</th>
<th>Where Can It Be Applied?</th>
<th>Existing Structure In Place or Requires New Structure to Administer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Transportation Sales Tax (^{(1)})</td>
<td>1/4 to 1/2 Cent Sales Tax</td>
<td>$117 - $234</td>
<td>SANDAG</td>
<td>2/3 Voter-Approval</td>
<td>Regional</td>
<td>Existing Structure</td>
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<tr>
<td>Increased Vehicle Registration Fees (^{(2)})</td>
<td>$2 Per Vehicle</td>
<td>$5</td>
<td>County (acting as APCD)</td>
<td>Majority Vote of County Board of Supervisors</td>
<td>Regional</td>
<td>Existing Structure</td>
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<td>Transit Center User Fees</td>
<td>$3 Per Parking Space Fee (Range Based on Existing and Planned Spaces at Park-and-Ride lots)</td>
<td>$1 - $2</td>
<td>SANDAG/ Transit Agencies</td>
<td>SANDAG/ Transit Agency Policy</td>
<td>Regional</td>
<td>Requires New Structure</td>
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<td>Parcel Taxes (^{(3)})</td>
<td>$50 to $100 Per Parcel</td>
<td>$35 - $70</td>
<td>Local Jurisdictions</td>
<td>2/3 Voter-Approval</td>
<td>Local/ Regional</td>
<td>Existing Structure</td>
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<td>Payroll Taxes (^{(4)})</td>
<td>0.34% to 0.66% of all County Wages and Salaries</td>
<td>$175 - $340</td>
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<td>2/3 Voter-Approval</td>
<td>Local/ Regional</td>
<td>Requires New Structure (^{(5)})</td>
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<td>Rental Car Fees (^{(6)})</td>
<td>1% to 5% Fee on Gross Rental Car Revenue</td>
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<td>None Currently</td>
<td>New State Legislation</td>
<td>Local/ Regional</td>
<td>Requires New Structure</td>
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<td>Benefit Assessment Districts</td>
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<td></td>
<td>Local Jurisdictions</td>
<td>Nexus Study and Local Agency Approval</td>
<td>Local/ Regional</td>
<td>Requires New Structure</td>
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<td>Local Jurisdictions</td>
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<td>Development Impact Fees and Exactions (^{(8)})</td>
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<td>Nexus Study and Local Agency Approval</td>
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<td>Community Facilities Districts (^{(9)})</td>
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<td>Approval of Property Owners in District</td>
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<td>Requires New Structure</td>
</tr>
<tr>
<td>Real Estate Transfer Taxes (^{(11)})</td>
<td></td>
<td></td>
<td>Local Jurisdictions (Other than Charter Cities)</td>
<td>Charter Cities</td>
<td>2/3 Voter-Approval (^{(12)})</td>
<td>Local</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Pursuant to Rev. & Tax Code § 72511.1 the cities and the County are capped at 2% aggregate for all local sales taxes. With the current 8.25% state tax rate, there is a maximum available tax rate for the cities and the County of 10.25%. All of the cities and the County have the capacity to add at least another 12% before reaching the maximum. The only area of the state that has exceeded this 2% cap is Los Angeles. This was accomplished via SB 314 (2003), which gave LA County the ability to exclude its transportation sales tax from the 2% limit imposed by § 72511.1.

\(^{(2)}\) Existing legislation (AB 2766) allows the APCD to charge an additional $2 for projects that reduce emissions, including transit services. An additional $2 could be levied but may only be applied to projects such as accelerated vehicle retirement and repair programs (Carl Moyer projects per AB 923).

\(^{(3)}\) Based on the Alameda-Contra Costa Transit parcel tax rate of $96 per parcel (recent 2008 measure doubled existing $48 parcel tax for transit services).

\(^{(4)}\) Wage and salary information from the California Employment Development Department (EDD). Tax range based on the New York MTA rate of 0.34% and Portland's Tri-Met rate of 0.66%. However, Portland does not have a transit sales tax measure.

\(^{(5)}\) Staff is still researching whether existing legislation may allow cities to institute a type of tax known as an "occupation" tax.

\(^{(6)}\) Rental car fees are currently being charged on gross rental car revenues under the California Tourism Marketing Act. These dollars are spent at the state level by the Office of Tourism. Sample rate taken from the New York MTA recent rental car fee at 5% of gross revenues.

\(^{(7)}\) These measures would require more research given the wide range of implementation strategies within each jurisdiction; previous estimates prepared for the 2030 RTP are out-of-date given the significant economic changes that have occurred since then.

\(^{(8)}\) Development Impact Fees could only be applied to transit capital expenses and not operating expenses. Local jurisdictions have the authority under the Mitigation Fee Act.

\(^{(9)}\) Any city can establish a Community Facilities District (CFD) under the Mello-Roos Law. However, it appears that statutes do not currently allow use of CFDs to fund transit services.

\(^{(10)}\) Tax Increment Financing can only be used to capital purchases and cannot be used for operating expenses. Additionally, new state legislation would be required to amend the Community Redevelopment Law.

\(^{(11)}\) Currently the maximum tax is being assessed ($0.55 per $500, which is split evenly with $0.55 per $1,000 for each city and $0.55 per $1,000 for the County). Any additional tax increase for non-charter cities would require new state legislation.

\(^{(12)}\) A charter city can forgo its right to half of this tax (known as a "conforming tax"), and subsequently can levy a "nonconforming tax" in its place. There does not appear to be a limit on the amount a charter city can charge for a so-called nonconforming tax. Current examples of this practice vary and are as high as $15 per $1,000 in Berkeley and Oakland to $1.10 per $1,000 in...
FY 2010 TDA/TransNet BICYCLE, PEDESTRIAN, AND NEIGHBORHOOD SAFETY/TRAFFIC CALMING FUNDING RECOMMENDATIONS

Introduction

Each year, the SANDAG Board of Directors allocates Transportation Development Act (TDA) Article 3 and TransNet funds to support nonmotorized transportation projects in the San Diego region as part of the Bicycle, Pedestrian, and Neighborhood Safety/Traffic Calming Program. For FY 2010, approximately $7.8 million is available for allocation from these two programs.

On April 3, 2009, the Transportation Committee approved the evaluation criteria and program guidelines and authorized the FY 2010 call for projects. SANDAG received 38 applications requesting $9.8 million. A total of 26 applications were submitted for capital projects requesting $8.5 million and 12 applications were submitted for bicycle master plans, pedestrian master plans, bicycle parking, and bicycle support programs requesting $1.3 million. Program applicants presented their projects to the Bicycle-Pedestrian Working Group (BPWG) on May 20, 2009. Project applications were also posted on the SANDAG Website for public review. On May 21, 2009, a Review Panel was assembled to review project eligibility and the accuracy of the evaluation scoring as measured by the adopted evaluation criteria and program guidelines.¹

The BPWG met on May 27, 2009, and recommended a list of projects for funding, which is shown in Attachment 1. On June 10, 2009, the Independent Taxpayer Oversight Committee (ITOC) reviewed the projects to verify eligibility and compliance with the TransNet ordinance.

Discussion

FY 2010 Funding Availability

The Transportation Committee is able to recommend programming for approximately $3.0 million in TDA funding and $4.8 million in TransNet funding for FY 2010 for a total of $7.8 million. The breakdown of this year’s funding availability is outlined in Attachment 3. It is recommended that a modest reserve of approximately $27,000 be maintained to account for potential increases in project costs and to allow some buffer for potential reductions in TDA or TransNet allocations.

Recommended FY 2010 Funding Allocation

During the review and evaluation process the Review Panel determined that five of the original 26 project applications were ineligible. One project for routine maintenance was not an eligible expense under the program guidelines. Four project applications were deemed incomplete.

¹ Participation on the Review Panel is voluntary and is open to any member of the BPWG.
Bicycle Plans, Pedestrian Plans, Bicycle Parking, and Support Programs
The Program guidelines encourage and fund bicycle plans, pedestrian plans, bicycle parking, and support programs. Consistent with the adopted program guidelines, these projects are not part of the competitive process and can be funded up to the amounts set in the guidelines. The projects that are proposed for funding total $1,154,378 and are shown in Attachment 1. The recommended projects include eight bicycle or pedestrian master plans, three bicycle parking projects, a bicycle and pedestrian safety program for elementary and middle-school students, and support for printing and distribution of the regional bicycle map produced by SANDAG.

In accordance with the program guidelines, it is recommended that two projects in this category be funded at less than the requested amount. In the first case, the program guidelines require all bicycle parking facilities be accessible to the public. The City of Escondido Bike Lockers and Racks project proposed bike racks that would be available to the public and bike lockers that would be for use by City employees only. It is recommended that funding be provided only for the publicly accessible bike racks in the amount of $14,378, down from the original $42,034 request. In the second case, the program guidelines also identify a maximum funding amount of $150,000 for planning studies. It is therefore recommended that the City of San Diego Bicycle Master Plan Environmental Documentation and Feasibility Study be funded at $150,000, down from the $350,000 request.

Capital Projects
There were 26 applications for capital projects. The project applications were evaluated according to the program guidelines and criteria adopted by the Transportation Committee. After funding for the plans, bicycle parking, and support programs is deducted from the overall FY 2010 funding allocation, there is approximately $6.5 million in funding available for capital projects. Funding is recommended for the top 18 scoring projects as shown in Attachment 1. It is recommended that the top 18 projects receive the full amount applied for. The total amount of recommended funding for capital projects is $6,587,430.

Next Steps
Upon a recommendation by the Transportation Committee, the Board of Directors is scheduled to consider the funding allocations for the FY 2010 TDA/TransNet Bicycle, Pedestrian, and Neighborhood Safety/Traffic Calming Program at its June 26, 2009, meeting. Upon Board approval, SANDAG staff will establish grant agreements with each grant recipient to specify a scope and expected outcomes for each of the projects.

BOB LEITER
Director of Land Use and Transportation Planning

Attachments: 1. FY 2010 TDA/TransNet Bicycle Pedestrian Project Scores and Rankings
               2. Draft Resolution No. 2009-30
               3. FY 2010 TDA/TransNet Bicycle and Pedestrian Funding Program

Key Staff Contacts: Chris Kluth, (619) 699-1952, ckl@sandag.org
                   Sookyung Kim, (619) 699-6909, ski@sandag.org
# PROPOSED FUNDING - FY 2010 TRANSPORTATION DEVELOPMENT ACT AND TRANSNET BICYCLE AND PEDESTRIAN PROJECTS

## Recommended Plans, Bicycle Parking, and Support Programs

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Project</th>
<th>Project Limits</th>
<th>Application Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chula Vista</td>
<td>Bikeway Master Plan Update</td>
<td>City of Chula Vista</td>
<td>$150,000</td>
</tr>
<tr>
<td>Coronado</td>
<td>Bicycle Master Plan</td>
<td>City of Coronado</td>
<td>$75,000</td>
</tr>
<tr>
<td>Escondido</td>
<td>Bike Lockers and Racks</td>
<td>Escondido City Hall and Downtown Specific Planning Area</td>
<td>$14,378</td>
</tr>
<tr>
<td>La Mesa</td>
<td>Bicycle Facilities Master Plan</td>
<td>City of La Mesa</td>
<td>$75,000</td>
</tr>
<tr>
<td>National City</td>
<td>Bicycle Master Plan</td>
<td>City of National City</td>
<td>$50,000</td>
</tr>
<tr>
<td>City of San Diego</td>
<td>Environmental Documentation and Feasibility Study for Bike Master Plan Update</td>
<td>City of San Diego</td>
<td>$150,000</td>
</tr>
<tr>
<td>City of San Diego</td>
<td>Pedestrian and Bicycle Safety Education Program</td>
<td>City of San Diego schools</td>
<td>$290,000</td>
</tr>
<tr>
<td>City of San Diego</td>
<td>Pedestrian Master Plan Phase 4</td>
<td>San Ysidro, Midway, Old Town, Ocean Beach, College, Pacific Beach, and Kensington</td>
<td>$150,000</td>
</tr>
<tr>
<td>City of San Diego/UCSD</td>
<td>UC San Diego Bicycle / Pedestrian Master Plan</td>
<td>UC San Diego campus, SIO, and Hillcrest Medical Center</td>
<td>$75,000</td>
</tr>
<tr>
<td>SANDAG</td>
<td>Bicycle Locker Wireless Communication</td>
<td>Regional</td>
<td>$50,000</td>
</tr>
<tr>
<td>SANDAG</td>
<td>Bicycle Locker Upgrades</td>
<td>Sante Fe Depot/Imperial Ave/Pacific Fleet Station/E Street/E Street/Palomar Street</td>
<td>$50,000</td>
</tr>
<tr>
<td>SANDAG</td>
<td>Bicycle Map Printing and Distribution</td>
<td>Regional</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

