TRANSPORTATION COMMITTEE AGENDA

Friday, February 19, 2015
9 a.m. to 12 noon
SANDAG Board Room
401 B Street, 7th Floor
San Diego

AGENDA HIGHLIGHTS

• REVISION TO THE 2016 STATE TRANSPORTATION IMPROVEMENT PROGRAM

• FY 2016 TransNet REVENUE REVISION AND FY 2017 TO 2021 TransNet AND TRANSIT RELATED REVENUES

• 2016 CAP-AND-TRADE: TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM PROPOSED PROJECT SUBMITTALS

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TRANSPORTATION COMMITTEE
Friday, February 19, 2016

ITEM NO.  
+1. APPROVAL OF MEETING MINUTES  

The Transportation Committee is asked to review and approve the minutes from its February 5, 2016, meeting.

+2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS  

Members of the public will have the opportunity to address the Transportation Committee on any issue within the jurisdiction of the Committee that is not on this agenda. Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk prior to speaking. Public speakers should notify the Clerk if they have a handout for distribution to Committee members. 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. FEDERAL FISCAL YEAR 2014/2015 CONGESTION MITIGATION AND AIR QUALITY AND REGIONAL SURFACE TRANSPORTATION PROGRAM REPORT (Michelle Smith)  

This report presents a year-end summary of the federal Congestion Mitigation and Air Quality and the Regional Surface Transportation Program funding programs, including the use of financing tools and how these impact the year-end balances.

REPORTS

+4. PROPOSED FY 2016 PROGRAM AMENDMENT: IMPERIAL AVENUE DIVISION BUS MAINTENANCE FACILITY HEATING VENTILATION/AIR CONDITIONING CONTROLLER SYSTEM AND ROOF REPAIRS (Angela Anderson)  

The Transportation Committee is asked to: (1) approve an amendment to the FY 2016 Program Budget to add $167,000 to the Metropolitan Transit System (MTS) Imperial Avenue Division Bus Maintenance Facility Heating Ventilation/Air Conditioning Controller System and Roof Repairs Capital Improvement Program Project No. 1143900; and (2) accept $167,000 in Transportation Development Act funding from MTS.

+5. 2016 CAP-AND-TRADE: TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM PROPOSED PROJECT SUBMITTALS (Linda Culp)  

The Transportation Committee is asked to recommend that the Board of Directors approve the submittal of the proposed applications for the State Transit and Intercity Rail Capital Program.
+6. REVISION TO THE 2016 STATE TRANSPORTATION IMPROVEMENT PROGRAM (Sookyung Kim)

The Transportation Committee is asked to recommend that the Board of Directors: (1) approve a revision and resubmittal of the 2016 State Transportation Plan; (2) approve the use of the funding tool available under the State Transportation Improvement Program Assembly Bill 3090 reimbursement process, as outlined in the report; and (3) direct staff to submit the required documentation to the California Transportation Commission.

+7. FY 2016 TransNet REVENUE REVISION AND FY 2017 TO 2021 TransNet AND TRANSIT RELATED REVENUES (Sookyung Kim, Ray Major)

The Transportation Committee is asked to recommend that the Board of Directors: (1) approve a revision to the FY 2016 TransNet Revenues; and (2) approve the FY 2017 to FY 2021 estimates and apportionments for the Transportation Development Act, and Federal Transit Administration, and TransNet, revenue apportionments, and FY 2017 TransNet and State Transit Assistance (STA) revenue allocations; and (3) approve the revenue estimates for FY 2018 to FY 2021 for TDA, FTA, TransNet, and STA.

+8. TransNet ACTIVE TRANSPORTATION GRANT PROGRAM: PROPOSED REALLOCATION OF FUNDS FOR THIRD CYCLE OF GRANT FUNDING (Carolina Ilic)

The Transportation Committee is asked to recommend that the Board of Directors: (1) approve the reallocation of Cycle 3 TransNet Active Transportation Grant Program “Large Category” grant funds; and (2) direct staff to pursue the allocation of remaining grant program funds to the next highest ranking projects in the “Small Category” able to accept funds and complete projects as proposed in the original grant applications.

9. CONTINUED PUBLIC COMMENTS

If the five speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.

10. UPCOMING MEETINGS

The next meeting of the Transportation Committee is scheduled for Friday, March 4, 2016, at 9 a.m.

11. ADJOURNMENT

+ next to an agenda item indicates an attachment
TRANSPORTATION COMMITTEE DISCUSSION AND ACTIONS

FEBRUARY 5, 2016

The meeting of the Transportation Committee was called to order by Chair Todd Gloria (City of San Diego) at 9:03 a.m. See the attached attendance sheet for Transportation Committee member attendance.

1. APPROVAL OF MEETING MINUTES (APPROVE)

Action: Upon a motion by Deputy Mayor Lisa Shaffer (North County Coastal), and a second by Mayor Jim Desmond (North County Inland), the Transportation Committee approved the meeting minutes of January 15, 2016. Yes – Chair Gloria, Vice Chair Mary Salas (South County), Chair Harry Mathis (Metropolitan Transit System [MTS]), Deputy Mayor Shaffer, Mayor Desmond, Vice Chair Rebecca Jones (North County Transit District [NCTD]), and Mr. Lloyd Hubbs (San Diego County Regional Airport Authority [SDCRAA]). No - None. Abstain – Councilmember Jerry Jones (East County). Absent – County of San Diego.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

John Wotzka, a member of the public, submitted written comments and spoke about various transportation issues.

Chair Gloria welcomed new Transportation Committee member, Councilmember Jones.

Chair Gloria also thanked Caltrans for the recent sinkhole repairs on the Interstate 8 freeway.

CONSENT

3. SPECIALIZED TRANSPORTATION GRANT PROGRAMS STATUS UPDATE (INFORMATION)

This report provided an overview of the progress made through September 30, 2015, by the grant recipients in each program.

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

This report provided the annual status update on the implementation of the TransNet Environmental Mitigation Program.

Action: The Transportation Committee accepted Consent Item Nos. 3 through 4 for information.
5. **FY 2015-2016 CAP-AND-TRADE: AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM (RECOMMEND)**

Carolina Ilíc, Senior Regional Planner, presented the item.

Stephen Russel, San Diego Housing Federation, spoke in favor of the item and offered suggestions for the application process.

**Action:** Upon a motion by Mayor Desmond, and a second by Deputy Mayor Shaffer the Transportation Committee recommended that the Board of Directors approve SANDAG’s proposed role in the Affordable Housing and Sustainable Communities (AHSC) Program evaluation process. Yes – Chair Gloria, Vice Chair Salas, Chair Ron Roberts (County of San Diego), Councilmember Jones, MTS Chair Mathis, Deputy Mayor Shaffer, Mayor Desmond, NCTD Vice Chair Jones, and Councilmember Alvarez SDCRAA. No - None. Abstain – None. Absent – None.

6. **TransNet ENVIRONMENTAL MITIGATION PROGRAM: LAND MANAGEMENT GRANT PROGRAM CALL FOR PROJECTS FOR EIGHTH CYCLE OF GRANT FUNDING (DISCUSSION)**

Sarah Pierce, Regional Planner I, presented the draft eligibility, submittal, and evaluation criteria for the next TransNet Environmental Mitigation Program Land Management Grants call for projects.

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

7. **POTENTIAL FUNDING MEASURE: UPDATE AND INITIAL DRAFT EXPENDITURE PLAN (DISCUSSION)**

Rob Rundle, Principal Regional Planner, provided an overview of the public input and research being used to prepare the initial draft expenditure plan for a potential November 2016 ballot measure.

Lee Haydu, Del Mar Fairgrounds, ceded her time to Russ Penniman, Del Mar Fairgrounds. Mr. Penniman gave a presentation that asked the Transportation Committee to consider acceleration of the installation of a rail double track, platform, and replacement of the current bridge in 2020 at the Del Mar Fairgrounds.

Kyra Greene, Monique Lopez, Micah Mitrosky, Colin Parent, and Nicole Capretz, Quality of Life Coalition, submitted written comments, and spoke in favor of transit, reduced carbon emissions, habitat funding, protection and enhancement of water quality, investment in social, economic and environmental equity, and a project labor agreement.

Sumer Naji, Steve Wellens, and Lisa Wellens, ceded their time to the Quality of Life Coalition.

Maria Cortez, Mid-City CAN, spoke in favor of transit, and asked the Transportation Committee to include Youth Opportunity Passes (YOP) in the proposed Expenditure Plan.

Kia Bordner, Mid-City CAN, spoke in favor of transit.

Sitey Musa, Mid-City CAN, spoke in favor of the inclusion of YOP in the proposed Expenditure Plan.

