



**BOARD OF DIRECTORS
DECEMBER 16, 2011**

**AGENDA ITEM NO. 11-12-1B
ACTION REQUESTED - APPROVE**

BOARD OF DIRECTORS DISCUSSION AND ACTIONS

NOVEMBER 18, 2011

First Vice Chair Jack Dale (Santee) called the meeting of the SANDAG Board of Directors to order at 9:06 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MEETING MINUTES (APPROVE)

Action: Upon a motion by Mayor Matt Hall (Carlsbad), and a second by Mayor Mark Lewis (El Cajon), the Board of Directors approved the minutes from the October 14 and October 28, 2011, meetings.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Lorraine Leighton, member of the public, expressed support for a train station at Camp Pendleton and supported the Board's purchase of State Route 125.

3. ACTIONS FROM POLICY ADVISORY COMMITTEES (APPROVE)

This item summarized the actions taken by the Borders Committee on October 28, and the Executive, Transportation, and Regional Planning Committees on November 4, 2011.

Action: Upon a motion by Mayor Mary Sessom (Lemon Grove) and second by Mayor Cheryl Cox (Chula Vista), the Board of Directors approved the actions taken by the Policy Advisory Committees at the meetings noted above. Yes – 16 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent – Coronado, County of San Diego, and National City.

Mayor Jim Desmond (San Marcos) asked that Consent Item No. 5 be pulled from Consent.

CONSENT ITEMS (4 through 11)

4. RECOMMENDATIONS FROM THE 2011 BINATIONAL SEMINAR (APPROVE)

The Borders Committee recommended that the Board of Directors approve the recommendations from the 2011 Binational Seminar "Enhancing Transit and Non-Motorized Mobility on the Border."

6. *TransNet* ENVIRONMENTAL MITIGATION PROGRAM: ANNUAL STATUS REPORT
(INFORMATION)

This report provided the Board of Directors with background information about the *TransNet* Environmental Mitigation Program and program accomplishments for FY 2011.

7. QUARTERLY INVESTMENT REPORT FOR PERIOD ENDING SEPTEMBER 30, 2011
(INFORMATION)

The SANDAG Investment Policy requires that the Board of Directors be provided a quarterly report of investments held by SANDAG. This report included all money under the direction or care of SANDAG as of September 30, 2011.

8. QUARTERLY PROGRESS REPORT ON TRANSPORTATION PROJECTS -JULY THROUGH
SEPTEMBER 2011 (INFORMATION)

This quarterly report summarized the current status of major highway, transit, arterial, traffic management, and transportation demand management projects in the SANDAG five-year Regional Transportation Improvement Program for the period July to September 2011.

9. REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY EXECUTIVE DIRECTOR
(INFORMATION)

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

10. REPORTS ON MEETINGS AND EVENTS ATTENDED ON BEHALF OF SANDAG (INFORMATION)

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

11. ANNUAL UPDATE ON THE ACTIVITIES OF CRIMINAL JUSTICE RESEARCH AND
CLEARINGHOUSE (INFORMATION)

As part of the SANDAG Criminal Justice Clearinghouse, regional crime and arrest statistics as well as statistics related to drug use among the offender population are tracked on a regular basis. SANDAG has maintained these statistics since the late 1980s and remains the only regional source for up-to-date historical information. These data provide timely information for policymakers and practitioners interested in how crime and law enforcement's response varies over time and across jurisdictions. This report provided an overview and update of the activities and accomplishments of the Criminal Justice Research Unit and the Clearinghouse.

Action: Upon a motion by Mayor Sessom, and a second by Mayor Don Higginson (Poway), the Board of Directors approved Consent Items Nos. 4, 6, 7, 8, 9, 10 and 11. Yes - 17. No - 0. Abstain - 0. Absent – Coronado and National City.

5. DISADVANTAGED BUSINESS ENTERPRISE PROGRAM UPDATE FOR FEDERAL TRANSIT ADMINISTRATION AND FEDERAL HIGHWAY ADMINISTRATION PROJECTS (INFORMATION)

SANDAG participates in both the Federal Transit Administration and Federal Highway Administration Disadvantaged Business Enterprise (DBE) programs. The current DBE goals for each program are established over a triennial period (FY 2010 to FY 2012). This report summarized the current and anticipated participation of DBEs during this period.

Mayor Desmond asked if SANDAG tracks local participation on contracts. Gary L. Gallegos, Executive Director, responded that we do not currently track that information, but are working to provide information to the Executive Committee on options for tracking additional contractor information besides federal DBE requirements.

Action: This item was presented for information only.

CHAIR'S REPORT (12)

12. REPORT FROM NOMINATING COMMITTEE ON SLATE OF BOARD OFFICERS FOR 2012 (INFORMATION)

In September, Chair Stocks appointed a six-person Nominating Committee for 2012 Board officers.