**Total Allocation** $1,154,378

## Ineligible Projects

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Project</th>
<th>Reason for Ineligibility</th>
<th>Application Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of San Diego</td>
<td>Kearny Villa Rd Bicycle Lane Improvements</td>
<td>Routine Maintenance</td>
<td>$337,500</td>
</tr>
<tr>
<td>City of San Diego</td>
<td>Baboa Ave West Pedestrian and Bicycle Improvements Study</td>
<td>Incomplete Application</td>
<td>$135,000</td>
</tr>
<tr>
<td>City of San Diego</td>
<td>Baboa Ave East Pedestrian and Bicycle Improvements Study</td>
<td>Incomplete Application</td>
<td>$135,000</td>
</tr>
<tr>
<td>City of San Diego</td>
<td>SR-56 Bicycle/Pedestrian Bridge Feasibility Study</td>
<td>Incomplete Application</td>
<td>$50,000</td>
</tr>
<tr>
<td>City of San Diego</td>
<td>San Diego River Bike Path Study</td>
<td>Incomplete Application</td>
<td>$45,000</td>
</tr>
</tbody>
</table>

## Recommended Capital Projects

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Project</th>
<th>Project Limits</th>
<th>Application Amount</th>
<th>Total Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>La Mesa</td>
<td>Spring St Trolley Station Pedestrian Access Improvements</td>
<td>Intersection of Spring St and High St across from trolley station</td>
<td>$88,000</td>
<td>138.1</td>
</tr>
<tr>
<td>Escondido</td>
<td>Escondido Creek Bike Path</td>
<td>Escondido Transit Center Bridge over Creek Channel to Center CityPkwy</td>
<td>$524,100</td>
<td>134.7</td>
</tr>
<tr>
<td>Escondido</td>
<td>Ash Street Undercrossing</td>
<td>Ash Street (SR 76)</td>
<td>$457,357</td>
<td>134.5</td>
</tr>
<tr>
<td>Escondido</td>
<td>Escondido Creek Bike Path Lighting and Restriping</td>
<td>Escondido Creek Bike Path from Broadway to Ash St</td>
<td>$157,500</td>
<td>130.7</td>
</tr>
<tr>
<td>La Mesa</td>
<td>La Mesa Blvd/El Cajon Blvd Intersection Improvements and Pedestrian Infrastructure</td>
<td>La Mesa Blvd and El Cajon Blvd intersection</td>
<td>$361,000</td>
<td>125.3</td>
</tr>
<tr>
<td>Vista</td>
<td>Inland Rail Trail Phase III B - Right of Way Engineering</td>
<td>Buena Creek SPRINTER Station to Melrose Ave Station</td>
<td>$500,000</td>
<td>124.8</td>
</tr>
<tr>
<td>City of San Diego</td>
<td>Bicycle Detection at Signalized Intersections</td>
<td>20 locations in the City of San Diego</td>
<td>$73,500</td>
<td>123.8</td>
</tr>
<tr>
<td>Vista</td>
<td>Safe Pedestrian Crossing at Longhorn Dr</td>
<td>Longhorn Dr at Promontory Ridge Way</td>
<td>$50,000</td>
<td>120.3</td>
</tr>
<tr>
<td>San Marcos</td>
<td>Barham Dr Urban Trail Improvement Project</td>
<td>Twin Oaks Valley Rd to CSUSM SPRINTER Station</td>
<td>$700,000</td>
<td>113.6</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>Sidewalk Saefty Program - I Street Sidewalk Improvements</td>
<td>N. side of I Street from Hilltop Dr to First Ave</td>
<td>$116,220</td>
<td>111.5</td>
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<tr>
<td>National City</td>
<td>Sweetwater River Bike Path Gap Closure - Plaza Bonita Rd</td>
<td>Plaza Bonita Rd NW from Bonita Mesa Rd</td>
<td>$130,000</td>
<td>111.2</td>
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<tr>
<td>Santee</td>
<td>Carlton Oaks Dr Class II Bike Lanes</td>
<td>Carlton Oaks Dr from West Hills Pkwy to Carlton Hills Blvd</td>
<td>$30,200</td>
<td>108.8</td>
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<tr>
<td>City of San Diego</td>
<td>SR-15 Bike Path Final Design and Environmental Document</td>
<td>East side of SR-15 between Camino del Rio S. and Adams Ave</td>
<td>$350,000</td>
<td>108.2</td>
</tr>
<tr>
<td>Carlsbad</td>
<td>Installation of audible pedestrian signals and count-down pedestrian signals</td>
<td>21 intersections in Carlsbad</td>
<td>$150,660</td>
<td>108.6</td>
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<tr>
<td>City of San Diego</td>
<td>Kelton Rd Midblock Pedestrian Improvements</td>
<td>Kelton Rd between Zircon St and Lucer St</td>
<td>$245,400</td>
<td>107.7</td>
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<tr>
<td>Vista</td>
<td>Boys and Girls Club Sidewalk Improvements</td>
<td>W. California Ave from Avenida de Bonita Juarez to 100 ft west of Calle Chapultepec</td>
<td>$146,844</td>
<td>104.8</td>
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<tr>
<td>SANDAG</td>
<td>Bayshore Bikeway Segments 7 and 8</td>
<td>Stella St to H St in Chula Vista</td>
<td>$1,078,000</td>
<td>101.5</td>
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<tr>
<td>Escondido/San Diego</td>
<td>West Bernardo Bike Path and Cantilever (1)</td>
<td>Rancho Bernardo Community Park Dr to Lake Hidges Ped Bridge</td>
<td>$1,425,000</td>
<td>101.1</td>
</tr>
</tbody>
</table>

**Total Allocation** $6,587,430

## Non-Recommended Capital Projects

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Project</th>
<th>Application Amount</th>
<th>Total Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oceanside</td>
<td>San Luis Rey River Trail</td>
<td>$600,000</td>
<td>91.7</td>
</tr>
<tr>
<td>County of San Diego</td>
<td>Inland Rail Trail Phase III A</td>
<td>$123,420</td>
<td>85.8</td>
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<tr>
<td>Santee</td>
<td>Prospect Ave Sidewalks</td>
<td>$491,752</td>
<td>61.8</td>
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## Ineligible Capital Projects

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Project</th>
<th>Reason for Ineligibility</th>
<th>Application Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of San Diego</td>
<td>Kearny Villa Rd Bicycle Lane Improvements</td>
<td>Routine Maintenance</td>
<td>$337,500</td>
</tr>
<tr>
<td>City of San Diego</td>
<td>Baboa Ave West Pedestrian and Bicycle Improvements Study</td>
<td>Incomplete Application</td>
<td>$135,000</td>
</tr>
<tr>
<td>City of San Diego</td>
<td>Baboa Ave East Pedestrian and Bicycle Improvements Study</td>
<td>Incomplete Application</td>
<td>$135,000</td>
</tr>
<tr>
<td>City of San Diego</td>
<td>SR-56 Bicycle/Pedestrian Bridge Feasibility Study</td>
<td>Incomplete Application</td>
<td>$50,000</td>
</tr>
<tr>
<td>City of San Diego</td>
<td>San Diego River Bike Path Study</td>
<td>Incomplete Application</td>
<td>$45,000</td>
</tr>
</tbody>
</table>
RESOLUTION NO. 2009-30

APPROVING THE ALLOCATION OF FY 2010 TRANSPORTATION DEVELOPMENT ACT FUNDS
ARTICLE 3 BICYCLE AND PEDESTRIAN FACILITIES AND PROGRAMS

WHEREAS, the Transportation Development Act (TDA) claims listed below were submitted for the FY 2010 TDA funds pursuant to Chapter 4, Article 3, Section 99234 of the California Public Utilities Code (PUC); and

WHEREAS, pursuant to Section 29532 of the California Government Code (CGC), SANDAG has analyzed these claims and determined that it conforms substantially to the provisions of the Transportation Development Act of 1971, as amended; and

WHEREAS, SANDAG finds this claim for FY 2010 to be consistent with the Regional Transportation Plan; NOW THEREFORE

BE IT RESOLVED by the SANDAG Board of Directors as follows:

1. That the Board, pursuant to CGC 29532 and PUC 99234, does hereby approve the allocation of TDA funds for the following projects in the amounts specified below:

<table>
<thead>
<tr>
<th>Claim No.</th>
<th>Claimant</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBD</td>
<td>Carlsbad</td>
<td>$150,660</td>
</tr>
<tr>
<td>TBD</td>
<td>Chula Vista</td>
<td>$150,000</td>
</tr>
<tr>
<td>TBD</td>
<td>Coronado</td>
<td>$75,000</td>
</tr>
<tr>
<td>TBD</td>
<td>Escondido (W. Bernardo)</td>
<td>$1,425,000</td>
</tr>
<tr>
<td>TBD</td>
<td>Escondido (Bike Racks)</td>
<td>$14,378</td>
</tr>
<tr>
<td>TBD</td>
<td>La Mesa</td>
<td>$75,000</td>
</tr>
<tr>
<td>TBD</td>
<td>National City</td>
<td>$50,000</td>
</tr>
<tr>
<td>TBD</td>
<td>San Diego (Kelton Road)</td>
<td>$248,400</td>
</tr>
<tr>
<td>TBD</td>
<td>San Diego (Environ. Doc for Master Plan)</td>
<td>$150,000</td>
</tr>
<tr>
<td>TBD</td>
<td>San Diego (Safety Education)</td>
<td>$290,000</td>
</tr>
<tr>
<td>TBD</td>
<td>San Diego (Pedestrian Master Plan Ph. 4)</td>
<td>$150,000</td>
</tr>
<tr>
<td>TBD</td>
<td>San Diego/UCSD (Bike-Ped Master Plan)</td>
<td>$75,000</td>
</tr>
<tr>
<td>TBD</td>
<td>SANDAG (Bike Locker Wireless)</td>
<td>$50,000</td>
</tr>
<tr>
<td>TBD</td>
<td>SANDAG (Bike Locker Retrofit)</td>
<td>$50,000</td>
</tr>
<tr>
<td>TBD</td>
<td>SANDAG (Bike Map)</td>
<td>$25,000</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$2,978,438</strong></td>
</tr>
</tbody>
</table>

2. That the Board of Directors does hereby authorize the Executive Director to prepare and transmit allocation instructions and payment schedules to the San Diego County Auditor as are necessary and legal for payment of these claims.

PASSED AND ADOPTED this 26th day of June 2009.

________________________________________           ATTEST: _______________________________________
CHAIRPERSON                   SECRETARY

MEMBER AGENCIES: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, Vista, and County of San Diego.

ADVISORY MEMBERS: California Department of Transportation, Metropolitan Transit System, North County Transit District, Imperial County, U.S. Department of Defense, San Diego Unified Port District, San Diego County Water Authority, Southern California Tribal Chairmen’s Association, and Mexico.
Proposed FY 2010 TDA/TransNet Bicycle and Pedestrian Funding Program

<table>
<thead>
<tr>
<th></th>
<th>FY 2010 Apportionment</th>
<th>$</th>
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<tbody>
<tr>
<td>TDA</td>
<td></td>
<td>2,174,095</td>
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<tr>
<td></td>
<td>TDA Reserves</td>
<td>812,328</td>
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<tr>
<td></td>
<td><strong>Total TDA Funding Available for FY 2010</strong></td>
<td><strong>$2,986,423</strong></td>
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<tr>
<td>TransNet</td>
<td>FY 2010 Apportionment</td>
<td>$4,686,734</td>
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<td></td>
<td>TransNet Reserves</td>
<td>96,116</td>
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<td></td>
<td><strong>Total TransNet Funding Available for FY 2010</strong></td>
<td><strong>$4,782,850</strong></td>
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<tr>
<td></td>
<td><strong>Total FY 2010 Funds Available to Allocate</strong></td>
<td><strong>$7,769,273</strong></td>
</tr>
</tbody>
</table>

Source: SANDAG Finance Department
EAST COUNTY BUS MAINTENANCE FACILITY BUDGET CONSOLIDATION  
File Number 1049600

Introduction

The Metropolitan Transit System (MTS) Board of Directors has approved budget changes and grant transfers for various East County Bus Maintenance Facility (ECBMF) projects (see attached MTS Agenda Item No. 6 from May 28, 2009). These changes include the consolidation of two separate SANDAG Capital Improvement Projects (CIPs) and the transfer of a federal Section 5309 earmark from the existing MTS CIP (11237) into the new, consolidated, SANDAG CIP (1049600). These funding transfers would facilitate the construction of site improvements at ECBMF in the near term.