Barbara Chavez, Mid-City CAN, spoke in favor of the inclusion of YOP in the proposed Expenditure Plan.
Alma Gutiérree, member of the public, spoke in favor of transit and public transportation.

Jasmin Zafra, Mid-City CAN, spoke in favor of the inclusion of YOP in the proposed Expenditure Plan.

Roberto Torres, Improving Transportation in City Heights, spoke in favor of the inclusion of YOP in the proposed Expenditure Plan.

Laura Nunn, San Diego Housing Federation, spoke in favor of affordable housing.

Mario Amaya, member of the public, spoke in favor of the acceleration of transit infrastructure.

Andy Hanshaw, San Diego County Bicycle Coalition, spoke in favor of active transportation and transit.

Fred Puhn, member of the public, asked the Transportation Committee to consider bathrooms at transit and public transportation stations, in addition to posting bus schedules and fares at bus stops.

Janet Rogers, member of the public, spoke in favor of transit and said autonomous vehicles will eliminate the need for highway expansion. Ms. Rogers also spoke about concerns related to: (1) pedestrian signals downtown; and (2) the U.S. Department of Transportation Environmental Justice Guidelines.

Arun Prem, Facilitating Access to Coordinated Transportation (FACT), spoke in favor of the inclusion of specialized and customized transportation for the senior population in the proposed Expenditure Plan.

Emily Serafy Cox, MAAC, spoke in favor of the inclusion of YOP in the proposed Expenditure Plan, and priorities given to transit, walking, and biking infrastructure.

Nicole Burgess, member of the public, spoke in favor of active transportation.

Llesenia Cevallos, Environmental Health Coalition, Alma Alcautar, member of the public, and Stephen Russel, San Diego Housing Federation, submitted public comments, but did not speak.

Action: This item was presented for discussion.

8. CONTINUED PUBLIC COMMENTS

Lorraine M. Leighton, member of the public, spoke about concerns related to housing.

9. UPCOMING MEETINGS

The next meeting of the Transportation Committee is scheduled for Friday, February 19, 2016.

10. ADJOURNMENT

Chair Gloria adjourned the meeting at 11:43 a.m.
**CONFIRMED ATTENDANCE**  
**SANDAG TRANSPORTATION COMMITTEE MEETING**  
**FEBRUARY 5, 2016**

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<td>Lisa Shaffer</td>
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<td>Lesa Heebner</td>
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<td>Judy Ritter</td>
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<td>Bill Baber</td>
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<td>Mary Salas (Vice Chair)</td>
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<td>Michael Woiwode</td>
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<td>City of San Diego</td>
<td>Todd Gloria (Chair)</td>
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<td>Greg Cox</td>
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<td>Metropolitan Transit System</td>
<td>Harry Mathis</td>
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<td>Lorie Bragg</td>
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<td>North County Transit District</td>
<td>Rebecca Jones</td>
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<td>John Aguilera</td>
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<td>San Diego County Regional Air Authority</td>
<td>David Alvarez</td>
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<td>Lloyd Hubbs</td>
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**ADVISORY MEMBERS**

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<tr>
<td>Caltrans</td>
<td>Laurie Berman</td>
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<td>SCTCA</td>
<td>Erica Pinto</td>
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<td>Allen Lawson</td>
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<td>Other Attendees</td>
<td>Dahvia Lynch</td>
<td>NCTD</td>
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<td>Paul Jablonski</td>
<td>MTS</td>
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<td></td>
<td>Ron Roberts</td>
<td>Chairman, SANDAG</td>
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FEDERAL FISCAL YEAR 2014/2015 CONGESTION MITIGATION AND AIR QUALITY AND REGIONAL SURFACE TRANSPORTATION PROGRAM REPORT

Introduction

This report presents a year-end summary of the federal Congestion Mitigation and Air Quality (CMAQ) and the Regional Surface Transportation Program (RSTP) funding programs, including the use of financing tools and how these impact the year-end balances. In addition to the summary, this report includes a brief synopsis of actions to be taken this year to advance future federal funds on high priority regional projects.

Discussion

CMAQ and RSTP funds are apportioned to the region by formula. Apportioned funds are available for programming in the Regional Transportation Improvement Program (RTIP), and obligations can be made on eligible projects. Per state law (Assembly Bill 1012 [Torlakson, 1999]), regions have three years to obligate apportioned funds or risk losing them. Staff monitors the level of obligations for these apportioned funds and from time to time, takes certain actions to insure that no funds are lost from the region.

CMAQ and RSTP Year-End Summaries

Table 1 shows the combined balance of available CMAQ and RSTP funds at the beginning of federal fiscal year (FFY) 2014/2015, which was approximately a negative $37.5 million (see row 1). The negative beginning balance was due to the advancement of RSTP funds from future fiscal years using apportionment from the state. This helped reduce the TransNet cash flow on the project and assisted the state in receiving additional obligation authority. The region received approximately $68.2 million in apportionments during FFY 2014/2015 (see row 2).

Several adjustments to current and prior year apportionments were made throughout the federal fiscal year including actual versus estimated apportionment reconciliation for annual apportionments for CMAQ and RSTP. In FFY 2013/2014, SANDAG was able to obligate future programmed funds in the amount of $37.7 million. This advance was made possible by a loan of apportionment from the state. These funds are to be repaid over two years in the amount of approximately $18.6 million in FFY 2014/2015 and FFY 2015/2016. While the beginning balance reflected the entire loan, the adjustment reflects that half was repaid in FFY 2014/2015, with the remainder scheduled for repayment in FFY 2015/2016. The total apportionment adjustment reflects
an increase of approximately $15.8 million (see row 3) resulting in net available revenues of approximately $46.6 million (see row 4) for FFY 2014/2015.

The amount of obligations approved in FFY 2014/2015 totaled approximately $46.2 million (see row 7). This amount includes approximately $45.9 million in funds programmed and obligated in FFY 2014/2015 (see row 5) and approximately $253,000 in obligations were approved through the Expedited Project Selection Process (EPSP) (see row 6). EPSP allows the obligation of funds programmed in a year different than the current year as long as they are programmed within the first four years of the RTIP.

The obligations were offset by approximately $3.4 million in de-obligations (see row 9) due to the project close out on the Interstate 15 Managed Lanes North Segment and State Route 52 Landscaping projects (see row 8), and funds were re-programmed to other projects, as approved by the Board.

<table>
<thead>
<tr>
<th>Table 1. CMAQ and RSTP Summary FFY 2014/2015</th>
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<tr>
<td>CMAQ ($000's)</td>
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<td>----------------</td>
</tr>
<tr>
<td>1. Beginning Balance</td>
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<td>2. FFY 2014/2015 Apportionments</td>
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<td>3. Adjustments to FFY 2014/2015 and prior apportionments</td>
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<tr>
<td><strong>Obligations</strong></td>
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<td>5. Programmed Obligations</td>
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<td>Projects programmed in FFY 2014/2015 in the RTIP include: I-5/Genesee, I-805 HOV/Managed Lanes - South, Rideshare, Freeway Service Patrol, Airport Pedestrian Improvements, and the Mid-City Stations (FTA transfer)</td>
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<td>6. Obligations through EPSP</td>
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<tr>
<td>Friars Road/SR-163</td>
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<td>7. Total obligations</td>
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<tr>
<td><strong>De-obligations</strong></td>
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<td>8. De-obligations and savings from closed-out projects</td>
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<tr>
<td>Savings occurred from I-15 Managed Lanes North Segment and SR-52 Landscaping</td>
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<tr>
<td>9. Total de-obligations</td>
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<td>10. Ending Balance (sum of rows 4, 7, and 9)</td>
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In summary, the combined balance at the end of FFY 2014/2015 for both programs ends with positive amounts for CMAQ ($1.2 million) and RSTP ($2.7 million) (see Row 10). This positive balance is carried over into FY 2015/2016 and programmed on eligible projects as approved by the Board.

**August Redistribution of Obligational Authority**

Obligational authority (OA) reflects the percentage of the apportionment that states can encumber in the FFY. One of the impacts of fully obligating the region’s federal apportionment is the possibility to increase the region’s obligation authority (OA) by obligating more than the available OA balance. This allows the region to use more apportionment than would otherwise be permitted. Near the end of the fiscal year, the State of California may propose to the federal government to increase its available OA by taking OA from other states that are falling behind in the delivery of projects and the obligation of their funds. This can only occur when enough regions and the state have obligated all of their apportionment. SANDAG, in cooperation with Caltrans and other project sponsors, works to maximize the obligation of its apportionment each year. For this reason, as the state was seeking to obtain unused OA from other states, SANDAG received approximately $3.1 million in additional OA in FY 2014/2015. As discussed previously, additional obligational authority does not increase the amount of apportionment coming to the region, but rather, it provides the region greater flexibility to fully utilize existing apportionment balances and advance future apportionments as well as to fully obligate federal funds that benefit both the SANDAG region and the state.

