EXECUTIVE COMMITTEE
AGENDA

Friday, October 8, 2010
9 to 10 a.m.
SANDAG, 7th Floor Conference Room
401 B Street
San Diego

AGENDA HIGHLIGHTS

• NOVEMBER 2, 2010, BALLOT INITIATIVES
• SERVICE BUREAU FY 2010 YEAR-END REPORT

PLEASE TURN OFF CELL PHONES DURING THE MEETING

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

San Diego Association of Governments  401 B Street, Suite 800, San Diego, CA 92101-4231
(619) 699-1900  Fax (619) 699-1905  www.sandag.org

Board Members
Lori Holt Pfeiler, Chair
Mayor, City of Escondido
(Representing North County Inland)

Jerome Stocks, First Vice Chair
Councilmember, City of Encinitas
(Representing North County Coastal)

Jack Dale, Second Vice Chair
Councilmember, City of Santee
(Representing East County)

Ron Morrison
Mayor, City of National City
(Representing South County)

Jerry Sanders
Mayor, City of San Diego

Pam Slater-Price
Chairwoman, County of San Diego

Board Alternates
Don Higginson
Mayor, City of Poway
(Representing North County Inland)

Matt Hall
Councilmember, City of Carlsbad
(Representing North County Coastal)

Mary Sessom
Mayor, City of Lemon Grove
(Representing East County)

Jim Janney
Mayor, City of Imperial Beach
(Representing South County)

Ben Hueso
Council President,
City of San Diego

Anthony Young
Councilmember,
City of San Diego

Bill Horn
Vice Chair,
County of San Diego

Greg Cox
Supervisor,
County of San Diego

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

This agenda and related staff reports can be accessed at www.sandag.org under meetings on SANDAG’s Web site. Public comments regarding the agenda can be forwarded to SANDAG via the e-mail comment form also available on the Web site. E-mail comments should be received no later than noon, two working days prior to the Executive Committee meeting. Any handouts, presentations, or other materials from the public intended for distribution at the Executive Committee meeting should be received by the Clerk of the Board no later than 12 noon, two working days prior to the meeting.

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

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EXECUTIVE COMMITTEE
Friday, October 8, 2010

ITEM #  RECOMMENDATION
+1. APPROVAL OF SEPTEMBER 10, 2010, MEETING MINUTES APPROVE

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

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

REPORTS

+3. NOVEMBER 2, 2010, BALLOT INITIATIVES (Genevieve Morelos) DISCUSSION/POSSIBLE ACTION

This item provides a summary of various statewide and countywide propositions on the November 2, 2010, general election ballot. The Executive Committee is asked to discuss whether to take a position on Proposition 22, the Local Taxpayer, Public Safety, and Transportation Protection Act of 2010.

+4. SERVICE BUREAU FY 2010 YEAR-END REPORT (Cheryl Mason) INFORMATION

SANDAG Board Policy requires that the Executive Committee, which governs the SANDAG Service Bureau, receive periodic progress reports on the project activities and financial status of the Service Bureau. This report summarizes Service Bureau activities during FY 2010.

+5. REVIEW OF OCTOBER 22, 2010, DRAFT BOARD AGENDA (Renée Wasmund) APPROVE

6. UPCOMING MEETINGS INFORMATION

The next meeting of the Executive Committee is scheduled for Friday, November 5, 2010, at 9 a.m. (first Friday due to Thanksgiving holiday).

7. ADJOURNMENT

+ next to an agenda item indicates an attachment
EXECUTIVE COMMITTEE

October 8, 2010

ACTION REQUESTED: APPROVE

EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS
SEPTEMBER 10, 2010

Chair Lori Holt Pfeiler (North County Inland) called the Executive Committee meeting to order at 9:04 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MINUTES

Upon a motion by First Vice Chair Jerome Stocks (North County Coastal) and a second by Supervisor Bill Horn (County of San Diego), the minutes of the July 9, 2010, Executive Committee meeting were unanimously approved.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

There were no public comments, communications, or member comments.

REPORTS (3 through 7)

3. 2011 ANNUAL SANDAG BOARD SUMMIT (RECOMMEND)

Colleen Windsor, Communications Director, reported that each year the Executive Committee serves as the working group to help develop the annual summit agenda and format. The Executive Committee was asked to discuss the proposed topics and format to help the Board of Directors and SANDAG staff develop the Summit agenda. The Committee also was asked to provide a recommendation to the Board of Directors as to the topics of discussion and format for the Summit.

Action: Upon a motion by First Vice Chair Stocks, and a second by Council President Ben Hueso (City of San Diego), the Executive Committee recommended that the Board of Directors approve the topics of discussion and format for the Summit.

4. DEVELOPING A REGIONAL GEOGRAPHIC INFORMATION SYSTEM (DISCUSSION)

Tim Sutherland, Manager of Regional Information Services, stated that Geographic Information Systems (GIS) are evolving technologies with great potential to aid the decision-making process. SANDAG and its member agencies utilize these technologies on a daily basis for infrastructure/facilities management, capital planning/construction design, emergency management, computer aided dispatch, property records management, crime tracking, long-range planning and many other vital applications. The breadth and depth of available
GIS data creates a unique opportunity for cooperation and collaboration across jurisdictions. The Executive Committee was asked to discuss the proposed regional GIS efforts and provide guidance to staff on how to proceed.

Following discussion, First Vice Chair Stocks suggested that this item be bifurcated with support for transferring the San Diego Geographic Information Source (SanGIS) Public GIS Clearinghouse to SANDAG; and direction to staff to further discuss the SDREGIN project in the Public Safety Committee.

**Action:** Upon a motion by Second Vice Chair Jack Dale (East County), and a second by Council President Hueso, the Executive Committee: (1) approved direction to staff to pursue transferring the SanGIS Public GIS Clearinghouse to SANDAG; and (2) directed staff to further discuss the SDREGIN project in the Public Safety Committee.

