MEETING NOTICE 
AND AGENDA

TransNet INDEPENDENT TAXPAYER 
OVERSIGHT COMMITTEE (ITOC)

The ITOC may take action on any item appearing on this agenda.

Wednesday, February 9, 2011
9:30 a.m.
SANDAG
SANDAG 7th Floor Conference Room
401 B Street, 7th Floor
San Diego, CA 92101

Staff Contact: Kim Kawada
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AGENDA HIGHLIGHTS

- TransNet REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP) FEE ADJUSTMENT
- TransNet PROGRAM FY 2011 REVENUE REVISIONS AND FY 2012 TO FY 2016 REVENUE ESTIMATES
- SOLICITATION OF APPLICATIONS FOR MEMBERSHIP ON THE TransNet ITOC

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Welcome to SANDAG. Members of the public may speak to the TransNet Independent Taxpayer Oversight Committee (ITOC) members on any item at the time the ITOC is considering the item. Also, members of the public are invited to address the ITOC on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Speakers are limited to three minutes. The ITOC 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 ITOC meeting.

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## ITOC MEETING SUMMARIES

The following meeting summaries have been prepared for ITOC approval:

A. November 10, 2010, ITOC meeting
B. January 12, 2011, ITOC meeting

## PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Members of the public shall have the opportunity to address the ITOC on any issue within the jurisdiction of the Committee that is not on this agenda. Public speakers are limited to three minutes or less per person. Committee members also may provide information and announcements under this agenda item.

## CONSENT (3)

### 3. TransNet REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP) FEE ADJUSTMENT

(Ariana zur Nieden and Marney Cox)

The TransNet Extension Ordinance requires that the RTCIP transportation mitigation fee charged by local jurisdictions be adjusted every year on July 1 in order to maintain the purchasing power of the program for improvements to the Regional Arterial System. Staff has evaluated construction cost trends and relevant indices, and based on this analysis, a two percent fee adjustment is recommended; this would raise the minimum RTCIP exaction from $2,081 to $2,123 beginning July 1, 2011.

## REPORTS (4 through 12)

### 4. SUMMARY OF TRANSPORTATION COMMITTEE AND BOARD OF DIRECTORS ACTIONS ON TransNet-RELATED AGENDA ITEMS

(Kim Kawada)

This monthly briefing is intended to keep the ITOC informed about relevant SANDAG actions taken on TransNet-related projects and programs. Staff will provide a summary of Transportation Committee and Board of Directors actions on agenda items that the ITOC has reviewed.

Staff provides certain TransNet financial information on a quarterly basis in accordance with requests from the ITOC, as well as in response to a recommendation from the first TransNet Triennial Performance Audit. The FY 2012 ITOC annual operating budget will be submitted and approved by the Board of Directors as part of the SANDAG Program Budget (including the Overall Work Program and Capital Improvement Program) later this fiscal year. The ITOC is asked to review and discuss the draft FY 2012 ITOC budget.

+6. **TransNet PROGRAM FY 2011 REVENUE REVISIONS AND FY 2012 TO FY 2016 REVENUE ESTIMATES** (Sookyung Kim and Marney Cox)

Based on receipts for the first two quarters of FY 2011, an increase in the TransNet sales tax estimates is proposed. Action by the Transportation Committee and the Board of Directors on the revised estimates is scheduled for later this month. Additionally, SANDAG provides a short-term forecast of revenues available under certain TransNet programs for transit and local agencies on an annual basis. This report provides the same information for the entire TransNet program for the period FY 2012 to FY 2016.

+7. **DRAFT SCOPE OF WORK AND UPDATE ON REQUEST FOR PROPOSALS PROCESS FOR THE SECOND TransNet TRIENNIAL PERFORMANCE AUDIT** (Hamid Bahadori, Ariana zur Nieden, and Alexia Spivey)

At the January 12, 2011, ITOC meeting, the Draft Scope of Work for the Second TransNet Performance Audit was discussed and the ITOC established a subcommittee to carry this effort forward. The subcommittee will report back on progress regarding the Scope of Work development, in addition to other issues involved in the Request for Proposal process. The ITOC is asked to accept the proposed scope of work and consultant evaluation forms. The ITOC also is asked to select a new project manager for the performance audit procurement.

+8. **FUNDING RECOMMENDATIONS FOR FY 2012 AND FY 2013 TransNet SENIOR MINI-GRANT PROJECTS** (Danielle Kochman)

SANDAG is responsible for distributing TransNet Senior Mini-Grant funds through a competitive process as required by the TransNet Extension Ordinance. On April 2, 2010, the Transportation Committee approved a process and criteria for distributing funds. Of the 17 applications received, 12 have been recommended for funding. The ITOC is asked to review and discuss the list of proposed Senior Mini-Grant funds for TransNet funding eligibility. The Board of Directors is scheduled to take action on the grant recommendations on February 25, 2011.
+9. I-15 EXPRESS LANES AND BUS RAPID TRANSIT CORRIDOR UPDATE (Gustavo Dallarda and Barrow Emerson)

Caltrans and SANDAG staff will provide an update on the progress of the I-15 Express Lanes and Bus Rapid Transit (BRT) projects. Express lanes are being constructed in the median of I-15 from State Route 163 (SR 163) to SR 78 with the introduction of BRT service in the corridor to follow.

Estimated Start Time: 11:50 a.m.

+10. TransNet FUNDING EXCHANGE: I-15 VIOLATION ENFORCEMENT SYSTEM STUDY AND I-15 FASTRAK® PROJECTS (Ellison Alegre)

In August 2010, Caltrans announced transportation planning grant awards to SANDAG totaling $240,000 to fund one project, the I-15 Violation Enforcement System (VES) Study. This additional funding requires local matching funds in the I-15 VES Study project, and therefore, a funding exchange of $45,000 is proposed. Staff will provide the ITOC with an overview of the funding exchange involving TransNet funds between the I-15 VES project and the I-15 FasTrak Capital Improvement Program project necessary to making local match funds available.

Estimated Start Time: 12:20 p.m.

+11. I-15/MIRA MESA DIRECT ACCESS RAMP AND TRANSIT STATION: REQUEST FOR LETTER OF NO PREJUDICE (José A. Nuncio)

Caltrans will be ready to advertise the I-15/Mira Mesa Direct Access Ramp project in early summer. The project has $40.2 million in Proposition 1B Corridor Mobility Improvement Account funds programmed. Due to timing of the issuance of bonds by the state treasurer, the funds may not be available at that time. Approval of a Letter of No Prejudice by the California Transportation Commission would allow Caltrans to begin the advertisement and award process in anticipation of allocation of these funds.

Estimated Start Time: 12:30 p.m.

+12. SOLICITATION OF APPLICATIONS FOR MEMBERSHIP ON THE TransNet ITOC (Ariana zur Nieden)

The terms of four current ITOC members will be expiring in May 2011, and the ITOC is seeking qualified members of the public to fill these vacancies on its seven-member committee. Applications will be requested from individuals interested in serving on the ITOC through an open, publicly noticed solicitation process and will be accepted until Monday, February 28, 2011. The application and information regarding ITOC and its responsibilities can be found on the SANDAG Web site.

Estimated Start Time: 12:40 p.m.

13. FUTURE MEETING SCHEDULE

INFORMATION

14. ADJOURNMENT

INFORMATION

+ next to an agenda item indicates an attachment
MEETING SUMMARY FOR THE NOVEMBER 10, 2010,
INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MEETING

Attendance
Committee Members: ▪ Hamid Bahadori, Acting Chair ▪ David Lloyd
                     ▪ Paul Fromer ▪ John Meyer
Absence: ▪ Carolyn Lee, Chair ▪ Gary L. Gallegos
         ▪ Jim Ryan, Vice Chair ▪ Tracy Sandoval
         ▪ Jesus Garcia ▪ Renée Wasmund
Staff: ▪ Kim Kawada ▪ Ariana zur Nieden

The meeting of the TransNet Independent Taxpayer Oversight Committee (ITOC) was called to order by Acting Chair Hamid Bahadori at 9:38 a.m.

1. APPROVAL OF MEETING SUMMARY

Action: Upon a motion by Paul Fromer and a second by John Meyer, the ITOC approved the October 13, 2010, meeting summary.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

There were no public comments.

CONSENT (3 through 4)

3. QUARTERLY TransNet FINANCIAL REPORTS FOR THE PERIOD ENDING SEPTEMBER 30, 2010, AND OTHER FINANCIAL DATA (INFORMATION)

This report provided certain quarterly TransNet financial information in accordance with requests from the ITOC, as well as in response to a recommendation from the TransNet Triennial Performance Audit.
4. **2011 ITOC MEETING CALENDAR (APPROVE)**

The ITOC was asked to approve the meeting calendar for the upcoming year.

**Action:** Upon a motion by John Meyer, and a second by Paul Fromer, the ITOC approved Consent Items 3 through 4.

**REPORTS (5 through 8)**

5. **SUMMARY OF TRANSPORTATION COMMITTEE AND BOARD OF DIRECTORS ACTIONS ON TransNet-RELATED AGENDA ITEMS (INFORMATION)**

Kim Kawada, TransNet and Legislative Affairs Program Director, provided the monthly briefing intended to keep the ITOC informed about relevant SANDAG actions taken on TransNet-related projects and programs. Ms. Kawada provided a summary of Transportation Committee and Board of Directors actions on agenda items that the ITOC has reviewed. She stated that since the last ITOC meeting, the Board of Directors had approved the issuance of $350 million in fixed-rate bonds with the closing of the transaction scheduled for November 10, 2010. She also stated that Amendment No. 1 to the 2010 Regional Transportation Improvement Program (RTIP) was scheduled for Transportation Committee approval on November 12, 2010. Ms. Kawada provided a summary of the Interstate 5 (I-5) legislative hearing held on November 8, 2010, with members of the California State Senate Transportation and Housing Committee, including Committee Chair, Senator Alan Lowenthal (D-Long Beach), and Senator Christine Kehoe (D-San Diego). Caltrans District 11 and SANDAG staffs provided a coordinated presentation on the I-5 North Coast Corridor Project. Mary Nichols, Chair of the California Air Resources Board, also participated in the hearing, providing an overview of Assembly Bill 32 and Senate Bill 375 provisions.

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

6. **PROPOSED AMENDMENTS TO BOARD POLICY NO. 031(DISCUSSION)**

As part of an annual review of Board Policies, SANDAG staff is proposing amendments to Board Policy No. 031, which contains the TransNet Ordinance and Expenditure Plan Rules. Julie Wiley, General Counsel, reviewed the proposed changes to Board Policy No. 031 and stated that ITOC comments would be provided to the Board of Directors. David Lloyd requested that a parenthetical reference to Board Policy No. 035 be inserted in Rule #17, Section III, of Board Policy No. 031, clarifying that any TransNet funds remaining after a project is completed would be required to be returned to the program.

**Action:** This item was presented for discussion.

7. **2010 PUBLIC OPINION SURVEY RESULTS (INFORMATION)**

At its October 2010 meeting, the ITOC requested a presentation on the 2050 Regional Transportation Plan (RTP) public opinion survey. As part of the RTP public outreach effort, staff developed a survey to secure input on residents’ priorities for transportation infrastructure.
Anne Steinberger, Communications Manager, introduced the item, stating that overall the survey results were fairly consistent with previous years’ findings. She noted that survey results are included as part of the deliberative process that the Board of Directors undergoes as part of each RTP cycle.

Kristen Rohanna, Senior Research Analyst, presented the public opinion survey results.

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

8. **OVERVIEW OF DEVELOPMENTS IN THE FINANCIAL MARKETS (INFORMATION)**

This monthly briefing is intended to keep the ITOC informed about the latest developments in the financial markets, the economy, and revenues, and the strategies SANDAG is exploring and implementing to minimize possible impacts to the TransNet program.

Lauren Warrem, Director of Finance, and Marney Cox, Chief Economist, presented the item.

Mr. Cox presented information regarding the current economic conditions and provided an overview of recent unemployment rate trends and job recovery expectations.

Ms. Warrem presented information on the latest developments in the financial markets, the performance of SANDAG’s current debt program, and information on the recent SANDAG bond sale. She reported that SANDAG had been successful in issuing $350 million in long-term, fixed-rate debt at 3.89 percent with final bond documents scheduled to be executed November 10, 2010.

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

9. **FUTURE MEETING SCHEDULE**

The next regular ITOC meeting is scheduled for Wednesday, January 12, 2011, at 9:30 a.m. The ITOC members’ consensus was to cancel the December ITOC meeting.

10. **ADJOURNMENT**

Acting Chair Hamid Bahadori adjourned the meeting at 10:46 a.m.
MEETING SUMMARY FOR THE JANUARY 12, 2011, INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MEETING

Attendance
Committee Members:  Carolyn Lee, Chair  Jesus Garcia
Jim Ryan, Vice Chair  David Lloyd
Hamid Bahadori  Tracy Sandoval

Absent:  Paul Fromer  John Meyer

Staff:  Gary L. Gallegos  Ariana zur Nieden
Kim Kawada

The meeting of the TransNet Independent Taxpayer Oversight Committee (ITOC) was called to order by Chair Carolyn Lee at 9:34 a.m.

1. APPROVAL OF MEETING SUMMARY

A summary of the November 10, 2010, ITOC meeting was prepared for the Committee's review and approval.

Action: Action on the minutes was postponed to the February 9, 2011, ITOC meeting.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

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

REPORTS (3 through 11)

3. SUMMARY OF TRANSPORTATION COMMITTEE AND BOARD OF DIRECTORS ACTIONS ON TransNet-RELATED AGENDA ITEMS (INFORMATION)

Kim Kawada, TransNet and Legislative Affairs Program Director, provided a summary of Transportation Committee and Board of Directors actions on agenda items that the ITOC has reviewed.
Ms. Kawada stated that Amendment No. 1 to the 2010 Regional Transportation Improvement Program (RTIP) was approved by the Transportation Committee on November 12, 2010, allowing Caltrans to leverage federal funds to reduce the amount of TransNet funds needed for the Interstate 805 High-Occupancy Vehicle/Managed Lanes project.

She also noted that Amendment No. 2 to the 2010 RTIP was on today’s ITOC meeting agenda. Amendment No. 2, which programmed funding for the 2010 Plan of Finance Robust Scenario, was approved by the Transportation Committee at its December meeting.

Ms. Kawada mentioned that at its December 17, 2010, meeting, the Board of Directors accepted the Transportation Committee’s recommendation to approve the Hybrid Scenario as the Preferred Revenue Constrained Transportation Network Scenario for use in developing the 2050 Regional Transportation Plan (RTP). Ms. Kawada also stated that the Board had approved amendments to various Board Policies, including Board Policy No. 031, which contains TransNet Ordinance and Expenditure Plan Rules.

Chair Lee asked about the proposed exchange of Traffic Congestion Relief Program (TCRP) funds with TransNet funds and the probability of receiving future TCRP funds, given the situation of the current state budget. Ms. Kawada responded that she felt SANDAG would receive these TCRP funds, although it may take longer than originally envisioned.

Action: This item was presented for information only.

4. 2010 REGIONAL TRANSPORTATION PROGRAM: AMENDMENT NO. 2 (INFORMATION)

Michelle Merino, Financial Programming Analyst, stated that on September 24, 2010, the Board of Directors adopted the 2010 RTIP, the multiyear program of proposed major highway, arterial, transit, and bikeway projects in the San Diego region covering the period FY 2011 to FY 2015. This amendment was processed outside of the regular quarterly cycle in order to accommodate the 2010 Plan of Finance Robust Scenario for the TransNet Early Action Program. Amendment No. 2 was approved by the Transportation Committee on December 10, 2010, and this report is provided to the ITOC for information, focusing on the TransNet Program of Projects.

Action: This item was presented for information only.

5. 2010 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: AMENDMENT NO. 3 (DISCUSSION)

SANDAG processes amendments to the RTIP on a quarterly basis based on requests from member agencies. Ms. Merino presented the item, stating that significant comments would be forwarded to the Transportation Committee. The ITOC was asked to review and comment on Amendment No. 3, focusing on the TransNet Program of Projects. There were no significant comments from the ITOC members.

Action: This item was presented for discussion only.
6. **FY 2011 BUDGET AMENDMENT: ENCINITAS PEDESTRIAN CROSSINGS FUNDING EXCHANGE (DISCUSSION)**

Sookyung Kim, Financial Programming Manager, reported that the design for the Encinitas Pedestrian Crossings project is nearly complete. TCRP funds previously programmed for this project are not available at this time. A funding exchange, as permitted by the TransNet Extension Ordinance, would allow this project to proceed to advertisement for construction contract.