**Upcoming Opportunities in FFY 2015/2016**

The region will continue to focus on obligating all CMAQ and RSTP federal formula funds apportioned to the region in a way that best leverages local funds. Staff will work with Caltrans to develop and implement strategies to maximize the use of federal funds and reduce the need for local funds. Staff also will continue focusing on obligating federal funds early in order to put the agency in a position to receive additional obligation authority through the August redistribution process, as discussed above (August Redistribution of Obligational Authority).

**JOSÉ A. NUNCIO**
*TransNet Department Director*

Key Staff Contact: Michelle Smith, (619) 595-5608, michelle.smith@sandag.org
TRANSPORTATION COMMITTEE
FEBRUARY 19, 2015

AGENDA ITEM NO. 16-02-4
ACTION REQUESTED – APPROVE

PROPOSED FY 2016 PROGRAM BUDGET
AMENDMENT: IMPERIAL AVENUE DIVISION BUS
MAINTENANCE FACILITY HEATING VENTILATION/
AIR CONDITIONING CONTROLLER SYSTEM AND ROOF REPAIRS

File Number CIP 1143900

Discussion

The Metropolitan Transit System (MTS) Imperial Avenue Division (IAD) Bus Maintenance Facility is located at 100 16th Street in the City of San Diego. The building was constructed in the early 1970s with tenant improvements in 1985 and 1998. The building roof and the rooftop A/C units are leaking and are in overall poor condition. This project replaces the existing roof system, heating ventilation /air conditioning (HVAC) controller system, exterior HVAC ductwork, roof top units, and boilers at Building No. 1; and upgrades the HVAC control system of Building No. 2.

The project has completed the installation of the three rooftop A/C units. During the course of construction, unforeseen asbestos was encountered above the ceiling throughout the building that will be disturbed as part of the installation of the new roof. This asbestos will need to be abated, encapsulated, and monitored throughout this part of the work. MTS has approved the transfer of $167,000 to fund this and other minor improvements needed. (Attachment 2)

Recommendation

The Transportation Committee is asked to: (1) approve an amendment to the FY 2016 Program Budget to add $167,000 to the Metropolitan Transit System (MTS) Imperial Avenue Division Bus Maintenance Facility Heating Ventilation/Air Conditioning Controller System and Roof Repairs Capital Improvement Program Project No. 1143900; and (2) accept $167,000 in Transportation Development Act funding from MTS, in substantially the same form as Attachment 1.

JIM LINTHICUM
Director of Mobility Management and Project Implementation

Attachments: 1. Proposed Program Budget Amendment for CIP 1143900, IAD HVAC and Roof Repairs Project
2. Approved MTS Capital Project Change Request

Key Staff Contact: Angela Anderson, (619) 699-6934, angela.anderson@sandag.org
Project Number: 1143900  
RTIP Number: SAN55  
Project Name: IAD HVAC and Roof Repairs  
Corridor Director: Bruce Schmith  
Project Manager: Angela Anderson  
PM Phone Number: (619) 699-6934

PROJECT SCOPE
Replacement of three 30-ton air conditioning units and repairs for roof system life-extension.

SITE LOCATION
K St.  
16th St.  
17th St.  
13th St.  
Imperial Ave.  
Commercial St.

PROGRESS TO DATE
Design is 100 percent complete. Construction scheduled to commence 1st quarter of FY 2016.

MAJOR MILESTONES
- Draft Environmental Document: N/A
- Final Environmental Document: N/A
- Ready to Advertise: Apr-15
- Begin Construction: Jul-15
- Open to Public: Jan-16
- Close-Out: Jan-17

SANDAG EXPENDITURE PLAN ($000)

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OUTSIDE AGENCY EXPENDITURE PLAN ($000)

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Attachment 1
MTS CAPITAL PROJECT CHANGE REQUEST FORM

Project Number: 10090042
Date: 01/28/16
Project Name: Misc. Capital
Project Manager: Paul Jablonski

BUDGETED EXPENDITURES

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REASON FOR BUDGET CHANGE: (include why you are making the change and how it will affect completion of the project)
Transfer $167,000 in TDA from 10090042 - Misc. Capital to SANDAG project 1143900 - IAD Roof and HVAC per Paul on 1/28/16.

APPROVAL SECTION

AGENDA ITEM #: N/A
APPROVAL DATE: N/A
DISENCUMBERED P.O.'s & CONTRACTS:
DATE INPUT INTO IFAS:
JE NUMBER AND DATE ENTERED:
DATE PROJECT MADE INACTIVE IN IFAS:
TRANSPORTATION COMMITTEE
FEBRUARY 19, 2016

2016 STATE CAP-AND-TRADE TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM: PROPOSED PROJECT SUBMITTALS

File Number 3400600

Introduction

The state cap-and-trade investment plan includes several transit and transportation-related programs, including the Transit and Intercity Rail Capital Program (TIRCP). SANDAG is an eligible applicant. The California State Transportation Agency (CalSTA) issued a call for projects on February 5, 2016, with applications due on April 5, 2016.

Projects eligible for this program include projects that will modernize transit systems and intercity, commuter, and urban rail systems to reduce Greenhouse Gas (GHG) emissions by reducing Vehicle Miles Travelled (VMT) throughout California.

Staff is proposing improvement projects along the San Diego Subdivision of the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor, the nation’s second busiest (Attachment 1). This corridor is shared by commuter and intercity passenger rail and freight services to Los Angeles and points north and east. Currently, two-thirds of the corridor is double tracked, providing the capacity for trains to pass one another. SANDAG continues to complete additional capacity projects that will facilitate additional train service in the future, as specified in San Diego Forward: The Regional Plan. The Transportation Committee is asked to recommend that applications for additional LOSSAN capacity projects be submitted for consideration under the TIRCP.

Discussion

TIRCP Objectives

The objectives of the TIRCP are to:

- reduce GHG emissions
- expand and improve rail service to increase ridership
- integrate the rail service of the state’s various rail operations, including integration with the High-Speed Rail system
- improve safety

Recommendation

The Transportation Committee is asked to recommend that the Board of Directors approve the submittal of the proposed applications for the State Transit and Intercity Rail Capital Program as shown in Attachment 1.
**Available Funding**

There is a minimum of $440 million of funding available statewide under the TIRCP in FY 2016 and FY 2017. However, CalSTA anticipates that this level will increase as forecasts are refined. It is statutorily required that at least 25 percent of TIRC funds support projects that provide a direct, meaningful, and assured benefit to disadvantaged communities. Fifteen projects were funded through the first year of this program last year, including SANDAG’s South Bay Bus Rapid Transit Project and the Trolley Capacity Improvements Project by the Metropolitan Transit System (MTS).

**Scoring and Selection Criteria**

CalSTA intends to fund transformational projects that improve the statewide transportation network and will give priority to projects that fund construction or implementation. In particular, CalSTA is seeking projects that link key destinations and improve accessibility to economic opportunities.

Projects will be evaluated based on how well a project meets the objectives of the program (as outlined above) and the extent to which the project supports Sustainable Community Strategies implementation, benefits disadvantaged communities, and is ready to go and includes a reasonable schedule.


**Proposed SANDAG Project Submittals**

Staff recommends the following projects for consideration by the Transportation Committee, also shown in Attachment 1:

**San Diego River Bridge Double Track**: This project constructs 0.9 miles of second main track and replaces the San Diego River Bridge with a double track bridge just north of the Old Town Transit Center.

**Elvira to Morena Double Track**: This project constructs two miles of second main track and replaces five bridges just south of the State Route 52 and Interstate 5 intersection.

**Batiquitos Lagoon Double Track**: This project constructs 2.7 miles of second main track and replaces the Batiquitos Lagoon Bridge with a double track bridge in the City of Carlsbad.

**Poinsettia Station Improvements**: This project constructs a grade separated pedestrian undercrossing at the Poinsettia Station in the City of Carlsbad.

In addition, staff recommends that funds be requested to complete final design or acquire right-of-way for three additional LOSSAN corridor projects currently in design in the cities of Oceanside, Del Mar, and San Diego, also shown on Attachment 1.
Other Regional Submissions

The North County Transit District (NCTD) intends to submit an application to replace COASTER locomotives and seek funding to complete the design of a future Camp Pendleton station.

MTS is reviewing potential Trolley improvement projects, and staff will update the Transportation Committee once more information becomes available.

Next Steps

Pending the Transportation Committee’s action and Board of Directors approval, SANDAG will submit full applications for the LOSSAN corridor projects listed above. Staff also is working with the LOSSAN Rail Corridor Agency, which manages the Pacific Surfliner intercity passenger service along the corridor, on the possibility to submit these projects in one corridorwide application.