5. **SANDAG COMMENTS ON THE 2009/2010 GRAND JURY REPORT: HOMELESS IN SAN DIEGO (RECOMMEND)**

Muggs Stoll, reported that on May 17, 2010, the 2009/2010 San Diego County Grand Jury filed a report entitled "Homeless in San Diego." The report includes a number of recommendations, one of which calls for SANDAG to potentially develop and implement a plan to end chronic homelessness in the San Diego region. On July 9, 2010, the report was presented to the SANDAG Executive Committee for discussion and comment. The Executive Committee directed staff to draft a letter to the Presiding Judge of the Superior Court specifying that the proposed recommendation is not within the purview of SANDAG.

**Action:** Upon a motion by Second Vice Chair Dale, and a second by First Vice Chair Stocks, the Executive Committee recommended that the Board of Directors approve the draft letter, in substantially the same form as attached to the report, for distribution to the Presiding Judge of the Superior Court regarding the 2009/2010 San Diego County Grand Jury Report: Homeless in San Diego.

6. **STATE LEGISLATIVE STATUS UPDATE (DISCUSSION/POSSIBLE ACTION)**

Genevieve Morelos, Senior Legislative Analyst, provided a status report on the state budget and other state legislative activities. The Executive Committee was asked to discuss and consider a possible position on Senate Bill 1371 (Correa), which would authorize a letter of no prejudice process for the Proposition 1A Safe, Reliable High Speed Passenger Train Bond Act.

**Action:** Upon a motion by Council President Hueso, and a second by First Vice Chair Stocks, the Executive Committee voted to support Senate Bill 1731 (Correa).

José A. Nuncio, Manager of Financial Programming and Project Control, provided information on the impacts of not having an approved state budget on funding for new projects and continuing funding for those projects that are currently underway.
7. REVIEW OF SEPTEMBER 24, 2010, DRAFT BOARD AGENDA (APPROVE)

Chief Deputy Executive Director Renée Wasmund reviewed any changes to the draft agenda since the mail-out.

Action: Upon a motion by Mayor Ron Morrison (South County), and a second by Council President Hueso, the Executive Committee voted to approve the agenda for the September 24, 2010, Board of Directors meeting, as revised.

8. UPCOMING MEETINGS (INFORMATION)

The next meeting of the Executive Committee is scheduled for October 8, 2010, at 9 a.m.

9. ADJOURNMENT

Chair Pfeiler adjourned the meeting at 9:48 a.m.

Attachment: Attendance Sheet
## CONFIRMED ATTENDANCE
### SANDAG EXECUTIVE COMMITTEE MEETING
### SEPTEMBER 10, 2010

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<th>GEOGRAPHICAL AREA</th>
<th>JURISDICTION</th>
<th>NAME</th>
<th>MEMBER/ALTERNATE</th>
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<td>North County Inland</td>
<td>City of Escondido</td>
<td>Lori Holt Pfeiler, Chair</td>
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<td>Don Higginson</td>
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<td>City of National City</td>
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<td>City of Imperial Beach</td>
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<td>East County</td>
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<td>Jack Dale, 2nd Vice Chair</td>
<td>Member</td>
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<td>City of Lemon Grove</td>
<td>Mary Sessom</td>
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<td>Member</td>
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<td>Ben Hueso</td>
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<td>Member</td>
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<td>Bill Horn</td>
<td>1st Alternate</td>
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<td></td>
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<td>Greg Cox</td>
<td>2nd Alternate</td>
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San Diego Association of Governments

EXECUTIVE COMMITTEE

October 8, 2010

AGENDA ITEM NO.: 3

Action Requested: DISCUSSION/POSSIBLE ACTION

NOVEMBER 2, 2010, BALLOT INITIATIVES

File Number 7300400

NOVEMBER 2, 2010, BALLOT INITIATIVES

Introduction

This report provides an overview of the local and statewide ballot measures on the November 2, 2010, general election ballot. There are 12 local measures in the San Diego region that have qualified for the November ballot; these include a proposed charter amendment for the County of San Diego to ensure fair and open competition for construction contracts; a proposed temporary one-half cent sales tax for the City of San Diego; six measures to address local school needs; and others as shown in Attachment 1. Additionally, there are nine statewide propositions that have qualified for the November 2010 ballot.

This report summarizes four statewide propositions for the Executive Committee to discuss and take a possible position on, including Proposition 22, which prohibits the state from taking funds for transportation and local government projects and services; Proposition 23, which suspends Assembly Bill 32 (AB 32), the Global Warming Act of 2006; Proposition 25, which changes the legislative vote requirement to pass a budget from two-thirds to a simple majority; and Proposition 26, which increases the legislative vote requirement to two-thirds for state levies and charges.

Discussion

SANDAG Board Policy No. 010: Ballot Measures, includes procedures and criteria that govern the review of ballot measures. The purpose of the policy is to provide criteria for use by the Executive Committee and Board of Directors to determine what position SANDAG should take on ballot measures. (The Policy also discusses the Board’s ability to place measures on the ballot.) The following criteria are to be applied to ballot measures under consideration by SANDAG:

- The proposition should be on the statewide or countywide ballot;
- The proposition should not result in usurpation of the authority of any member agency, unless such member agency is on record in support of the proposition;
- The subject matter of the proposition should be within the purview of SANDAG; and
- The subject matter of the proposition should have potential for substantial regional impact.

Staff also consulted the Board-approved 2010 Legislative Program to determine whether any of the statewide and local measures should be reviewed. As a result of this evaluation, staff determined that there are four propositions that meet the criteria and are relevant to SANDAG for discussion/possible action – Proposition 22 (Prop. 22), which is intended to prevent the state from
taking funds used for transportation or local government projects and services; Proposition 23 (Prop. 23), which suspends AB 32; Proposition 25 (Prop. 25), which changes the legislative vote requirement to enact a budget from two-thirds to a simple majority; and Proposition 26 (Prop. 26), which increases the legislative vote requirement to two-thirds for states levies and charges.