Mayor Ron Morrison (National City), Nominating Committee Chair, reported that after consideration of the applications, the Nominating Committee recommended the following slate of nominees for SANDAG Chair, First Vice Chair, and Second Vice Chair positions for 2012: Encinitas Deputy Mayor Jerome Stocks (Chair); Santee Councilmember Jack Dale (First Vice Chair); and Imperial Beach Mayor Jim Janney (Second Vice Chair). In accordance with SANDAG Bylaws, the election of officers is scheduled for the December Board of Directors meeting. Additional nominations from the floor also may be made at the December meeting.

Action: This item was presented for information only.

REPORTS (13 through 16)

13. *TransNet* ENVIRONMENTAL MITIGATION PROGRAM IMPLEMENTATION RECOMMENDATIONS (APPROVE)

The Regional Planning and Transportation Committees recommended that the Board of Directors: (1) approve minor updates to the five-year *TransNet* Environmental Mitigation Program (EMP) funding strategy pursuant to the executed *TransNet* EMP Memorandum of Agreement, including the allocation of FY 2012 funding for coordination, management, and monitoring activities as outlined in the report; and (2) approve the award of FY 2011 land management grants as outlined in the report.

Action: Upon a motion by Mayor Sessom and second by Mayor Lesa Heebner (Solana Beach), the Board of Directors: (1) approved minor updates to the five-year *TransNet* EMP funding strategy pursuant to the executed *TransNet* EMP Memorandum of Agreement, including the allocation of FY 2012 funding for coordination, management, and monitoring activities as outlined in the agenda report; and (2) approved the award of FY 2011 land management grants as outlined in the agenda report. Yes – 18 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent - Coronado.

14. 2012 STATE TRANSPORTATION IMPROVEMENT PROGRAM (APPROVE)

Mayor Hall, Transportation Committee Vice Chair, introduced this item.

The California Transportation Commission (CTC) has released its fund estimate for the 2012 State Transportation Improvement Program (STIP). The Transportation Committee recommended that the Board of Directors approve the programming and submission of the 2012 STIP to the CTC, in substantially the same form as included in the agenda report.

Sookyung Kim, Financial Programming Manager, noted that this item went before the Independent Taxpayer Oversight Committee (ITOC), and the ITOC recommended approval of the recommended action.

Action: Upon a motion by Mayor Sessom and second by Second Vice Chair Jim Janney (Imperial Beach), the Board of Directors approved the programming and submission of the 2012 STIP to the CTC. Yes – 18 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent - Coronado.

15. 2011 *TransNet* PLAN OF FINANCE (APPROVE)

Mayor Hall introduced this item.

Kim Kawada, *TransNet* and Legislative Affairs Program Director, provided an overview report. She noted that the *TransNet* Plan of Finance is updated each fiscal year, or more frequently as circumstances arise. The 2011 Plan of Finance continues to advance the *TransNet* Early Action Program.

José A. Nuncio, Manager of Financial Programming and Project Control, provided background information including trends on the Caltrans Construction Index (CCI), the average number of bidders, and a comparison of *TransNet* revenues and the CCI.

Ms. Kawada presented additional information on the 2011 Plan of Finance assumptions, 2050 Regional Transportation Plan near-term (2020) *TransNet* projects, the 2011 Plan of Finance Summary, future borrowing, historical 30-year AAA Municipal Market Data yield, and next steps.

Mayor Hall stated that the Transportation Committee recommended that the Board of Directors: (1) approve the 2011 *TransNet* Plan of Finance update; and (2) approve amendments to the FY 2012 SANDAG Budget for the Blue and Orange Line Trolley

Improvement Project and the Mid-Coast Corridor Transit Project capital budgets, in substantially the same form as attached to the agenda report. These actions will support the pending issuance of \$250 million to \$300 million in long-term fixed rate debt, the timing of which is subject to the Board's decision on the financing of the State Route 125 toll road.

Action: Upon a motion by Councilmember Carrie Downey (Coronado) and second by Mayor Desmond, the Board of Directors approved: (1) the 2011 *TransNet* Plan of Finance update; and (2) amendments to the FY 2012 SANDAG Budget for the Blue and Orange Line Trolley Improvement Project and the Mid-Coast Corridor Transit Project capital budgets, in substantially the same form as attached to the agenda report. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent - None.

16. ACQUISITION OF SOUTH BAY EXPRESSWAY ASSETS: RESULTS OF DUE DILIGENCE REVIEW AND FINANCING OPTIONS (APPROVE)

Samuel Johnson, Principal Technology Program Analyst, provided the staff report. At its July 29, 2011, meeting, the Board of Directors accepted the counteroffer of the owners of the State Route 125 toll road, subject to various contingencies, including completion of a due diligence review. At its August 26, 2011, meeting, the Board discussed financing options. This report presented the results of the due diligence review, further discussed the financing options related to the acquisition, including various toll reduction scenarios, and summarized next steps with the goal of completing the acquisition by December 21, 2011. The Board of Directors was asked to consider an amendment to the FY 2012 Budget for additional funds to cover the next phase of the acquisition so that SANDAG will be prepared to operate the toll road once the acquisition has been completed.