CHARLES “MUGGS” STOLL
Director, Land Use and Transportation Planning

Attachment: 1. LOSSAN-San Diego Subdivision: Intercity Passenger Rail Priority Projects

Key Staff Contact: Linda Culp, (619) 699-6957; linda.culp@sandag.org
Lossan-San Diego Subdivision: Intercity Passenger Rail Priority Projects

- Existing Single Track
- Existing Double Track 2008
- Completed Double Track 2009-2015
- Priority Project
- Project in Design
- Planned
- Planned Tunnel Option

San Diego Segment Projects

- Eastbrook to Shell Double Track (EBDT)
  - Add one mile of double track between Oceanside Harbor and Pier View Way, and replace San Luis Rey River Bridge.

- Batiquitos Lagoon Double Track (BLDT)
  - Add .75 miles of double track and replace wooden trestle bridge over Batiquitos Lagoon.

- San Dieguito Double Track and Platform (SDDT)
  - Add 1.1 miles of double track between Solana Beach and Del Mar, replace San Dieguito Lagoon bridge, and add a special events platform at the Del Mar Fairgrounds.

- Elvira to Morena Double Track (EMDT)
  - Add two miles of double track between SR 52 and Balboa Avenue, replace four wooden bridges, and provide new crossover at Control Point Rose.

- San Diego River Bridge (SDRB)
  - Add a mile of double track and replace San Diego River Bridge.

- Poinsettia Station Improvements (PSI)
  - Elevate station platform to facilitate boarding, add pedestrian undercrossing, improve signals system, and install fence between the two tracks.

- Sorrento to Miramar Phase 2 (SMMP2)
  - Add two miles of double track and curve straightening on Miramar Hill.

Map of LOSSAN Coastal Rail Corridor showing various project locations and statuses.
REVISION TO THE 2016 STATE TRANSPORTATION IMPROVEMENT PROGRAM

Introduction

The California Transportation Commission (CTC) adopted the 2016 Fund Estimate at its meeting on August 27, 2015. The 2016 Fund Estimate is the set of revenue assumptions that are used to develop the State Transportation Improvement Program (STIP) covering the period FY 2017 to FY 2021. This Fund Estimate was the basis for the SANDAG 2016 STIP approved by the Board of Directors at its November 2015 meeting. Since then, the CTC at its January 20, 2016, meeting, approved a revision to the 2016 Fund Estimate which resulted in a reduction of approximately $750 million to the 2016 STIP capacity. The CTC is requesting that the regions revise their 2016 STIP, and resubmit by February 26, 2016. This report presents recommendations to address these challenges.

Discussion

Background

The CTC action to reduce the Fund Estimate directly impacts the Interstate 5 (I-5) North Coast Corridor (NCC) projects, currently included in the Board-approved 2016 STIP (See Table 1 below). The I-5 NCC, which is one of the region’s highest priority TransNet Major Corridor projects, would construct High Occupancy Vehicle (HOV) lanes, replace bridges, add bike paths, restore lagoons, and construct two double track projects along the I-5 corridor. Significant funding for the highway and rail elements is included in the STIP in FY 2016 to FY 2018. However, due to the significant reduction in STIP funding capacity, allocation of STIP funds for the I-5 NCC in the FY 2017 and in FY 2018 is at risk of delay or reprogramming by CTC. This report discusses the potential revision to the 2016 STIP as well as funding strategy to ensure the I-5 NCC be allowed to continue on its current schedule.

Recommendation

The Transportation Committee is asked to recommend that the Board of Directors: (1) approve a revision and resubmittal of the 2016 State Transportation Improvement Program (STIP); (2) approve the use of the funding tool available under the STIP Assembly Bill 3090 reimbursement process as outlined in the report; and (3) direct staff to submit the required documentation to the California Transportation Commission.
Table 1: Approved 2016 STIP ($000s)

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<th>FY 2019</th>
<th>FY 2020</th>
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2016 STIP

As reported in November, a major source of funds for the STIP comes from the excise tax on gasoline. The base tax rate (California Proposition 111: Gasoline Tax Increase, June 1990) has remained at 18 cents per gallon since 1990. To that fixed excise tax, an annual price-based adjustment is added by the state Board of Equalization (BOE). For FY 2015, the price-based excise tax was 18 cents, for a total of 36 cents per gallon tax on gasoline. In March 2015, the BOE decreased the price-based tax rate from 18 cents to 12 cents per gallon, mainly due to the reduction in the price of gas. This reduction formed the basis for the 2016 STIP.

In anticipation of further reductions by the BOE due to a continued downward trend in the price of gasoline, in January the CTC approved reducing the 2016 Fund Estimate; the assumption is that the price-based excise tax will be lowered to 10 cents per gallon resulting in a further reduction of approximately $750 million in STIP programming capacity. The CTC action included, among other things, a revised 2016 STIP adoption schedule and hearing as well as a request for the regions to revise and resubmit their 2016 STIP proposals.

Of the $750 million reduction, the regional share statewide is approximately $565 million. Of this amount the formula share for SANDAG is about 7.3 percent which equates to approximately $41 million. To support the CTC in its effort to manage the STIP, SANDAG proposes to reduce the 2016 STIP by $41 million as shown in Table 2 below:

Table 2: Proposed Revised 2016 STIP (in $000s)

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<td>$90,525</td>
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Once the CTC receives revised STIP submittals from all regions, further delays or reductions could be proposed. The CTC is scheduled to adopt the revised 2016 STIP at its meeting in May.
Potential Funding Strategies for I-5 NCC

The annual Plan of Finance Update (POF) approved by the SANDAG Board of Directors in January 2016 included a discussion of the potential for the significant reduction in the Fund Estimate for the STIP and that the POF can accommodate the possibility of having to advance TransNet or other funds in lieu of STIP funds to keep the I-5 NCC on schedule. Below are some strategies and next steps.

1. Assembly Bill 3090 (AB 3090) (STIP Amendment (Government Code 14529.7, as amended 1992): State law allows agencies such as SANDAG to enter into an agreement with CTC whereby SANDAG pays for the delivery of a STIP programmed project with its own funds in advance of the year in which the project is programmed.

   There are two types of AB 3090 arrangements available: (1) AB 3090 Replacement, which allows the agency to replace currently programmed projects with another project(s) in a future year where funds are available; and (2) AB 3090 Direct Cash Reimbursement, which allows programs a reimbursement for the fiscal year in which the project is reprogrammed for AB 3090. This second option has the highest STIP priority, meaning the reimbursement would occur as soon as funds are available. SANDAG would pursue the direct reimbursement option.

2. Transportation Infrastructure Finance and Innovation Act (TIFIA) loan: As reported in January, SANDAG has been working with the TIFIA office for the Mid-Coast Transit Corridor project. SANDAG would consider the efficacy of a TIFIA loan for I-5 NCC and proceed with the loan process. A TIFIA loan for the I-5 NCC could provide further opportunity to lower borrowing cost, and increase TransNet program flexibility and capacity to allow this project to continue under its schedule.

Next Steps

Upon approval by the Board of Directors of the recommendations in this report, SANDAG would resubmit the revised 2016 STIP due February 26, 2016. Once the timing is determined for the next work package for the I-5 NCC, SANDAG would submit the request for AB 3090 direct cash reimbursement to the CTC in order to keep the project on schedule.

JOSÉ A. NUNCIO
TransNet Department Director

Key Staff Contact: Sookyung Kim, (619) 699-6909, sookyung.kim@sandag.org
FY 2016 TransNet REVENUES REVISION AND
FY 2017 TO FY 2021 TransNet AND TRANSIT RELATED REVENUES

Introduction

The transit operators within the San Diego region receive federal, state, and local revenues to support both ongoing operations and capital projects. SANDAG is responsible for the apportionment of these various funds to the transit operators and to the local agencies. 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.

Discussion

Summary of Revenue Estimates

The allocation of these funds is determined both by law and at the discretion of the SANDAG Board of Directors. This report provides the FY 2017 to FY 2021 revenue estimates for the Transportation Development Act (TDA), TransNet (including the proposed revision to FY 2016), and the Federal Transit Administration (FTA) formula programs along with the forecast methodology in projecting the estimates. Below summarizes the estimates for each revenue source. Details can be found in Attachments 1-4. How the future year estimates were derived for the two sales tax programs – TDA and TransNet - is detailed in Attachment 5: Forecast Methodology. Additional information for the fund types is detailed in Attachment 6: Funding Programs.