Hamid Bahadori expressed concern regarding the exchange of TransNet funds with other types of funds, such as TCRP funds. He stated that when those other funds are received, the repayment of TransNet funds should be a priority.

Gary L. Gallegos, Executive Director, stated that the proposal is for an even exchange of funds, and not a loan. TransNet funds on the Elvira to Morena project would be exchanged with the TCRP funds on the Encinitas Pedestrian Crossings project. Both projects are located in the coastal rail corridor and are TransNet-eligible. The Encinitas project is in need of immediate funding, since it is nearly construction-ready; the Elvira to Morena project is progressing on a slightly longer timeframe and is expected to be able to use the TCRP funds at a later date when they become available.

**Action:** Upon a motion by David Lloyd, and a second by Vice Chair Jim Ryan, the ITOC voted to direct staff to inform the Transportation Committee of the Committee’s support for this fund exchange. The motion passed unanimously.


Keith Greer, Senior Regional Planner, provided an overview of a proposed update to the Five-Year Conceptual Funding Strategic Plan for the TransNet Environmental Mitigation Program (EMP), including a proposed FY 2011 budget allocation totaling $4 million, and recommended modifications to the eligibility and evaluation criteria for land management grants for FY 2011.

ITOC members discussed the proposal for setting aside a portion of the EMP funding for emergency funds and how land managers would make emergency determinations. Mr. Greer provided additional details about how the proposed process would work.

Mr. Bahadori suggested that the proposed changes to the land management grants criteria for FY 2011 be sent to ITOC member Paul Fromer for his comments. Mr. Greer agreed to do so.

Jesus Garcia suggested that volunteer groups could be contacted to help with the removal of invasive plants along the state highway system. Mr. Gallegos said he would pass this suggestion along to Caltrans District 11 Director Laurie Berman.

**Action:** This item was presented for discussion. The ITOC directed staff to ask Mr. Fromer to review and provide comments on this item.

Chair Lee indicated that Item No. 8 would be delayed until the arrival of Paul Jablonski, Chief Executive Officer of the Metropolitan Transit System (MTS).
9. DRAFT APPROACH AND SCOPE OF WORK CONCEPTS FOR THE SECOND TransNet TRIENNIAL PERFORMANCE AUDIT (DISCUSSION/POSSIBLE ACTION)

Ariana zur Nieden, TransNet Program Analyst, stated that in accordance with the TransNet Extension Ordinance, the ITOC is responsible for triennial performance audits of the TransNet Program. The second of these performance audits is scheduled to be conducted in FY 2012. The ITOC was asked to review the information and discuss the process for finalizing and approving a scope of work. In particular, the ITOC was asked to select a project manager and an audit subcommittee from its membership to develop the scope of work, schedule, and other considerations to solicit a qualified independent consultant to conduct the second TransNet Triennial Performance Audit.

Mr. Bahadori noted the new auditor should review the recommendations from the first audit and report on the implementation of those recommendations as a separate task in this second audit cycle.

Committee discussion ensued regarding appointments to the audit subcommittee.

Ms. zur Nieden and Alexia Spivey, Associate Contracts and Procurement Analyst, reviewed the schedule and time commitment for the audit subcommittee.

Action: Mr. Bahadori, Mr. Lloyd, Mr. Ryan, and Tracy Sandoval agreed to serve as the performance audit subcommittee. Mr. Bahadori was selected to serve as Project Manager.

8. BLUE AND ORANGE LINE TROLLEY IMPROVEMENTS PROJECT UPDATE (INFORMATION)

John Haggerty, Principal Engineer, provided an update on the schedule, budget status, and issues for the Blue and Orange Line Trolley Improvements project. He stated that freight capacity on the line would be doubled from 10,000 to 20,000 cars per year.

Paul Jablonski, MTS Chief Executive Officer, provided information on the status of MTS infrastructure, noting that service for both passengers and freight movement would be improved with the implementation of this project.

Mr. Bahadori noted that the House of Representatives recently indicated it would be reducing the federal budget, including transportation funding, between 10 percent and 20 percent in the upcoming year. He asked how that action would affect this project. Mr. Jablonski stated that the federal portion for this project is $75 million, which has already been received.

Mr. Lloyd asked when improvements would be made on the COASTER line. Mr. Gallegos stated that as part of the Robust Scenario developed as part of the 2010 Plan of Finance, there are approximately half a dozen coastal rail projects that are being readied for bid. SANDAG also has been successful in competing for Federal Railroad Administration dollars to implement Positive Train Control in the rail corridor, and to provide federal matching funds to the TransNet program. Several coastal rail projects are expected to advance to construction in the next four to five years.

Action: This item was presented for information only.
10. INTERSTATE 15 EXPRESS LANES AND BUS RAPID TRANSIT CORRIDOR UPDATE (INFORMATION)

This item was postponed to the February 9, 2011, ITOC meeting.

11. OVERVIEW OF DEVELOPMENTS IN THE FINANCIAL MARKETS (INFORMATION)

Marney Cox, Chief Economist, provided a status report on the latest developments in the financial markets and the economy.

Mr. Bahadori commented about the proposal in the new 112th Congress to reduce deficit spending. He asked how that would impact SANDAG. Mr. Cox said that the impact would depend on when expenditures take place.

Lauren Warrem, Director of Finance, briefed the ITOC on the variable rate bonds and liquidity facilities. She suggested bringing this report on a quarterly basis starting in April.

Mr. Cox provided an explanation regarding swap agreements as a funding mechanism for SANDAG. Ms. Warrem stated that staff refers to Board Policy No. 032 for guidance in the use of various funding mechanisms.

In response to a question about the availability of TCRP funds, Ms. Warrem stated the TCRP funds are in the Governor’s budget. At issue is when the State can issue bonds at a competitive rate. The next state bond issuance is expected in fall 2011.

Action: This item was presented for information only.

12. FUTURE MEETING SCHEDULE (INFORMATION)

The next regular ITOC meeting is scheduled for Wednesday, February 9, 2011, at 9:30 a.m.

13. ADJOURNMENT

Chair Lee adjourned the meeting at 11:53 a.m.
TransNet REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP) FEE ADJUSTMENT

File Number 1500100

Introduction

The RTCIP, an element of the TransNet Extension Ordinance, requires the 18 cities and the County of San Diego to collect an exaction from the private sector for each new housing unit constructed in their jurisdiction. The RTCIP has been implemented in the San Diego region since July 1, 2008.

The TransNet Extension Ordinance requires SANDAG to annually adjust the minimum RTCIP fee amount on July 1 of each year, based on an analysis of construction cost indices, but never less than two percent. The purpose of this annual adjustment is to ensure the RTCIP retains its purchasing power to improve the regional arterial system. Staff has evaluated construction cost trends and relevant indices, and based on this analysis, a two percent fee adjustment is recommended; this would raise the minimum RTCIP exaction from $2,081 to $2,123 beginning July 1, 2011. This item is scheduled for action by the SANDAG Board of Directors on February 25, 2011.


Key Staff Contacts: Marney Cox, (619) 699-1930, mco@sandag.org
Ariana zur Nieden, (619) 699-6961, azu@sandag.org
**Introduction**

The Regional Transportation Congestion Improvement Program (RTCIP), an element of the TransNet Extension Ordinance, requires the 18 cities and the County of San Diego to collect an exaction from the private sector for each new housing unit constructed in their jurisdiction. The RTCIP has been implemented in the San Diego region since July 1, 2008.

The TransNet Extension Ordinance requires SANDAG to annually adjust the minimum RTCIP fee amount on July 1 of each year, based on an analysis of construction cost indices, but never less than two percent. The purpose of this annual adjustment is to ensure the RTCIP retains its purchasing power to improve the regional arterial system. Staff has evaluated construction cost trends and relevant indices, and based on this analysis, a two percent fee adjustment is recommended; this would raise the minimum RTCIP exaction from $2,081 to $2,123 beginning July 1, 2011. The Independent Taxpayer Oversight Committee (ITOC) is scheduled to review this proposed RTCIP adjustment in February.

**Discussion**

**Background**

The purpose of the RTCIP is to help ensure future development contributes its proportional share of the funding needed to pay for the regional arterial system and related regional transportation facility improvements, as defined in the most recent Regional Transportation Plan adopted by SANDAG. The RTCIP funding programs fall under the responsibility of the 19 local jurisdictions, which have established these programs under the state’s Mitigation Fee Act. The jurisdictions must maintain their RTCIP funding programs and comply with specific administrative requirements in order to remain eligible for their TransNet local street and roads funding.

Section 9 of the TransNet Extension Ordinance requires the RTCIP exaction to be increased annually in an amount not to exceed the percentage increase set forth in the Engineering Construction Cost Index published by the Engineering News Record (ENR) or a similar cost of construction index. However, the Ordinance also states that in no event shall the increase be less than two percent per year.
Analysis of Construction Cost Indices

The Ordinance allows for flexibility in choosing an appropriate index. SANDAG staff evaluated changes recorded in the Engineering Construction Cost Index published by ENR and the Caltrans Construction Cost Index (CCI). Each index collects a different set of cost factors to determine construction cost trends. The ENR construction cost index represents an average from 20 cities across the nation and is based on price changes in four areas: lumber, cement, structural steel, and labor. Over the past year, the ENR construction cost index has increased 3.2 percent. The Caltrans CCI is based on actual transportation project bid prices from throughout the state for earthwork, aggregate, concrete, asphalt, and steel. The Caltrans CCI has not risen, but instead recorded a decline of -18.4 percent over the past year.

Based on staff’s evaluation, the Caltrans CCI has more closely tracked the trends SANDAG has been experiencing in its project bid prices over the past year than the ENR index. Staff’s evaluation identified two trends that have led to falling prices. First, the effects of the Great Recession are lingering, keeping the demand for some construction materials soft, allowing prices to drift lower over the past year. Second, the number of bids received on each project has remained high, averaging more than six bids per project; this level of competition has provided an incentive for contractors to push back on material suppliers, and identify cost saving measures and innovative ways to lower overall prices for projects in order to submit a competitive cost proposal.

GARY L. GALLEGOS
Executive Director

Key Staff Contacts: Marney Cox, (619) 699-1930, mco@sandag.org
Ariana zur Nieden, (619) 699-6961, azu@sandag.org
Introduction

Staff provides certain TransNet financial information on a quarterly basis in accordance with requests from the ITOC as well as in response to a recommendation from the TransNet Triennial Performance Audit.

Discussion

Recommendation No. 17 of the TransNet Triennial Performance Audit includes the following:

SANDAG should...report to the ITOC on the status of the debt-to-revenue ratio on a regular basis.

The debt-to-revenue ratio, also known as debt service coverage, is a measure of the ability to make interest and principal payments on an annual basis. The projected annual debt-to-revenue ratio for FY 2011 is 5.24, which means based on projected FY 2011 sales tax revenue and debt service payments, the San Diego County Regional Transportation Commission (Commission) could pay the annual debt service 5.24 times. Later this month, SANDAG staff will be proposing an increase to the FY 2011 TransNet revenue estimates (see ITOC Agenda Item No. 6). If this proposed increase is approved by the Board of Directors, this would raise the expected debt service coverage to 5.57. As reported to the ITOC at its November 11, 2010, meeting, the Commission closed on the issuance of $350 million of fixed rate bonds on November 10, which includes issuing a combination of Build America Bonds (BABs) and tax-exempt bonds for both new funds and paying down a portion of outstanding Commercial Paper of $7,316,000. The debt-to-revenue ratio includes the FY 2011 debt service of the 2008 variable rate bonds and the 2010 fixed rate bonds.

Recommendation No. 18 of the TransNet Triennial Performance Audit includes the following:

Other data that would be valuable for the ITOC to receive is the quarterly data related to sales tax revenue collected in the particular quarter, collected to date, and distributed amongst the various Extension Ordinance projects, programs, and entities.

The TransNet Extension quarterly report (Attachment 1) provides the sales tax allocation and disbursement information, including the quarter ending December 31, 2010.
The ITOC also requested that three additional items be provided on a quarterly basis:

1. TransNet recipients’ compliance with SANDAG Board Policy No. 031, Rule #17, Section IV. Local Agency Balance Limitations (Attachment 2);

2. TransNet Extension estimated annual sales tax revenue as compared to actual receipts (Attachment 3); and

3. Annual ITOC operating budget, including future budget projections (Attachment 4).

**ITOC Operating Budget**

The ITOC operating budget analysis (Attachment 4) includes the FY 2010 actual expenses, the approved FY 2011 budget, along with the actual expenses for the six months ending December 31, 2010, and the projected budgets for FY 2012 through FY 2014. The TransNet Extension Ordinance includes the following requirement:

> An annual ITOC operating budget shall be prepared and submitted to the SANDAG Board of Directors for its approval 90 days prior to the beginning of each fiscal year.

At its March 25, 2010, meeting, the ITOC approved its FY 2011 budget. The FY 2011 ITOC annual operating budget was approved by the Board as part of the annual SANDAG Budget (including the Overall Work Program and Capital Improvement Program) on May 28, 2010.

As in the previous fiscal year, the FY 2012 ITOC annual operating budget will be submitted and approved by the Board of Directors as part of the SANDAG Program Budget (including the Overall Work Program and Capital Improvement Program). The ITOC is asked to review and discuss the draft FY 2012 budget included in Attachment 4.

Based upon comments received at its February meeting, SANDAG staff will bring back an FY 2012 ITOC operating budget in March for recommendation from the ITOC to the Board of Directors. The draft SANDAG Program Budget is scheduled to be presented to the Board of Directors in March, with approval of the Final Program Budget scheduled for the May 27, 2011, Board meeting.

**Attachments:**
1. TransNet Extension Quarterly Report for FY 2011, Second Quarter
2. Compliance with 30 Percent Fund Balance Limitation, FY 2008 – FY 2010
3. TransNet Extension Estimated Annual Sales Tax Revenue as Compared to Actual Receipts through January 2011
4. ITOC Operating Budget Analysis

**Key Staff Contact:** Lisa Kondrat-Dauphin, (619) 699-1942, lko@sandag.org
## TRANSNET EXTENSION QUARTERLY REPORT

**FISCAL YEAR:** FY 2011  
**QUARTER:** 2

<table>
<thead>
<tr>
<th>PROGRAM &amp; RECIPIENT</th>
<th>TransNet Allocations</th>
<th>Fund Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This Quarter</td>
<td>FY to Date</td>
</tr>
<tr>
<td></td>
<td>Sales Tax Allocations</td>
<td>Other Income</td>
</tr>
<tr>
<td>SANDAG Admin</td>
<td>$564,804</td>
<td>$1,105,036</td>
</tr>
<tr>
<td>ITOC</td>
<td>$85,473</td>
<td>$170,946</td>
</tr>
<tr>
<td>Major Corridor Capital Projects</td>
<td>$20,786,201</td>
<td>$40,666,663</td>
</tr>
<tr>
<td>Local Project EMP</td>
<td>$984,610</td>
<td>$1,926,316</td>
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<tr>
<td>Smart Growth Incentive Program</td>
<td>$1,148,711</td>
<td>$2,247,368</td>
</tr>
<tr>
<td>Local Streets and Roads</td>
<td>$545,347</td>
<td>$1,067,123</td>
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<tr>
<td>City of Carlsbad</td>
<td>$1,076,089</td>
<td>$2,105,131</td>
</tr>
<tr>
<td>City of Coronado</td>
<td>$117,437</td>
<td>$230,233</td>
</tr>
<tr>
<td>City of Del Mar</td>
<td>$42,960</td>
<td>$84,574</td>
</tr>
<tr>
<td>City of El Cajon</td>
<td>$467,120</td>
<td>$914,131</td>
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<tr>
<td>City of Encinitas</td>
<td>$334,917</td>
<td>$655,737</td>
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<tr>
<td>City of Escondido</td>
<td>$892,922</td>
<td>$1,355,746</td>
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<td>City of Imperial Beach</td>
<td>$144,310</td>
<td>$282,790</td>
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<td>City of La Mesa</td>
<td>$303,731</td>
<td>$594,580</td>
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<td>City of Lemon Grove</td>
<td>$141,009</td>
<td>$276,333</td>
</tr>
<tr>
<td>City of National City</td>
<td>$267,584</td>
<td>$523,866</td>
</tr>
<tr>
<td>City of Oceanside</td>
<td>$929,216</td>
<td>$1,817,883</td>
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<tr>
<td>City of Poway</td>
<td>$304,598</td>
<td>$596,276</td>
</tr>
<tr>
<td>City of San Diego</td>
<td>$6,348,066</td>
<td>$12,415,883</td>
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<tr>
<td>City of San Marcos</td>
<td>$404,497</td>
<td>$791,654</td>
</tr>
<tr>
<td>City of Santee</td>
<td>$292,054</td>
<td>$571,743</td>
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<tr>
<td>City of Solana Beach</td>
<td>$89,914</td>
<td>$176,403</td>
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<tr>
<td>PROGRAM &amp; RECIPIENT</td>
<td>Sales Tax Allocations</td>
<td>Other Income</td>
</tr>
<tr>
<td>---------------------</td>
<td>-----------------------</td>
<td>--------------</td>
</tr>
<tr>
<td></td>
<td>This Quarter</td>
<td>FY to Date</td>
</tr>
<tr>
<td>City of Vista</td>
<td>$448,497</td>
<td>$877,710</td>
</tr>
<tr>
<td>San Diego County</td>
<td>$2,967,584</td>
<td>$5,804,453</td>
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<tr>
<td>Total Local Streets and Roads</td>
<td>$15,917,852</td>
<td>$31,142,105</td>
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<tr>
<td>Transit Services</td>
<td>$6,191,996</td>
<td>$12,114,182</td>
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<tr>
<td>Senior Grant Program</td>
<td>$293,332</td>
<td>$573,882</td>
</tr>
<tr>
<td>Total Transit Services</td>
<td>$9,025,588</td>
<td>$17,657,894</td>
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<tr>
<td>New Major Corridor Transit Operations</td>
<td>$4,430,743</td>
<td>$8,668,420</td>
</tr>
</tbody>
</table>