Recommendation

The Transportation Committee is asked to recommend that the Board of Directors:

(1) approve the transfer of the remaining $686,386 in SANDAG project 1142700 (ECBMF CNG Station) to SANDAG project 1049600 (ECBMF); and

(2) accept the transfer of $501,600 in dedicated funding, including federal grant E2007-BUSP-0062, from MTS CIP 11237 (East County Land Acquisition) to SANDAG project 1049600 (ECBMF).

Discussion

MTS has identified the need for additional parking capacity for full-size heavy duty buses at the ECBMF. Site improvements to achieve this objective within the existing five-acre site are currently in the design development stage. The scope of work includes demolition of the building at 544 Vernon Way, asphalt and concrete paving, installation of required storm water pollution prevention drainage systems, and public right-of-way improvements related to Johnson Avenue, Vernon Way, and Pioneer Way. The planning level estimate to complete the administration, design, and construction is $2 million. This project is being administered under SANDAG CIP #1049600, ECBMF. Funds are being transferred from other ECBMF projects to facilitate construction because this project does not have two million dollars available to complete the construction work. These funds are not being used in the near term under their current project numbers due to the circumstances outlined below.

SANDAG Project #1142700, ECBMF CNG Station

MTS and SANDAG have conducted some initial studies regarding the feasibility of a CNG fuel station. While the project is feasible, the delivery of alternative fuel buses is not expected for several years. A new CNG fuel station will be evaluated as part of a future analysis of bus fuel types when the East County fleet is ready for replacement. The environmental process for ECBMF is ongoing and will be able to accommodate CNG fuel, gasoline, or other alternative fuels considered to power new buses for the East County fleet. At this time staff is proposing to transfer the remaining $686,386 in this project to the ECBMF construction effort under SANDAG project.
The federal funding in project 1142700 dates back as far as 2002, so it is prudent to use the available grant funding and related local match for current construction needs. Continued funding is subject to the annual capital programming process and will likely be available in future years following a decision on alternative fuels for East County buses. Special discretionary grants may even be available depending on fuel type and timing of new bus deliveries.

MTS CIP 11237, East County Land Acquisition

Staff is proposing to transfer $501,600 ($401,280 of federal earmark funds (E2007-BUSP-0062) plus $100,320 of local match) from ECBMF Land Acquisition under MTS project 11237 to the ECBMF construction effort under SANDAG project 1049600. The ECBMF earmark was appropriated under the federal Section 5309 program in 2007. The right-of-way acquisition timing is beyond the available time period to utilize the proposed transferred grant. These funds are not required for land acquisition in the near term and may expire if not utilized.

JACK BODA
Director of Mobility Management and Project Implementation

Attachment: 1. MTS Agenda Item No. 6, May 28, 2009

Key Staff Contact: John Dorow, (619) 699-1915, jdo@sandag.org
Joint Meeting of the Board of Directors
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

May 28, 2009

Subject:

MTS: East County Bus Maintenance Facility Budget Changes

Recommendation:

That the Board of Directors approve budget changes and grant transfers for East County Bus Maintenance Facility (ECBMF) projects.

Budget Impact:

1. Transfer $686,386 from ECBMF Compressed Natural Gas (CNG) Capital Improvement Project (CIP) 1142700 to ECBMF CIP 1049600; and

2. Transfer $501,600 in dedicated funding, including federal grant E2007-BUSP-0062, with federal funds in the amount of $401,280 plus a local match of $100,320 from CIP 11237 (MTS East County Land Acquisition) to CIP 1049600 (ECBMF).

Discussion:

MTS has received a few federal grants for the ECBMF expansion over the past few years. The funding was initially programmed for right-of-way acquisition. However, the dedicated funding has time constraints; the right-of-way acquisition timing is beyond the available time period to utilize these grants. MTS and the San Diego Association of Governments (SANDAG) are in need of construction funding for improvements on the existing ECBMF and can take advantage of those existing grants within the next year. There is $501,600 in grant funds to be transferred, which requires Board action.
There is an additional $326,563 (federal grant E2009-BUSP-080 in the amount of $261,250 and local match in the amount of $65,313) available that has been added and programmed through SANDAG within ECBMF CIP 1049600.

MTS and SANDAG have conducted some initial studies regarding the feasibility of a CNG fuel station at the ECBMF as part of East County CNG Station CIP 1142700. The project does appear feasible, and a new CNG fuel station will be evaluated as part of a future analysis of bus fuel types when the East County fleet is ready for replacement in the next several years. The environmental process for ECBMF is ongoing and will be able to accommodate CNG fuel, gasoline, or other alternative fuels considered to power new buses for the East County fleet. The $686,386 in project funding in the ECBMF CNG Station CIP is not currently needed and can be used now for more urgent projects at the East County site. The grants funding this project were from FY 2002 through FY 2006.

MTS wants to transfer these funds to the current upcoming ECBMF construction project and utilize the older grant funds now. Additional funds would be available in the future after a final decision is made on alternative fuels for the East County bus fleet. Therefore, the Board action includes a recommendation to support the transfer of the remaining funds in CIP 1142700 to the ECBMF construction CIP 1049600. Both capital projects were established as construction projects and are within the SANDAG budget. This action would set the stage for SANDAG to move the funds with MTS’s endorsement.

The planned construction at the East County Bus Maintenance Facility is currently being designed. The work proposed is at the existing five-acre site. Work proposed includes: demolition of the old and not-needed 544 Vernon Way building; asphalt and concrete paving and site work on all of the existing site, enabling full-size, heavy-duty buses to be parked anywhere on the site; and installation of required storm water pollution prevention drainage systems to meet environmental requirements. MTS will also be working with the City of El Cajon staff regarding city requirements for the public right-of-way improvements related to Johnson Avenue, Vernon Way, and Pioneer Way that may be included within this construction project.

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Elliot Hurwitz, 619.595.7031, elliott.hurwitz@sdmts.com

MAY28-09.6.ECBMF BUDGET CHGS.EHURWITZ.doc
REPORT ON STATE ROUTE 67

Introduction

At the April 3, 2009, Transportation Committee meeting, Caltrans was asked to report back on the status of studies and various proposals related to State Route 67 in San Diego County in response to the April 2, 2009, letter from San Diego County Supervisor Dianne Jacob (Attachment 1). In response, officials from Caltrans District 11 and the California Highway Patrol will present an overview of recent efforts undertaken on the state highway.

Discussion

A summary report from Caltrans District 11 on State Route 67 (Attachment 2) also is provided for information to the Transportation Committee.

JACK BODA
Director of Mobility Management and Project Implementation

Attachments: 1. April 2, 2009, letter from San Diego County Supervisor Dianne Jacob
2. Caltrans Summary Report on State Route 67

Key Staff Contact: Pedro Orso-Delgado, Caltrans District Director, (619) 688-6668, pedro.orso-delgado@dot.ca.gov
April 2, 2009

Councilman Jack Dale
Chair, Transportation Committee
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Councilman Dale:

As the Supervisor representing the Second District of San Diego County which includes the communities of Ramona and Lakeside, I am writing you to request your support for additional safety improvements to State Route 67, which may include the installation of K-rail.

As the tragic accident involving the death of a 25-year old mother recently reaffirmed, State Route 67 is a dangerous and deadly road for those who travel it. I have consistently called upon Federal, State, and local officials for assistance in expediting improvements to State Route 67. However, since the current project outlined by SANDAG is likely many years away, I am writing to request that immediate measures be taken to improve safety on this Highway, specifically the installation of K-rail to prevent head on collisions.

For your information, I have enclosed correspondence I recently received from Pamela McKiernan, the mother of Alexandria Drake, the 25-year old mother who recently died due to a car crash on this Highway.

Again, thank you in advance for your consideration in this matter. If I can be of further assistance, please feel free to contact me at (619) 531-5522.

Sincerely,

[Signature]

DIANNE JACOB
Chairwoman

DJ:rs
cc: Gary Gallegos, Executive Director, SANDAG, w/ attachment
cc: Pedro Orso-Delgado, Caltrans, w/ attachment
Re, Alice

From: Alexandria Drake [tickledplnk@aol.com]
Sent: Tuesday, March 31, 2009 11:15 AM
To: Jacob, Dianne
Subject: The death of a young mother

The following is a letter I need to get to the President, the Governor of California, Cal-Trans, anyone who can help. As the supervisor for my area I am hoping that you will be able to help us in this matter. To Again, thank you, Pamela McKeiman, the PROUD BUT BROKEN HEARTED MOTHER OF ALEXANDRIA ELSE MCKEIRNAN DRAKE. Dear Mr. President: I write this e-mail in hope that someone somewhere will forward this to you. Perhaps a little presumptuous of me to think that you would take the time to acknowledge an e-mail from a mother who struggles at this moment to live moment to moment. I write to you though because one of the most influential people in your life was your grandmother. I am about to embark on helping to raise my grandson because of a tragic accident. My daughter was killed in a senseless car accident on Sunday, February 29th, 2009. Two cars were racing one in its passion to be faster came across the median and first hit the vehicle I was driving, bouncing off of my car he then hit the car my 25 years old daughter was driving with her four week old son and caused injuries so severe and devastating that she died within four hours of the accident. I am not writing to you about this so much as about the road my daughter was killed on. Highway 67 in Southern California. The stretch of road from Poway into Ramona is such a dangerous section. While I do know that this is considered a State Highway, California is in dire straights and so therefore no money will be allocated to prevent this road for continuing to be a killer highway. The problem is that people drive so fast and the road is a "country road." Accidents occur when drivers drift over to the oncoming traffic. It is rarely the driver drifting over that is killed, rather the innocent driver who is either seriously injured, or in the case of our family killed. All the innocent lives could be saved if only a concrete divider was installed on the stretch of road that is so dangerous. This would not stop the racing, nor would it stop the drifting of drunk drivers, it would though stop them from drifting into oncoming traffic. If someone is to be injured, rather it be the irresponsible driver who chooses to race or drink and drive. So why do I e-mail this to you. I spent all of my time complaining about "pork-barrel" spending. Yet here I am asking you to please allow some of the stimulus money be allowed to create this divider in the road we so desperately need. I can beg, would that help? No mother should have to bury their child, worse no mother should have to climb out of her car and run to her daughters car to find her trapped in the car, unable to move. Look at the child you carried for nine months with metal twisted around her. Unable to hold her. Then hearing her four week old baby trapped in the back of the car cry. Having to choose who you give your attention to at that moment. Then telling your child you love her and to hold on as passersby's assist you and drag you away from your child and grandson. To stand behind the "line" as the jaws of life cut the twisted metal away from her. Praying, begging and bartering with God to save her, but knowing that she will not survive, her head twisted in the wreckage. I can't sleep, when I close my eyes, the images flood through. Can't eat, how can I be nourished when my child lays on a slab at the medical officers office. Then I see my grandson and know his father can not do this alone and so, mercifully I feed him, bathe him and will help to raise him. All of which I should not be doing, this is my turn to watch my daughter blossom into the Mother she dreamed of becoming. We have had to struggle to find a formula that Jayden can tolerate as Alexandria-his mother-breast fed him. A few tons of concrete down the center of this highway will at least mean another mother will not have to go through what I and my family are going through. Alex was 25 years old, married for just 15 months, a rising star for Home Depot, but most importantly to her, a mother, to me and my husband a daughter, her brother a sister, her husband a wife. So I beg of you, didn't work with God but maybe it will with the President of the United States of America. Please allow designate money for this concrete divide on this treacherous section of Highway 67 in San Diego County. This would not only save lives, but would stimulate the economy by putting people to work. There IS enough room on this highway to widen it to accommodate the divide. I apologize for my ramblings, for my lack of grammar, my incorrect spelling. I am writing of the cuff, and I don't think I have the strength to reread this letter to check for accuracy. My heart is broken. So please for this mother who will tomorrow go to a funeral home and buy a cemetery plot for her daughter and a casket to place her in, please help us so this is the last letter someone has to write like this. Sincerely with a broken heart, Pamela Ann Shone McKeiman 760-788-0711 760-822-1047 1845 El Cajon Lane Ramona, Ca 92065

4/2/2009
ISSUE SUMMARY
The California Department of Transportation – District 11 (Department) has received several inquiries regarding safety issues and concerns on SR-67 over the past few years. Generally, these concerns are regarding fatal cross centerline collisions. In addition, a “Transportation Summit” was held in early 2007 with the community to discuss SR-67 as well as other transportation concerns in the surrounding area. Most recently, San Diego County Board of Supervisors Chair Dianne Jacob sent a letter to SANDAG Transportation Committee Chair Jack Dale, regarding possible safety improvements to SR-67. Based on that letter and the increased emphasis on SR-67, the Department was invited to attend a Transportation Committee meeting to provide information on the various activities and improvements that the Department has undertaken or plans to undertake in the near future related to safety/operations along the SR-67 corridor.