1. Transportation Development Act: The San Diego County Auditor and Controller office is required by state law to provide an estimated apportionment for the upcoming fiscal year before February 1 of each year. The apportionment is developed in consultation with SANDAG staff and with the transit operators and is based on sales tax receipts as well as projections. The FY 2017 apportionment of $144,789,169 is based on a 3.5 percent increase over the estimated FY 2016 TDA receipt. The FY 2017 apportionment and the FY 2018 to FY 2021 estimates are shown in Attachment 1.

Recommendation

The Transportation Committee is asked to recommend that the Board of Directors: (1) approve a revision to the FY 2016 TransNet Revenues; and (2) approve the FY 2017 to FY 2021 estimates and apportionments for the Transportation Development Act, TransNet, revenue apportionments, and Federal Transit Administration, revenue allocations; and (3) approve revenue estimates and apportionments for TDA, FTA, TransNet, and STA.
2. **TransNet:** Estimates are developed by SANDAG based on sales tax receipts through the first two quarters of FY 2016. The current trend points toward a lower increase than was estimated last year when SANDAG anticipated a 5.0 percent growth for FY 2016. With the drift toward lower than anticipated receipts, the revenue projection for FY 2016 is proposed to be reduced to 3.5 percent (or approximately $278 million, down from approximately $284 million).

For FY 2017, approximately $288 million is estimated to be available for the entire program (a 3.5% increase over the revised projected FY 2016), of which approximately $46 million is available for transit purposes. The estimate for FY 2017 revenues for the entire program is shown in Attachment 2. The *TransNet* Independent Taxpayer Oversight Committee reviewed the estimates at its meeting on February 10, 2016, and had no comments. For the Transit System Improvements Program, the FY 2017 through FY 2021 estimates is included in Attachment 3.

3. **Federal Transit Administration Formula Programs:** Fixing America’s Surface Transportation (FAST) Act was signed into law by the President on December 4, 2015. The FAST Act, covering the period FY 2016 to FY 2020 is the first long term federal transportation reauthorization since 2005. The FAST Act provides much needed steady and predictable funding for the next five years making slight modifications to existing formula programs while reintroducing the Discretionary Bus Program.

SANDAG, as the Metropolitan Planning Organization, is required to approve the distribution of the FTA formula funds to the agencies in its designated urbanized area in order for the agencies to submit their annual grant applications. Attachment 4 provides the five year estimates.

**State Transit Assistance (STA):**

The revenue for STA is ordinarily included in this report along with the other revenue estimates. The State Controller’s office, responsible for providing the estimates by January 31 of each year, has not yet published the FY 2017 preliminary estimate despite the statutory deadline as of the date of this report. Once the apportionment is published, the claim for North County Transit District (NCTD) will be incorporated as part of the annual TDA/STA claims process, scheduled for the June Transportation Committee and Board of Directors meetings.

The funding for this program comes from sales tax generated from diesel fuel (Assembly Bill X8 6 [Budget, 2010]). The SANDAG area, as defined under the STA program, consists of the area outside of the MTS area of jurisdiction and as such NCTD is the only claimant of STA funds in the SANDAG area. For the current FY 2016, $23.8 million was available to the San Diego region and both NCTD and Metropolitan Transit System (MTS) claimed the full amount.

JOSÉ A. NUNCIO  
*TransNet* Department Director

Attachments: 1. Transportation Development Act – FY 2017 Apportionment and FY 2018 to FY 2021 Estimates  
2. *TransNet* Program: Revised FY 2016 Projection; Estimates for FY 2017 to FY 2021

4. Federal Transit Administration Formula Programs – FY 2017 Apportionment and Estimates from FY 2018 to FY 2021

5. Forecast Methodology

6. Funding Programs

Key Staff Contact: Sookying Kim, (619) 699-6909, sookying.kim@sandag.org
## Transportation Development Act

### FY 2017 Apportionment and FY 2018 to FY 2021 Estimates

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2018 Estimate ($)</th>
<th>FY 2019 Estimate ($)</th>
<th>FY 2020 Estimate ($)</th>
<th>FY 2021 Estimate ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mid-Range</td>
<td>Low</td>
<td>Mid-Range</td>
<td>Low</td>
<td>Mid-Range</td>
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<tr>
<td><strong>Total Apportionment</strong></td>
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<td>$150,769</td>
<td>$143,519</td>
<td>$157,011</td>
<td>$163,574</td>
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<td>Less County Auditor Expenses (PUC 99233.1)</td>
<td>(51,000)</td>
<td>(52)</td>
<td>(52)</td>
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<td>(53)</td>
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<tr>
<td>Less SANDAG Administration (PUC 99233.1)</td>
<td>(497,093)</td>
<td>(493)</td>
<td>(474)</td>
<td>(697)</td>
<td>(677)</td>
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<tr>
<td>Less 2% Bicycle/Pedestrian Funds (PUC 99233.3)</td>
<td>(2,798,277)</td>
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<td>(2,774)</td>
<td>(3,032)</td>
<td>(2,891)</td>
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<td>Less 5% Community Transit Service (PUC 99233.7)</td>
<td>(6,858,328)</td>
<td>(7,143)</td>
<td>(6,799)</td>
<td>(7,430)</td>
<td>(7,086)</td>
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<td><strong>Subtotal</strong></td>
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<td>Less Transferred Functions</td>
<td>(1,866,616)</td>
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<td>(1,850)</td>
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<td>Total Community Transit Service</td>
<td>4,782,760</td>
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<td>4,741</td>
<td>5,181</td>
<td>5,404</td>
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<td><strong>Total Available to Claim</strong></td>
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<td>$97,778</td>
<td>$92,986</td>
<td>$103,384</td>
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<td>Total Available for NCTD</td>
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<td>39,125</td>
<td>37,242</td>
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<td>(125)</td>
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<td>Less Transferred Functions</td>
<td>(629,240)</td>
<td>(655)</td>
<td>(624)</td>
<td>(682)</td>
<td>(650)</td>
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<td>Total Community Transit Service</td>
<td>1,938,402</td>
<td>2,019</td>
<td>1,922</td>
<td>2,100</td>
<td>2,093</td>
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<td>3,468,517</td>
<td>3,468,517</td>
<td>3,468,517</td>
<td>3,468,517</td>
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<tr>
<td>Regional Planning/Capital Projects</td>
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<td>1,830,143</td>
<td>1,830,143</td>
<td>1,830,143</td>
<td>1,830,143</td>
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<tr>
<td>Transferred Functions</td>
<td>2,495,856</td>
<td>2,495,856</td>
<td>2,495,856</td>
<td>2,495,856</td>
<td>2,495,856</td>
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<tr>
<td>SANDAG Administrative Expenses</td>
<td>497,093</td>
<td>497,093</td>
<td>497,093</td>
<td>497,093</td>
<td>497,093</td>
</tr>
<tr>
<td>Prior Year Carryover</td>
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<td>3,468,517</td>
<td>3,468,517</td>
<td>3,468,517</td>
<td>3,468,517</td>
</tr>
<tr>
<td><strong>Total Available to Claim</strong></td>
<td>$12,618,841</td>
<td>$9,518</td>
<td>$9,157</td>
<td>$8,279</td>
<td>$7,917</td>
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<tr>
<td>Total Community Transit Service (CTSA)</td>
<td>$137,167</td>
<td>$143</td>
<td>$136</td>
<td>$149</td>
<td>$142</td>
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<tr>
<td>Prior Year Carryover</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Available to Claim</strong></td>
<td>$137,167</td>
<td>$143</td>
<td>$136</td>
<td>$149</td>
<td>$142</td>
</tr>
</tbody>
</table>

*Totals may not add up due to rounding.

1. The County Auditor provided the apportionment for FY 2017. The projected estimates for FY 2018 to FY 2021 are based on the growth rate in retail sales as forecasted by SANDAG and excludes interest and prior year excess funds. The low range is based on the 95% confidence interval of -$7.3M per year.

2. Apportionment distribution is based on the population estimates published by the California Department of Finance (DOF) estimates as of January 2015 - approximately 71% for MTS and 29% for NCTD.

3. The SANDAG Administration cost rises in FY 2019 disproportionately due to costs associated with the triennial performance audit. All other annual increases in SANDAG administrative share are consistent with the estimated growth in the TDA.

4. Represents the local match for federally funded regional planning and transit capital development projects identified in the FY 2017 transit CIP as provided by MTS and NCTD. The projects funded are scheduled to be included as part of the FY 2017 Capital Improvement Program scheduled for Transportation Committee/Board action at their March meetings. As a result, this amount is subject to change.