**FISCAL YEAR**: FY 2011  **QUARTER**: 2
### 2008 ABCD Sales Tax Revenue Bond Activity

<table>
<thead>
<tr>
<th>PROGRAM &amp; RECIPIENT</th>
<th>Bond Proceeds Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prior Year</td>
</tr>
<tr>
<td>San Diego County</td>
<td>$22,600,000</td>
</tr>
<tr>
<td>Major Corridor Capital Projects</td>
<td>$379,601,911</td>
</tr>
<tr>
<td>Major Corridor Project EMP</td>
<td>$47,171,287</td>
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<td>Total 2008 Bond Disbursement</td>
<td>$449,373,198</td>
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</tbody>
</table>

### Other Activity

<table>
<thead>
<tr>
<th>PROGRAM &amp; RECIPIENT</th>
<th>Sales Tax Revenue Transfers for EMP Debt Service Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prior Year</td>
</tr>
<tr>
<td>Major Corridor Capital Projects</td>
<td>$(6,544,754)</td>
</tr>
<tr>
<td>Major Corridor Project EMP</td>
<td>$6,544,754</td>
</tr>
<tr>
<td>Total Other Activity</td>
<td>$0</td>
</tr>
</tbody>
</table>

### Commercial Paper Program Activity

<table>
<thead>
<tr>
<th>PROGRAM &amp; RECIPIENT</th>
<th>Commercial Paper Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY to Date</td>
</tr>
<tr>
<td>City of National City</td>
<td>$0</td>
</tr>
<tr>
<td>City of Santee</td>
<td>$0</td>
</tr>
<tr>
<td>NCTD</td>
<td>$0</td>
</tr>
<tr>
<td>Total CP Disbursements</td>
<td>$0</td>
</tr>
</tbody>
</table>

### 2010 A Sales Tax Revenue Bond Activity

<table>
<thead>
<tr>
<th>PROGRAM &amp; RECIPIENT</th>
<th>Bond Proceeds Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prior Year</td>
</tr>
<tr>
<td>City of San Marcos</td>
<td>$0</td>
</tr>
<tr>
<td>City of Solana Beach</td>
<td>$0</td>
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<tr>
<td>Major Corridor Capital Projects</td>
<td>$0</td>
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<tr>
<td>Major Corridor Project EMP</td>
<td>$0</td>
</tr>
<tr>
<td>Total 2010 A Bond Disbursement</td>
<td>$0</td>
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</tbody>
</table>

### 2010 B Sales Tax Revenue Bond Activity

<table>
<thead>
<tr>
<th>PROGRAM &amp; RECIPIENT</th>
<th>Bond Proceeds Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prior Year</td>
</tr>
<tr>
<td>City of National City</td>
<td>$0</td>
</tr>
<tr>
<td>City of Santee</td>
<td>$0</td>
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<tr>
<td>Total 2010 B Bond Disbursement</td>
<td>$0</td>
</tr>
</tbody>
</table>

### Commercial Paper Program Availability

<table>
<thead>
<tr>
<th>PROGRAM &amp; RECIPIENT</th>
<th>Commercial Paper Program Availability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prior Year</td>
</tr>
<tr>
<td>CP Program</td>
<td>$100,000,000</td>
</tr>
<tr>
<td>City of National City</td>
<td>$(3,938,000)</td>
</tr>
<tr>
<td>NCTD</td>
<td>$(34,000,000)</td>
</tr>
<tr>
<td>City of La Mesa</td>
<td>$(2,500,000)</td>
</tr>
<tr>
<td>City of Santee</td>
<td>$(3,950,000)</td>
</tr>
<tr>
<td>CP AVAILABLE FOR ISSUANCE</td>
<td>$55,612,000</td>
</tr>
</tbody>
</table>

**FOOTNOTES:**
1. Other income includes interest revenue, transfers from TransNet I, other non-sales tax revenue.
2. Program Disbursements include payments to TransNet recipient agencies and program costs, including payments made for Early Action Projects in prior years.
3. Debt Service includes payments made in prior years on the 2008 Bonds.
4. Data shown in prior reports may have been modified to include additional data received after submission of the report.
5. The Cities of National City and Santee used 2010 Series B Bond proceeds to pay down outstanding commercial paper debt.
<table>
<thead>
<tr>
<th>Streets and Roads</th>
<th>Fiscal Year 2010</th>
<th>Fiscal Year 2009</th>
<th>Fiscal Year 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30% Limitation</td>
<td>30% Limitation</td>
<td>Excess Amount</td>
</tr>
<tr>
<td></td>
<td>In Compliance?</td>
<td>Excess Amount</td>
<td>In Compliance?</td>
</tr>
<tr>
<td>Streets and Roads</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carlsbad</td>
<td>$584,807</td>
<td>No*</td>
<td>$668,441</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>$1,113,842</td>
<td>No*</td>
<td>$1,281,852</td>
</tr>
<tr>
<td>Coronado</td>
<td>$127,907</td>
<td>No*</td>
<td>$146,054</td>
</tr>
<tr>
<td>Del Mar</td>
<td>$47,796</td>
<td>Yes</td>
<td>$52,982</td>
</tr>
<tr>
<td>El Cajon</td>
<td>$502,067</td>
<td>Yes</td>
<td>$580,011</td>
</tr>
<tr>
<td>Encinitas</td>
<td>$360,553</td>
<td>No*</td>
<td>$415,013</td>
</tr>
<tr>
<td>Escondido</td>
<td>$735,343</td>
<td>No</td>
<td>$846,682</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>$156,390</td>
<td>No</td>
<td>$177,793</td>
</tr>
<tr>
<td>La Mesa</td>
<td>$327,334</td>
<td>Yes</td>
<td>$377,035</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>$152,981</td>
<td>No*</td>
<td>$175,070</td>
</tr>
<tr>
<td>National City</td>
<td>$75,135</td>
<td>No</td>
<td>$353,188</td>
</tr>
<tr>
<td>Oceanside</td>
<td>$959,857</td>
<td>No*</td>
<td>$1,106,923</td>
</tr>
<tr>
<td>Poway</td>
<td>$329,325</td>
<td>Yes</td>
<td>$379,293</td>
</tr>
<tr>
<td>San Diego City</td>
<td>$6,692,992</td>
<td>No</td>
<td>$7,723,170</td>
</tr>
<tr>
<td>San Marcos</td>
<td>$434,565</td>
<td>No*</td>
<td>$491,948</td>
</tr>
<tr>
<td>Santee</td>
<td>$291,835</td>
<td>Yes</td>
<td>$347,156</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>$98,168</td>
<td>No</td>
<td>$111,427</td>
</tr>
<tr>
<td>Vista</td>
<td>$482,206</td>
<td>No</td>
<td>$555,507</td>
</tr>
<tr>
<td>San Diego County</td>
<td>$2,752,030</td>
<td>Yes</td>
<td>$3,193,064</td>
</tr>
<tr>
<td>Transit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metropolitan Transit System (MTS)</td>
<td>$5,907,797</td>
<td>Yes</td>
<td>$5,907,797</td>
</tr>
<tr>
<td>North County Transit District (NCTD)</td>
<td>$3,099,235</td>
<td>Yes</td>
<td>$3,099,235</td>
</tr>
</tbody>
</table>

Yes = In Compliance
No = Not in compliance and not receiving TransNet payment; No* = Not in compliance per the respective audit, however, certification received and currently receiving TransNet payments.

1Compliance will be determined upon completion of the FY 2010 audits, which are currently in process.
## TransNet Extension Estimated Annual Sales Tax Revenue as Compared to Actual Receipts through January 2011

<table>
<thead>
<tr>
<th>Annual</th>
<th>Current Year Actuals vs. Estimates</th>
<th>Current Year Actuals vs. Prior Year Actuals</th>
<th>Annual Forecast vs. Prior Year¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2009 $229,741,846</td>
<td>$221,991,360</td>
<td>-3.37%</td>
<td>-9.07%</td>
</tr>
<tr>
<td>FY 2010 $199,792,224</td>
<td>$204,191,747</td>
<td>2.20%</td>
<td>-8.02%</td>
</tr>
<tr>
<td>FY 2011 $203,528,339</td>
<td>$126,635,587²</td>
<td>8.08%</td>
<td>7.73%³</td>
</tr>
<tr>
<td>Cumulative</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Cumulative: Fiscal Year 2011

<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2011 Estimates¹</th>
<th>FY 2011 Actuals²</th>
<th>FY 11 Actuals vs. FY 11 Estimates</th>
<th>FY 11 Actuals vs. Same Period of FY 10 Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$14,409,806</td>
<td>$14,271,700</td>
<td>-0.96%</td>
<td>-1.30%</td>
</tr>
<tr>
<td>August</td>
<td>18,704,254</td>
<td>18,091,900</td>
<td>-2.27%</td>
<td>-2.60%</td>
</tr>
<tr>
<td>September</td>
<td>16,831,794</td>
<td>21,659,573</td>
<td>8.16%</td>
<td>7.83%</td>
</tr>
<tr>
<td>October</td>
<td>14,857,569</td>
<td>14,913,600</td>
<td>0.63%</td>
<td>6.03%</td>
</tr>
<tr>
<td>November</td>
<td>15,997,327</td>
<td>18,845,500</td>
<td>8.64%</td>
<td>8.28%</td>
</tr>
<tr>
<td>December</td>
<td>21,105,889</td>
<td>22,721,314</td>
<td>8.44%</td>
<td>8.07%</td>
</tr>
<tr>
<td>January</td>
<td>15,264,625</td>
<td>16,132,000</td>
<td>8.08%</td>
<td>7.73%</td>
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<tr>
<td>February</td>
<td>19,620,132</td>
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</tr>
<tr>
<td>March</td>
<td>16,302,620</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>April</td>
<td>13,147,931</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>18,297,198</td>
<td></td>
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<tr>
<td>June</td>
<td>18,989,194</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>$203,528,339¹</td>
<td>$126,635,587²</td>
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<td></td>
</tr>
</tbody>
</table>

¹Latest SANDAG Board of Directors approved estimate. A revision of a 6% increase over FY 2010 actuals is being proposed to the Board of Directors for approval this month, projecting $216,443,252 for FY 2011.
²Reflects actual year-to-date cash receipts through January 2011.
³Percentage of increase in first 7 months of FY 2011 as compared to the first 7 months of FY 2010.
## ITOC Operating Budget Analysis

**FY 2011 Approved Budget and Actual Expenses for the Six Months Ending December 31, 2010,**
and **Projected Budgets for FY 2012 through FY 2014**

<table>
<thead>
<tr>
<th></th>
<th>FY 2011</th>
<th></th>
<th></th>
<th>FY 2012</th>
<th></th>
<th></th>
<th>FY 2013</th>
<th></th>
<th>FY 2014</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td>Variance</td>
<td>Budget</td>
<td>Actual</td>
<td>Variance</td>
<td>Budget</td>
<td>Actual</td>
<td>Variance</td>
<td>Budget</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Budget Amount$^{1}$</td>
<td>$341,892</td>
<td>$170,946</td>
<td>$(170,946)</td>
<td>$347,711</td>
<td>$353,615</td>
<td>$361,146</td>
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<td><strong>Expenses</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Fiscal Audits$^{3}$</td>
<td>161,000</td>
<td>17,364</td>
<td>$(143,636)</td>
<td>85,302</td>
<td>87,008</td>
<td>88,748</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Triennial Performance Audit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>285,090</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mileage</td>
<td>1,431</td>
<td>336</td>
<td>$(1,095)</td>
<td>1,456</td>
<td>1,480</td>
<td>1,512</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Advertisement</td>
<td>1,270</td>
<td>-</td>
<td>$(1,270)</td>
<td>1,292</td>
<td>1,313</td>
<td>1,341</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postage/Delivery</td>
<td>164</td>
<td>-</td>
<td>$(164)</td>
<td>166</td>
<td>169</td>
<td>173</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve for Outside Consulting Services</td>
<td>20,000</td>
<td>-</td>
<td>$(20,000)</td>
<td>20,000</td>
<td>20,000</td>
<td>20,420</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>183,865</td>
<td>17,700</td>
<td>$(146,165)</td>
<td>393,305</td>
<td>109,971</td>
<td>112,193</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Difference</strong></td>
<td>158,027</td>
<td>153,246</td>
<td>$(4,781)</td>
<td>45,594</td>
<td>243,644</td>
<td>248,953</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Beginning of Year</strong></td>
<td>273,367</td>
<td>273,367</td>
<td></td>
<td>431,394</td>
<td>385,800</td>
<td>629,444</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>End of Year</strong></td>
<td>$431,394</td>
<td>$426,613</td>
<td></td>
<td>$385,800</td>
<td>$629,444</td>
<td>$878,397</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

$^{1}$Annual budget is $250,000 in 2002 dollars escalated annually by the Consumer Price Index (CPI). CPI for FY 2011 is approximately 2.0%.

$^{2}$Projected FY 2012 and FY 2013 budgets are escalated by approximately 1.7%, and the projected FY 2014 budget is escalated by approximately 2.1%, which is the expected CPI increase.

$^{3}$Projected annual fiscal audit budgets are based on negotiated rates with the independent certified public accounting firm Mayer Hoffman McCann P.C.
San Diego Association of Governments - TransNet Program

INDEPENDENT TAXPAYER
OVERSIGHT COMMITTEE

February 9, 2011

AGENDA ITEM NO.: 6

Action Requested: INFORMATION

TransNet PROGRAM FY 2011 REVENUE REVISIONS AND
FY 2012 TO FY 2016 PROGRAM REVENUE ESTIMATES

File Number 1500100

Introduction

SANDAG provides transit revenue estimates for various types of funds, including the Transportation Development Act, State Transit Assistance, Federal Transit Administration formula programs, and TransNet. SANDAG also is responsible for the apportionment of various funds to the transit operators, to local agencies for the local streets and roads program, and for the nonmotorized program to support both ongoing operations and capital projects. Each year, SANDAG provides an estimate for the upcoming fiscal year as well as a projection for the next four fiscal years to allow the transit and local agencies to plan for capital projects and determine operating subsidies. This report to the ITOC summarizes the revised estimate for FY 2011 and the estimates for FY 2012 to FY 2016 for the overall TransNet program.

Revision to FY 2011 TransNet Revenue Estimates

Based on TransNet sales tax revenue received through the first seven months of the current FY 2011, receipts are higher than originally expected. Revenues received during the first seven months are 7.7 percent higher than for the same period last year, a trend which is above the originally expected increase for FY 2011. In light of these trends and following discussions with the transit operators and the County of San Diego, a revision will be proposed to the FY 2011 TransNet sales tax estimate to reflect a 6 percent increase from actual FY 2010 receipts. This would be the first projected increase in sales tax revenues after three consecutive years of declines, which started in FY 2008. In FY 2010, a total of $204.2 million was received for TransNet; the proposed 6 percent adjustment would translate to an expected increase of $216.4 million for FY 2011.