The purpose of this joint presentation with the California Highway Patrol (CHP) is to provide information about SR-67, including recently completed safety projects, various enforcement activities, and outline the next steps that the Department plans to take in evaluating various options to continue to address safety concerns on the route. The Department will utilize a comprehensive approach known as the 3-E’s – Education, Enforcement and Engineering. This includes educational and safety campaigns, continued and increased enforcement of the speed limit and other traffic regulations, and evaluation of the roadway for additional potential roadway improvements. As such, the Department will work closely with the CHP, the County and local communities, along with SANDAG, to develop and continue educational material and programs, continued and enhanced enforcement, and analyze potential roadway improvements for SR-67.

INTRODUCTION
Overall, conventional highways account for over 50% of the statewide highway system, and over 70% of the national highway system (centerline miles). Use of conventional highways, both 2-lane and multi-lane, has increased in the State of California as vehicle miles driven has substantially increased throughout the state along with growth in the outlying suburban and the overall statewide populations. Due to these factors there have been increases in the number of trips and trip distances on the conventional highway network that now function as major community connectors, commuter routes for outlying areas, or by-pass routes of more congested urbanized roadways or areas.

This has placed a tremendous strain on the conventional highways in the region, built typically to serve rural areas with lower growth potential and lower traffic volumes. A majority of these highways has been in place for more than 50 years and have curvilinear alignments that follow the natural terrain and were not constructed to accommodate high traffic volumes. Some of these routes now have traffic volumes exceeding 20,000 Average Daily Traffic Volumes (ADT) and in some cases 30,000 or more.

The Department has three such routes in San Diego County, which include SR-67, SR-76 and SR-94. These routes have seen significant increases in traffic volumes, experience congestion and delays during peak periods, and have safety concerns based on collision history and collision severity. In particular, cross centerline and run-off-the-road collision types occur more frequently on conventional highways and generally have a higher degree of severity than other types of collisions such as sideswipes, rear end, or broadside accidents.
ROUTE DESCRIPTION, HISTORY, & BACKGROUND
SR-67 is a north-south route approximately 24 miles in length that accommodates intraregional, commuter and recreational travel. SR-67 begins at Interstate 8 (I-8) and traverses northerly as a freeway for about 5½ miles through the Cities of El Cajon and Santee, and the unincorporated community of Lakeside. At that point, the route becomes a rural 2-lane conventional highway traversing rolling terrain with signalized intersections at Mapleview Road (*PM 5.5), Lakeside Avenue/Willow Road (PM 6.7) and Gold Bar Lane (7.2) in Lakeside.

The route continues with three signalized intersections over the next 14 miles with the first located at Scripps Poway Parkway (PM 13.6), which was connected to SR-67 in 1997, and crosses into the City of Poway. The route proceeds to the next signalized intersection with Poway Road (PM 15.2) and continues out of the City of Poway and back into County jurisdiction. There are three major unsignalized T-type intersections at Mt. Woodson Road (PM 18.0), Archie Moore Road (PM 18.6), and Mussey Grade Road (PM 20.9), as the route continues into Ramona. The next signalized intersection is located at Highland Valley/Dye Road (PM 21.4). This location serves as the gateway into the community of Ramona. The remainder of the route is generally 4-lanes with median turn lanes, a variety of business, and ends at the intersection of SR-78 (PM 24.4). Between Mapleview and Highland Valley Road there are over 130 local street or driveway access points along SR-67. Most of the route has a speed limit of 55 miles per hour (mph) with limits of 45 mph to 35 mph in Ramona.

*Note: Post mile values are shown rounded to the nearest 0.10 mile to provide general location information.

SR-67 was constructed in segments by the County beginning in 1937; other segments were constructed in 1940, 1942 and 1953. The route was adopted into the state highway system in 1959. Since that time various projects have been completed along SR-67 to widen the roadway and provide passing lanes to improve the efficiency of the route by reducing travel times. Other improvements have been completed over the past 30 years and include the construction of truck climbing lanes, added turning lanes, widening shoulders, and northbound and southbound passing lanes in 1984, from post mile 9.3 to 11.0. Other curve realignments and intersection reconstruction projects have also been completed. More recently, the Department has completed several safety projects on SR-67 that are discussed in more detail in the Engineering section.

Overall, traffic volumes (ADT) on SR-67 have grown as shown in the Table 1 below. The area between Mapleview Street and into Ramona carries between 25,000 - 30,000 ADT over a 20-mile section of highway. As such, the highway experiences traffic demands that exceed the capacity of the highway thus creating level of service “F” conditions during the morning and evening peak periods. These traffic volumes are similar to volumes on SR-76, which serves as a connection between I-5 and I-15.

For comparison purposes, traffic volume data for SR-76 and SR-94 are shown in Table 2 and Table 3, respectively. Traffic volumes on SR-94 have increased as land development has expanded eastward, but the volumes taper down as the route moves easterly since it does not provide a major connection to a populated area.
Table 1 - SR- 67 ADT

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>N/ of Broadway (Freeway)</td>
<td>0.5</td>
<td>91,000</td>
<td>89,000</td>
<td>82,000</td>
<td>50,000</td>
<td>27,000</td>
<td>N/A</td>
</tr>
<tr>
<td>N/ of Mapleview St</td>
<td>5.5</td>
<td>29,500</td>
<td>30,000</td>
<td>21,100</td>
<td>13,500</td>
<td>6,500</td>
<td>3,600</td>
</tr>
<tr>
<td>N/ of Scripps Poway Pkwy</td>
<td>13.6</td>
<td>24,900</td>
<td>18,800</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>N/ of Poway Road</td>
<td>15.2</td>
<td>25,500</td>
<td>24,500</td>
<td>17,000</td>
<td>9,100</td>
<td>4,000</td>
<td>2,400</td>
</tr>
<tr>
<td>N/ of Highland Valley Rd</td>
<td>21.4</td>
<td>29,500</td>
<td>21,100</td>
<td>17,100</td>
<td>11,000</td>
<td>4,900</td>
<td>NC</td>
</tr>
<tr>
<td>S/ of SR-78</td>
<td>24.0</td>
<td>28,000</td>
<td>30,500</td>
<td>25,500</td>
<td>17,000</td>
<td>7,200</td>
<td>6,700</td>
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</tbody>
</table>

N/A = Scripps Poway Parkway connected to SR-67 in 1997. NC = No Count Data

Table 2 - SR- 76 ADT

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>E/ of Canyon Drive</td>
<td>0.7</td>
<td>55,000</td>
<td>44,500</td>
<td>46,000</td>
<td>30,000</td>
<td>23,200</td>
<td>9,900</td>
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<tr>
<td>E/ of College Blvd</td>
<td>6.1</td>
<td>37,000</td>
<td>40,000</td>
<td>25,500</td>
<td>11,000</td>
<td>6,600</td>
<td>4,700</td>
</tr>
<tr>
<td>E/ of Mission Rd</td>
<td>12.5</td>
<td>20,300</td>
<td>15,200</td>
<td>10,100</td>
<td>5,300</td>
<td>3,600</td>
<td>2,100</td>
</tr>
<tr>
<td>E/ of I-15</td>
<td>17.0</td>
<td>12,800</td>
<td>9,000</td>
<td>4,300</td>
<td>2,500</td>
<td>1,550</td>
<td>840</td>
</tr>
<tr>
<td>E/ of Cole Grade Rd</td>
<td>30.0</td>
<td>8,100</td>
<td>4,650</td>
<td>2,800</td>
<td>1,950</td>
<td>1,750</td>
<td>1,000</td>
</tr>
<tr>
<td>E/ of Palomar Mountain Rd</td>
<td>38.1</td>
<td>2,450</td>
<td>2,800</td>
<td>1,800</td>
<td>900</td>
<td>900</td>
<td>440</td>
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</table>

Table 3 - SR- 94 ADT

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>E/ SR-54</td>
<td>14.9</td>
<td>20,700</td>
<td>19,900</td>
<td>15,300</td>
<td>8,100</td>
<td>4,600</td>
<td>2,400</td>
</tr>
<tr>
<td>E/ Lyons Valley Rd</td>
<td>19.4</td>
<td>12,100</td>
<td>11,500</td>
<td>8,400</td>
<td>4,300</td>
<td>2,200</td>
<td>980</td>
</tr>
<tr>
<td>E/ of Dulzura Post Office</td>
<td>28.3</td>
<td>7,000</td>
<td>7,300</td>
<td>4,600</td>
<td>2,200</td>
<td>1,950</td>
<td>940</td>
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<tr>
<td>W/ of SR-188</td>
<td>39.0</td>
<td>6,100</td>
<td>5,800</td>
<td>3,700</td>
<td>1,750</td>
<td>1,400</td>
<td>720</td>
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</tbody>
</table>

EDUCATION, ENFORCEMENT, and ENGINEERING

Education

Educational campaigns are an effective means to educate targeted audiences and have focused goals to attempt to modify driver behavior through increased awareness. The Department has undertaken several such efforts over the last 7 years, partnering with the CHP and local community businesses to provide educational information and materials to drivers about the importance of safe driving practices. In May 2007, the Department along with the CHP kicked-off a public awareness campaign titled “Take Care Getting There.” This campaign, which has been re-introduced this year, includes the use of fliers and posters distributed in the communities of Lakeside and Ramona and the cities of Santee and Poway. It also features roadside signs advising drivers to “Drive 55 on 67,” ads in local newspapers, commercial spots at local movie theatres, and booths at the Lakeside Rodeo and San Diego State University events. The ultimate goal is modify driver behavior for users of SR-67.
Beginning on April 1, 2009 CHP started their “Arrive Alive” campaign. The primary focus of this campaign is to reduce driving under the influence (DUI) related collisions along with other traffic violations on the route. This will be done through increased enforcement efforts, including the possible use of sobriety checkpoints. Additionally, a Task Force, comprised of various stakeholders (law enforcement, elected officials, community members, etc), will look at the issues of education, enforcement and engineering and make recommendations for improved traffic safety along SR-67.

**Enforcement**

The CHP and the San Diego County Sheriff’s office provide traffic enforcement along SR-67. The Sheriff provides traffic enforcement for the section of SR-67 within the City of Poway. The CHP provides collision and citation information for the entire SR-67 corridor except for a 3-mile section which traverses though the City of Poway. Overall, the number of total collisions and fatalities has started a downward trend for about the last 18-24 months. Total and CHP collision data for SR-67 is shown in Table 4. The top three primary collision factors for all collisions were speeding (34%), unsafe turning movement (18%), and DUI (8%). DUI drivers also were the cause of 12 of the fatal collisions between 2003 and 2008. Table 5 shows the number of citations and DUI related arrests on SR-67 since 2003.

### Table 4 - Traffic Collision Summary

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Collisions</th>
<th>CHP Area Collisions</th>
<th>Total DUI Collisions</th>
<th>Total Fatal Collisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>301</td>
<td>245</td>
<td>31</td>
<td>4</td>
</tr>
<tr>
<td>2004</td>
<td>315</td>
<td>287</td>
<td>20</td>
<td>3</td>
</tr>
<tr>
<td>2005</td>
<td>333</td>
<td>292</td>
<td>30</td>
<td>9</td>
</tr>
<tr>
<td>2006</td>
<td>314</td>
<td>309</td>
<td>40</td>
<td>10</td>
</tr>
<tr>
<td>2007</td>
<td>322</td>
<td>312</td>
<td>34</td>
<td>6</td>
</tr>
<tr>
<td>2008</td>
<td>260</td>
<td>246</td>
<td>20</td>
<td>5</td>
</tr>
<tr>
<td>2009</td>
<td>120</td>
<td>115</td>
<td>8</td>
<td>3</td>
</tr>
</tbody>
</table>

Note: 2005 includes 1 Bicycle Fatality, 2008 includes 1 pedestrian fatal, 2009 includes 2 pedestrian fatalities. 2009 year to date through May 2009.