5. Based on Addendums No. 3 and No. 4 to the Master Memorandum of Understanding between MTS, NCTD, and SANDAG. For NCTD, 26.09% of this share is transferred back to NCTD to be used for TDA-eligible purposes.
### TransNet Program

**Revised FY 2016 Projection; Estimates for FY 2017 to FY 2021 (in $000s)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Sales Tax Receipts</td>
<td>$284,042</td>
<td>$278,250</td>
<td>$287,989</td>
<td>$299,883</td>
<td>$312,298</td>
<td>$325,352</td>
<td>$339,017</td>
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</table>

### TransNet Program Allocations

<table>
<thead>
<tr>
<th>Administrative Allocations</th>
<th>$2,840</th>
<th>$2,783</th>
<th>$2,880</th>
<th>$2,999</th>
<th>$3,123</th>
<th>$3,254</th>
<th>$3,390</th>
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</thead>
<tbody>
<tr>
<td>Independent Taxpayer Oversight Committee</td>
<td>$0</td>
<td>$0</td>
<td>$401</td>
<td>$412</td>
<td>$422</td>
<td>$433</td>
<td>$444</td>
</tr>
<tr>
<td>Bike, Pedestrian &amp; Neighborhood Safety</td>
<td>$5,681</td>
<td>$5,565</td>
<td>$5,760</td>
<td>$5,998</td>
<td>$6,246</td>
<td>$6,507</td>
<td>$6,780</td>
</tr>
<tr>
<td>Total off-the-top Programs</td>
<td>$8,521</td>
<td>$8,348</td>
<td>$9,041</td>
<td>$9,408</td>
<td>$9,791</td>
<td>$10,194</td>
<td>$10,615</td>
</tr>
</tbody>
</table>

**Net Available for Subprograms**

| | $275,521 | $269,903 | $278,948 | $290,475 | $302,507 | $315,158 | $328,402 |

### Program Allocations*

<table>
<thead>
<tr>
<th>Major Corridors Program</th>
<th>$116,821</th>
<th>$114,439</th>
<th>$118,274</th>
<th>$123,161</th>
<th>$128,263</th>
<th>$133,627</th>
<th>$139,243</th>
</tr>
</thead>
<tbody>
<tr>
<td>New BRT/Rail Operations</td>
<td>$22,317</td>
<td>$21,862</td>
<td>$22,595</td>
<td>$23,528</td>
<td>$24,503</td>
<td>$25,528</td>
<td>$26,601</td>
</tr>
<tr>
<td>Transit System Improvements</td>
<td>$45,461</td>
<td>$44,534</td>
<td>$46,026</td>
<td>$47,928</td>
<td>$49,914</td>
<td>$52,001</td>
<td>$54,186</td>
</tr>
<tr>
<td>Local System Improvement</td>
<td>$90,922</td>
<td>$89,068</td>
<td>$92,053</td>
<td>$95,827</td>
<td>$99,827</td>
<td>$104,002</td>
<td>$108,373</td>
</tr>
<tr>
<td>Total Program Allocations</td>
<td>$275,521</td>
<td>$269,903</td>
<td>$278,948</td>
<td>$290,475</td>
<td>$302,507</td>
<td>$315,158</td>
<td>$328,402</td>
</tr>
</tbody>
</table>

*Totals may not add up due to rounding

The TransNet Extension Ordinance established the rules for the allocation of all Commission revenues. Commission funds are allocated according to the following priorities:

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 facilities.
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 American with Disabilities Act (ADA)-related services.
7. 33% of total revenues less off the top programs shall be allocated for local street improvement services, which includes roadway projects, as well as local EMP and smart growth incentive programs.
### TransNet Revenue Forecast - Transit System Improvements Program

**Revised FY 2016 Projection; Estimates for FY 2017 to FY 2021 (in $000s)**

<table>
<thead>
<tr>
<th></th>
<th>Approved FY 2016</th>
<th>Revised FY 2016</th>
<th>FY 2017 Proposed</th>
<th>FY 2018 (Estimate)</th>
<th>FY 2019 (Estimate)</th>
<th>FY 2020 (Estimate)</th>
<th>FY 2021 (Estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mid-Range</td>
<td>Mid-Range Low</td>
<td>Mid-Range</td>
<td>Low</td>
<td>Mid-Range Low</td>
</tr>
<tr>
<td><strong>Total Available For Transit Purposes</strong></td>
<td>$45,461</td>
<td>$44,534</td>
<td>$46,026</td>
<td>$47,928</td>
<td>$45,026</td>
<td>$47,993</td>
<td>$52,001</td>
</tr>
<tr>
<td>Less 2.5% for ADA-related Services</td>
<td>($1,137)</td>
<td>($1,113)</td>
<td>($1,151)</td>
<td>($1,198)</td>
<td>($1,140)</td>
<td>($1,190)</td>
<td>($1,300)</td>
</tr>
<tr>
<td>Less 3.25% for Senior Services</td>
<td>($1,477)</td>
<td>($1,447)</td>
<td>($1,496)</td>
<td>($1,558)</td>
<td>($1,482)</td>
<td>($1,547)</td>
<td>($1,690)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$42,847</strong></td>
<td><strong>$41,974</strong></td>
<td><strong>$43,792</strong></td>
<td><strong>$45,172</strong></td>
<td><strong>$43,379</strong></td>
<td><strong>$47,044</strong></td>
<td><strong>$49,011</strong></td>
</tr>
</tbody>
</table>

#### MTS Projects And Services:

- **Transit Service Improvements (Operations and Supporting Capital)**
  - FY 2017: $30,442 (Low: $30,540, Mid-Range: $32,094, Mid-Range Low: $30,869, Mid-Range: $33,424)
  - FY 2018: $34,822 (Low: $31,870, Mid-Range: $34,244, Mid-Range Low: $31,870)
  - FY 2019: $36,285 (Low: $30,768, Mid-Range: $34,822, Mid-Range Low: $31,870)
  - FY 2020: $34,731 (Low: $31,870, Mid-Range: $34,244, Mid-Range Low: $31,870)
  - FY 2021: $34,731 (Low: $31,870, Mid-Range: $34,244, Mid-Range Low: $31,870)

- **ADA Services**
  - FY 2017: $807 (Low: $811, Mid-Range: $819)
  - FY 2018: $888 (Low: $847, Mid-Range: $888)
  - FY 2019: $925 (Low: $847, Mid-Range: $888)
  - FY 2020: $964 (Low: $847, Mid-Range: $888)
  - FY 2021: $923 (Low: $847, Mid-Range: $888)

#### NCTD Projects And Services:

- **Transit Service Improvements (Operations and Supporting Capital)**
  - FY 2017: $12,405 (Low: $12,510, Mid-Range: $13,078, Mid-Range Low: $12,446)
  - FY 2018: $14,189 (Low: $13,986, Mid-Range: $14,189, Mid-Range Low: $13,986)
  - FY 2019: $14,785 (Low: $14,785, Mid-Range: $14,785, Mid-Range Low: $14,785)
  - FY 2020: $14,152 (Low: $14,152, Mid-Range: $14,152, Mid-Range Low: $14,152)
  - FY 2021: $14,152 (Low: $14,152, Mid-Range: $14,152, Mid-Range Low: $14,152)

- **ADA Services**
  - FY 2017: $330 (Low: $332, Mid-Range: $332)
  - FY 2018: $360 (Low: $343, Mid-Range: $360)
  - FY 2019: $375 (Low: $358, Mid-Range: $375)
  - FY 2020: $391 (Low: $358, Mid-Range: $375)
  - FY 2021: $374 (Low: $358, Mid-Range: $375)

#### Regional Discretionary Programs:

- **Competitive Grant Program for Senior Transportation Services**
  - FY 2017: $1,477 (Low: $1,447, Mid-Range: $1,558, Mid-Range Low: $1,482)
  - FY 2018: $1,690 (Low: $1,615, Mid-Range: $1,690, Mid-Range Low: $1,615)
  - FY 2019: $1,761 (Low: $1,686, Mid-Range: $1,761, Mid-Range Low: $1,686)

*Totals may not add up due to rounding*

---

1. The Transit System Services Improvements share is 16.5% of net available revenues. After deducting for ADA and Senior Services, the balance is available for operations and miscellaneous capital projects by the transit agencies.
2. Distribution between the 2 agencies for FY 2016 are based on Jan. 2014 population, for FY 2017 to FY 2021 are based on Jan. 2015 population.
3. The funds are allocated via a Call for Projects process by SANDAG.

**Other Notes:**

A. 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 range is based on a 95% confidence interval of (-)$14.5 million for the overall program and (-)$2.3 million for the Transit System program.