**Proposition 22: The Local Taxpayer, Public Safety, and Transportation Protection Act of 2010**

Prop. 22 would restrict the Legislature's authority to take, borrow, or redirect revenues from transportation taxes, property taxes, and vehicle license fees. The main provisions of the ballot measure include:

- Revoking the state's ability to borrow local government property tax funds (currently authorized by Prop. 1A of 2004)

- Prohibiting the state from taking or borrowing the Highway User Tax (HUTA) on gasoline, which funds city, county, and state road, highway, transit, and other transportation improvements and services

- Preventing the state from redirecting or diverting locally levied taxes, including parcel taxes, sales taxes, utility user taxes, transient occupancy tax, and other locally imposed taxes that are currently passed by local governments and/or their voters and dedicated to cities, counties, and special districts

- Prohibiting the state from taking, borrowing or redirecting existing funding for public transit, including existing taxes on gas and “spillover” funds dedicated to Public Transportation Account (PTA) (Prop. 1A of 2006)

- Adding constitutional protections to prevent the state from redirecting redevelopment funds or shifting redevelopment funds to other state purposes

- Automatically repealing statutes passed by the Legislature between October 21, 2009, and November 2, 2010 that conflict with this measure

**Background**

Voters have passed three prior measures to protect local government and transportation funding. These include: (1) Prop. 42 (2002) the Transportation Congestion Improvement Act, which dedicated the state sales tax on gasoline to transportation and transit improvements; (2) Prop. 1A (2004) the Local Taxpayers and Public Safety Protection Act, which prohibited the state from taking local government revenues; and (3) Prop. 1A (2006) the Transportation Funding Initiative, which prohibited the state from using the state sales tax on motor vehicles for nontransportation purposes.

Both Props. 1A (2004 and 2006) included provisions to allow the state to borrow local government and transportation funds, but set specific conditions for any proposed borrowings. For example, any borrowing would have to be repaid within three years with interest, and the state could only borrow twice in a ten-year period. Prop. 22 would eliminate the state's ability to borrow any local government or transportation funding in the future.
In March 2010, the Legislature passed and the Governor signed the 2010 “gas tax swap” legislation. The gas tax swap eliminated the sales tax on gasoline and replaced it with a gasoline excise tax designed to generate an equivalent amount of revenue. To ensure revenue neutrality, the Board of Equalization must adjust the gasoline excise tax each year so that over time the new excise tax will generate as much revenue as the old sales tax on gasoline (Prop. 42). The gas tax swap legislation also provided about $1 billion annually of PTA and gas tax revenues to be used to repay existing general obligation transportation bonds (see Attachments 2 and 3).

It is unknown how the gas tax swap would be affected if Prop. 22 were passed by the voters. The ballot language for Prop. 22 was written prior to the gas tax swap, and therefore the language in Prop. 22 was designed to provide protections for transportation funding under the Prop. 42 structure. Additionally, Prop. 22 includes provisions that any law enacted since October 2009 that conflicts with this measure would be retroactively repealed if Prop. 22 were passed by the voters. If Prop. 22 were passed by the voters, additional clean up legislation or litigation would be needed to understand how the ballot language should be applied to the new transportation funding structure.

Arguments For and Against Prop.22

Prop. 22 is sponsored by the League of California Cities and the California Transit Association. It is supported by North County Transit District; Cities of Chula Vista, Coronado, Encinitas, Escondido, Imperial Beach, La Mesa, Poway, San Diego, Solana Beach, and Vista; and others. Proponents argue that Prop. 22 would prohibit the state from borrowing or taking from local governments and transportation to balance the state budget. Prop. 22 is opposed by the California Teachers Association, the California Nurses Association, and the California School Employees Association. Opponents argue that the measure would reduce resources available for the state to spend on other programs and would force the Legislature to raise revenues or decrease spending to balance the budget.

Goal No. 4B of the 2010 Legislative Program supports efforts to prevent additional diversions of public transit funding and protect spillover revenues. At the California Transportation Commission hearing on September 22-23, 2010, Caltrans provided a summary of Prop. 22 that discussed the possible impacts to Caltrans if Prop. 22 were to be approved by the voters. These include a change in the way that programs within Caltrans are operated and funded. For example, if Prop. 22 were approved, it would eliminate the ability for the state to use excise taxes to pay debt service on voter approved bonds, therefore the state would have to find other funding sources to pay off bond debt. The report also stated that either transportation funding or the General Fund would be affected depending on the interpretation of the proposition. Finally, the Caltrans report discussed that there were a significant amount of unknowns that remain if Prop. 22 were passed. On the other hand, the California Transit Association argues that if Prop. 22 is approved, it would further strengthen the status of the PTA as a trust fund, it would prohibit the practice of loaning or transferring PTA funds to the General Fund, and it would prohibit borrowing or using the money in the PTA for any purposes other than transportation planning or mass transportation.

Given the opposing interpretations of Prop. 22 and the unknown outcomes of what would happen to the gas tax swap and transportation funding if Prop. 22 were to pass, staff recommends not taking a position on Prop. 22 at this time. The Executive Committee is asked to discuss whether SANDAG should take a position on Prop. 22 despite the uncertainties.
Proposition 23: Suspends Air Pollution Control Laws Requiring Major Polluters to Report and Reduce Greenhouse Gas Emissions That Cause Global Warming Until Unemployment Drops Below Specified Level for Full Year

Prop. 23 would suspend the implementation of AB 32 (Nunez), the Global Warming Solutions Act of 2006, until the unemployment rate in California is 5.5 percent or less for four consecutive quarters. Prop. 23 states that during the suspension period, state agencies would be prohibited from proposing or adopting new regulations, or enforcing previously adopted regulations, that would implement AB 32.

In 2006, the state enacted AB 32, which established the target for reducing the state’s greenhouse gas (GHG) emissions to 1990 levels by 2020. AB 32 requires the California Air Resources Board (CARB) to adopt rules and regulations to achieve this reduction. In 2008, the state enacted Senate Bill 375 (Steinberg) (SB 375), which requires each region’s Regional Transportation Plan (RTP) to include a Sustainable Communities Strategy (SCS), which must demonstrate how the region will meet the GHG emissions reduction targets applicable to vehicles. SANDAG is the first major Metropolitan Planning Organization in California to prepare an RTP to comply with the provisions of SB 375.