Discussion

Forecast Methodology

Forecasting is a challenging venture made more difficult with the recent economic turmoil. History and previous experiences may not be good indicators of the course of events over the next few years. This seems to be the position the United States finds itself in; even though the Great Recession officially ended more than a year and a half ago (June 2009), its impacts are lingering longer than most expected.
Economists have identified three emerging trends influencing the pace of the economic recovery: first, a change in consumer consumption trends as households begin to pay off accumulated debt, save more of their personal disposable income, and reduce or halt the practice of spending built up equity in their assets; second, a tight credit market as commercial banks slowly begin to make new loans under higher credit standards; and third, some economic uncertainty facing major trading partners.

To account for the emerging structural changes taking place in the economy, starting last year staff refined its forecasting methodology that produces the short-term quarterly sales tax revenue estimates. The current methodology focuses on expected job growth, the level of unemployment, and the condition of consumers’ balance sheets to forecast sales tax revenue trends.

The latest forecast methodology also requires a different approach to calculating the confidence interval. Our forecast procedure provides a midpoint estimate with a range of accuracy of approximately plus or minus $13 million per year at the 95 percent level of confidence for TransNet. For example, for FY 2012 the revenue estimate is approximately $225.1 million, making the range between $212.1 million at the low end and $237.5 million at the high end, with 95 percent confidence that the actual revenue amount will be within this range. We suggest continuing the established practice of using the midpoint of the confidence interval range for the out year projections. The high and low ranges are determined by beginning with the prior year midpoint, applying the estimated growth rate for the current year, and then adding and subtracting the confidence interval range ($13 million for TransNet) from the midpoint.

Expected Trends

The U.S. Department of Commerce Bureau of Economic Analysis reported that the nation’s Gross Domestic Product (GDP), a measure of the total value of goods and services produced each year, grew at a quicker pace during the third quarter of 2010 (2.6 percent seasonally adjusted annual rate) than the very slow 1.7 percent recorded during the second quarter. Most economists expect the improved growth trend to carry over into 2011. To help ensure the economy does not suffer a setback similar to the one that occurred during the second quarter of 2010, two additional economic stimulus programs have been implemented. First, the Federal Reserve initiated a new $600 billion round of “quantitative easing” designed to hold down long-term interest rates; and second, Congress authorized a two percent payroll tax reduction and investment tax credit for 2011 designed to increase consumption and production. These two policy actions are expected to add a half to one full percentage point to GDP growth during 2011. Although the nation’s economy, measured by GDP, is expected to grow at or slightly above three percent, this pace is not sufficient to quickly repair the damage caused by the Great Recession.

The consensus forecast for the national economy is for 2011 to be better than 2010. The two stimulus policy actions taken are expected to help ensure this outcome. However, because the stimulus programs expire at the end of the year, 2012 will likely experience a slowdown. The expected economic improvement will be led by job growth both nationwide and locally, with net local job growth of one percent to 1.5 percent (approximately 12,000 to 18,000 jobs). The unemployment rate may rise during the first and second quarters of 2011 and then begin to decline slowly, reducing the unemployment rate by one percentage point by the end of 2011. The rising unemployment rate during the first half of 2011 would be due to an insufficient number of new jobs to offset the growth of new entrants to the labor force as well as people returning to the labor force as job prospects improve.
During 2010, job growth spurred an increase in consumer expenditures and taxable sales leading to increases in TransNet sales tax receipts over the most recent three quarters, measured on a year-over-year basis. The increase in sales tax receipts during the first seven months of this fiscal year has been better than expected and will likely continue over the coming year supported by the stimulus policies recently implemented. This better than expected outlook for the remainder of this fiscal year provides the basis for SANDAG to adjust the FY 2011 revenue estimates upward to a growth rate of six percent from FY 2010 actuals, which is a higher projected increase than originally anticipated.

This adjustment to FY 2011 revenue estimates has implications for future revenue forecasts. The table below shows actual and projected annual rates of change for TransNet revenues. Although the outlook for sales tax revenue has improved, it is expected to take years before revenues reach prerecession levels. At the new pace the local sales tax receipts will exceed the prerecession level during FY 2014; adjusting for inflation extends this by one year. This slow economic rebound reflects the consensus view that the national unemployment rate may not return to prerecession levels until the 2016-2017 time period.

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<th>Fiscal Year</th>
<th>% Change</th>
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<tr>
<td>2008 (Actual)</td>
<td>-1.4%</td>
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<td>2009 (Actual)</td>
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<td>2010 (Actual)</td>
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<td>2011 (Proposed)</td>
<td>6.0%</td>
<td>$216.4M</td>
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<tr>
<td>2012 (Proposed)</td>
<td>4.0%</td>
<td>$225.1M*</td>
</tr>
<tr>
<td>2013 (Estimated)</td>
<td>5.5%</td>
<td>$237.5M*</td>
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<tr>
<td>2014 (Estimated)</td>
<td>6.7%</td>
<td>$253.4M*</td>
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<td>2015 (Estimated)</td>
<td>8.1%</td>
<td>$273.9M*</td>
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<tr>
<td>2016 (Estimated)</td>
<td>5.2%</td>
<td>$288.2M*</td>
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*Represents the midpoint of confidence interval range

TransNet

The TransNet Extension, the 40-year, half-cent transportation funding measure approved by the voters in 2004, began in FY 2009. TransNet provides funding for major transportation projects in the region. After deducting costs associated with administrative expenses, the operation of the Independent Taxpayer Oversight Committee, and the bicycle/pedestrian program, the TransNet program is divided into Major Corridor Projects (42.4%), New Bus Rapid Transit/Rail Operations (8.1%), Local System Improvements (33%), and Transit System Improvements (16.5%). Within the transit share, services provided pursuant to Americans with Disabilities Act and subsidies for seniors have specific earmarks (2.5% and 3.25%, respectively).

Attachment 1 shows the proposed revenue estimates for FY 2011 and FY 2012 and the estimates from FY 2013 to FY 2016 for the overall TransNet program. These estimates are based on the updated forecast methodology described above.
Next Steps

The proposed revision to the FY 2011 TransNet revenue estimate, as well as the forecast of future transit revenue estimates will be presented to the Transportation Committee on February 18 and to the Board of Directors on February 25, 2011.


Key Staff Contacts:  Sookyung Kim, (619) 699-6909, ski@sandag.org
Marney Cox, (619) 699-1930, mco@sandag.org
### TransNet Program Revenue Estimates ($000's)

<table>
<thead>
<tr>
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<td><strong>TransNet Program Revenues</strong></td>
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<td>Estimated Sales Tax Receipts</td>
<td>$204,192 $216,443</td>
<td>$225,101 $237,482</td>
<td>$224,482 $253,933</td>
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<td>Administrative Allocations$^1$</td>
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<td>Independent Taxpayer Oversight Committee$^2$</td>
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<td>Bike, Pedestrian, and Neighborhood Safety$^3$</td>
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<td>Total Off-the-Top Programs</td>
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<td><strong>Net Available for Subprograms</strong></td>
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<td>$218,000 $230,003</td>
<td>$217,393 $245,430</td>
<td>$232,820 $265,331</td>
<td>$252,721 $279,137</td>
<td>$266,527</td>
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<td><strong>Subprogram Allocations</strong></td>
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<td>Major Corridors Program$^4$</td>
<td>$83,838 $88,874</td>
<td>$92,432 $97,521</td>
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<td>New BRT/Rail Operations$^5$</td>
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<td>$17,658 $18,630</td>
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<td>Transit System Improvements$^6$</td>
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<td>Local System Improvement$^7$</td>
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<td>Total Subprogram Allocations</td>
<td>$197,731 $209,608</td>
<td>$218,000 $230,003</td>
<td>$217,393 $245,430</td>
<td>$232,820 $265,331</td>
<td>$252,721 $279,137</td>
<td>$266,527</td>
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</table>

$^1$ Up to 1% of the annual revenues shall be allocated for administrative expenses, which includes Commission/Board expenses, administrative reserve.

$^2$ The ITOC allocation is based on the annual increase in CPI beginning with FY 2002, using $250,000 as the starting base.

$^3$ Total of 2% shall be allocated for bicycle, pedestrian, and neighborhood safety programs.

$^4$ 42.4% of the total revenues less off-the-top programs shall be allocated for Major Corridor projects, which include transportation mitigation under the Environmental Mitigation Program (EMP) and any finance charges incurred.

$^5$ 8.1% of the total revenues less off-the-top programs shall be allocated to operate new rail or Bus Rapid Transit (BRT) services.

$^6$ 16.5% of the total revenues less off-the-top programs shall be allocated for purposes of public transit services, including providing for senior and ADA related services.

$^7$ 33% of the total revenues less off-the-top programs shall be allocated for local system improvements, which include roadway projects, as well as local EMP and Smart Growth Incentive Programs.

**OTHER NOTES:**
The estimated revenues are based on growth rate in taxable sales as forecasted by SANDAG and excludes interest and prior year excess funds. The low (high not shown) ranges are based on a 95% confidence interval of -$13 million per year applied to the midpoint estimate; the confidence interval calculation uses the historical trend between actual sales tax revenue received and the procedure utilized by the State Board of Equalization to estimate the advance sales tax revenue payments.
DRAFT SCOPE OF WORK AND UPDATE ON REQUEST FOR PROPOSALS
PROCESS FOR THE SECOND TransNet TRIENNIAL PERFORMANCE AUDIT

File Number 1500200

Introduction

At its January 12, 2011, meeting, the ITOC discussed the draft scope of work concepts for the upcoming Request for Proposals (RFP) for the second TransNet Triennial Performance Audit. The performance audit is scheduled to be conducted in FY 2012; it would cover the period FY 2009 through FY 2011 and would include a review of the overall performance of the TransNet program.

At the January meeting, the ITOC also selected a project manager and an audit subcommittee from its membership to develop the scope of work, schedule, and other considerations to solicit a qualified independent consultant. The performance audit subcommittee includes Hamid Bahadori, who was selected to be the ITOC Project Manager, and David Lloyd, Jim Ryan, and Tracy Sandoval.

The subcommittee participated in a telephone conference call in January to further develop the proposed scope of work (Attachment 1), as well as the evaluation criteria and related weighting scale that would be included in both the Consultant Shortlist Evaluation Form (Attachment 2), and Consultant Interview Evaluation Form (Attachment 3). In addition, the subcommittee discussed the current term for Mr. Bahadori, which will be expiring in May 2011; this would require that the ITOC select a new project manager for the performance audit procurement.

The ITOC is asked to review and approve the proposed scope of work and the consultant evaluation forms, in substantially the same form as attached to this report. These documents will be included in the RFP scheduled to be advertised in late March/early April 2011. The ITOC also is asked to select a new project manager for the performance audit procurement. SANDAG Contracts and Procurement staff will be available at the February 9, 2011, ITOC meeting to provide an overview of the RFP Process and Estimated Schedule (Attachment 4).

Attachments:
1. Draft Scope of Work - TransNet Triennial Performance Audit
2. Proposed Consultant Shortlist Evaluation Form (with Criteria and Weighting)
3. Proposed Consultant Interview Evaluation Form (with Criteria and Weighting)
4. Summary of the RFP Process and Estimated Schedule

Key Staff Contact: Ariana zur Nieden, (619) 699-6961, azu@sandag.org
Alexia Spivey, (619) 699-1984, asp@sandag.org
Background

In accordance with the TransNet Extension Ordinance, one of the responsibilities of the Independent Taxpayer Oversight Committee (ITOC) is to conduct triennial performance audits of the agencies involved in the implementation of TransNet-funded projects and programs. The TransNet Extension Ordinance includes a “Statement of Understanding regarding the Implementation of the Independent Taxpayer Oversight Committee for the TransNet Program,” the pertinent section of which states:

Conduct triennial performance audits of SANDAG and other agencies involved in the implementation of TransNet-funded projects and programs to review project delivery, cost control, schedule adherence, and related activities. The review should include consideration of changes to contracting, construction, permitting, and related processes that could improve the efficiency and effectiveness of the expenditure of TransNet revenues. These performance audits shall be conducted using the services of an independent performance auditor and should include a review of the ITOC’s performance. A draft of the ITOC’s report and recommendations regarding the performance audits shall be made available to the SANDAG Transportation Committee at least 60 days before its final adoption by the ITOC to resolve inconsistencies and technical issues related to the ITOC’s draft report and recommendations. Once this review has taken place, the ITOC shall make any final amendments it deems appropriate to its report and related recommendations, and adopt its report for presentation directly to the SANDAG Board of Directors and the public. The ITOC shall strive to be as objective and constructive as possible in the text and presentation of the performance audits. Upon completion by the ITOC, the report shall be presented to the SANDAG Board of Directors at its next regular meeting and shall be made available to the public.

The first audit was conducted in FY 2009 and included a review of TransNet-related activities from FY 2006 through FY 2008. The focus of the first audit was the TransNet Early Action Program (EAP) of projects, including a review of the performance of SANDAG, Caltrans, Metropolitan Transit System (MTS), North County Transit District (NCTD), the City of San Diego, the County of San Diego, and the ITOC. Other key stakeholders, such as transportation consultants and other pertinent agencies, also were interviewed as part of the first triennial performance audit.

The second performance audit would review the three-year period under evaluation (FY 2009 through FY 2011), identify any problems encountered, and make recommendations for improving the efficiency and effectiveness of expenditures under the TransNet EAP and other TransNet-funded programs, projects, and services. This performance audit also would include a review of the status of the implementation of the recommendations made in the prior performance audit and an evaluation of the effectiveness of those recommendations.
The selected consultant will conduct the triennial performance audit on behalf of the ITOC. The ITOC will assign a point of contact (ITOC Project Manager) for all matters related to the conduct of this performance audit, and will provide a point of contact for each of the agencies to be evaluated.

**Performance Audit Scope**

The second TransNet Triennial Performance Audit would examine the performance of SANDAG, Caltrans, MTS, NCTD, and a representative sample of consultants used by these transportation agencies. In addition, the selected consultant would examine the performance of the ITOC, the County of San Diego, the City of San Diego, and a representative sample of the other 17 cities of the San Diego region. The selected consultant also would interview representatives of other stakeholder groups, such as those interviewed during the prior performance audit. Other TransNet-funded programs, such as the Congestion Relief Program; Environmental Mitigation Program; Smart Growth Incentive Program; Senior Mini-Grant Program; and the Bicycle, Pedestrian, and Neighborhood Safety Program also would be evaluated by the consultant.

At a minimum, the performance audit should include a review of the following processes and consider changes to these processes to improve the efficiency and effectiveness of the expenditure of TransNet revenues:

- Project delivery
- Program and project cost control
- Program and project schedule adherence
- Contracting
- Organizational structure
- Construction management
- Permitting
- Project cost estimates

As part of its proposal, the consultant should include recommendations for the number of interviews to be conducted, the sample size of cities to be evaluated, and other issues in order to ensure a representative sampling and evaluation process for the FY 2009 - FY 2011 triennial performance audit. The consultant should describe the proposed methodology for the performance audit and the rationale behind the consultant recommendations.

The consultant should have experience in project design, construction management, and related project implementation activities. Additionally, the consultant should provide qualified staff with experience in the following areas:

- Critical project development activities, assessing transportation programs, and evaluating best practices,
- Collecting data, conducting interviews, performing site visits, and assessing operations, and
- Objectively analyzing information and producing recommendations to improve key areas of performance.
The consultant will assess the TransNet EAP and other TransNet-funded programs and projects utilizing on-site visitation and evaluation, and off-site analysis/audit. The consultant should compare TransNet program activities with other similar transportation programs and best practices, such as those programs implemented by similar transportation agencies in the Southern California area.

**Audit Objectives**

The performance audit objectives listed below are an important component of the audit and reflect the responsibilities of the ITOC per the TransNet Extension Ordinance.

- Evaluate the status of implementation of the recommendations from the prior audit and effectiveness of these prior recommendations
- Determine whether the organizational structure and operational processes allow for effective and efficient project delivery, cost control, and schedule adherence
- Identify process changes in contracting, construction, permitting, and other procedures that could improve the efficiency and effectiveness of the TransNet program
- Evaluate the efficiency and effectiveness of ITOC, including adherence to its bylaws
- Identify and evaluate any potential barriers to and opportunities for proposed changes

**Task 1 - Develop Timeline and Meeting Schedule**

The consultant will meet with the ITOC Project Manager and other appropriate staff, and hold an organizational and scoping meeting to:

- Review project and task objectives,
- Review scope of services and data collection methodology,
- Consult with the ITOC Project Manager and other appropriate staff on the potential need for subsequent documentation and impacts on project schedule,
- Collect available data and published materials,
- Establish meeting and presentation schedule,
- Establish communication channels with other agencies, and
- Coordinate with local jurisdictions and agencies.