### Table 5 - Traffic Citation Summary

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Citations</th>
<th>DUI Arrests</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>3563</td>
<td>40</td>
</tr>
<tr>
<td>2004</td>
<td>3751</td>
<td>64</td>
</tr>
<tr>
<td>2005</td>
<td>3449</td>
<td>110</td>
</tr>
<tr>
<td>2006</td>
<td>3757</td>
<td>155</td>
</tr>
<tr>
<td>2007</td>
<td>2987</td>
<td>144</td>
</tr>
<tr>
<td>2008</td>
<td>3978</td>
<td>129</td>
</tr>
<tr>
<td>2009*</td>
<td>2777</td>
<td>72</td>
</tr>
</tbody>
</table>

* Citation data available at the time of this report generation and DUI Arrest from January 1 to May 31, 2009
Engineering
The Department has completed several safety projects on SR-67. One of the key projects was to re-stripe the intersection at Archie Moore Road in 2002, due to a concentration of collisions at that location. Since the completion of that re-stripe project, the number of collisions has decreased at the intersection by more than 60%.

In response to an increase in collisions during the time period of 2002-2004 and to specifically address cross-median collisions, the Department has completed several corridor safety projects. These projects included the construction of 9 miles (PM 11.0 to 20.0) of a centerline rumble strip completed in December 2005, various shoulder rumble strips, and widening and guard rail end treatment upgrades (PM 6.7 to 9.3), completed in September 2006. Another corridor project (PM 9.3 to 22.8) that was completed in December of 2008, installed additional median rumble strips, added median buffer areas, and installed 11 dynamic speed feedback signs.

Longer-Term Study Plans for Capacity Improvements
In 2002, SANDAG completed the SR-67/125 Corridor Study. The purpose of the study was to identify the potential for additional north-south regional highway capacity, given the increases in traffic volumes and congestion in the Interstate 15 corridor. Key recommendations of the study included the widening of Route 67 to a four-lane conventional highway between Vigilante Road and Highland Valley Road/Dye Road in order to provide additional capacity and to accommodate planned growth in eastern San Diego County. In addition, the study recommends extending Dye Road, a San Diego County facility, to connect with San Vicente Road as a two-lane collector road.

The SANDAG Regional Transportation Plan (RTP) adopted in November 2007, includes the widening SR-67 to from 2-lanes to 4-lanes from Mapleview Street to Highland Valley/Dye Road in the Reasonably Expected Revenue scenario. The first segment from Mapleview to Scripps Poway Parkway is in the 2020 section (to be completed by 2020) and the Scripps Poway Parkway to Highland Valley/Dye Road segment in the 2030 section of the RTP.

The Department is currently developing a Project Study Report (PSR) for the widening of SR-67 consistent with the RTP. The PSR will contain various alternatives to accomplish the widening along with a range of costs for each alternative. The proposed alternative cross-sections are shown on Attachment 1. The anticipated completion date for the PSR is summer of 2009. This study will help to assure that any interim improvements to the highway are compatible with the long-term plans to provide sufficient capacity for the planned growth in vehicle trips and to address potential growth in congestion.

NEXT STEPS
The Department plans to team up with CHP using the existing safety corridor task force and the engineering sub-committee to work with the local community on SR-67. This effort will include an evaluation of the feasibility of placing median barriers on SR-67. The first meeting was held on May 28, 2009, and community outreach meetings will continue for the next 10 months. In addition, the Department will document alternative(s) for the placement of median barrier along with estimated project costs and constraints in the corridor.
The Department also is reviewing other similar conventional highway locations throughout the state to gain a better understanding of potential improvements and the process followed to implement those improvements. General constraints for the placement of median barrier that have been identified in the review of these other similar projects that could apply to SR-67 are listed below. These factors will be analyzed as the Department develops median barrier project alternatives.

- Out of direction travel due to elimination of left turn access at driveway or local road locations and the availability of intersections for turnaround points or U-turns.

- Emergency response capabilities along the corridor and response to incidents on SR-67, location of turnaround or U-turn locations. Decreased volume capacity for mass exodus in the event of a catastrophic event.

- Congestion and vehicle platooning from removal of existing passing lanes to accommodate barrier and inside shoulder widths.

- Sight distance issues along the barrier and at intersection locations.

- Potential for increase in rear end, barrier impact and run off the road type collisions.

- Need for road closures and detours for maintenance activities.

- Drainage consideration with barrier in place.

- Environmental consideration for areas that require a widened roadway.

- Potential for increased occurrences of wrong-way vehicles on the incorrect side of the barrier.
SR-67 PSR PROPOSED ALTERNATIVES

B - Median with Concrete Barrier

C - Graded Median
INTESTATE 15 INTEGRATED CORRIDOR MANAGEMENT SYSTEM:
PROJECT STATUS

Introduction

In spring 2006, SANDAG in partnership with Caltrans, Metropolitan Transit System (MTS), North County Transit District (NCTD), and the Cities of San Diego, Poway, and Escondido, submitted a funding proposal in response to a request for applications issued by the U.S. Department of Transportation (USDOT) for participating in the Integrated Corridor Management (ICM) federal initiative. During this initial solicitation and competitive process, the partner agencies' proposal for the Interstate 15 (I-15) Corridor was selected as one of eight pioneer sites throughout the nation to receive funding to participate in the ICM initiative. The ICM initiative is being conducted in three stages: planning, modeling/simulation, and implementation/operations. San Diego was selected for the first two stages and is currently competing for the third stage of the ICM initiative.

Discussion

The overall vision of the ICM initiative is to improve mobility and reduce congestion through an integrated system that enhances multi-agency and multimodal coordination. The I-15 ICM project achieves this by identifying and determining how freeway, arterial, and transit networks can be managed holistically through a corridor-wide approach to optimize capacity, efficiency, and reliability. The key components of this vision include software integration, data sharing, and coordinated operations. The anticipated benefit of an ICM project is that it will establish the platform for managing and operating multiple and individual transportation systems as unified corridor systems throughout the region.

I-15 ICM Stage I

In early 2006, the San Diego region was awarded approximately $279,000 (including a Caltrans matching contribution) to complete the Stage I ICM planning efforts. As part of this first stage, the San Diego region defined the I-15 ICM project goals, objectives, and institutional partnerships needed to complete an ICM system. These efforts also included identifying existing or planned transit, freeway, or arterial management assets and determining how they can come together to develop and implement an ICM system that would allow the I-15 corridor to be operated in a more coordinated and integrated manner. These efforts were documented through the completion of the I-15 Concept of Operations Report and System Requirements Document. Stage 1 work efforts were completed in March 2008.

I-15 ICM Stage II

In May 2008, USDOT announced that the San Diego region was selected and awarded $300,000 (including a Caltrans matching contribution) to participate in Stage II ICM work efforts. Stage II tasks include the development and completion of an Analysis, Modeling, and Simulation (AMS)
work effort. The objective of this effort is to develop a modeling and simulation tool for assessing near-term performance of the I-15 corridor with an ICM system. The ICM system would include the anticipated integration of modal management systems and/or improvements, planned roadway network expansion investments, and transit system improvements. Modeling and Simulations are being developed to predict how the I-15 Managed Lanes system will work under day to day or incident operational scenarios with improved and coordinated ramp metering and arterial traffic signal synchronization or Bus Rapid Transit improvements. As a Stage II recipient, SANDAG is one of three ICM pioneer sites selected for Stage II, that will offer valuable insight and lessons learned to other agencies throughout the nation for implementing the ICM initiative. I-15 ICM Stage II work efforts are underway and are anticipated to be completed by September/October 2009.

I-15 ICM Stage III

In February 2009, the USDOT issued a grant solicitation to all the eight pioneer sites for Stage III which provided funding for the implementation of an ICM demonstration project(s). The focus of the ICM Stage III work efforts is to design, deploy, and operate a site’s proposed ICM system over a period of 36 months. Grant applications were due on May 28, and the San Diego site worked in partnership with Caltrans, MTS, NCTD, and the Cities of San Diego, Poway, and Escondido, to submit a funding proposal totaling approximately $9 million. The San Diego region’s proposed implementation for the ICM demonstration project includes the following key components:

- Leveraging existing investments in corridor facilities along with freeway, transit and signal management systems to measure and manage corridor performance.
- Enhancing ramp metering to include analysis of overall freeway throughput and integration with traffic signals to better manage traffic entering and exiting the freeway.
- Improving data collection for transit, highways, and arterials to develop and monitor corridor performance, enhance traveler information and support incident management.
- Implementation of a real-time traffic forecasting and response plan system which forecasts traffic breakdowns and make system recommendations to avoid and minimize congestion impacts.
- Adoption of proactive multimodal operational strategies and agreements that place overall corridor performance as the highest priority.

The USDOT expects that up to three pioneer sites will be selected to proceed with Stage III with work efforts to begin in September 2009 and be completed by June 2012. Staff will provide an update report to the Transportation Committee highlighting the progress of the I-15 ICM project including Stage III grant solicitation results at a future meeting.

JACK BODA
Director of Mobility Management and Project Implementation

Key Staff Contact: Alex Estrella, (619) 699-1928, aes@sandag.org
San Diego Association of Governments

TRANSPORTATION COMMITTEE

June 19, 2009

AGENDA ITEM NO.: 13

Action Requested: INFORMATION

REGIONAL ARTERIAL MANAGEMENT SYSTEM UPDATE

File Number 1109300

Introduction

SANDAG is implementing the Regional Arterial Management System (RAMS) to enhance interjurisdictional coordination of traffic signals along freeway interchanges and major streets/arterial corridors throughout the San Diego region. The RAMS project enhances each agency's ability to manage their signals and provides the ability to coordinate signal timing plans across jurisdictions. RAMS will allow jurisdictions to develop, propose, and implement traffic signal timing plans spanning multiple jurisdictions for day-to-day, planned special events, and emergency conditions.

Discussion

As one of the four key components of 2030 Regional Transportation Plan, Systems Management plays a vital role in maximizing the benefits of existing transportation investments. RAMS is one of several regional Intelligent Transportation System (ITS) deployments currently being implemented that support the region's ITS Strategic Plan to enhance overall system management. The RAMS project was initiated as part of the U.S. Department of Transportation's (USDOT's) Southern California ITS Priority Corridor Showcase Program. Funding for the RAMS project is being provided through the ITS Priority Corridor Showcase Program, as well as other federal, state, and local sources totaling approximately $1.6 million.

The primary objective of the RAMS project is to enhance arterial traffic management capabilities by establishing a common traffic signal systems communications platform throughout the San Diego region. The system would allow traffic engineers to share and view traffic signal timing information on a corridor and cross-jurisdictional level. The RAMS project leveraged the majority of the cities' existing investment in the QuickNet traffic signal system, by upgrading the system and providing enhancements and integration to fit the region's needs. The key to making this project successful in the region is the active participation of local agencies, through representation on the San Diego Traffic Engineers Council (SANTEC).

Project Update

The RAMS project deployment has two phases which provide for design and build of the system and includes a pilot deployment before countywide rollout. Phase One included the design, development, and testing of the RAMS system and initial RAMS system rollout to Caltrans, and the Cities of San Diego and Chula Vista. This phase provides for acceptance and evaluation of the new system. Completion of the evaluation report is scheduled for fall 2009. SANTEC has accepted the developed system and requested initiation of the Phase Two rollout to the rest of the region. Phase Two includes the remaining participating local agencies over the next nine months including
Carlsbad, El Cajon, Escondido, Encinitas, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Marcos, Santee, Solana Beach, Vista, and the County of San Diego. SANDAG staff is working with local agency traffic engineering representatives to coordinate the RAMS rollout in a phased approach.

Once the RAMS system is fully deployed, traffic engineers at the individual cities and Caltrans District 11 will have the ability to enhance interjurisdictional coordination throughout the San Diego region, using RAMS as a regional tool for improved system management. Staff will provide an updated report the Transportation Committee highlighting the progress of RAMS project at a future meeting.