Staff reviewed this measure to determine if it would have a possible effect on SANDAG policies and programs, such as the development or implementation of the 2050 RTP, Climate Action Strategy, or SANDAG regional energy planning efforts. Staff’s analysis indicates that since SB 375 is a separate measure from AB 32, and therefore suspending AB 32 would not impact SANDAG’s obligation to complete the 2050 RTP under the provisions of SB 375. Additionally, work on priorities in the Climate Action Strategy and regional energy planning efforts would not be impacted if Prop. 23 were to pass.

Arguments For and Against Prop. 23

Prop. 23 is supported by California Chamber of Commerce, San Diego Tax Fighters, and others. Proponents of the measure argue that Prop. 23 would suspend AB 32 until the economy improves thereby saving jobs, preventing tax increases, maintaining environmental laws and helping families through these tough economic times. Prop. 23 is opposed by California League of Conservation Voters, Sierra Club San Diego, San Diego Regional Asthma Coalition, Cities of Del Mar, La Mesa, and Solana Beach, and others. Opponents state that Prop. 23 would cause the loss of more California jobs in the clean energy field, and would jeopardize dozens of regulations that promote energy efficiency and pollution reduction.

Proposition 25: Changes Legislative Vote Requirement to Pass a Budget from Two-Thirds to a Simple Majority. Retains Two-Thirds Vote Requirement for Taxes

Prop. 25 would amend the California Constitution to lower the vote requirement necessary for each house of the Legislature to pass a budget bill from two-thirds to a majority (50 percent plus one). The lower vote threshold also would apply to trailer bills that appropriate funds and are identified by the Legislature as budget bills.

Additionally, for any year in which the budget bill has not been sent to the Governor by the Constitutional deadline (June 15), Prop. 25 would prohibit the Legislature from collecting any salary or reimbursements for travel or living expenses.
Staff reviewed this measure to determine if it would have a possible effect on SANDAG programs. Staff’s analysis indicates that it is uncertain at this time how Prop. 25 would affect SANDAG, since we cannot predict what future Legislatures would do, what the composition of the Legislature would be and what the future state financial outlook would be.

Arguments For and Against Prop. 25

Prop. 25 is supported by California Teachers Association, American Federation of State, County, Municipal Employees, and others. Proponents argue that this measure would break legislative gridlock by allowing a simple majority of legislators to approve a budget. Prop. 25 also would hold legislators accountable if they fail to pass a budget on time. Prop. 25 is opposed by the California Taxpayers’ Association, Howard Jarvis Taxpayers Association, and Governor Arnold Schwarzenegger. Opponents argue that the Prop. 25 would allow tax increases to be enacted with a simple majority vote.

Proposition 26: Increases Legislative Vote Requirement to Two-Thirds for State Levies and Charges. Imposes Additional Requirement for Voters to Approve Local Levies and Charges with Limited Exceptions

Prop. 26 would expand the definition of a tax and a tax increase so that more proposals would require approval by two-thirds of the Legislature or by local voters. The major provisions of Prop. 26 include:

- Classifying some fees and charges as taxes that the government currently may impose with a majority vote. As a result, more state revenue proposals would require two-thirds approval of the Legislature and more local revenue proposals would require local voter approval
- Requiring a two-thirds vote of each house of the Legislature to approve laws that increase taxes on any taxpayer, even if the law’s overall fiscal effect does not increase state revenues
- Repealing recent state laws that conflict with this measure unless they are approved again by two-thirds of each house of the Legislature

Staff reviewed this measure to determine if it would have a possible effect on SANDAG programs, such as a future quality of life measure and the gas tax swap. Staff’s analysis indicates that Prop. 26 would not have an impact on the quality of life measure because the measure would need to pass by a two-thirds vote regardless of whether or not Prop. 26 passes in November. Prop. 26 would, however, undo the gas tax swap enacted in March 2010, and the Legislature would have to decide if it wanted to keep the provisions in place by passing the gas tax swap again with a two-thirds vote in each house.

Arguments For and Against Prop. 26

Proposition 26 is supported by the California Chamber of Commerce, California Taxpayers’ Association, and others. Proponents argue that Prop. 26 would end the loopholes that legislators have been using to pass or increase taxes on products or services by a majority vote and would now need a two-thirds vote to make these changes. Prop. 26 is opposed by California State Association of Counties, League of California Cities, League of Conservation Voters, and others. Opponents argue that Prop. 26 would be a corporate loophole for the oil, alcohol, and tobacco industries to avoid paying local and state fees.
Next Steps

Staff will continue to monitor the ballot measures and will report back to the Executive Committee after the November election.

KIM KAWADA
TransNet and Legislative Affairs Program Director

Attachments: 1. November 2, 2010, Statewide and Local Ballot Initiatives
              2. Transportation Funding for Gasoline
              3. Transportation Funding For Diesel

Key Staff Contact: Genevieve Morelos, (619) 699-1994, gmo@sandag.org
November 2, 2010, Statewide and Local Ballot Initiatives

Statewide Ballot Measures¹

Proposition 19  Changes California Law to Legalize Marijuana and Allow It to Be Regulated and Taxed

Proposition 20  Redistricting of Congressional Districts

Proposition 21  Establishes $18 Annual Vehicle License Surcharge to Help Fund State Parks and Wildlife Programs and Grants Free Admission to All State Parks to Surcharged Vehicles

Proposition 22  The Local Taxpayer, Public Safety, and Transportation Protection Act of 2010

Proposition 23  Suspends Air Pollution Control Laws Requiring Major Polluters to Report and Reduce Greenhouse Gas Emissions That Cause Global Warming Until Unemployment Drops Below Specified Level for Full Year