**Task 1 - Deliverables**

- Meeting minutes
- Meeting and presentation schedule
- Data collection methodology

**Task 2 - Interviews and Site Visits**

- Visit the offices of SANDAG, Caltrans, MTS, NCTD, County of San Diego, City of San Diego, and a representative sample of the other 17 cities in the San Diego region to observe the project/program delivery processes employed. Interview key staff including, but not limited
to: corridor project directors; TransNet project office staff; project managers; TransNet and Legislative Affairs Program Director; TransNet Program Analyst; executive management; and others, as appropriate. The predecessor of the incumbent of any of these staff should be interviewed if the incumbent has been in their current position less than 12 months

- Interview key transportation consultants working for the above agencies on TransNet-funded projects
- Interview representatives at other stakeholder agencies, such as those interviewed during the prior performance audit
- Conduct one interview of each member of the ITOC
- For the purposes of the cost proposal, the consultant should assume the following approximate number of agencies/Interviews:
  - SANDAG, Caltrans, NCTD, MTS, City and County of San Diego (40 to 60)
    1. Management and program executives
    2. Corridor directors
    3. TransNet project offices staff
    4. Project managers
    5. Other staff
  - Local jurisdictions (10)
  - Transportation consultants (4 to 6)
  - ITOC (7)
  - Other stakeholders (4 to 6)

However, as part of its proposal, the consultant should include recommendations for the number of interviews to be conducted, the sample size of cities to be evaluated, and other issues, in order to ensure a representative sampling and evaluation process for the FY 2009 – FY 2011 triennial performance audit. The consultant should describe the proposed methodology for the performance audit and the rationale behind the consultant recommendations. If additional agencies/interviews are proposed, the consultant shall include the proposed additional costs.

- The consultant will plan, prepare, facilitate, and document all visits and interviews. The consultant will arrange all logistics for meeting planning and preparation of all background information. Each interview will be documented with an interview summary that details the discussion, requests for information, and any follow-up actions needed.

**Task 2 - Deliverables**

- List and schedule of key staff to be interviewed and site visits to be conducted
- Documentation of site visits and interviews conducted
- Interview summaries
Task 3 - Review Operational Processes and Organizational Structures

- Review the current organizational structure and staffing, including the “TransNet Program Management Assessment,” dated December 2005
- Review procurement and contracting practices, including architectural and engineering services utilized by the EAP
- Review the technology tools used in project and program development of the EAP, including KeepSanDiegoMoving.com and the TransNet Dashboard
- Review existing program and project performance measures, including the number of contract change orders and the cost of contract change orders as a percentage of final contract cost
- Review and analyze the results to provide the basis for addressing strategies and improvements to the TransNet program
- Review the ITOC annual reports and past actions
- Review prior triennial performance audit

Task 3 - Deliverables:

- Draft summaries of each review conducted for use in developing the audit report

Task 4 - Functional Reviews and Performance Analysis

- Analyze the past three years (covering FY 2009 through FY 2011) of financial data and schedule adherence from the development of the EAP and other TransNet-funded projects, including an assessment of the debt structure and plan of finance development
- Review all past quarterly reports on major Congestion Relief projects presented to the ITOC as stated in ITOC Responsibilities section of the TransNet Extension Ordinance
- Conduct a comparison of the EAP and all TransNet project development procedures to industry norms, peer program benchmarks, and best practices

Task 4 - Deliverables:

- Draft summaries for use in developing the audit report

Task 5 - Develop Audit Findings and Recommendations into a Draft/Final Report

- Synthesize the above information into findings and recommendations for changes that could improve the efficiency and effectiveness of the expenditure of TransNet revenues
- Provide the ITOC with anticipated operational, financial, and other implications of the consultant’s recommendations
- Include recommendations for additional analysis that could be included in future performance audits that were not included in this scope of work
- Produce draft and final reports in accordance with the TransNet Extension Ordinance. The draft report shall include all proposed consultant recommendations and allow for appropriate review by the ITOC, transportation agency staff, and the SANDAG Transportation Committee prior to final approval by ITOC and presentation to the SANDAG Board of Directors and the public.
- The consultant will provide the ITOC with recommendations that will:
  - Improve the efficiency and effectiveness of the expenditure of TransNet funds through improvements in the various processes reviewed
  - Provide optional action plans that may result in significant improvements in the delivery of the TransNet EAP and other TransNet-related programs/projects
  - Improve the efficiency and effectiveness of the ITOC

The format of the TransNet Triennial Performance Audit would include:
- Table of Contents
- Executive Summary
- Introduction
- Scope and Methodology
- Audit Findings
- Conclusions and Recommendations
- Response by ITOC and audited agencies

**Task 5 - Deliverables**
- Ten hard copies of the draft report
- One master electronic copy of the draft report in Microsoft Word format

**Task 6 - Revised Draft Report based on Staff and Committee Review**
- In accordance with the TransNet Extension Ordinance, the consultant will revise the draft report and prepare a final report for review and approval by the ITOC, Transportation Committee, transportation agency staff, and the SANDAG Board of Directors

**Task 6 - Deliverables**
- Final hard copy of the revised report for approval and presentation
- One master electronic copy of the final report in Microsoft Word format
Task 7 - Final Report Preparation and Printing

- Following staff and committee review and approval of the TransNet Triennial Performance Audit report, the consultant will provide 20 hard copies of the final version of the TransNet Triennial Performance Audit report to be presented to the ITOC, SANDAG Board of Directors, and the public. The consultant will provide a master copy of the report and a copy on CD-ROM for future duplicating needs. The final report is to be presented by the consultant to the ITOC as an agenda item at a regular ITOC meeting. The final report will be presented to the SANDAG Board of Directors by the ITOC.

Task 7 - Deliverables

- 20 hard copies of the final TransNet Triennial Performance Audit report
- CD-ROM of the final TransNet Triennial Performance Audit report

Task 8 - Additional Proposed Tasks (Optional)

- ITOC may assign consultant additional data gathering and analysis projects via task orders if the need arises, including, but not limited to, conducting the third Triennial Performance Audit (scheduled be conducted in FY 2015)
- Conducting the third performance audit is an optional task that would include a scope of work similar to the scope of work detailed herein. The third performance audit would include a review of the TransNet program for the period FY 2012 through FY 2014
- Assignment of additional tasks is subject to availability of additional funding and whether fair and reasonable terms can be negotiated

Consultant may include in its proposal recommendations for additional tasks that could be conducted and proposed costs
# Project Schedule

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<th>Task</th>
<th>Task Name</th>
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<td>1</td>
<td>Develop Timeline and Meeting Schedule</td>
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<td>Interviews and Site Visits</td>
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<td>3</td>
<td>Review Operational Processes and Organizational Structures</td>
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<tr>
<td>5</td>
<td>Develop Audit Findings and Recommendations into a Draft/Final Report</td>
<td>150 days</td>
</tr>
<tr>
<td>6</td>
<td>Revised Draft Report based on Staff and Committee Review</td>
<td>210 days</td>
</tr>
<tr>
<td>7</td>
<td>Final Report Preparation and Printing</td>
<td>240 days</td>
</tr>
</tbody>
</table>

Optional additional projects related to previous tasks, subject to funding availability, and at the sole discretion of the ITOC and SANDAG:

| 8    | TBD                                                                       | TBD                                       |
### CONSULTANT SHORT LIST EVALUATION FORM – RFP ATTACHMENT 7

Consultant: ________________________________________________________________________

Contract No.: ___________________________  Description: _____________________________

<table>
<thead>
<tr>
<th>Criteria</th>
<th>(a) Weight</th>
<th>(b) Score (0-10)</th>
<th>(a) x (b) Weighted Score</th>
</tr>
</thead>
</table>
| 1. PROJECT TEAM  
  • Qualifications and relevant individual experience  
  • Unique qualification of key personnel  
  • Organization Chart  
  • Staff availability/ Time commitment of key members | 3.0 | | |
| 2. PROJECT EXPERIENCE  
  • Demonstrated capability on similar or related projects  
  • Management and scheduling abilities  
  • Quality and cost control  
  • Demonstrated ability to generate significant process improvement recommendations | 2.0 | | |
| 3. PROPOSED METHODOLOGY AND APPROACH TO WORK  
  • Approach and proposed methodology to project scope  
  • Demonstrated knowledge of the work required  
  • Explanation of the project or services required  
  • Innovative approaches and internal measures for timely completion of project | 3.0 | | |
| 4. OTHER CRITERIA  
  • Meeting the Conflict of Interest  
  • Schedule Flexibility/Ability to Attend Local Meetings | 1.0 | | |
| 5. ADDITIONAL INFORMATION  
  • Staffing capability, workload, and record of meeting schedules on similar projects  
  • Ability to adapt to unexpected work  
  • Feasibility of oversight, ability and willingness to respond to SANDAG requirements, and accessibility to SANDAG reviewers. | 1.0 | | |

Total

Comments (continue on reverse if necessary):

---

*I certify that I have performed an independent evaluation of the above named consultant. I further certify that I have not engaged in discussions within the last year with the above-named consultant regarding my future employment with said consultant and that neither I nor anyone in my household has received income from any of the bidders/proposers during the last 12 months.*

Signature of Evaluator: ___________________________________ Date: ___________________

Printed Name of Evaluator: _______________________________

Checked by: _________________________________________ Date: ___________________
### CONSULTANT INTERVIEW EVALUATION FORM – RFP ATTACHMENT 8

Consultant: _________________________________________________________________________  
Contract No.: ___________________________  Description: ______________________________

<table>
<thead>
<tr>
<th>Criteria</th>
<th>(a) Weight</th>
<th>(b) Score (0-10)</th>
<th>(a) x (b) Weighted Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. PROJECT TEAM</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Qualifications and relevant individual experience</td>
<td>1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Unique qualification of key personnel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Time commitment of key members</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Organization chart</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Staff availability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2. PROJECT EXPERIENCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Demonstrated capability on similar or related projects</td>
<td>1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Management and scheduling abilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Other on-going projects and priorities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Quality and cost control</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Demonstrated ability to generate significant process improvement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3. PROPOSED METHODOLOGY AND APPROACH TO WORK</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Approach and proposed methodology to project scope</td>
<td>2.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Demonstrated knowledge of the work required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Explanation of the project or services required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Innovative approaches and internal measures for timely completion of project</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4. OTHER CRITERIA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Meeting the Conflict of Interest</td>
<td>2.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>5. INTERVIEW QUESTIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Demonstrated knowledge of the work required</td>
<td>2.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Appropriate responses to questions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Other on-going projects and priorities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Schedule flexibility/ability to attend local meetings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>6. REFERENCES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Record of producing a quality product on similar (size/scope) projects on time and within budget</td>
<td>1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>7. COST OR BEST VALUE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Ranking of comparative costs among proposed firms, providing the best value for services offered</td>
<td>1.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*All panel members must enter a zero (0) for all interviewed Consultants if time did not allow for reference checks or if the reference checks were not completed on all the Consultants.

Total: ______________________

Comments (continue on reverse if necessary):

I certify that I have performed an independent evaluation of the above named consultant. I further certify that I have not engaged in discussions within the last year with the above-named consultant regarding my future employment with said consultant and that neither I nor anyone in my household has received income from any of the bidders/proposers during the last 12 months.

Signature of Evaluator: _______________________________  Date: ________________

Printed Name of Evaluator: _______________________________

Checked by: _______________________________  Date: ________________
Request for Proposals  
Process and Estimated Schedule

1. Finalize draft Request for Proposals (RFP) and route to legal division for review.

2. Route to performance audit subcommittee to review legal division’s comments

3. Advertise RFP for four weeks

4. Nonmandatory pre-proposal meeting
   - Schedule room and meeting date
   - Contracts Analyst facilitates and reviews the process
   - Project Manager explains the project and outcome
   - Project Manager prepares PowerPoint for the pre-proposal meeting
   - 45 minutes to 1 hour

5. All Q&A’s received by bidders go directly to Contracts Analyst and are forwarded to Project Manager only for a response

6. Requests for Proposals due to Contracts and Procurement
   - Contracts and Procurement staff will mail-out letter, proposals, RFP, Score Sheets, Conflict of Interest forms, Cost Summary (discuss cost proposal) to Performance Audit Subcommittee
   - Project Manager determines how many proposals to ask for

7. Contracts Analyst will schedule short-list meeting
   - Room
   - Score Sheets
   - Reference Checks (Project Manager to Review and Approve Questions)

8. Interview
   - Contracts Analyst will mail out letters to firms that were short-listed
   - Schedule room
   - Project Manager or subcommittee to develop questions (approximately 6 to 10 questions); must remain confidential
   - PowerPoint for day of interviews
     - Project Manager to determine whether firms will be required to present with a PowerPoint
   - Order lunch
   - Discuss time frame
• Electronic Score Sheets
• Type Debriefing Notes
  o Strength and Weaknesses
  o Send to Project Manager for review
• Subcommittee to make recommendation to ITOC
• Discuss protest procedures

9. Notice of Intent to Award
  o Contracts Analyst will type and mail Notice of Intent to Award and Not Award letters
  o 5-day protest period

10. Schedule Negotiation Meeting
• Conduct Negotiations
  o Cost
  o Contract

11. Final Contract
• Incorporate Final Cost Sheets and negotiated items into the Agreement
• Route internally for approval
• Route to ITOC subcommittee for review and approval (DISCUSS)

12. Mail Agreement
• Send to the consultant for signature
• Receive and route internally for signature
• Mail Notice to Proceed
### Estimated Schedule

<table>
<thead>
<tr>
<th>Purpose of meeting</th>
<th>Time required</th>
<th>Estimated Date</th>
<th>Subcommittee members required</th>
</tr>
</thead>
</table>
| Finalize draft scope of work             | 1 hour         | before February 2011 ITOC meeting | Project Manager  
                                    |                |                              | David Lloyd  
                                    |                |                              | Jim Ryan  
                                    |                |                              | Tracy Sandoval |
| Pre-proposal meeting                     | 1 hour         | March/April 2011              | Project Manager                                |
| Shortlist meeting                        | Half day       | June 15 – 30, 2011            | Project Manager  
                                    | (4 hours)      |                              | David Lloyd  
                                    |                |                              | Jim Ryan |
| Interviews                               | Full day       | July 1 – 31, 2011             | Project Manager  
                                    | (8 hours)      |                              | David Lloyd  
                                    |                |                              | Jim Ryan |
| Final contract and cost negotiations     | 2 hours         | July 1 – 31, 2011             | Project Manager                                |
| Notice to Proceed Issued                 | N/A            | August/September 2011         | N/A                                             |
FUNDING RECOMMENDATIONS FOR FY 2012 AND FY 2013
TransNet SENIOR MINI-GRANT PROJECTS

Introduction

The TransNet Extension Ordinance includes the provision for a competitive grant program for senior transportation programs. This grant program funds operating and capital projects providing specialized transportation services for seniors. The TransNet Extension Ordinance requires that SANDAG conduct a competitive selection process to distribute the funds. Eligible applicants include private nonprofit organizations, governmental authorities, private and public transportation operators, and the Consolidated Transportation Services Agency. The purpose of this competitive selection process is to evaluate potential projects and recommend which projects should be funded.

Discussion

On April 2, 2010, the Transportation Committee approved a process and criteria for selecting eligible projects for FY 2012 and FY 2013 funding under the TransNet Senior Mini-Grant Program. A copy of the evaluation criteria and the project evaluation form are included in Attachments 1 and 2, respectively. Based on TransNet revenue estimates, a total of $1,169,026 in FY 2012 and $1,233,394 in FY 2013 will be available through this program. The amount available for grant awards is $1,127,026 in FY 2012 and $1,191,394 in FY 2013, after deducting $42,000 for project administrative costs each year. This proposal, along with the allocation of federal programs, is scheduled for action by both the Transportation Committee and Board of Directors at their February meetings.

A call for projects was issued on August 13, 2010, and on November 12, 2010, 17 applications were received requesting more than $1.75 million in FY 2012 funds and $1.84 million in FY 2013.

The projects were evaluated and ranked by an external evaluation committee using the criteria approved by the Transportation Committee. The evaluation committee was made up of experts in the field of specialized transportation, including transportation consultants, staff from social service transportation providers, and other Regional Transportation Planning Agencies. This ranked list was then turned into funding recommendations based on the amount of funding projected to be available. Based on the evaluation committee rankings, it is recommended that nine projects be fully funded and three projects receive partial funding. Attachment 3 includes the list of 12 projects recommended to receive Senior Mini-Grant funding.
Because the amount available is a projection based on estimated sales tax revenues, the actual amount of funding available may differ from the estimate. If the amount available for Senior Mini-Grant funding is lower than the estimated amount, adjustments will either be made to the lowest ranked project being funded, or equally distributed among all successful applicants. If the actual amount available is higher than the amount apportioned, any unallocated monies will be rolled over into future funding cycles.