JACK BODA
Director of Mobility Management and Project Implementation

Key Staff Contact: Ellison Alegre, (619) 699-0729, eal@sandag.org
Fiscal Year 2009: Year in Review

Federal Transit Administration’s (FTA) Triennial Review
- Completed June 2009
- FTA examines performance and adherence to FTA requirements/policies
- Reviewed 23 different areas of responsibility
- Auditor found zero deficiencies

Transit Oriented Development at Grossmont Trolley
- Partnership with Fairfield Residential and the City of La Mesa
- Pravada apartments started leasing this winter
- $685 million in operating revenue over the life of the 99 year lease

Hosted APTA Annual Meeting and Expo
- $58 million impact to region
- Approximately 15,000 attendees
- October 5 - 8, 2008
Fiscal Year 2009: Year in Review

Amalgamated Transit Union (ATU) Agreement
- Five year agreement finalized in May 2008
- Negotiated significant work rule changes
  - More efficient scheduling
  - Reduced vacation and sick leave accrual rate
  - Capped pension for new hires
- Results:
  - Improved bus service
  - Improved recruitment
  - Reduce absenteeism, overtime, and lost work
  - Estimated $4.3M favorable impact in FY09

International Brotherhood of Electrical Workers (IBEW) Agreement
- Three year agreement finalized in April 2009
- Includes 15 month pay freeze
- MTS to maintain current benefit levels for existing employees

New buses added to fleet
- 26 CNG articulated buses
- 55 CNG buses
- 12 Super Loop gas hybrid buses

Alternative fuel shift continues
- Diesel use cut by 50%
- Over 80% of total service for FY10 using alternative fuel

Opening of Super Loop Service
- Pilot Service began June 15, 2009
- 10 minute peak service
- 9 stops between UCSD, UTC, and La Jolla Village Square
I-15 BRT Service
– Two interim stations serving existing premium express routes
  – Sabre Springs Station
    • Opened January 2009
    • Served routes 820 and 860
  – Rancho Bernardo Station
    • Opened March 2009
    • Served by premium express routes 810 and 880
    • Also served by local routes 20 and 845
– New Premium Express Service (880)
  – Funded by development fund (4S Ranch)
  – Serves Sorrento Valley

Fiscal Year 2009: Year in Review

Trolley Improvements Moving Forward
  – Centralized Train Control
    • Real time train location live on Green line - October 2009
  – Low-Floor Light Rail Vehicles
    • Procuring 57 new Siemens low-floor LRVs
    • First LRV could arrive MTS as early as January 2011
    • System-wide Low-Floor Accessibility
  – Rail System Operations Modification
    • Green line extended to Imperial Station
    • Blue line will end at America Plaza
    • Preparing for Mid Coast Line
    • Estimated $750K annual operating savings
  – Trolley Blue Line Rehabilitation
    • Blue Line in operation since July 26, 1981
    • Project will rehabilitate track, track switches, overhead catenary wire, stations, grade crossings, crossing signal equipment, signal cases and substation enclosures and activation switches
Fiscal Year 2009: Year in Review

Ridership
- Over 90 million passengers for the second year in a row
- Despite fare increases, service changes, stabilizing gas prices and rising unemployment levels

Performance Measures
- On Time Performance (measured through January 2009)
  - Trolley consistent at 97% on time
  - Bus improved by 8% to achieve 85%
- Revenue Hours and Passengers per Revenue Hour
### SAN DIEGO METROPOLITAN TRANSIT SYSTEM
#### OPERATING STATISTICS COMPARATIVE

<table>
<thead>
<tr>
<th>Service</th>
<th>Farebox Recovery</th>
<th>Cost per Rev Hour</th>
<th>Subsidy per Passenger</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTS Bus</td>
<td>31%</td>
<td>$72.52</td>
<td>$1.95</td>
</tr>
<tr>
<td>MTS Rail</td>
<td>52%</td>
<td>$122.48</td>
<td>$0.73</td>
</tr>
<tr>
<td><strong>MTS Combined</strong></td>
<td><strong>37%</strong></td>
<td><strong>$81.98</strong></td>
<td><strong>$1.43</strong></td>
</tr>
<tr>
<td>UTA (Utah)</td>
<td>15%</td>
<td>$96.98</td>
<td>$3.09</td>
</tr>
<tr>
<td>RTD (Denver)</td>
<td>23%</td>
<td>$86.88</td>
<td>$2.82</td>
</tr>
<tr>
<td>TRI-MET (Portland)</td>
<td>25%</td>
<td>$111.09</td>
<td>$2.31</td>
</tr>
<tr>
<td>KING COUNTY (Wash.)</td>
<td>21%</td>
<td>$114.28</td>
<td>$3.19</td>
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<tr>
<td>SRTD (Sacramento)</td>
<td>20%</td>
<td>$130.58</td>
<td>$3.51</td>
</tr>
<tr>
<td>VTA (San Jose)</td>
<td>13%</td>
<td>$149.95</td>
<td>$5.78</td>
</tr>
</tbody>
</table>

*Excludes Para Transit Services*

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**Average Fare in FY10 = $1.02**

*Excludes Para Transit Services*
FY10 Operating Budget Issues/Constraints
- Impact of California’s Budget Cuts on STA
  - Complete elimination of State Transit Assistance (STA) funding beginning in FY 2010 (down $29 million from FY 2007)
  - Current budget has STA funding unobtainable until 2013

FY10 Operating Budget Issues/Constraints
- Sales Tax Revenues Continue to Drop
  - Impacts MTS’s share of TDA and TransNet
  - FY 2009 revised estimate 6.0% lower than FY 2008
  - FY 2010 estimate 1.0% lower than FY 2009

Drop of $12.5M or -14.1% from FY07 level
Closing the Gap

Faced with a budget shortfall of $11.0M

- Presented budget closure scenario
  - FY 2009 Carry-forward
  - Non-fare revenue
  - Non-service cost adjustments
  - Personnel: 18.6% drop in FTEs from FY 2005 to FY 2010
  - Fare revenue/Service adjustments

- MTS Board approved initiatives to close budget

### FY 2010 Combined Budget - Revenue / Expense Schedule

<table>
<thead>
<tr>
<th></th>
<th>Amended FY 2009</th>
<th>Budget FY 2010</th>
<th>Variance</th>
<th>Variance Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenues</td>
<td>95,222</td>
<td>100,704</td>
<td>5,481</td>
<td>5.8%</td>
</tr>
<tr>
<td>Non Operating Revenues</td>
<td>130,122</td>
<td>122,511</td>
<td>(7,611)</td>
<td>-5.8%</td>
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<tr>
<td>Reserves</td>
<td>60</td>
<td>1,892</td>
<td>1,832</td>
<td>3040.5%</td>
</tr>
<tr>
<td>Combined Revenues</td>
<td>225,405</td>
<td>225,106</td>
<td>(298)</td>
<td>-0.1%</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Expenses</td>
<td>99,107</td>
<td>101,263</td>
<td>2,157</td>
<td>2.2%</td>
</tr>
<tr>
<td>Purchased Transportation</td>
<td>55,462</td>
<td>56,076</td>
<td>614</td>
<td>1.1%</td>
</tr>
<tr>
<td>Outside Services</td>
<td>15,521</td>
<td>15,777</td>
<td>256</td>
<td>1.6%</td>
</tr>
<tr>
<td>Energy</td>
<td>28,520</td>
<td>26,971</td>
<td>(1,549)</td>
<td>-5.4%</td>
</tr>
<tr>
<td>All Other Expenses</td>
<td>25,044</td>
<td>25,019</td>
<td>(25)</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Combined Expenses</td>
<td>223,655</td>
<td>225,106</td>
<td>1,452</td>
<td>0.6%</td>
</tr>
<tr>
<td>Total Revs Less Exps</td>
<td>1,750</td>
<td>0</td>
<td>(1,750)</td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>----------------</td>
<td>-------------------</td>
<td>-------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Total Recurring Revenues</td>
<td>215,630</td>
<td>218,715</td>
<td>222,731</td>
<td>227,618</td>
</tr>
<tr>
<td>Total Recurring Expenses</td>
<td>217,522</td>
<td>221,872</td>
<td>228,528</td>
<td>235,384</td>
</tr>
<tr>
<td>Non Recurring Revenues *</td>
<td>1,892</td>
<td>160</td>
<td>160</td>
<td>160</td>
</tr>
<tr>
<td>Net Operating Subsidy</td>
<td>0</td>
<td>(2,997)</td>
<td>(5,637)</td>
<td>(7,606)</td>
</tr>
</tbody>
</table>

* Taxicab Administration and SDBAE self-funded reserve usage and carry-forward of $1.75M in FY 2010
FY 2009 Operational Highlights - BREEZE

- Expanded bus service in North County rural areas
  - Supported by 5311(f) funding
  - Service to casinos and employment centers increased to 16 trips a day, 7 days a week
FY 2009 Operational Highlights - SPRINTER

- Expanded service to accommodate popularity of beach destinations
  - Supported by Job Access Reverse Commute (JARC) funding
  - Saturday/Sunday/Holiday service increased from 60 minute to 30 minute service

FY 2009 Operational Highlights – Accessible Services

- Introduced the “Transit Buddy” volunteer program
  - Created to assist seniors in learning how to use transit
Responding to deteriorating revenues, NCTD implemented cost-cutting measures during the current fiscal year:

- Service reductions were implemented in August 2008 and January 2009
- Through layoffs and attrition, number of represented employees was reduced by 38 (a 9% decrease)
- Number of non-represented positions was reduced by 28 (a 15% decrease)

Unfortunately, revenues declined further during the current fiscal year

- State Funding
  - State Transit Assistance funding was completely eliminated during the year

- Local Funding
  - TDA – Comprises over 35% of NCTD’s operating revenues
    - Apportionment to region reduced over 7%
    - Impact to NCTD: Actual TDA funding was $1.5 million below budgeted levels
  - TransNet – Comprises over 12% of NCTD’s operating revenues
    - Original amount available to region for transit reduced over 6%
    - Impact to NCTD: Actual funding was $700,000 below budgeted levels
Looking Forward

FY 2010 Budget

FY 2010 – A Transitional Year

- Elimination of state funding, and declining sales tax revenue, represent an economic tsunami for NCTD
- FY 2010 budget is balanced, without changes to service or fares. **HOWEVER**…
- Forecasts for future years indicate large and increasing deficits
## 5-year Outlook

### Revenue:

<table>
<thead>
<tr>
<th></th>
<th>FY 2010 Budget</th>
<th>FY 2011 Projected</th>
<th>FY 2012 Projected</th>
<th>FY 2013 Projected</th>
<th>FY 2014 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passenger fares</strong></td>
<td>18,972,669</td>
<td>19,376,217</td>
<td>20,619,582</td>
<td>21,167,450</td>
<td>21,730,862</td>
</tr>
<tr>
<td><strong>Auxiliary revenues</strong></td>
<td>8,307,000</td>
<td>8,514,675</td>
<td>8,727,542</td>
<td>8,945,730</td>
<td>9,169,374</td>
</tr>
<tr>
<td><strong>Non-transportation revenues</strong></td>
<td>1,701,633</td>
<td>1,735,666</td>
<td>1,770,379</td>
<td>1,805,787</td>
<td>1,841,902</td>
</tr>
<tr>
<td><strong>Operating Revenue</strong></td>
<td>28,981,302</td>
<td>29,626,558</td>
<td>31,117,503</td>
<td>31,918,967</td>
<td>32,742,138</td>
</tr>
<tr>
<td>Recurring Non-Operating Revenue</td>
<td>50,000</td>
<td>51,000</td>
<td>52,020</td>
<td>53,060</td>
<td>54,122</td>
</tr>
<tr>
<td>Recurring Grant Revenue</td>
<td>53,875,610</td>
<td>49,035,715</td>
<td>49,647,972</td>
<td>50,780,732</td>
<td>52,003,946</td>
</tr>
<tr>
<td><strong>Operating Revenue</strong></td>
<td>82,906,912</td>
<td>78,713,273</td>
<td>80,817,495</td>
<td>82,752,759</td>
<td>84,800,206</td>
</tr>
<tr>
<td><strong>Non-recurring Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CMAQ</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preventive Maintenance</td>
<td>4,500,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Non-recurring Revenues</strong></td>
<td>4,963,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ANNUAL OPERATING SURPLUS (DEFICIT)</strong></td>
<td></td>
<td>-</td>
<td>(11,725,819)</td>
<td>(14,743,865)</td>
<td>(16,036,081)</td>
</tr>
<tr>
<td>Debt Service - Principal Payments</td>
<td>-</td>
<td>1,100,000</td>
<td>1,125,000</td>
<td>1,200,000</td>
<td>1,225,000</td>
</tr>
<tr>
<td><strong>NET ADDITION (REDUCTION) TO TDA RESERVES</strong></td>
<td></td>
<td>-</td>
<td>(12,825,819)</td>
<td>(15,868,865)</td>
<td>(17,236,081)</td>
</tr>
</tbody>
</table>

### FY 2010 Revenues

- **State Transit Assistance**
  - State has diverted over $30 million of funding from NCTD in past five years
  - Eliminated STA funding not only for FY 2010, but for future years as well, through FY 2013
FY 2010 Revenues

- **TDA and TransNet**
  - Both funding sources are based on sales tax revenues
  - Compounding effect of several years of reduced estimates is dramatic
    - In February 2006, the estimated level of FY 2010 TDA and TransNet was $50 million
  - Three years later, the current estimated level of FY 2010 TDA and TransNet is $41.3 million
  - Future year estimates include both lower projected sales tax collections AND lower future growth rates
  - Elimination of STA funding requires use of local funding (TDA) for matching revenues for capital projects

Actions Taken for FY 2010

- Total expenses reduced from FY 2009 budgeted levels of $91.8 million to $87.9 million
- Compensation freeze for coach operators and all non-represented employees
- Reduced Capital Improvement Program (CIP) budget
- Reduction in contracted services
Our Tasks Ahead

- Must make strategic plans to live within existing revenue streams
  - First priority is to provide transit services to the public
- Innovate and reshape NCTD’s business model
  - Conduct financial and performance analysis of NCTD and its business units
  - Re-engineer NCTD’s service delivery plan to provide market segmented services
  - Business plan must be financially and operationally viable for the long run
- Develop a financial policy to support funding a capital and operating reserve
- Dedicate resources to support joint development and other opportunities to enhance revenues

Comparative Operating Statistics – Bus

Comparative Agencies selected based on Service Area Population and Annual Ridership. The selected agencies were within 50% of NCTD’s Service Area Population (842,000) and 50% of NCTD’s Annual Ridership (10,160,477).