Marney Cox, Chief Economist, introduced the following persons, who were available to answer questions on this item:

Steve Howard, Barclays
Tony Hughes, Barclays
Bob Rich, Public Financial Management
Dana Hook, HNTB

Mr. Cox provided information on the financing options, including a review of Option B (*TransNet* loan/swap option), managing toll reductions, information about California Environmental Quality Act (CEQA) requirements, and the ITOC legal opinion on the *TransNet* loan/swap option. Mr. Cox indicated that several meetings with private lenders had occurred over the past several weeks. Discussions in those meetings included components of the Asset Purchase Agreement, a South Bay Expressway staffing offer, escrow account, Series D1 note, collection of accounts due, long-term maintenance issues, and an option to purchase land. Staff also met with federal Department of Transportation (TIFIA) representatives to review the financial and legal documents, discuss the transaction schedule, and review options on additional debt, payment provisions, expenses, and security/indemnity. He proceeded to review next steps for the two upcoming Board meetings on December 2 and December 16.

There were two requests to speak on this item.

Supervisor Greg Cox, County of San Diego, thanked the Board for its consideration of this purchase. He commended SANDAG staff on their due diligence effort, and encouraged the Board to proceed with this transaction.

Sean Karafin, San Diego County Taxpayers Association, expressed appreciation for the information staff has provided to them. He expressed concern about the ridership projections that are the basis for the proposed purchase of the State Route 125 toll road. He submitted a letter from the President of the Association, Lani Lutar, so that their concerns would be included in the record.

Action: Upon a motion by Council President Tony Young (City of San Diego) and second by Mayor Sam Abed (Escondido), the Board of Directors: (1) approved an amendment to the FY 2012 Budget in the amount of \$160,000 to cover the next phase of the acquisition of the State Route 125 toll road; and (2) directed staff to report back on the level of tolls relative to traffic volumes, develop a choice of options of toll reductions and timing, and propose a mechanism to measure actual data versus assumptions. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent - None.

17. CONTINUED PUBLIC COMMENTS

There were no other public comments.

18. UPCOMING MEETINGS

There are three December Board Business meetings scheduled for December 2, 9, and 16, 2011, all starting at 9 a.m. Please note these meetings will be held on the first, second, and third Fridays of the month, respectively, due to the holiday schedule.

20. ADJOURNMENT

The meeting was adjourned at 10:49 a.m.

DGunn/M/DGU

**ATTENDANCE
SANDAG BOARD OF DIRECTORS MEETING
NOVEMBER 18, 2011**

JURISDICTION/ ORGANIZATION	NAME	ATTENDING
City of Carlsbad	Matt Hall (Member)	Yes
City of Chula Vista	Cheryl Cox (Primary)	Yes
City of Coronado	Carrie Downey (Primary)	Yes
City of Del Mar	Carl Hilliard (Primary.)	Yes
City of El Cajon	Mark Lewis (Primary)	Yes
City of Encinitas	Kristin Gaspar (1st Alt.)	Yes
City of Escondido	Sam Abed (Primary)	Yes
City of Imperial Beach	Jim Janney, 2nd Vice Chair (Primary)	Yes
City of La Mesa	Art Madrid (Member)	Yes
City of Lemon Grove	Mary Sessom (Primary)	Yes
City of National City	Ron Morrison (Member)	Yes
City of Oceanside	Jack Feller (1st. Alt.)	Yes
City of Poway	Don Higginson (Primary)	Yes
City of San Diego - A	Lorie Zapf (1st Alt.)	Yes
City of San Diego - B	Tony Young (Primary)	Yes
City of San Marcos	Jim Desmond (Primary)	Yes
City of Santee	Jack Dale (1st Vice Chair)	Yes
City of Solana Beach	Lesa Heebner (Primary)	Yes
City of Vista	Judy Ritter (Primary)	Yes
County of San Diego - A	Bill Horn (Primary, Seat A)	No
County of San Diego - B	Ron Roberts (Primary, Seat B)	Yes
Caltrans	Laurie Berman (1st. Alt.)	Yes
MTS	Harry Mathis (Primary)	Yes
NCTD	Chris Orlando (Primary)	Yes
Imperial County	Sup. John Renison (Primary)	No
US Dept. of Defense	CAPT Clifford Maurer (Member)	No
SD Unified Port District	Dan Malcolm (Alternate)	Yes
SD County Water Authority	Mark Muir (Primary)	Yes
Baja California/Mexico	Remedios Gómez-Arnau (Member)	No
Southern California Tribal Chairmen's Association	Allen Lawson (Member)	Yes
	Edwin Romero (Member)	No