**Role of the Independent Taxpayer Oversight Committee**

The ITOC is asked to discuss the recommended grant proposals in relation to their consistency with the TransNet Extension Ordinance and Senior Mini-Grant program requirements, included in Attachment 1. Eligible projects may use Senior Mini-Grant funds for capital or operating costs of services and facilities that improve mobility for seniors. Examples of eligible projects include senior shuttles, travel training programs, volunteer driver and aide programs, paratransit, the brokerage of multijurisdictional transportation services, and capital projects, such as purchasing vehicles and supporting accessible taxi programs.

All of the submitted applications and the FY 2010 – FY 2015 Coordinated Public Transit Human Services Transportation Plan are available in a PDF format on the SANDAG FTP site located at: [ftp://ftpx.sandag.org/sandag/pub/JARC_NF_SMG/Senior%20MG/](ftp://ftpx.sandag.org/sandag/pub/JARC_NF_SMG/Senior%20MG/).

**Next Steps**

The funding recommendations are scheduled to be presented to the Transportation Committee on February 18, 2011, and the Board of Directors on February 25, 2011. If adopted by the Board of Directors, the selected projects will be amended into the 2010 Regional Transportation Improvement Program at the earliest opportunity.

Attachments: 1. Senior Mini-Grant Program Requirements
   2. Senior Mini-Grant Project Evaluation Form
   3. Senior Mini-Grant Project Descriptions, Evaluation, and Grant Requests

Key Staff Contact: Danielle Kochman, (619) 699-1921, dko@sandag.org
TransNet Senior Mini-Grant Program Requirements

Background

The TransNet Extension Ordinance states that:

Three and one-fourth percent of the funds made available under Section 4(C) [of the Ordinance] shall be used to support a competitive grant program for nonprofit organizations and local agencies. The funds shall be used to provide specialized transportation services for seniors focusing on innovative and cost-effective approaches to providing improved senior transportation, including, but not limited to, shared group services, special shuttle services using volunteer forces, and brokerage of multijurisdictional transportation services.

The TransNet Extension funds the Senior Mini-Grant Program by setting aside 3.25 percent out of the total 16.5 percent in annual TransNet revenues allocated for transit operating and capital purposes. The goal of the Senior Mini-Grant Program is to improve mobility for seniors throughout the region. TransNet defines a senior as any individual 60 years of age or older. SANDAG will provide financial assistance for transportation services planned, designed, and carried out to meet the special transportation needs of seniors in all areas of San Diego County.

Since coordination among agencies increases the cost-effectiveness of dollars spent, projects that demonstrate coordination receive additional points during the evaluation process. This will allow the projects to collaboratively provide the most amount of service possible with existing dollars.

Program Requirements

Eligible applicants may include local government agencies, tribal governments, social services agencies, nonprofit organizations, the Consolidated Transportation Services Agency, and private and public operators of public transportation. Examples of eligible projects include senior shuttles, travel training programs, volunteer driver and aide programs, paratransit, the brokerage of multijurisdictional transportation services, and capital projects, such as purchasing vehicles and supporting accessible taxi programs.

The 2010-2014 Coordinated Public Transit and Human Services Transportation Plan, approved by the Board of Directors on October 22, 2010, is intended to identify the transportation needs of individuals with disabilities, seniors, and people with low incomes and to provide strategies for meeting those local needs and prioritizing transportation services for funding and implementation. Senior Mini-Grant projects must respond to a high or very high priority as identified in the Coordinated Plan.

Cost-effective transportation solutions are encouraged. Persons who are not seniors may be transported with seniors in services paid for by Senior Mini-Grant funds, however, not more than 20 percent of the passengers being transported may be less than 60 years of age. Senior passengers must be given priority on transportation services funded by the Senior Mini-Grant Program. To ensure communication among the Senior Mini-Grant recipients, all Senior Mini-Grant recipients must attend at least two of the four annual Council on Access and Mobility (CAM) meetings. CAM
provides a regional forum for advancing transportation coordination efforts among social service agencies.

Grantees cannot reimburse direct vehicle operating costs, such as fuel, tires, oil, car insurance, or car repairs, however, the Senior Mini-Grant Program will reimburse vehicle expenses on a per-mile basis. Therefore, applicants can claim up to the Internal Revenue Service (IRS) mileage reimbursement rate to cover vehicle expenses in project submissions. A ceiling of 65 cents/mile can be used for larger vehicles not included in the IRS rate.

Senior Mini-Grant Program funds can be used to support up to 80 percent (80 grant/20 match) of net project costs for operations. Fare revenue generated through the service may not be used as matching funds for operating grants. For capital projects, funds can be used to support up to 20 percent (20 grant/80 match) of all costs. This funding can be used to leverage federal dollars that are available for similar projects. SANDAG will retain title to any vehicles purchased using these grant funds.

The Senior Mini-Grant Program grant request amounts must be within the range of $30,000 and $200,000.
# SENIOR MINI-GRANT PROGRAM MINIMUM ELIGIBILITY CRITERIA

<table>
<thead>
<tr>
<th>MINIMUM ELIGIBILITY CRITERIA</th>
<th>Must answer <strong>YES</strong> to each question to be eligible.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Is the agency a local governmental agency, (private or public) operator of public transportation, nonprofit agency, or a tribal government?</td>
<td>□ YES □ NO</td>
</tr>
<tr>
<td>2. Is the project targeted to serve the seniors?</td>
<td>□ YES □ NO</td>
</tr>
<tr>
<td>3. Is the project an eligible activity under the Senior Mini-Grant program?</td>
<td>□ YES □ NO</td>
</tr>
<tr>
<td>4. Is the project derived from a Very High or High Priority in the 2008 – 2012 Coordinated Plan?</td>
<td>□ YES □ NO</td>
</tr>
</tbody>
</table>

**Select One**

- **Very High**
  - Develop or expand transit and nonagency client transportation services in areas with little or no other transportation options (or replace services that have been cut in those areas) based on identified gaps in transportation services; or
  - Develop or expand transportation solutions in areas with sufficient densities to support transit or coordinated services based on identified gaps in transportation services.

- **High**
  - Development of centralized ride scheduling, dispatching, and mobility management;
  - Increase coordination efforts by combining resources;
  - Provide door-to-door service (and door-through-door when necessary) for trips;
  - Provide travel training to encourage more individuals to ride regular transit;
  - Develop or enhance volunteer driver programs including the support of volunteer driver coalitions; or
  - Upgrade bus stops to include weather protection.
SENIOR MINI-GRANT PROJECT EVALUATION FORM

Goals and Objectives (5 points each; maximum 15 points)

1. Will the project serve the appropriate population? Does the proposal provide pertinent demographic data and/or maps? 

2. Will the proposed program increase or enhance the availability of transportation for seniors? 

3. To what extent is the proposed project consistent with the goals and objectives of the Senior Mini-Grant program? 

Comments: 

Subtotal: 

Operational/Implementation Plan (5 points each; maximum 15 points)

4. How thorough is the implementation plan? Does the proposal include project tasks, timelines, benchmarks, key milestones, key personnel, deliverables, and routes and schedules as applicable? Does the implementation plan and timeline seem feasible? 

5. Does the applicant demonstrate the technical ability to manage the project? Has the applicant effectively implemented projects using federal or state funds in the recent past; has the applicant managed similar projects; has the applicant had sufficient experience in providing services for the targeted clientele? Does the agency have adequate staff and resources to handle the project? If applicable, are drivers properly trained? If applicable, does the agency display the ability to maintain vehicles? 

6. Does this project relate to other services or facilities provided by the agency or firm? Does the implementation plan correspond with the project goals/objectives? 

Comments: 

Subtotal: 

Coordination and Program Outreach (5 points each; maximum 15 points)

7. Does the proposal describe how key stakeholders will remain involved and informed throughout the process? Does the proposal include three letters of support from stakeholders for the grant application? 

8. How thorough are the applicants proposed strategies for marketing the project and promoting public awareness? 

9. To what extent does the project demonstrate coordination among various entities? 

(5 points maximum - 1 point per type of coordination) 

a. Shared use of vehicles 

b. Dispatching or scheduling 

c. Maintenance 

d. Back up transportation 

e. Staff training programs 

f. Joint procurement of services and supplies 

g. Active participation in local social service transportation planning process 

h. Coordination of client trips with other transportation agencies 

Comments: 

Subtotal: 

TOTAL (1st page): 

6
Performance Indicators (5 points each; maximum 15 points)

10. Cost Efficiency Indicator – Operating Cost in Dollars per Vehicle Service Hour

<table>
<thead>
<tr>
<th># of Years in Service</th>
<th>Points Proposed/1st year</th>
<th>2nd year</th>
<th>3rd year</th>
<th>4+ year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>&gt;70</td>
<td>&gt;65</td>
<td>&gt;60</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>65&lt;x≤70</td>
<td>60&lt;x≤65</td>
<td>55&lt;x≤55</td>
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</tr>
<tr>
<td></td>
<td>5</td>
<td>≤60</td>
<td>≤55</td>
<td>≤50</td>
</tr>
</tbody>
</table>

11. Cost Effectiveness Indicator – Operating Cost in Dollars per Passenger

<table>
<thead>
<tr>
<th># of Years in Service</th>
<th>Points Proposed/1st year</th>
<th>2nd year</th>
<th>3rd year</th>
<th>4+ year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>&gt;32</td>
<td>&gt;29</td>
<td>&gt;26</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>29&lt;x≤32</td>
<td>26&lt;x≤29</td>
<td>&gt;26</td>
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<tr>
<td></td>
<td>3</td>
<td>26&lt;x≤29</td>
<td>23&lt;x≤26</td>
<td>&gt;20</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>≤26</td>
<td>≤23</td>
<td>≤20</td>
</tr>
</tbody>
</table>

12. Service Effectiveness Indicator – Passenger Utilization in Percentages

<table>
<thead>
<tr>
<th># of Years in Service</th>
<th>Points Proposed/1st year</th>
<th>2nd year</th>
<th>3rd year</th>
<th>4+ year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>&lt;15</td>
<td>&lt;20</td>
<td>&lt;35</td>
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<td>1</td>
<td>15&lt;x≤25</td>
<td>20&lt;x≤30</td>
<td>25&lt;x≤35</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>25&lt;x≤35</td>
<td>30&lt;x≤40</td>
<td>35&lt;x≤45</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>≥35</td>
<td>≥40</td>
<td>≥45</td>
</tr>
</tbody>
</table>

Comments:

Program Effectiveness (5 points each; maximum 10 points)

13. Does the applicant describe methodologies and procedures for ongoing monitoring and evaluation of the project or service?

14. Is the grant request amount appropriate given the priority being addressed by the project?

Comments:

Operational Sustainability (5 points maximum)

15. Does the applicant demonstrate a long-term commitment to the project to continue the effort beyond the availability of the requested grant resources? Is this applicant financially capable of sustaining operations after the initial grant funding is expended?

Comments:

Subtotal: [ ]

TOTAL (2nd page): 2
### Innovation (5 points each; maximum 10 points)

16. Is the proposed project an innovative solution to addressing the need, and could the innovations be applied to other services in the region?

17. Are there elements of the project that are environmentally sustainable (including the use of alternative fuels and clean air vehicles)?

**Comments:**

### Project Budget (5 points each; maximum 15 points)

18. Was a clearly defined budget submitted for the proposed project?

19. Does the project appear to be feasible as described?

20. Is the source of local share stable?

**Comments:**

**Subtotal:**

**TOTAL (this page):**

**TOTAL (1st page):**

**TOTAL (2nd page):**

**OVERALL POINTS (max. 100 points):**
<table>
<thead>
<tr>
<th>Rank</th>
<th>Sponsor</th>
<th>Project Description</th>
<th>Requested Grant $</th>
<th>Recommended Grant $</th>
<th>Req’d Match</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>City of Vista</td>
<td>The City of Vista’s Out &amp; About senior transportation program provides affordable, accessible, and flexible transportation throughout the community. This is accomplished through a senior shuttle service, volunteer mileage reimbursement service and new taxi voucher component. The project will provide 10,843 one-way senior passenger trips, reimburse 35,000 miles to volunteer drivers, and distribute 1,800 discounted taxi vouchers to seniors in need.</td>
<td>FY 2012 - $95,912.00 FY 2013 - $99,024.80 TOTAL - $194,936.80</td>
<td>FY 2012 - $95,912.00 FY 2013 - $99,024.80 TOTAL - $194,936.80</td>
<td>20%</td>
<td>All requirements were met for this project. Based on the scores of the evaluation committee, this project is recommended for funding.</td>
</tr>
<tr>
<td>2</td>
<td>Traveler’s Aid</td>
<td>SenioRide proposes to efficiently and effectively improve the mobility options of seniors, welfare recipients, low-income individuals, homeless, and tourists throughout San Diego. SenioRide offers a selection of transportation options that consists of taxicab vouchers, door-to-door service reimbursement, and a volunteer driver program.</td>
<td>FY 2012 - $108,982.00 FY 2013 - $111,315.20 TOTAL - $220,297.20</td>
<td>FY 2012 - $108,982.00 FY 2013 - $111,315.20 TOTAL - $220,297.20</td>
<td>20%</td>
<td>All requirements were met for this project. Based on the scores of the evaluation committee, this project is recommended for funding.</td>
</tr>
<tr>
<td>3</td>
<td>Full Access to Coordinated Transportation (FACT)</td>
<td>MedRide: The proposed service will provide seniors with a brokered transportation service that will select the appropriate transportation option for each senior based on their individual needs and qualifications. The service area will include regions in San Diego County that do not have adequate medical transportation options for seniors.</td>
<td>FY 2012 - $200,000.00 FY 2013 - $200,000.00 TOTAL - $400,000.00</td>
<td>FY 2012 - $200,000.00 FY 2013 - $200,000.00 TOTAL - $400,000.00</td>
<td>20%</td>
<td>All requirements were met for this project. Based on the scores of the evaluation committee, this project is recommended for funding.</td>
</tr>
<tr>
<td>4</td>
<td>ElderHelp</td>
<td>This program proposes to expand ElderHelp’s existing door-through-door volunteer driver program. This expansion would require hiring a full-time Transportation Coordinator, a part-time Volunteer Recruiter, a Bus Driver, continuing support of the ride coordination software, and more focused marketing and outreach.</td>
<td>FY 2012 - $98,936.00 FY 2013 - $97,280.00 TOTAL - $196,216.00</td>
<td>FY 2012 - $98,936.00 FY 2013 - $97,280.00 TOTAL - $196,216.00</td>
<td>20%</td>
<td>All requirements were met for this project. Based on the scores of the evaluation committee, this project is recommended for funding.</td>
</tr>
<tr>
<td>5</td>
<td>City of Oceanside</td>
<td>Solutions for Seniors on the Go is a senior transportation program that offers three levels of service: curb-to-curb taxi scrip subsidies, door-to-door shuttle services, and door-through-door volunteer driver services for nonemergency medical trips.</td>
<td>FY 2012 - $198,300.00 FY 2013 - $0.00 TOTAL - $198,300.00</td>
<td>FY 2012 - $198,300.00 FY 2013 - $0.00 TOTAL - $198,300.00</td>
<td>20%</td>
<td>All requirements were met for this project. Based on the scores of the evaluation committee, this project is recommended for funding.</td>
</tr>
<tr>
<td>6</td>
<td>Jewish Family Services</td>
<td>Rides &amp; Smiles will continue to provide dependable, friendly, and personal door-through-door volunteer driver transportation services for seniors in need in both the North County Inland and College areas of the County, as well as expanding into the Tierrasanta area.</td>
<td>FY 2012 - $184,589.60 FY 2013 - $196,160.00 TOTAL - $380,749.60</td>
<td>FY 2012 - $184,589.60 FY 2013 - $196,160.00 TOTAL - $380,749.60</td>
<td>20%</td>
<td>All requirements were met for this project. Based on the scores of the evaluation committee, this project is recommended for funding.</td>
</tr>
<tr>
<td>Rank</td>
<td>Sponsor</td>
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<td>Requested Grant $</td>
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<td>7</td>
<td>FACT</td>
<td>MedAccessRide: This project proposes to expand mobility management services by increasing outreach to transportation service providers. Additionally, this project proposes to purchase an accessible vehicle that would then be loaned to a private transportation provider, who would in turn be required to utilize that vehicle to provide trips for individuals that call FACT and cannot be served by an already existing transportation program.</td>
<td>FY 2012 - $9,000.00&lt;br&gt;FY 2013 - $56,000.00&lt;br&gt;TOTAL - $65,000.00</td>
<td>FY 2012 - $9,000.00&lt;br&gt;FY 2013 - $56,000.00&lt;br&gt;TOTAL - $65,000.00</td>
<td>28%</td>
<td>All requirements were met for this project. Based on the scores of the evaluation committee, this project is recommended for funding.</td>
</tr>
<tr>
<td>8</td>
<td>City of La Mesa</td>
<td>Rides4Neighbors staff recruits, screens, and trains volunteer drivers who use their own vehicles to accommodate ride requests for eligible riders. The program has expanded to include communities east of La Mesa (El Cajon, Santee, Lakeside, Alpine, Lemon Grove, and Spring Valley). In addition to the volunteer driver program, Rides4Neighbors provides a discounted taxi voucher program and accessible shuttle service.</td>
<td>FY 2012 - $116,462.00&lt;br&gt;FY 2013 - $173,838.00&lt;br&gt;TOTAL - $290,300.00</td>
<td>FY 2012 - $116,462.00&lt;br&gt;FY 2013 - $173,838.00&lt;br&gt;TOTAL - $290,300.00</td>
<td>20%</td>
<td>All requirements were met for this project. Based on the scores of the evaluation committee, this project is recommended for funding.</td>
</tr>
<tr>
<td>9</td>
<td>Friends of Adult Day Health Care</td>
<td>This project proposes to contract with the Poway Adult Day Health Care Center to use their buses and their staff to provide door-to-door and door-through-door transportation for those 60 and older who are enrolled in the Poway Center for medical trips during the day when the vehicles are not in use.</td>
<td>FY 2012 - $103,974.00&lt;br&gt;FY 2013 - $120,054&lt;br&gt;TOTAL - $224,028.00</td>
<td>FY 2012 - $103,974.00&lt;br&gt;FY 2013 - $120,054&lt;br&gt;TOTAL - $224,028.00</td>
<td>20%</td>
<td>All requirements were met for this project. Based on the scores of the evaluation committee, this project is recommended for funding.</td>
</tr>
<tr>
<td>9</td>
<td>Redwood Senior Homes &amp; Services</td>
<td>This project proposes to continue Redwood Senior Homes &amp; Services “Out &amp; About” transportation program, a free community service that provides seniors access to shopping through a fixed weekly shopping shuttle, and also nonemergency medical appointments by reservation.</td>
<td>FY 2012 - $78,218.00&lt;br&gt;FY 2013 - $86,038.00&lt;br&gt;TOTAL - $164,256.00</td>
<td>FY 2012 - $10,870.40&lt;br&gt;FY 2013 - $86,038.00&lt;br&gt;TOTAL - $96,908.40</td>
<td>20%</td>
<td>All requirements were met for this project. Based on the scores of the evaluation committee, this project is recommended for funding. Staff worked with Redwood Senior Homes &amp; Services to reduce the requested grant amount to align with remaining available funding.</td>
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# Transnet Senior Mini-Grant Program Project Descriptions and Rankings