B. Distribution of revenue estimates are based on the 2004 Proposition A Extension: San Diego Transportation Improvement Program and Expenditure Plan.
### Federal Transit Administration Formula Programs

**FY 2017 Apportionment and Estimates from FY 2018 to to 2021**

<table>
<thead>
<tr>
<th>Section 5307 Urbanized Area Formula Funds</th>
<th>FY 2017</th>
<th>FY 2018 ($000s)</th>
<th>FY 2019 ($000s)</th>
<th>FY 2020 ($000s)</th>
<th>FY 2021 ($000s)</th>
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<tbody>
<tr>
<td><strong>MTS</strong></td>
<td>$43,773,832</td>
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<td>$46,453</td>
<td>$46,453</td>
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<tr>
<td></td>
<td>$797,166</td>
<td>($813)</td>
<td>($846)</td>
<td>($863)</td>
<td>($863)</td>
</tr>
<tr>
<td><strong>NCTD</strong></td>
<td>$18,760,214</td>
<td>($4,298,700)</td>
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<td>$19,135</td>
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<td>N/A</td>
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</tr>
<tr>
<td><strong>SANDAG (Vanpool Program)</strong></td>
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<tr>
<td></td>
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<td>$813</td>
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<td><strong>SANDAG (Capital Projects)</strong></td>
<td>$4,298,700</td>
<td>$501</td>
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<td>$6,514</td>
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<td><strong>Total</strong></td>
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<td>$0</td>
<td>$0</td>
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</table>

<table>
<thead>
<tr>
<th>Section 5337 State of Good Repair/High Intensity</th>
<th>FY 2017</th>
<th>FY 2018 ($000s)</th>
<th>FY 2019 ($000s)</th>
<th>FY 2020 ($000s)</th>
<th>FY 2021 ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MTS</strong></td>
<td>$26,893,175</td>
<td>$27,096</td>
<td>$27,638</td>
<td>$28,190</td>
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<td>N/A</td>
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<td>N/A</td>
</tr>
<tr>
<td><strong>NCTD</strong></td>
<td>$11,045,921</td>
<td>$11,602</td>
<td>$11,834</td>
<td>$12,071</td>
<td>$12,071</td>
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<tr>
<td></td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td><strong>Total</strong></td>
<td>$37,939,096</td>
<td>$38,698</td>
<td>$39,472</td>
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</table>

<table>
<thead>
<tr>
<th>Section 5339 Bus/Bus Facilities</th>
<th>FY 2017</th>
<th>FY 2018 ($000s)</th>
<th>FY 2019 ($000s)</th>
<th>FY 2020 ($000s)</th>
<th>FY 2021 ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MTS</strong></td>
<td>$3,481,549</td>
<td>$3,590</td>
<td>$3,662</td>
<td>$3,736</td>
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<tr>
<td></td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>NCTD</strong></td>
<td>$1,492,092</td>
<td>$1,539</td>
<td>$1,570</td>
<td>$1,601</td>
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<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td><strong>Total</strong></td>
<td>$4,973,641</td>
<td>$5,129</td>
<td>$5,232</td>
<td>$5,336</td>
<td>$5,336</td>
</tr>
</tbody>
</table>

1. The Federal Register (FR) provided the FTA apportionment. The FAST Act increases the funding two percent per year through FY 2020 which is reflected in the outyear’s estimate except FY 2021 which is outside of the last year of the FAST Act.

2. SANDAG and transit agencies have agreed to fully fund the rideshare portion of the regional Transportation Demand Management program in recognition of the vanpool program’s contribution to the funding level apportioned to the region. Prior year is reconciled with next year’s estimate based on consultation with the transit agencies.

3. Regional Capital Projects refer to projects and associated funding transferred to SANDAG to implement on behalf of MTS and NCTD based on the draft FY 2017 MTS/NCTD Capital budget. All projects and funding recommendation is scheduled to be presented to the Transportation Committee/Board of Directors as part of the FY 2017 Transit Capital Improvement Program at their respective meetings in March, and therefore is subject to change.

4. FY 2017 allocations between MTS and NCTD differ from future years for two reasons: 1) MTS opted to carryover $62,878 from FY 2016 rather than use all of last year’s available funds; and 2) $328,845 were identified as lapsing in FY 2016. FTA had requested the funds be applied by one agency vs two, NCTD agreed to augment its FY 2016 grant thereby returning the same amount to MTS in FY 2017.

Note:

SANDAG share is based on the estimated costs to operate the regional vanpool program and its estimated increase in future years. The balance of 5307 funds are allocated 70% to MTS and 30% to NCTD. The same 70/30 split applies to the 5337 and 5339 funds (SANDAG does not share in these programs).
**Forecast Methodology**

SANDAG staff uses a combination of a short and long-term forecasting methodology to estimate sales tax based TransNet revenues. The SANDAG short-term forecast focuses on sales tax receipts for the succeeding three years and are updated quarterly based on a combination of regional economic information and data from the State Board of Equalization (BOE). SANDAG’s short-term quarterly sales tax revenue forecasting model replicates the BOE’s “advance payment” procedure. The BOE employs an advance payment procedure because not all of the sales tax receipts have been processed at the time BOE sends out sales tax revenue to recipients. To make up the difference between the advance payment and actual sales tax receipts BOE uses a true up each quarter based on the previous quarter’s differences. A key element in determining the advance payment amount per quarter is a sales tax revenue growth rate factor applied to the same quarter from the previous year. The growth rate factor is provided by the California State Department of Finance (DOF). SANDAG pays close attention to this growth rate factor and at times has elected to not use it. The growth rate factor from DOF is influenced by the budget setting process which does not necessarily represent economic trends and expectations. So, while SANDAG’s short-term forecasting methodology utilizes some of the same inputs and variables as BOE such as average historical sales tax revenue receipts, it also includes short-term market variables such as monthly employment growth as well as changes in financial variables such as interest rates to ensure more accurate forecasting process and outcome.

The short-term model produces adequate results, the confidence intervals are (+) or (–) 5 percent using the root mean square deviation method of measuring accuracy. The forecast procedure provides a midpoint estimate with a range of accuracy of approximately plus or minus 5 percent per year at the 95 percent level of confidence for TransNet. For example, for FY 2017 the TransNet revenue estimate for the entire program is projected to be approximately $288 million, making the range between $273 million at the low end and $302 million at the high end, with 95 percent confidence that the actual revenue amount will be within this range. Staff suggests continuing the established practice of using the midpoint of the confidence interval range for the future 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 ($14.5 million for TransNet and $7.3 million for Transportation Development Act [TDA]) from the midpoint. The $7.3 million for the TDA confidence interval range is based on the fact that the TDA receipts are approximately half of TransNet receipts.

About every three years, SANDAG also undertakes a longer-term forecasting model which incorporates the short-term forecast described above, but seeks to take a broader view of the economy to predict larger trends which ultimately could affect sales tax receipts. Unlike the short-term model which incorporates variables that are more easily forecasted in the near-term, the SANDAG long-term model uses broader data and trends. The long-term model, Demographic and Economic Forecasting Model, is a simultaneous, nonlinear econometric model designed to forecast population and economic variables for the San Diego region from a set of basic assumptions. In general, the model is a synthesis of two widely used techniques. On the demographic side, the cohort-survival method is used. This method considers such factors as birth rates, death rates, and the age, sex and ethnic distribution of the resident population to arrive at forecasts of demographic variables. On the economic side, time-series/regression methods are used to estimate economic relationships. The resulting econometric equations provide forecasts of employment, income, and other economic variables based on assumptions about national, state and local growth patterns and
local inter-industry relationships. The current model’s forecasts include data for more than 700 economic and demographic variables for the period 2012-2050. To measure accuracy SANDAG compares the population forecast to census information as it becomes available. SANDAG’s first forecasts were in 1972 and most recent projections are Series 13, the results forecasted by the model have proven adequate and in the range of less than 1 percent to 4 percent different from the actual census count.

**Expected Trends**

The United States economy experienced a rocky year during calendar year 2015. The growth rate for the nation’s total value of goods and services, Gross Domestic Product (GDP), got off to a slow start increasing 0.6 percent in the first quarter. The second and third quarters picked up to 3.9 percent and 2.0 percent, respectively before slowing to 0.7 percent during the fourth quarter of 2015. After all the volatility, the nation’s GDP increased 2.4 percent which was in line with the slow annual growth rates that have been recorded since the end of the Great Recession. The national economy, although not in a recession is off to a shaky start in 2016. The consensus outlook for 2016 is for GDP growth to slow slightly to 2.1 percent, which could have a moderating effect on the local economy.

National job growth during the past year slowed, averaging 221,000 jobs per month compared with 260,000 per month during 2014, for a total increase of 2.65 million in 2015. This data amounts to an annual growth rate about 1.8 percent. Unemployment has decreased to 5.0 percent in December 2015, a rate similar to those that existed before the start of the Great Recession.