Proposition 24  Repeals Recent Legislation That Would Allow Businesses to Carry Back Losses, Share Tax Credits, and Use a Sales-Based Income Calculation to Lower Taxable Income

Proposition 25  Changes Legislative Vote Requirement to Pass a Budget from Two-Thirds to a Simple Majority. Retains Two-Thirds Vote Requirement for Taxes

Proposition 26  Increases Legislative Vote Requirement to Two-Thirds for State Levies and Charges. Imposes Additional Requirement for Voters to Approve Local Levies and Charges with Limited Exceptions

Proposition 27  Eliminates State Commission on Redistricting. Consolidates Authority for Redistricting with Elected Representatives

Local Ballot Measures²

Proposition A  County of San Diego: Proposed San Diego County Charter amendment to ensure fair and open competition for County construction contracts

Proposition B  City of San Diego: Amends City Charter to add good cause requirement for certain terminations or suspensions of Deputy City Attorneys

¹ For a copy of the full text of the statewide ballot measures visit:  
http://www.sos.ca.gov/elections/ballot-measures/qualified-ballot-measures.htm

² For a copy of the full text of the local ballot measures visit:  
http://www.sdcounty.ca.gov/voters/Eng/election/local_prop_110210.pdf
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<th>Proposition</th>
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<td>Proposition C</td>
<td>City of San Diego: Amends Ordinance # 0-18568 (Proposition M of 1998) relating to the development of Pacific Highland Ranch to allow completion of parks, library, trails, recreation and transportation facilities by removing a development timing restriction</td>
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<td>Proposition D</td>
<td>City of San Diego: Authorizes a temporary one-half cent sales tax for up to five years, only if the independent City Auditor certifies conditions have been met, including pension reforms and managed competition</td>
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<td>Proposition G</td>
<td>City of Carlsbad: Charter Amendment to add Section 502 Retention of Benefits limiting increases in safety retirement benefits without an amendment to the section</td>
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<td>Proposition H</td>
<td>City of Chula Vista: Would modernize the City's 1978 Telephone Users' Tax (renamed the Telecommunications Users' Tax), with no rate increase</td>
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<td>Proposition J</td>
<td>San Diego Unified School District: Emergency Teacher Retention/Classroom Education Measure that would levy a temporary five year emergency annual tax of $98/single family home, and taxes on other types of parcels with the exemption of low income seniors</td>
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<td>Proposition L</td>
<td>Julian Union High School District: Would authorize the Julian Union High School District to issue $2.1 million in bonds for education and school improvements</td>
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<td>Proposition M</td>
<td>Dehesa School District: Would authorize the Dehesa School District to issue $5.5 million of bonds for education and school improvements</td>
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<td>Proposition O</td>
<td>South Bay Union School District: Would authorize the South Bay Union School District to raise $1.7 million per year for four years through a parcel tax for education and school improvements</td>
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<td>Proposition P</td>
<td>Encinitas Union School District: Would authorize the Encinitas Union School District to issue $44.2 million of bonds for education and school improvements</td>
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Transportation Funding for Gasoline

1 Pre-Gas Tax Swap, the state sales tax on gasoline funds Proposition 42, including Transit, Highways, and Local Streets and Roads, as well as the spillover for public transit.

2 Pre-Gas Tax Swap, the state excise tax on gasoline funds the Highway Users Tax Account (HUTA) and State Highway Account (SHA).

3 The total state excise tax on gasoline of 35.3 cents is composed of 18 cents under Pre-Gas Tax Swap law, plus 17.3 cents from the Gas Tax Swap.

4 Beginning FY 2011-12, the state excise tax on gasoline would fund General Fund Debt first, then would be divided 44% Highways, 44% Local Streets and Roads, and 12% State Highway Operation and Protection Program (SHOPP).
Transportation Funding for Diesel

Pre-Gas Tax Swap

- 5 percent State Sales Tax
- State Excise Tax (18 cents per gallon)
- Federal Excise Tax
- Base Price

Sales Tax on Diesel, FY 2010-11 ($313 Million)

<table>
<thead>
<tr>
<th>State Transit Programs, $157M</th>
<th>Local Transit Agencies, $157M</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Gas Tax Swap (March 2010)

- 6.75 percent State Sales Tax
- State Excise Tax (13.6 cents per gallon)
- Federal Excise Tax
- Base Price

Sales Tax on Diesel, FY 2011-12

<table>
<thead>
<tr>
<th>State Transit Programs, $736M</th>
<th>Local Transit Agencies, $736M</th>
</tr>
</thead>
<tbody>
<tr>
<td>44%</td>
<td>56%</td>
</tr>
</tbody>
</table>

1 Pre-Gas Tax Swap, the state sales tax on gasoline funds Proposition 42, including Transit, Highways, and Local Streets and Roads, as well as the spillover for public transit.

2 Pre-Gas Tax Swap, the state excise tax on gasoline funds the Highway Users Tax Account (HUTA) and State Highway Account (SHA).

3 The total state excise tax on gasoline of 35.3 cents is composed of 18 cents under Pre-Gas Tax Swap law, plus 17.3 cents from the new proposal.

4 Beginning FY 2011-12, the state excise tax on gasoline would fund General Fund Debt first, then would be divided 44% Highways, 44% Local Streets and Roads, and 12% State Highway Operation and Protection Program (SHOPP).

Under the legislative proposal, in FY 2009-10 and FY 2010-11, the PTA would be funded at $400 million. In FY 2011-12, the state sales tax on diesel would be increased from 5 percent to 6.75 percent and would continue to be deposited into the PTA.

On July 1, 2011, the state excise tax on diesel would be decreased from 18 cents to 13.6 cents to offset the increase in the state sales tax on diesel.
SERVICE BUREAU FY 2010 YEAR-END REPORT

In accordance with SANDAG Board Policy No. 012: SANDAG Service Bureau, periodic progress reports on the project activities and financial status of the Service Bureau are provided to the Executive Committee. This report summarizes the project activities conducted during FY 2010, the financial performance of the Service Bureau, and plans for FY 2011.