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<thead>
<tr>
<th>Rank</th>
<th>Sponsor</th>
<th>Project Description</th>
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<tr>
<td>11</td>
<td>Redwood Senior Homes &amp; Services</td>
<td>This project proposes to continue providing transportation under Redwood Senior Homes &amp; Services Senior Nutrition Program. This program provides transportation for frail seniors to bring them to the Joslyn Senior Center Monday through Friday where they are then served lunch.</td>
<td>FY 2012 - $29,700.00</td>
<td>FY 2013 - $29,700.00</td>
<td>20%</td>
<td>All requirements were met for this project. Based on the scores of the evaluation committee, this project is recommended for funding. Staff worked with Redwood Senior Homes &amp; Services to reduce the requested grant request amount to align the remaining available funding.</td>
</tr>
<tr>
<td>12</td>
<td>North County Transit District (NCTD)</td>
<td>Mobility/Travel Training: This project proposes two training programs to help individuals learn how to use the NCTD Rider’s Guide, its contents, and create and plan travel options. Independence is achieved through an individualized or group training where a trainee navigates the transit system on the BREEZE buses.</td>
<td>FY 2012 - $52,713.45</td>
<td>FY 2013 - $21,984.00</td>
<td>20%</td>
<td>All requirements were met for this project. Based on the scores of the evaluation committee, this project is recommended for funding. Staff worked with NCTD to reduce the requested grant amount to align with remaining available funding.</td>
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<td></td>
<td>Funded Projects Subtotals</td>
<td></td>
<td>FY 2012 - $1,276,787.05</td>
<td>FY 2013 - $1,191,394.00</td>
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### Projects Not Recommended For Funding

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<tr>
<th>Rank</th>
<th>Sponsor</th>
<th>Project Description</th>
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<th>Req’d Match</th>
<th>Comments</th>
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<tr>
<td>12</td>
<td>Peninsula Shepherd Senior Center</td>
<td>This project proposes to continue and expand Peninsula Shepherd Center’s transportation program serving Point Loma and surrounding areas. The four types of service proposed include a volunteer transportation and van shopping service, an urgent transportation program, in-depth assessments, and travel training.</td>
<td>FY 2012 - $63,560.00</td>
<td>FY 2013 - $0.00</td>
<td>20%</td>
<td>All requirements were met for this project. Based on the scores of the evaluation committee, this project is not recommended for funding.</td>
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<tr>
<td>14</td>
<td>ITN San Diego</td>
<td>This project proposes to continue volunteer driver and accessible shuttle services and expand services to eight contiguous zip codes, including downtown San Diego 92101, Pacific Beach 92109, North Park 92104, and College 92115.</td>
<td>FY 2012 - $124,560.00</td>
<td>FY 2013 - $0.00</td>
<td>20%</td>
<td>All requirements were met for this project. Based on the scores of the evaluation committee, this project is not recommended for funding.</td>
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<tr>
<td>Rank</td>
<td>Sponsor</td>
<td>Project Description</td>
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<td>Recommended Grant $</td>
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| 15   | Alpha Project | This project proposes to increase and expand transportation options for highly vulnerable populations, including homeless, very-low income, and low-income seniors living in San Marco, Escondido, Oceanside, Vista, Carlsbad, Encinitas, Linda Vista, Spring Valley, La Mesa, Lemon Grove, National City, Chula Vista, City Heights, North Park, Logan Heights, Barrio Logan, and downtown San Diego. | FY 2012 - $200,000.00  
FY 2013 - $200,000.00  
TOTAL - $200,000.00 | FY 2012 - $0.00  
FY 2013 - $0.00  
TOTAL - $0.00 | 20% | All requirements were met for this project. Based on the scores of the evaluation committee, this project is not recommended for funding. |
| 16   | St. Paul’s Senior Home Services | The goal of the St. Paul’s PACE is to improve the quality of life for frail, low-income seniors by transporting them to the PACE Center where they will receive a broad range of medical and social services. The services they receive enable them to continue to live independently in the community with dignity and pride. | FY 2012 - $125,000.00  
FY 2013 - $0.00  
TOTAL - $125,000.00 | FY 2012 - $0.00  
FY 2013 - $0.00  
TOTAL - $0.00 | 20% | All requirements were met for this project. Based on the scores of the evaluation committee, this project is not recommended for funding. |
| 17   | Accessible San Diego | This project proposes to continue the Accessible Tourism Transportation Information Network (ATTIN) Senior Transportation Program, which provides information and referral services and coordination to expand the transportation options for seniors and people with disabilities who do not drive on their own. | FY 2012 - $0.00  
FY 2013 - $250,000  
TOTAL - $250,000 | FY 2012 - $0.00  
FY 2013 - $0.00  
TOTAL - $0.00 | 20% | All requirements were met for this project. Based on the scores of the evaluation committee, this project is not recommended for funding. |
|      | Unfunded Projects Subtotals | | FY 2012 - $513,120.00  
FY 2013 - $625,564.00  
TOTAL - $1,138,684.00 | FY 2012 - $0.00  
FY 2013 - $0.00  
TOTAL - $0.00 | | |
INTERSTATE 15 EXPRESS LANES AND BUS RAPID TRANSIT CORRIDOR UPDATE

The Interstate 15 corridor improvements are included in the TransNet Early Action Program. This corridor includes construction of express lanes, operational improvements, transit stations, and implementation of bus rapid transit service. At the February 9, 2011, ITOC meeting, staff will present a status report on the project.

Attachment: 1. Draft February 18, 2011, Transportation Committee Report – Interstate 15 Express Lanes and Bus Rapid Transit Corridor Update

Key Staff Contacts: Gustavo Dallarda, Caltrans Corridor Project Director, (619) 688-6738, gustavo.dallarda@dot.ca.gov
Barrow Emerson, (619) 699-1961, bem@sandag.org
San Diego Association of Governments
TRANSPORTATION COMMITTEE

February 18, 2011

AGENDA ITEM NO.: XX

Action Requested: INFORMATION

INTERSTATE 15 EXPRESS LANES AND BUS RAPID TRANSIT CORRIDOR UPDATE

File Number 1201500

Introduction

Caltrans and SANDAG are jointly developing the Interstate 15 (I-15) Express Lanes/Bus Rapid Transit (BRT) Corridor included in the TransNet Early Action Program (EAP) approved by the SANDAG Board of Directors. This corridor includes construction of four express lanes, operational improvements, transit stations, implementation of the region’s first BRT service, and expansion of the existing FasTrak® system. This report provides an overview of the project.

Discussion

The I-15 corridor covers a 35-mile stretch from downtown San Diego to State Route 78 (SR 78) in Escondido. The project includes BRT service, 20 miles of express lanes, direct access ramps (DAR) and transit stations, and the expansion of the FasTrak electronic toll collection system.

I-15 Express Lanes

Four express lanes will be constructed in the median of I-15 between SR 163 and SR 78. The Middle Segment stretches from SR 56 to Centre City Parkway and its construction was completed in March 2009. The South Segment, from SR 163 to SR 56, and the North Segment, from Centre City Parkway to SR 78 are under construction.

Managed Lanes – Middle Segment

The eight-mile Middle Segment extends from SR 56 to Centre City Parkway. Four new express lanes have been constructed in the median of I-15, separated by a movable barrier. The movable barrier will allow configuring the lanes in accordance with traffic demands. Three new DAR interchanges and transit stations provide direct access to the express lanes. Additional general-purpose lanes and auxiliary lanes also have been constructed and opened to traffic. Three of the six contracts that built the Middle Segment are complete with all issues resolved. The remaining three contracts have construction-related claims outstanding, and two of them are in arbitration.

There are currently two landscape contracts in plant establishment in the Middle Segment from SR 56 to Rancho Bernardo Road. A third contract that replaced the vegetation that was damaged by the 2007 wildfires on the southbound side of I-15, from Duenda to West Bernardo Drive, is complete. A fourth contract that will install landscape from Duenda to Lake Hodges is expected to start construction in early 2011.
Managed Lanes – North Segment

The North Segment stretches four miles between Centre City Parkway and SR 78 and includes the construction of four express lanes, two in each direction with a fixed barrier in between. The segment also includes operational improvements and a DAR interchange located at Hale Avenue. The North Segment includes two roadway construction units and three follow-up landscaping projects. Unit 1 is from Centre City Parkway to just north of Ninth Avenue (67% complete), and Unit 2 extends from Ninth Avenue to SR 78 (80% complete). Outside widening has been completed, including the construction of an additional lane northbound and southbound between Ninth Avenue and SR 78. Ongoing work includes construction of the express lanes in the median. A storage and maintenance facility for the movable barrier transfer machines is complete on the northwest corner of Del Lago Boulevard and I-15.

The North Segment is on schedule and expected to be open to traffic by the end of 2011.

Managed Lanes – South Segment

The South Segment includes the construction of four express lanes, two in each direction with a movable barrier in between, on the stretch of I-15 between SR 163 and SR 56. It is composed of three roadway construction units and three follow-up landscape projects. Unit 1 is from SR 52 to Miramar Road/Pomerado Road (94% complete), Unit 2 is from Miramar Road/Pomerado Road to Mira Mesa Boulevard (75% complete), and Unit 3 is from Mira Mesa Boulevard to SR 56 (81% complete). Ongoing work includes inside widening and construction at the Poway Road/Rancho Peñasquitos Boulevard and Carroll Canyon Road bridges, which are scheduled to be completed this spring.

Before the South Segment opens to traffic, a series of traffic closures needed to complete the work will affect commuters. First, the northbound entrances to the existing reversible lanes will be closed so that new pavement can be installed at these locations. During that time, the northbound access to the express lanes will be through a new entrance on the left side of I-15, about a half-mile north of the SR 163 and I-15 merge. Finally, the reversible lanes will be closed completely for a few days between SR 56 and SR 163 while contractors install moveable barrier, guide wire, and tolling equipment, and remove traffic control devices that will no longer be needed when the new four express lanes are open 7 days a week, 24 hours per day. Extensive public outreach will be done prior to these closures to inform commuters about delays and provide alternate routes.

The South Segment is scheduled to be open to traffic by the end of 2012. Considering the progress made to date and assuming that contractors continue to work at the same rate, it is possible that the South Segment could be opened ahead of schedule in 2011.

A separate project will build the Mira Mesa/Scripps Ranch Community DAR interchange and Miramar College Transit Station. Environmental studies for this project were completed in March 2009, and contract documents are expected to be completed this spring. Construction of this project is scheduled to begin in fall 2011 and end in 2014. This project also includes funding for a joint use parking structure at Miramar College. Negotiations are ongoing with the San Diego Community College District to obtain the right-of-way for the DAR, transit station, and to accommodate parking.
Bus Rapid Transit – SR 56 to SR 78

An interim station at Sabre Springs opened in September 2008 to serve the existing Metropolitan Transit System (MTS) express bus routes 810, 820, and 860. This station currently has 175 parking spots with 100 percent occupancy. On July 23, 2010, the Board of Directors approved the 2010 Plan of Finance, which included new funding for a parking structure at this location. A draft Mitigated Negative Declaration (MND) for the Sabre Springs/Peñasquitos I-15 Transit Center Parking Structure was circulated for public review and comment on November 3, 2010. The public review and comment period ended on December 17, 2010. The final MND is scheduled to be presented to the Transportation Committee on February 18, 2011, under a separate item for final adoption. A design-build contract is anticipated to be awarded in mid-2011 to construct the parking structure and reconfigure the existing station. Modifications of the existing transit services to this location are being coordinated with MTS to provide alternative parking during construction.

Interim stations at Del Lago and Rancho Bernardo stations opened in March 2009 to serve the existing MTS express bus routes 810 and 880 and local bus routes, including MTS route 20 (Rancho Bernardo) and NCTD route 350 (Del Lago). These two stations have approximately 200 and 150 surface parking spaces, respectively. Contracts are anticipated to be awarded in mid-2011 to build the ultimate bus bays and amenities at these locations and at the Escondido Transit Center.

As a result of heavy rains last December, the hillside behind the Rancho Bernardo Transit Station experienced two areas of sloughing (slope failure). Geotechnical engineers and SANDAG staff performed a site reconnaissance to evaluate the slope and determined the sloughing is superficial, but needs to be repaired to avoid further damage to the hillside and surrounding site. Repairs include removing all loose material (soil) from the slope face and replacing with compacted fill. It is anticipated that the repairs will be performed through the SANDAG Job Order Contracting program.

Approximately 1,200 commuters currently use the express bus service along I-15 each weekday. The improvements at Sabre Springs, Rancho Bernardo, Del Lago, and Escondido are planned to be completed in anticipation of the start of full BRT operations along I-15.

Bus Rapid Transit – Mid-City

The BRT Mid-City project includes the construction of stations at El Cajon Boulevard and University Avenue in the Mid-City community of the City of San Diego. Design concepts for the El Cajon Boulevard and University Avenue stations were developed in conjunction with an ad hoc group formed of community representatives with input from SANDAG, Caltrans, City of San Diego, and MTS. A draft environmental document for these stations was released for public comment on December 30, 2010. The draft environmental document includes three build alternatives: two alternatives include stations in the median of SR 15 and a third alternative includes stations at the on-ramps of El Cajon Boulevard and University Avenue (with an option to add stations at the Adams Avenue on-ramps). A public hearing was held on January 26, 2011. An report on the proposed Mid-City improvements is anticipated to be brought back to the Transportation Committee in March 2011.
Bus Rapid Transit – Downtown Stations

The BRT Downtown projects include the development of downtown stations and facilities at the west and east ends of downtown that would support the I-15 BRT, Mid-City Rapid, and I-805 BRT operations. The downtown stations are in the environmental process and will be moving into final design in mid-2011. The downtown stations are planned to be operational by late 2012 to coincide with the opening of the Mid-City Rapid and I-15 BRT services. The proposed western layover facility is in the environmental process, and a draft environmental document will be available for public review shortly. An eastern downtown layover facility is in the early stages of planning.