<table>
<thead>
<tr>
<th>Agency</th>
<th>Farebox Recovery</th>
<th>Cost per Revenue Hour</th>
<th>Average Fare per Passenger</th>
<th>Subsidy per Passenger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Golden Gate Bridge Hwy &amp; Transportation District</td>
<td>27.49%</td>
<td>176.91</td>
<td>2.25</td>
<td>5.94</td>
</tr>
<tr>
<td>Fresno Area Express</td>
<td>23.22%</td>
<td>91.90</td>
<td>0.65</td>
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<td>Golden Empire Transit District</td>
<td>22.37%</td>
<td>66.47</td>
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<tr>
<td>NCTD</td>
<td>21.33%</td>
<td>91.27</td>
<td>0.95</td>
<td>3.52</td>
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<td>Pierce Transit (Tacoma, WA)</td>
<td>21.13%</td>
<td>107.91</td>
<td>0.97</td>
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<td>San Mateo County Transit District</td>
<td>19.05%</td>
<td>139.04</td>
<td>1.17</td>
<td>4.99</td>
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<td>Sacramento Regional Transit</td>
<td>18.00%</td>
<td>117.06</td>
<td>0.85</td>
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<td>Fort Worth Transportation Authority</td>
<td>11.25%</td>
<td>79.46</td>
<td>0.52</td>
<td>4.10</td>
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</table>

Source: 2007 NTD Database
Comparative Statistics – Commuter Rail

Comparative Agencies selected based on Annual Ridership.
The selected agencies were within 75% of NCTD’s Annual Ridership (1,560,729).

<table>
<thead>
<tr>
<th>Agency</th>
<th>Farebox Recovery</th>
<th>Cost per Vehicle Revenue Hour</th>
<th>Average Fare per Passenger</th>
<th>Subsidy per Passenger</th>
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<tr>
<td>Altamont Commuter Express</td>
<td>36.66%</td>
<td>553.60</td>
<td>5.64</td>
<td>9.75</td>
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<tr>
<td>NCTD</td>
<td>35.81%</td>
<td>587.73</td>
<td>4.08</td>
<td>7.33</td>
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<td>Central Puget Sound Regional TA (Sounder)</td>
<td>26.89%</td>
<td>1,277.66</td>
<td>3.07</td>
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<tr>
<td>South Florida Regional TA (Tri-Rail)</td>
<td>16.77%</td>
<td>671.57</td>
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<tr>
<td>Dallas Area Rapid Transit (TRE)</td>
<td>6.14%</td>
<td>825.24</td>
<td>0.87</td>
<td>13.30</td>
</tr>
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</table>

Source: 2007 NTD Database

Questions?
The Transportation Committee is asked to approve the North County Transit District and Metropolitan Transit System operating budgets for funding, with final budgets subject to approval by the respective transit district boards.
Memorandum Of Agreement Between SANDAG and The City of Santee Regarding TransNet Extension Ordinance Commercial Paper Program And Request For An Exception to Rule #16 of Board Policy No. 031

June 19, 2009

Recommendation

The Transportation Committee is asked to recommend that the Board of Directors: (1) approve the use of the TransNet Commercial Paper program for the City of Santee in the amount of $3.95 million; (2) approve an exception to Rule #16 of Board Policy No. 031 to increase the repayment period from five years to ten years for this instance; and (3) authorize the Executive Director to execute the Memorandum of Agreement in substantially the same form as attached to the report (Attachment 1).
Introduction

- 2007 Regional Transportation Plan (RTP) settlement agreement identified studies to be completed for 2050 RTP
- A study on impediments to public transit is one element of this settlement agreement
- Purpose of study is to identify and analyze:
  - All known and reasonably foreseeable financial impediments to maintaining transit service levels
  - All known and reasonably foreseeable impediments to maintain long-term transit ridership
  - All known and reasonably foreseeable recurring sources to cover funding for operations
Actions to Date

- Board received overview of study at April 24, 2009 meeting
- Board actions from this meeting:
  - Accepted study for public distribution for 60 days
  - Referred to Transportation Committee for review of study alternatives
- Settlement agreement requires Board to consider alternatives that could be implemented within 60 days of issuance of report (June 26 Board meeting)

Study Contents

- Section 1: Introduction
- Section 2: Known Financial Impediments
  - Overview of relationship between transit costs and revenues
  - Detailed description of federal, state, and local recurring funding sources, along with the issues that impede the use of these funds to sustain operations
Study Contents

- Section 3: Impediments to Maintaining Long-Term Transit Ridership
  - References recent market research, surveys, and plans
  - Outlines both system development and system management strategies that can help maintain ridership
  - Discusses role of technology and regional model improvements

Study Contents

- Section 4: Reallocation of Existing Resources
  - Discussion on TransNet Extension Ordinance
  - Outlines various TransNet funding programs and the flexibility to cover transit operations through reallocation of resources

- Section 5: Regional and Local Revenue Sources
Section 5: New Funding Sources at Regional/Local Level

- Additional Transportation Sales Tax (proposed Quality of Life measure)
  - ¼ - ½ cent could generate in the range of $117M-$234M annually
  - Requires 2/3 voter approval

- Vehicle Registration Fees
  - APCD can charge additional $2/vehicle for projects that reduce emissions, including transit services
  - Could generate approximately $5M annually

- Transit Center User Fees
  - $3/parking space fee could generate approximately $1M-$2M annually
  - SANDAG/transit agencies can levy
  - Would require new structure to administer

- Parcel Taxes
  - Alameda-Contra Costa County recently doubled $48 parcel tax for transit to $96
  - Similar tax could generate in the range of $35M-$70M annually if applied to San Diego region
  - Local jurisdictions can levy; requires 2/3 voter approval
Section 5: New Funding Sources at Regional/Local Level

- Payroll Taxes
  - New York has 0.34% tax in MTA service area; Portland has 0.66% for Tri-Met service area
  - Similar tax could generate in the range of $175M-$340M annually if applied to all County wages/salaries
  - Local jurisdictions can levy; requires 2/3 voter approval
  - Would require new structure to administer

- Rental Car Fees
  - Currently being charged under CA Tourism Marketing Act and spent at state level by Office of Tourism
  - No current authority to levy locally/regionally; would require state legislation
  - New York has rental car fee of 5% for MTA service area
  - A 1%-5% fee could generate in the range of $2M-$10M annually

- Benefit Assessment & Parking Assessment Districts
  - Local jurisdictions can approve; nexus study required
  - Potential revenues depend on how they are implemented
Section 5: New Funding Sources at Regional/Local Level

- Development Impact Fees & Exactions
  - Local jurisdictions can approve under Mitigation Fee Act; nexus study required
  - Fees can only be applied to transit capital expenses

- Community Facilities Districts
  - Local jurisdictions can approve under Mello-Roos Law with approval from property owners in district
  - Appears that statutes do not allow funding for transit operating expenses

- Tax Increment Finance
  - Can only be used for capital expenses
  - New state legislation would be required to amend Community Redevelopment Law
Section 5: New Funding Sources at Regional/Local Level

- Real Estate Transfer Taxes
  - Maximum tax currently being assessed ($0.55 per $500), split evenly between County and each city
  - New state legislation required for additional tax increase for non-charter cities
  - Charter cities can forgo its half of tax ("conforming tax") and levy a separate tax in its place ("non-conforming tax") with 2/3 voter approval
  - Examples range from $1.10/$1000 in Riverside to $15/$1000 in Berkeley

Study Contents

- Section 6: Possible New Funding Sources at Federal/State Level
  - Potential future funding opportunities at federal and state level
    - Federal Surface Transportation Authorization (MAP-21)
    - Assembly Bill 32 Scoping Plan – Cap and Trade Options
    - Transit Operations and Protection Plan (TOPP)
    - System Coordination and Public/Private Partnerships
Public Comments

- Comment period currently open
- One comment received to date

Next Steps

- April 24 – June 26, 2009: Public review period
- June 26: SANDAG Board consideration of implementation of study alternatives
- Finalize Transit Impediments Study based on public comments and Board action
Recommendation

The Transportation Committee is asked to provide input on the alternatives identified in the Transit Impediments Study and provide recommendations on possible next steps for the Board’s consideration at its June 26, 2009 meeting.
TDA/TransNet Bicycle, Pedestrian, and Neighborhood Safety/Traffic Calming Program

FY 2010 Funding Recommendations

June 19, 2009

Funding Availability

- TDA: $3.0 million
- TransNet: $4.8 million
- Total Funding: $7.8 million
FY 2010 Applications

- 26 Capital Projects  $8.5 million
- 12 Bicycle/Pedestrian Master Plans, Bicycle Parking, Support Programs  $1.3 million
- 38 Total Applications  $9.8 million

Project Evaluation Process

- **May 20, 2009:** Project presentations to Bicycle-Pedestrian Working Group
- **May 21, 2009:** Review Panel
- **May 27, 2009:** Bicycle-Pedestrian Working Group recommendations
- **June 10, 2009:** Independent Taxpayer Oversight Committee review for eligibility and compliance with TransNet
Recommended Funding Allocations

$1.15 Million - Bicycle Plans, Pedestrian Plans, Bicycle Parking, and Support Programs

- 5 Bicycle Master Plans
- 1 Pedestrian Master Plan
- 1 Bicycle and Pedestrian Master Plan
- 3 Bicycle Parking Projects
- Bicycle and Pedestrian Safety Program
- SANDAG Regional Bicycle Map

$6.5 Million - Capital Projects

- 2 Bicycle Projects
- 8 Pedestrian Projects
- 8 Bicycle and Pedestrian Projects – Class I (Shared Use) Bike Path
Next Steps

- **June 26, 2009:**
  SANDAG Board of Directors
- **July and August 2009:**
  Grant Agreements

Recommendation

The Transportation Committee is asked to recommend that the Board of Directors approve (1) the list of projects for funding as shown in Attachment 1; and (2) Resolution No. 2009-30 approving the FY 2010 TDA Article 3 allocation, in substantially the same form as Attachment 2.
East County Bus Maintenance Facility (ECBMF) Budget Consolidation

Capital Improvement Program Budget Transfer

- Approved by MTS Board May 28, 2009
- Consolidates Two Related Bus Projects – Bus Yard Expansion & Bus Fueling Facility Construction
- Adds Expiring MTS Funds to the Project
## Project Transfer Summary

<table>
<thead>
<tr>
<th>PROJECT NAME</th>
<th>EXISTING FY 2010</th>
<th>CHANGE</th>
<th>PROPOSED BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECBMF - CNG Station (1142700)</td>
<td>$701,000</td>
<td>-$686,386</td>
<td>$14,614</td>
</tr>
<tr>
<td>East County Land Acquisition (MTS 11237)</td>
<td>5,672,200</td>
<td>-$501,600</td>
<td>5,170,600</td>
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<tr>
<td>East County Bus Maintenance Facility (1049600)</td>
<td>$10,725,000</td>
<td>$1,187,986</td>
<td>$11,912,986</td>
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</tbody>
</table>

Transportation Committee is Asked to Recommend:

Transfer $686,386 from ECBMF CNG Station Project 1142700 to ECBMF Project 1049600

Transfer $501,600 from East County Land Acquisition Project MTS 11237 to ECBMF Project 1049600
HISTORY

In 1992, the California Highway Patrol began receiving grant funding to conduct corridor safety projects. The core concept of a corridor project is to look at a “high-collision” roadway, rather than just a high collision location, and identify and implement strategies that will affect safety on the entire corridor. To accomplish this, task forces made up of representatives from local, regional, county, state, and federal government agencies and the private sector are established. The mission of each task force is to assess a traffic, pedestrian, or Driving Under the Influence (DUI) corridor, make recommendations to improve traffic safety on that corridor, and implement those recommendations.