Discussion

The SANDAG Service Bureau is a fee-based operation that provides informational and technical services to member agencies, nonmember government agencies, private organizations, and individuals. The purpose of the Service Bureau is to offer products and services that meet the needs of decision makers in the public and private sectors while enhancing the quality and extent of demographic, economic, transportation, land use, criminal justice, and other information maintained in the SANDAG Regional Information System (RIS) and the technology used to support it. One of the main goals of the Service Bureau is to generate revenue to continually update and maintain the RIS.

Financial Status

When projects are budgeted, SANDAG includes the 17 percent RIS Maintenance and Enhancement Fee (as approved by the Executive Committee). While the actual percentage may vary from project to project, the goal is to realize an average of 17 percent in revenues over expenses for all projects.

As of June 30, 2010, the Service Bureau had earned $397,900 from projects begun during FY 2010 and projects carried over from the previous fiscal year. Expenses related to performing these projects were $334,000, meaning that revenues exceeded costs by $63,900, or 19 percent. Nonrecoverable costs related to management and business development are covered by this fee as well. When those expenses are taken into account, revenues exceeded costs by $31,100, or 8 percent (see Table 1).

Compared to last fiscal year, total revenue was down from $543,700 to $397,900 as the economic downturn affected overall demand for products and services. It is important to note that although revenues were down, the Service Bureau was still able to generate $31,100 toward the RIS which is about the same amount generated in the previous fiscal year ($32,000). Anticipating lower revenues, staff concentrated on reducing expenses, especially marketing and management expenses in order to keep costs down.
Table 1
SANDAG Service Bureau
Revenues and Expenses

<table>
<thead>
<tr>
<th>Type of Project</th>
<th>Revenue</th>
<th>Expenses</th>
<th>Difference</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic/Economic/GIS Analyses</td>
<td>$73,000</td>
<td>$61,100</td>
<td>$11,900</td>
<td>19%</td>
</tr>
<tr>
<td>Transportation Modeling</td>
<td>$122,500</td>
<td>$96,500</td>
<td>$26,000</td>
<td>27%</td>
</tr>
<tr>
<td>Strategic/Comprehensive Plans</td>
<td>$202,400</td>
<td>$176,400</td>
<td>$26,000</td>
<td>15%</td>
</tr>
<tr>
<td><strong>All Projects</strong></td>
<td><strong>$397,900</strong></td>
<td><strong>$334,000</strong></td>
<td><strong>$63,900</strong></td>
<td><strong>19%</strong></td>
</tr>
<tr>
<td>Nonproject Expenses (July 2009 - June 2010)</td>
<td>--</td>
<td>$32,800</td>
<td>$32,800</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$397,900</strong></td>
<td><strong>$366,800</strong></td>
<td><strong>$31,100</strong></td>
<td><strong>8%</strong></td>
</tr>
</tbody>
</table>

**Overview of FY 2010 Projects**

A total of 85 projects were started or carried over from the previous fiscal year. The services provided were concentrated in the areas of demographic, economic, and Geographic Information System (GIS) analysis, transportation modeling, and strategic plans.

Demographic, economic, and GIS projects made up one-third of all of the new projects. The Service Bureau completed an economic needs assessment for 211 San Diego. This study analyzed program data in the context of historical and future demographic and economic trends as well as provided an assessment of the program’s capability to meet future needs in the community. The Service Bureau also completed a project for the South County Economic Development Council to study the food processing industry in the South County area in order to increase the understanding of its buyer/supplier relationships and economic impact in the region. In addition, the Service Bureau assisted clients by preparing custom maps and providing demographic data and economic impact reports. These projects will continue to be important components of the Service Bureau in future years.

Long-standing transportation modeling capabilities continue to be a mainstay of the Service Bureau and nearly two-thirds of the new projects were concentrated in this area. These studies include small requests that can be completed in a few hours as well as complex projects that span many months. In terms of our work on strategic and comprehensive plans, we are working on the San Diego Regional Aggregate Supply Study with Caltrans. This study will provide a review of construction aggregate sources in the region and develop a regional GIS database to allow for the visualization of aggregate sources with informational overlays.
Current and Planned FY 2011 Activities

We have already received several transportation modeling and demographic data requests from private and public sector clients. We are finishing up contract negotiations with the City of San Diego to develop a draft habitat conservation plan for vernal pools and look forward to beginning this two-year study in the fall. In addition, the Service Bureau successfully negotiated contracts with two on-call consultants to produce 2D visual simulations to help illustrate how streetscapes could be transformed by smart growth development and/or capital infrastructure improvements. These services are now available for SANDAG projects as well as for our member agencies through the Service Bureau. Marketing for this new service will begin later this month.

Business development is an ongoing activity of the Service Bureau. We plan to continue promoting Service Bureau capabilities through appropriate professional group events and informational meetings. In particular, we plan to reach out to the jurisdictions, economic and workforce development agencies, and trade associations to increase awareness of our demographic, economic, and GIS services. In addition, we will continue to hold information meetings with SANDAG agency staff to keep them informed of Service Bureau products and services.

KURT KRONINGER
Director of Technical Services

Key Staff Contact: Cheryl Mason, (619) 699-1951, cma@sandag.org
REVIEWS OF OCTOBER 22, 2010, DRAFT BOARD AGENDA

ITEM #

1. APPROVAL OF MEETING MINUTES
   - APPROVE
     +A. SEPTEMBER 10, 2010, BOARD POLICY MEETING MINUTES
     +B. SEPTEMBER 24, 2010, BOARD BUSINESS MEETING MINUTES

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

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

+3. ACTIONS FROM POLICY ADVISORY COMMITTEES

   This item summarizes the actions taken by Borders Committee on September 24, the Transportation Committee on October 1, the Executive Committee on October 8, and the Transportation, Regional Planning, and Public Safety Committees on October 15, 2010.

CONSENT (4 through XX)

+4. ANNUAL MEETING CALENDAR (Kim Kawada)

   The Board of Directors is asked to approve the meeting calendar for the Board and the Policy Advisory Committees for the upcoming year.