Bus Rapid Transit – Mira Mesa Boulevard Priority Treatments

On July 23, 2010, the Board of Directors approved the 2010 Plan of Finance, which included new funding for priority treatments along Mira Mesa Boulevard between I-15 and I-805. Staff is working on hiring a consultant to conduct environmental studies and design work. The Mira Mesa Boulevard priority treatments are planned to be operational by 2014, to coincide with the opening of the Mira Mesa/Scripps Ranch Community DAR interchange.

Bus Rapid Transit – Planning and Vehicles

SANDAG and MTS are currently developing the specifications for approximately 45 vehicles to be acquired for the I-15 BRT and Mid-City Rapid projects.

FasTrak®

In March 2009, the new FasTrak system, which included the pricing strategy approved by the Board, was launched for the portion of the I-15 Express Lanes from SR 163 to Centre City Parkway. As previously reported to the Transportation Committee in July 2010, the express lanes have seen an increase in users. High-occupancy vehicle usage at the four tolling locations (Miramar Way, Carmel Mountain Road, Bernardo Center Drive, and Via Rancho Parkway) increased on average by roughly 30 percent between FY 2009 and FY 2010. FasTrak usage demonstrated similar growth trends with an average overall increase of 32 percent at the four tolling locations. As of December 2010, an average of 4,100 FasTrak users travel on the express lanes each weekday, which represents 20 percent of the total express lanes traffic.

As construction of the I-15 Express Lanes moves toward completion, staff continues to develop and implement various elements of the I-15 FasTrak system. Electronic toll infrastructure, including license plate readers as well as a violation processing system are being developed and implemented in coordination with I-15 Express Lanes construction. A key component of planned FasTrak system is the enforcement of vehicle occupancy in the I-15 Express Lanes.
Staff continues work on the Federal Highway Administration (FHWA)-funded I-15 Violation Enforcement System (VES) Study to research various vehicle occupancy enforcement strategies and technologies available for use on the I-15 FasTrak system. Staff continues to move forward with research and development of a fully-automated vehicle occupancy enforcement strategy using technologies such as infrared cameras and in-vehicle detection. In July 2010, staff completed a small field operational test of an occupancy camera from the United Kingdom. The FHWA-funded portion of the I-15 VES Study is scheduled for completion in June 2011. A project update on the VES Study, including results and findings from the pilot test, will be provided to the Transportation Committee at a future meeting.

JIM LINTHICUM
Director of Mobility Management and Project Implementation

Key Staff Contact: Gustavo Dallarda, Caltrans Corridor Project Director, (619) 688-6738, gustavo.dallarda@dot.ca.gov
TransNet FUNDING EXCHANGE: INTERSTATE 15 VIOLATION ENFORCEMENT SYSTEM STUDY AND I-15 FASTRAK® PROJECTS

**Introduction**

The Interstate 15 (I-15) Violation Enforcement System (VES) Study is an ongoing multi-year project to study next generation enforcement techniques for high-occupancy vehicle and high-occupancy toll lanes. The study is expected to result in the selection of technology for reducing dependency on manual enforcement through a pilot deployment on the I-15 Express Lanes.

In August 2010, Caltrans announced a transportation planning grant award to SANDAG in the amount of $240,000 to provide additional funding to the I-15 VES Study. This additional funding requires a 20 percent match in local funds from the I-15 VES Study project. However, $15,000 of the required $60,000 match is already available in the project. Therefore, a funding exchange for the remaining portion of $45,000 is proposed.

**Discussion**

Section 7 of the TransNet Ordinance allows for the exchange of funds to maximize the effective use of funds. Section 7B specifies:

> The Commission may exchange revenues for federal, state, or other local funds allocated or granted to any public agency within or outside the area of jurisdiction of the Commission to maximize effectiveness in the use of revenues. Such federal, state, or local funds shall be distributed in the same manner as the revenues from the measure.

A funding exchange is scheduled for approval by the Transportation Committee on February 18, 2011, which proposes an exchange of $45,000 of federal Congestion/Value Pricing Program funds in the I-15 VES Study project for a like amount of TransNet funds from the I-15 FasTrak project. Such an exchange would allow the acceptance of the additional planning funds from Caltrans by leveraging already existing TransNet funds, which are already included in the I-15 FasTrak project budget. Both projects are TransNet eligible and already include TransNet Major Corridor funds, as approved in the current FY 2011 SANDAG Budget. Any significant comments from ITOC members will be reported to the Transportation Committee.

Key Staff Contacts: Ellison Alegre, (619) 699-0729, eal@sandag.org
San Diego Association of Governments - TransNet Program

INDEPENDENT TAXPAYER
OVERSIGHT COMMITTEE

February 9, 2011

AGENDA ITEM NO.: 11

Action Requested: INFORMATION

INTERSTATE 15 (I-15)/MIRA MESA DIRECT ACCESS RAMP AND
TRANSIT STATION: REQUEST FOR LETTER OF NO PREJUDICE

File Number 1500000

Introduction

The I-15/Mira Mesa Direct Access Ramp and Transit Station project will be ready for advertisement in early summer. The project is funded with $40.2 million of Proposition 1B Corridor Mobility Improvement Account funds, in addition to TransNet funds. Due to timing in the issuance of bonds by the State Treasurer’s Office, the California Transportation Commission (CTC) may not have the funds available at its May 2011, meeting when the funding will be requested. Approval of a Letter of No Prejudice by the CTC would allow Caltrans to move forward without delay with advertisement and award of the construction contract in anticipation of bond proceeds becoming available soon after the next issuance.

Discussion

This item is scheduled to go to the Transportation Committee at its February 18, 2011, meeting. A copy of the draft staff report is attached for ITOC information. The Transportation Committee will be asked to approve the submittal of the Letter of No Prejudice to the CTC in the amount of $40.2 million to allow Caltrans to advertise this project for construction without delay. The ITOC is asked to review this recommendation. Any comments provided by the ITOC will be communicated to the Transportation Committee.


Key Staff Contact: José A. Nuncio, (619) 699-1908, jnu@sandag.org
February 18, 2011

**INTERSTATE 15 (I-15)/MIRA MESA DIRECT ACCESS RAMP AND TRANSIT STATION: REQUEST FOR LETTER OF NO PREJUDICE**

**Introduction**

The I-15/Mira Mesa Direct Access Ramp and Transit Station project will be ready for advertisement in early summer 2011. The project is funded with $40.2 million of Proposition 1B Corridor Mobility Improvement Account (CMIA) funds, in addition to TransNet funds. Due to timing in the issuance of bonds by the State Treasurer’s Office, the California Transportation Commission (CTC) may not have the funds available at its May 2011 meeting when the funding will be requested. Approval of a Letter of No Prejudice (LONP) by the CTC would allow Caltrans to move forward without delay with advertisement and award of the construction contract in anticipation of bond proceeds becoming available soon after the next issuance.

**Discussion**

The CMIA- and TransNet-funded project proposes to construct a Direct Access Ramp and Transit Station that will connect the I-15 Express Lanes facility with the local street system and transit facilities in the Mira Mesa and Scripps Miramar Ranch communities. The Direct Access Ramp will consist of five structures, including one elevated ramp extending at-grade from Hillery Drive and crossing over southbound I-15 and four on- and off-ramps that will extend to the I-15 Express Lanes. The Direct Access Ramp will provide direct access to the Express Lanes for carpools, vanpools, buses, motorcycles, permitted clean-air vehicles, and FasTrak® users, without having to access existing freeway interchange at Mira Mesa Boulevard or Carroll Canyon Road or merge through mainline traffic. The Transit Station, which will include up to 12 bus bays and associated transit furnishings, will serve passenger access and transfer needs for local and express bus routes and will accommodate planned Bus Rapid Transit (BRT) services.

Over the past couple of years, the State Treasurer’s Office has issued bonds about two to three times per year, funding Proposition 1B (Prop. 1B) and other state infrastructure bond programs. Once the bonds are issued, it is the Department of Finance’s practice to provide the amount that will be made available for transportation programs to Caltrans and the CTC. The first priority for these funds is to replenish the account that pays for ongoing construction contracts, such as the I-15 Express Lanes (South) project, and the State Route 52 Extension in Santee. If additional funds remain, the CTC allocates funding for new projects. The experience over the past year is that

**Recommendation**

The Transportation Committee is asked to approve the submittal of a Letter of No Prejudice to the California Transportation Commission in the amount of $40.2 million in Proposition 1B Corridor Mobility Improvement Account funds for the implementation of the I-15/Mira Mesa Direct Access Ramp and Transit Station project.
sufficient funds have been available to allocate all CMIA-funded projects delivered to the CTC for allocation. More recently and as part of the FY 2012 state budget proposal, Governor Brown has indicated his preference to hold off on additional bond issuances until fall 2011, likely precluding the possibility of Prop. 1B allocations by the CTC until the first few months of 2012.

In the absence of an approved LONP, all Prop. 1B projects waiting for the next bond issuance by the State Treasurer’s Office cannot be advertised and awarded by Caltrans, which would result in a delay to the start of construction. The LONP is a mechanism that allows project sponsors to use their own funds for project expenses until such time that the CTC allocates funds. The LONP sets the start date of eligible work for reimbursement by the State. Once the allocation occurs, all eligible expenditures can be invoiced for payment. It should be noted that an LONP does not constitute a budget increase, but rather, reflects an alternate cash management approach that allows the project to move forward to construction without delay.

There are risks associated with proceeding under an LONP. If the State is unable to issue bonds, or to issue a sufficient amount to support the Prop. 1B programs for an extended period of time, SANDAG would need to immediately use the TransNet funds to pay incurred project expenses. SANDAG would not receive reimbursement from the State until funds become available. As mentioned earlier, despite the challenging economic times and state budget situation, the State Treasurer’s Office has been able to issue sufficient bonds to allow the CTC to allocate funds for new projects, though delays in issuances have occurred. It should be noted the process to advertise, receive, and analyze bids, and award a contract can take several months, typically with minimal expenditures incurred during that time.

An alternate option for this project is to submit an allocation request and wait until the State Treasurer’s Office issues bonds and makes funding available for the Prop. 1B CMIA program. During this time period, Caltrans would be unable to advertise and award the construction contract. A potential delay to the project’s completion of at least three to six months would be a likely consequence.

A presentation to the Independent Taxpayer Oversight Committee (ITOC) is scheduled for February 9, 2011. Staff will convey ITOC member comments during the oral presentation to the Transportation Committee.

Next Steps

Pending approval by the Transportation Committee, the LONP would be submitted to the CTC for approval at its May meeting. An allocation request would be submitted concurrently. If funding is not available for the CTC to approve the allocation request at that time, then the CTC could approve the LONP and allow Caltrans to move forward with advertisement under the LONP authority.

LAUREN WARREM
Director of Finance

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San Diego Association of Governments - TransNet Program

INDEPENDENT TAXPAYER
OVERSIGHT COMMITTEE

February 9, 2011

AGENDA ITEM NO.: 12

Action Requested: INFORMATION

SOLICITATION OF APPLICATIONS FOR MEMBERSHIP ON THE
TransNet INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

File Number 1500200

Introduction

In accordance with the TransNet Extension Ordinance, an Independent Taxpayer Oversight Committee (ITOC) was established to provide an enhanced level of accountability for expenditures made under the Expenditure Plan. The membership of the ITOC consists of seven voting members with each member representing a specified area of expertise. The terms of four of the current ITOC members that will be expiring in May 2011 are listed in Attachment 1.

A Selection Committee will be convened to select ITOC members from a list of qualified candidates recommended by a Technical Screening Committee. ITOC members serve terms of four years, with a total limit of eight years. Applications will be requested from individuals interested in serving on the ITOC through an open, publicly noticed solicitation process. Applications will be accepted until Monday, February 28, 2011. The application and information regarding ITOC and its responsibilities can be found on the SANDAG Web site at www.sandag.org/itoc.

Attachment: 1. Copy of Public Notice for the Solicitation of Applications for Membership on the TransNet Independent Taxpayer Oversight Committee

Key Staff Contact: Ariana zur Nieden, (619) 699-6961, azu@sandag.org
PUBLIC NOTICE

Solicitation of Applications for Membership on the
TransNet Independent Taxpayer Oversight Committee

The TransNet Independent Taxpayer Oversight Committee (ITOC) is seeking qualified members of the public to fill four vacancies on its seven-member committee in the following categories:

- The chief executive officer or person in a similar senior-level decision-making position, of a major private sector employer with demonstrated experience in leading a large organization. (Term expires May 2015)

- A professional in biology or environmental science with demonstrated experience of ten years or more with environmental regulations and major project mitigation requirements and/or habitat acquisition and management. (Term expires May 2015)

- A licensed architect or civil/traffic engineer with demonstrated experience of ten years or more in the fields of transportation and/or urban design in government or the private sector. (Term expires May 2015)

- A licensed engineer with appropriate credentials in the field of transportation project design or construction and a minimum of ten years’ experience in a relevant and senior decision-making position in the government or private sector. (Term expires May 2015)

ITOC aids in the implementation of the $14 billion TransNet program, the San Diego region’s half-cent sales tax for transportation improvements. The TransNet program is administered by SANDAG.

As outlined in the TransNet Ordinance and Expenditure Plan, ITOC provides an increased level of accountability for expenditures. ITOC members are unpaid, but certain expenses are reimbursed. Due to their public service status, ITOC members must meet strict conflict of interest standards. ITOC functions in an independent, open, and transparent manner to ensure that all voter mandates are carried out, and it develops positive, constructive recommendations for improvements and enhancements to the financial integrity and performance of the TransNet program. ITOC membership is open to individuals from throughout the region, who possess a set of appropriate professional skills and experience.

More detailed information regarding the ITOC and its responsibilities can be found at www.sandag.org/itoc. Individuals interested in applying for this ITOC position should contact SANDAG for an application at azu@sandag.org or (619) 699-6961, or go to www.sandag.org/notices. Applications must be postmarked no later than Monday, February 28, 2011.
Middle Segment

- 22,000 vehicles use express lanes each weekday between SR-163 and Centre City Pkwy
- Commute travel time decreased 50 percent between SR-163 and SR-78:
  - 50+ minutes in 1999
  - 25 minutes in 2010
South Segment

SR-163/ I-15 Merge
(looking north)

Existing northbound entrances to express lanes
SR-163 to Miramar Way
(Looking North)

Miramar Way to Miramar Road
(Looking North)
Miramar Road to Carroll Canyon Road
(Looking North)

Work in the median to add two express lanes

Carroll Canyon Rd
(Looking West)

Carroll Canyon bridge to be completed this spring
Rancho Peñasquitos Blvd/ Poway Rd to SR-56 (Looking North)

Poway Road bridge to be completed this spring

Mira Mesa Direct Access Ramp and Station
South Centre City Pkwy to Citracado Pkwy
(Looking North)

Work in median to construct four express lanes

Felicita Road/Citracado Pkwy
(Looking South)

Inside widening at Citracado and Felicita bridges
Outside widening (including 5th lane) completed

9th Avenue to Valley Parkway
(Looking North)

Valley Parkway to SR-78
(Looking North)
Westbound auxiliary lane work starting this summer

SR-78/ I-15 Interchange
(Looking West)

Bus Rapid Transit (BRT)
• Escondido to Downtown San Diego and Escondido to UCSD routes
• New buses/high frequency service
• Increased parking
• All day/all stops and peak period service
BRT: SR 56 to SR 78

- Sabre Springs/Peñasquitos Station
- Rancho Bernardo Station
- Del Lago Station

BRT: Mid-City

- Center Platform Alternative
- On-Ramp Alternative
- Side Platform Alternative
Summary

- I-15 South Segment opens 2012 (potential 2011)
- I-15 North Segment opens 2011
- Bus Rapid Transit opens Late 2012/Early 2013
- Last Middle Segment landscape contract begins Spring 2011
- Mira Mesa/Scripps Ranch DAR and Miramar College Transit Station begins construction Fall 2011

Summary

- Parking structure begins construction at Sabre Springs Mid-2011
- Final construction begins at Rancho Bernardo, Del Lago and Escondido Transit Center Mid-2011
- Final Environmental documents for Mid City and Downtown San Diego stations to be completed Mid-2011