By coordinating and supporting the efforts of all members, task forces have accomplished much more in a variety of disciplines than any one agency could accomplish on its own. Roadway environment improvements have ranged from signing and striping changes to millions of dollars in highway improvements, installation of cellular telephone sites, equipping rural fire engines with equipment frequently used at collision scenes, regional public awareness campaigns, and enhanced enforcement.

The combined efforts of each task force have always resulted in reductions in fatal and/or injury collisions on the corridors.

The California Highway Patrol, El Cajon Area, received funding from the Office of Traffic Safety (OTS) for a corridor safety project on State Route 67.

IMPLEMENTING A CORRIDOR PROJECT

Grant project agreements are signed for each corridor safety project. Each of these agreements contains goals and objectives.

**Goal**

The goal must be quantifiable. This Task Force developed the following two goals:

Reduce injury collisions attributable to a DUI driver by a minimum of 5%, and sustain the zero fatality record from DUI drivers.
Corridor Safety Program Guide

Objectives

The objectives are established as stepping stones to accomplishing the goal. The following objectives are typically included in a corridor safety project:

- To convene a task force to meet at least four times during the program operations phase.

- To identify through the task force at least four factors, including conditions and behaviors, contributing to the traffic/pedestrian safety concerns on the corridor and recommend corresponding short-and/or long term solutions. (Short term solutions may include recommendations such as immediate enhanced enforcement, improving signing and/or striping, and undertaking a public education and awareness campaign. Long-term solutions may include construction projects such as curve realignments or constructing passing lanes.)

- To develop and publish a Safety Action Plan addressing the traffic/pedestrian safety issues specific to the corridor. The plan is updated at each meeting and a final version can be published with the final report. The Safety Action Plan usually addresses the following disciplines of traffic safety:

  1. Engineering, signing, and striping;
  2. Enforcement;
  3. Public education and awareness;

  At a minimum, the Safety Action Plan will include the following elements:

  1. Safety issues (concerns, problems, etc.);
  2. Safety solutions (short- and long-term);
  3. Assignment of responsibilities;
  4. Identification of funding sources;
  5. Implementation schedule; and,

- Each task force will develop and conduct a public information and education campaign.

OTS has awarded the CHP’s El Cajon Area $265,000 from a grant to fund the “Arrive Alive—Don’t Drink and Drive” SR-67 Sober Driving Coalitions project.

The grant will pay for aggressive DUI enforcement, public education and community outreach to try to reduce DUI-involved collisions. CHP enforcement efforts will include roving DUI patrols and sobriety checkpoints during times where historically there has been a high incidence of DUI driving violations. CHP will also be working with the San Diego Sheriff’s Department and Probation Department in these enforcement efforts.
The grant began on April 1, 2009, and will end on March 31, 2010.

**BENEFITS**

Following are just a few of the benefits that come from taking a corridor approach to address traffic safety on a high-collision roadway:

- Increased understanding and support of the roles and responsibilities of agencies responsible for highway safety.

- Task force support can increase the possibility that improvements to the roadway will be considered/funded/expedited.

- Grant funding provides for enhanced enforcement to target collision-causing violations.

- The public education and awareness campaign goes hand-in-hand with other activities to increase driver awareness of his/her role in traffic safety.

- Some public agencies, such as fire departments, may apply for additional grant funding with task force support for equipment frequently used at traffic collisions.

- Cooperation and communication among agencies and citizens’ groups develop.

- Some task forces continue to meet after the completion of the project.

**CONCLUSION**

The California Highway Patrol’s award-winning corridor approach has been very successful in reducing fatal and/or injury collisions on selected corridors. In continuing to use successful methods developed and established during earlier projects, this collaborative effort seeks to meet and exceed project goals.
Route Overview
CHP & Caltrans District 11

Presentation Outline

• Route Overview
  – SR-67 History
  – Existing Facility & Characteristics

• Three “E’s”
  – Education
  – Enforcement
  – Engineering
    • Recently completed improvement projects
    • Long-term RTP Project

• Next Steps
  – Opportunities & Constraints
The Growing Community of Ramona

1960s Ramona had a population of about 5,000
The Growing Community of Ramona

2030 population is predicted to be about 56,000

1961 to 2008 ADT for Interstate 15 has grown from 19,200 to 295,000
Education

2001 - Drive to Stay Alive
2006 - Take Care Getting There
2009 - Arrive Alive
SR-67 Community Outreach

• Ramona Rodeo
• Movie Theater Advertising
• Newspaper Advertising
• Campus Outreach

“Arrive Alive” Kick-off Event
CHP Grant & Task Force

CHP received a grant from California Office of Traffic Safety to support:
– Enhanced enforcement from April 1, 2009 to March 31, 2010
– Education outreach
– Task force to recommend long and short term improvements
  • Enforcement
  • Anti-DUI education
  • Engineering efforts to improve traffic safety

Community Task Force

Mission:
Assess corridor and recommend improvement strategies for:
  – Vehicle Traffic
  – Reducing DUI’s
  – Bicyclists and Pedestrians

Goals:
• Reduce DUI injury collisions by a minimum 5%
• Sustain zero fatality record resulting from DUI collisions
Task Force Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Title and Organization</th>
</tr>
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<tbody>
<tr>
<td>Joel Anderson</td>
<td>State Assembly Member</td>
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<tr>
<td>Dennis Hollingsworth</td>
<td>State Senator</td>
</tr>
<tr>
<td>Dianne Jacob</td>
<td>County Supervisor</td>
</tr>
<tr>
<td>Doug Rose</td>
<td>Deputy District Attorney</td>
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<tr>
<td>Sheila Alvarez</td>
<td>Intergovernmental Liaison Barona Band of Mission Indians</td>
</tr>
<tr>
<td>Shelly Bishop</td>
<td>ABC Investigator II, TRACE</td>
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<tr>
<td>Joe Hull</td>
<td>Deputy Dist. Dir. Caltrans</td>
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<tr>
<td>David Chong</td>
<td>So. Cal ESH Manager, Lehigh Hanson</td>
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<tr>
<td>Lt. Duncan Fraser</td>
<td>S.D. County Sheriff's Dept.</td>
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<tr>
<td>Gonzalo Mendez</td>
<td>County Probation Dept.</td>
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<tr>
<td>Paula Myers</td>
<td>Director, MADD, S.D. Chapter</td>
</tr>
<tr>
<td>Bill Sullivan</td>
<td>Principal, El Capitan High School</td>
</tr>
<tr>
<td>Sunshine Horton</td>
<td>Community Member</td>
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</table>

Task Force Chair:
Captain Teresa Sumprer, CHP
## Collision Statistics

Total = CHP + Sheriff Jurisdiction of Poway

<table>
<thead>
<tr>
<th>Year</th>
<th>CHP</th>
<th>Sheriff Jurisdiction of Poway</th>
<th>Total</th>
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<td>309</td>
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<td>312</td>
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<td>506</td>
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<tr>
<td>2009</td>
<td>115</td>
<td>122</td>
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### DUI Collisions

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<th>CHP</th>
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<tbody>
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<tr>
<td>2009</td>
<td>8</td>
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### Fatal Collisions

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</tr>
<tr>
<td>2009</td>
<td>3</td>
<td>3</td>
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### Fatal Collisions Graph

- Overall Fatal Collisions
- DUI Related Fatal Collisions

![Bar graph showing fatal collisions from 2003 to 2009](image)
Primary Collision Factors

- Unsafe Speed for Conditions
- Unsafe Turning Movement
- Driving Under the Influence
- Failure to maintain a vehicle safely within the lane
- Unsafe starting or backing
- Failure to stop for red light
- Failure to Yield
  - Left or U turn
  - At an Intersection
  - Entering Highway
- Driving to the left of Double lines
- Passing on right when unsafe

Top Three Collision Factors
SR-67 South of Mt. Woodson Road

Speed Range 42 to 71 mph
Average Speed 60 mph
Posted Speed 55 mph

# of Vehicles

Speed Survey Data NB & SB 01/07/09

SR-67 CHP Citations

CHP Jurisdiction

CHP Jurisdiction

2003 2004 2005 2006 2007 2008 2009

3563 3751 3449 3757 2987 3978 2777
Average Daily Citations issued along the corridor have increased from 10.8 in 2008 to 19.2 to date in 2009.

SR-67 DUI Arrests

2003 to May 31, 2009 = 714
Safety Improvement Projects

2002 Archie Moore intersection

- Eliminated SB through lane
- Added NB Acceleration lane
- Extended left turn pocket

63% Collision Reduction
Safety Projects

Rumble Strips
Centerline/Median & Shoulders
2005-2006

Safety Projects

Median Buffers
2008
How Fast Are You Going?

11 Dynamic Speed Signs 2008

Safety Projects

Daylight Headlight Signs 2008
SANDAG’s RTP

4-Lane Conventional Highway listed in the Reasonably Expected Plan for 2020/2030

Proposed Project

16 Miles from Mapleview Street to Highland Valley/Dye Road

4-lane divided highway with three variations
Corridor Variations

A - Median with Two-way Left Turn

B - Median with Concrete Barrier

C - Graded Median

Partnering to Optimize Improvements with an integrated approach:

- Education
- Enforcement
- Engineering
139 Roadway & Driveway Access Points Serving ~2,364 Residences

Mapleview to Highland Valley/Dye Road Corridor Segment

29 Fatal Vehicle Collisions
2003 to year-to-date
Corridor Challenges

- Degraded emergency response capabilities
- Decreased capacity for emergency mass exodus
- Out of direction travel due to eliminating left turns
- Increased congestion
- Potential for non-cross median collision increases
- Sight distance requirements
- Road closures and detours for maintenance activities
- Drainage considerations
- Environmental considerations such as wildlife crossings

Questions/Comments?
Interstate 15 Integrated Corridor Management (ICM) System: Project Status

Transportation Committee
June 19, 2009

ICM Initiative - Background

- Seven year federally-sponsored program
- Support development of integrated management system
- Improve operations and management to maximize capacity and efficiency
**I-15 ICM Project**

**Vision:**
To improve mobility and reduce congestion through multi-agency and multi-modal ICM system

**Objective:**
Improve coordination of freeway, arterial, and transit networks to optimize capacity, efficiency, and reliability

**Key Milestones**
- Partnership with Caltrans, MTS, NCTD, and Cities of San Diego, Poway and Escondido

- **Stage I** – Goals, Objectives, and System Description
- **Stage II** - Analysis, Modeling, and Simulation
- **Stage III** – Demonstration Projects
I-15 ICM Project Stage III

- Measure and Manage corridor performance
- Enhance ramp metering system and coordination with traffic signals
- Improving data collection and integration of transit, highways, and arterials
- Implementation of real-time traffic prediction and response plan system
- Establish platform for proactive multi-modal and multi-agency corridor operations and management

Improve mobility and reduce congestion through multi-agency and multi-modal ICM system
Questions?

Interstate 15 Integrated Corridor Management (ICM) System: Project Status

Transportation Committee
June 19, 2009
Regional Arterial Management System (RAMS) Project Update

Transportation Committee Meeting
June 19, 2009

RAMS Overview

• Part of SANDAG’s Southern CA Priority Corridor Showcase Program
• Key Systems Management strategy
  – Corridor level traffic signal operations
  – Remotely manage traffic signal timing
• Tool for implementing signal timing plans spanning multiple agencies
Project Milestones

• Phase I
  – Design, Development and Testing
  – San Diego, Chula Vista, Caltrans
  – Approximately 1,600 traffic signals
  – Completion of Evaluation Report

Project Milestones

• Phase II rollout to remaining agencies by December 2009
  – **Tier 1**: Oceanside, Poway, Escondido, El Cajon
  – **Tier 2**: Vista, San Marcos, National City, La Mesa
  – **Tier 3**: Carlsbad, Encinitas, Solana Beach, County of San Diego
  – **Tier 4**: Lemon Grove, Santee

Approx. 3,200 total signals in region
RAMS Interface Sample Shot
City of San Diego

RAMS Interface Sample Shot
City of Chula Vista
Questions?

Regional Arterial Management System (RAMS) Project Update

Transportation Committee Meeting
June 19, 2009