+5. ADDENDUM 5 TO MASTER AGREEMENT BETWEEN SANDAG AND MTS TO ALLOW TRANSFERS OF PROPERTY BETWEEN THE AGENCIES (Julie Wiley)

   The Board of Directors is asked to approve this Addendum, which prescribes a process that would allow for SANDAG and the Metropolitan Transit System (MTS) to transfer property between the two agencies under certain circumstances. Federal Transit Administration (FTA) approval of the agreement was obtained, because from time-to-time the properties being transferred have been funded in whole or in part by FTA. Since both
agencies are FTA grantees, FTA has agreed that approval for each transfer will not be required once the Addendum is executed. After a transfer occurs, the continuing control and other FTA grantee responsibilities would reside with the recipient of the property.

+6. REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY EXECUTIVE DIRECTOR (Lauren Warrem)

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

+7. REPORTS ON MEETINGS AND EVENTS ATTENDED ON BEHALF OF SANDAG (Kim Kawada)

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

8.

9.

REPORTS (10 through XX)

+10. TransNet 2010 BOND ISSUANCE: REVIEW AND APPROVAL OF FINAL DOCUMENTS (Second Vice Chair Jack Dale, Transportation Committee Chair; Lauren Warrem and Marney Cox)*

In September, the Transportation Committee and Board of Directors reviewed draft bond documents and the financing schedule for the issuance of up to $360 million in long-term fixed rate debt. The Transportation Committee recommends that the Board of Directors, acting as the San Diego County Regional Transportation Commission (RTC), approve Resolution No. RTC 2011-01, authorizing the issuance of up to $360 million in fixed rate bonds and the execution and distribution of the related documents in substantially the same form as attached. Staff also will brief the Board of Directors about the status of the economy and sales tax revenues.

+11. 2010-2014 COORDINATED PUBLIC TRANSIT AND HUMAN SERVICES TRANSPORTATION PLAN (Second Vice Chair Jack Dale, Transportation Committee Chair; Phil Trom)

The 2010-2014 Public Transit and Human Services Transportation Plan (Coordinated Plan) provides a blueprint for the development of transit and human services transportation in the San Diego region for the next five
years. The Transportation Committee recommends that the Board of Directors approve Resolution No. 2011-08 (Attachment 1) approving the 2010-2014 Coordinated Plan in substantially the same form as included with the report.

+12. AMENDMENT TO FY 2011 BUDGET AND AGREEMENT WITH THE SAN DIEGO UNIFIED PORT DISTRICT CONCERNING PORT ACCESS IMPROVEMENT PROJECTS (Second Vice Chair Jack Dale, Transportation Committee Chair; Mario Orso)

In December 2008, SANDAG signed an agreement with the San Diego Unified Port District (SDUPD) and accepted $5.3 million from SDUPD to conduct engineering work on the Port Access Improvement Projects. These projects would improve access along Harbor Drive at 10th Avenue and 32nd Street and along Interstate 5 at Civic Center Drive and Bay Marina Parkway. The Transportation Committee recommends that Board of Directors approve amendments to the FY 2011 Budget as well as an amendment to the existing agreement with SDUPD to accept $2 million in additional funding to allow SANDAG to continue project engineering work.

+13. DRAFT 2050 REGIONAL TRANSPORTATION PLAN: REVENUE CONSTRAINED NETWORK SCENARIOS (Second Vice Chair Jack Dale; Transportation Committee Chair; Heather Werdick)*

Four Revenue Constrained Network Scenarios have been developed using the prioritized project lists, revenue constraints, and other factors. The Revenue Constrained Network Scenarios, which were reviewed by the Board of Directors in September, would attempt to build and operate as much of the Unconstrained Transportation Network as possible, given revenue availability and flexibility, and project priorities. Staff will summarize the initial performance of the four Revenue Constrained Network Scenarios for discussion by the Board of Directors.

+14. DRAFT 2050 REGIONAL TRANSPORTATION PLAN: POLICY OPTIONS TO SUPPORT THE TRANSIT NETWORK (Second Vice Chair Jack Dale; Transportation Committee Chair and Imperial Beach Mayor Jim Janney, Regional Planning Committee Chair; Carolina Gregor)*

In conjunction with the preparation of the four Revenue Constrained Network Scenarios, SANDAG is preparing a menu of policy options that could be considered for inclusion in the 2050 Regional Transportation Plan (2050 RTP) to support the transit network that ultimately would become part of the overall 2050 RTP transportation network. At a joint meeting on October 15, 2010, the Regional Planning and Transportation Committees provided input on the attached policy options. The Board of Directors is asked to discuss the menu of potential policy options.
15. **UPDATE ON STATE ROUTE 11 AND OTAY MESA EAST PORT OF ENTRY PROJECT** (Second Vice Chair Jack Dale, Transportation Committee Chair; Marney Cox, SANDAG; Mario Orso, Caltrans)

   Staff will provide a progress report on the State Route 11 (SR 11) and Otay Mesa East Port of Entry project. The project’s draft environmental document is expected to be complete in November, and work is under way to procure consultants for the toll and revenue study, the Intelligent Transportation System deployment study, and a specialized outside legal team.

16. **QUALITY OF LIFE FUNDING STRATEGY UPDATE** (Chair Lori Holt Pfeiler; Rob Rundle)

   The Quality of Life Ad Hoc Steering Committee and the Quality of Life Stakeholders Working Group have been meeting regularly to provide input to the SANDAG Board of Directors on the development of a Quality of Life funding strategy. An update will be provided on the work that has been accomplished to date.

17. 

18. 

19. **UPCOMING MEETINGS**

   Please note that due to the Thanksgiving holiday, the next Board Business meeting is scheduled for Friday, November 19, 2010 (third Friday), at 9 a.m.

20. **ADJOURNMENT**

    + next to an agenda item indicates an attachment
    * next to an agenda item indicates a San Diego County Regional Transportation Commission item
Public Comment
October 8, 2010
Sandag Executive Committee Meeting

Speaker: David Krogh

Resident of Chula Vista
Speaking on my own behalf as an individual
and not on behalf of any other person or organization, e.g.

Member, Chula Vista Growth Management Oversight Commission 2003 - present
Chairman FY10
Chairman FY11
Member, Southwestern Community College District
Bond Oversight Committee 2009 - present
Vice-chairman FY11
Member, Sandag Regional Planning Stakeholders Working Group 2009 - present

Classroom Volunteer, Junior Achievement of San Diego
Ira Harbison Elementary, Hilltop Middle School 2003, 2006
Patrick Henry High School – “JA Titan” 2008
Class results: San Diego County champions
Hilltop High School – “JA Titan” 2009
Class results: class went to JA nationals July 2010

Classroom Volunteer, Clairemont High School
Academy of Business and Technology 2010 – present

Employee, Cubic Defense Applications, Inc. (CDA) 2001 – present
Employee, Cubic Corporation 1981-2001
CDA is a wholly owned subsidiary of Cubic Corporation
Cubic Corporation of other wholly owned subsidiaries
Including Cubic Transportation Systems (CTS)
I have no operational involvement with CTS

Topic: SR-125 Toll Road Franchise Lease (or Purchase)

(Sandag Board meeting agenda item 4 (closed session) 10/8/10)

Position: In Favor

(Given arrangement of reasonable terms, structure, price)
SAN DIEGO — As the privately operated South Bay Expressway toll road navigates its way through Chapter 11 bankruptcy reorganization, one public agency thinks taking over its operation might be a good investment.

The board of directors of the regional government planning agency SANDAG will be asked in closed session on Friday to consider negotiating for the 35-year state lease under which South Bay Expressway Ltd. operates the 10-mile toll road in South County.

SANDAG executive director Gary Gallegos confirmed on Tuesday that he will ask for the board’s blessing to explore a bid for the roadway. On Friday, Gallegos will put this question to the board: “Should we express an interest and should we start exploring the possibilities?”

Gallegos calls it all “very preliminary.” He isn’t expecting a green light on Friday. “Our financial advisers and others have indicated that it may be up for sale, so we’re going to the boards to see if we should pursue it or not,” he said on Tuesday.

“It” is the 35-year franchise lease under which South Bay Express Ltd. operates the extension of state Route 125 from Sweetwater Valley to the border with Mexico. “That’s the real asset,” says Gallegos. The lease extends to 2042 and has 32 years of life left.

Neither SANDAG nor South Bay has initiated any discussion on a sale, said Gallegos.

South Bay’s CEO Greg Hulsizer said he would “welcome the interest from SANDAG in the same manner that we are welcoming interest from other parties.”

According to Hulsizer a number of private investment funds are interested in acquiring the assets of South Bay Expressway. As with all potential buyers, Hulsizer said he would refer SANDAG to the company’s financial representative Imperial Capital.

According to bankruptcy filings, South Bay owes its creditors $510 million, including $170 million in loans from the federal government. The company has $42 million in cash reserves.

But while South Bay may be hundreds of millions of dollars in debt, Hulsizer said that the bankruptcy court has given the company everything it needs to continue operations for now. A bankruptcy court hearing is scheduled for the end of the month.
Hulsizer said the toll road draws enough revenue to meet operating expenses. In June, for example, the road generated $1.99 million in revenue against $1.16 million in operating expenses, according to Hulsizer. “More than sufficient to pay for routine operating costs.” Additionally, South Bay is adding paying customers at a rate of 400 a month.

“Traffic has flattened at 25,000 trips a day,” acknowledges Hulsizer, “but that is 25,000 vehicles taken off the arterials and 5, 805 highways.”

Hulsizer last week said he is focused on seeing the bankruptcy reorganization process through. “After that, he says, it is up to the lenders to decide if they want to stay or sell off their interest.”

One asset SANDAG would like is the no-compete clause in the South Bay contract. “It limits what we can do on (Interstate) 805 without first analyzing its impact on the toll road,” explains Gallegos.

And there is precedent. In Orange County, the privately run toll road state Route 91 had a similar no-compete clause and ended up being taken over by the Orange County Transit Authority when private and public agencies reached an impasse.

“They weren’t in bankruptcy,” acknowledges Gallegos, “but looking at the 91 today they seem to have done OK and everyone’s ended up in a better spot.”

One other consideration for the private agency: Would the benefits of running the toll road offset the possible loss of $2.5 million in annual tax revenue? That is South Bay’s tax bill after a recently negotiated property assessment.

Gallegos agrees that is an issue his board of directors must grapple with.

Motorist travel northbound on the South Bay Expressway Toll Road, also known as state Route 125. The company that built and operates San Diego County’s lone private toll road filed for Chapter 11 bankruptcy protection in March 2010.

How we got here

Greg Hulsizer, CEO of South Bay Expressway Ltd., recently told a national convention of toll road officials, that his 10-mile piece of highway was “probably one of the most difficult roads to develop in California.”

And unusual.
The $843 million toll road was built from the ground up by private enterprise.

Originally planned as a state road since the 1950’s, it took 12 years just to get through the environmental process, notes Hulsizer. It opened in November 2007, more than a year later than planned.

the state Department of Transportation (Caltrans) signed the original agreement in 1991 with a company called California Transportation Ventures. It was later taken over by South Bay Expressway Ltd., a subsidiary of Australian giant Macquarie Infrastructure Group.

The operating lease with Caltrans runs through 2042.

The South Bay Expressway is on the cutting edge of a growing trend toward privatization of traditionally public services. Most privatized roads are existing highways which companies lease and then earn a return on their investment through tolls.

But when the road opened it ran head on into the national recession — soaring unemployment and the housing collapse. Most of the South County housing boom that the company expected would meet its projected 60,000 cars a day has not materialized.

South Bay Expressway Ltd. is currently reorganizing under Chapter 11 bankruptcy protection.