Locally, the increase in job growth has outpaced the national rate. The San Diego region recorded 37,300 new payroll jobs through November 2015 on a year over year basis, a rise of a 2.7 percent, nearly a full percentage point above the national rate of increase. In addition, the local unemployment rate dropped more than the nation’s over the same time period, falling to 4.8 percent and is now below the national rate for the first time since the Great Recession.

Despite strong job growth, the national economy is further hampered by lingering concerns about the recovery, the growing potential of an economic downturn nationally, and slowing economic growth globally. Additional concerns about the recovery include weakness in wage rate growth and the average number of hours worked. These trends, combined with the types of jobs (part-time, temporary with low pay) that have been created since the end of the recession have contributed to keeping real per capita disposable income stagnant for the past four years. This, results in weak growth in consumer spending, which makes up more than 70 percent of the economy and is a primary driver of sales tax revenue.

The recent declines in gas and energy prices are expected to shift consumer expenditures to different categories rather than push overall taxable spending up in the near term. Additional headwinds are expected from the slowing of economic growth globally and in turn the effect on the trade value of the dollar. Most of the United States’ major trading partners are experiencing slower economic growth, including China, Japan, Europe, Mexico, Brazil and Russia. The value of the dollar rose significantly in the past year making our goods in these markets more expensive and reducing our exports. Locally, the strong dollar makes goods in the border economy more expensive for residents of Mexico who spend a considerable amount of money on taxable retail sales. Entering 2015, SANDAG Staff anticipated 5.0 percent growth for FY 2016. However, in light of economic
developments of this past year, staff is revising its projection for FY 2016 to 3.5 percent and continuing the same 3.5 percent for FY 2017.

The table below shows actual and projected annual rates of change for TransNet revenues. By the end of FY 2014 TransNet revenue was above the past peak recorded during FY 2008, consistent with our expectations.

**Growth in TransNet Sales Tax Receipts**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>% Change</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 (Actual)</td>
<td></td>
<td>$204.2M</td>
</tr>
<tr>
<td>2011 (Actual)</td>
<td>8.38%</td>
<td>$221.3M</td>
</tr>
<tr>
<td>2012 (Actual)</td>
<td>7.07%</td>
<td>$236.9M</td>
</tr>
<tr>
<td>2013 (Actual)</td>
<td>4.34%</td>
<td>$247.2M</td>
</tr>
<tr>
<td>2014 (Actual)</td>
<td>5.21%</td>
<td>$260.1M*</td>
</tr>
<tr>
<td>2015 (Actual)</td>
<td>3.36%</td>
<td>$268.8M*</td>
</tr>
<tr>
<td>2016 (Projected)</td>
<td>3.50%</td>
<td>$278.3M*</td>
</tr>
<tr>
<td>2017 (Estimate)</td>
<td>3.50%</td>
<td>$288.0M*</td>
</tr>
<tr>
<td>2018 (Estimate)</td>
<td>4.13%</td>
<td>$300.0M*</td>
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<tr>
<td>2019 (Estimate)</td>
<td>4.14%</td>
<td>$312.3M*</td>
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<tr>
<td>2020 (Estimate)</td>
<td>4.18%</td>
<td>$325.4M*</td>
</tr>
<tr>
<td>2021 (Estimate)</td>
<td>4.20%</td>
<td>$339.0M*</td>
</tr>
</tbody>
</table>

*Represents the midpoint of confidence interval range
Funding Programs

Transportation Development Act (TDA): TDA is the major subsidy source that supports the region’s public transit operators and nonmotorized transportation projects. TDA comes from a quarter of a percent of state sales tax assessed in the region. SANDAG, as the Regional Transportation Planning Agency, is responsible for the allocation of the apportionment of TDA funds each year in conformance with state statute. The transit operators and other member agencies submit their annual TDA claims based on the annual apportionment and in compliance with SANDAG Board Policy No. 027: TDA Administration Policy.

Pursuant to state statute, the County of San Diego Auditor and Controller office has the responsibility for providing the TDA apportionment for the upcoming fiscal year. The County Auditor develops the apportionment in consultation with SANDAG staff and with the transit operators, based on actual sales tax receipts and projections. The annual apportionment determines the amount of funds available to each agency to claim. SANDAG is required to notify prospective claimants of the apportionment by March 1, necessitating action by the Board of Directors in February each year.

The legislative priorities established by state law include certain categories for which TDA funds are taken “off the top.” These include the allocation to SANDAG for various planning, programming, and administrative-related expenses, funding of bike and pedestrian facilities, and support of community transit services. In addition, the County Auditor receives an allocation based on estimates of its costs to administer the TDA program. The remaining apportionment, along with any prior year carryover funds, is available to be claimed by North County Transit District (NCTD), and Metropolitan Transit System (MTS). The balance of current year funds are allocated based upon the population of the service area served by the two transit agencies.

Pursuant to provisions of Senate Bill 1703 (Peace, 2002) and as agreed to by MTS, NCTD, and SANDAG, regional transit capital projects are implemented by SANDAG with funding transferred from both MTS and NCTD. The transit agencies may choose to transfer a portion of their TDA share for purposes of matching federal formula funds for the capital projects to be implemented by SANDAG on behalf of MTS or NCTD. Transfers of federal funds and/or TDA as the match are based on the draft five-year transit Capital Improvement Program (CIP). The final list of projects and associated funding will be included with the transit CIP scheduled for Transportation Committee and Board of Directors action in March of each year. An additional apportionment to SANDAG covers those indirect administrative functions not directly funded by projects. The calculation for the cost of these administrative functions was memorialized in Addenda Nos. 3 and 4 to the Memorandum of Understanding between SANDAG, MTS, and NCTD.

TransNet: The TransNet Extension, the 40-year half-cent sales tax transportation funding measure approved by the voters in 2004 became effective in FY 2009. TransNet provides funding for major transportation projects in the region. After deducting costs associated with administrative expenses, the operation of the TransNet Independent Taxpayer Oversight Committee (ITOC), and the Bike, Pedestrian Neighborhood Safety, the TransNet program is divided into Major Corridor (42.4%), New Bus Rapid Transit/Rail Operations (8.1%), Local System Improvements (33%), and Transit System Improvements (16.5%).
Within the Transit System Improvements, services provided pursuant to ADA and subsidies for seniors have specific earmarks (2.5% and 3.25%, respectively). The remaining revenues can be used by the transit agencies for operating or miscellaneous capital purposes. Similar to TDA, the transit share between NCTD and MTS is allocated based upon the respective population of the two transit agencies’ service areas.

ITOC reviews the TransNet estimates for the entire program at its February meeting each year. Any significant comments would be presented to the Transportation Committee and the Board of Directors.

**Federal Transit Administration (FTA) Formula Programs**

**Section 5307:** FTA 49 USC Section 5307 provides for transit capital and operating assistance in urbanized areas and for transportation-related planning. For areas with populations of 200,000 and more, such as San Diego County, the formula is based on a combination of bus/vanpool revenue vehicle miles, bus/vanpool passenger miles, fixed guideway revenue vehicle miles, and fixed guideway route miles, as well as population and population density. Eligible activities under this program include planning, engineering design, and an evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities; construction of maintenance and passenger facilities; capital investments in new and existing fixed guideway systems, including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software. Preventive maintenance and some Americans with Disabilities Act of 1990 (ADA) complementary paratransit service, while recorded as operating expenditures, are considered capital costs for purposes of eligibility.

Some of the changes under the Fixing America's Surface Transportation (FAST) Act include a provision that requires the transit agencies to maintain equipment and facilities in accordance with the transit asset management plan and that transit agencies are no longer required to expend one percent for associated transit improvements. Neither these two nor other minor changes would substantively impact how SANDAG or the transit agencies use this program.

**Section 5337:** This State of Good Repair program provides funding to transit agencies that operate rail fixed-guideway and high-intensity motorbus systems for the maintenance, replacement, and rehabilitation of capital assets, along with the development and implementation of transit asset management plans. This program reflects a commitment to ensuring that public transit operates safely, efficiently, reliably, and sustainably so that communities can offer balanced transportation choices that help to improve mobility, reduce congestion, and encourage economic development. Eligible activities include projects that maintain, rehabilitate and replace capital assets as well as projects that implement transit asset management plans. The FAST Act clarifies that high-intensity motorbus tier funds can only be used for vehicle state of good repair costs and not for roadway state of good repair costs. MTS is the only recipient of the high-intensity share and this clarification may impact how MTS chooses to use its funds.

**Section 5339:** Moving Ahead for Progress (MAP-21), the last transportation program made Section 5339 a formula-based program, prior to MAP-21, this was a discretionary program. The FAST Act provides both formula and discretionary program for this section. There is also a sub-program that provides competitive grants for bus and bus facility projects that support low and zero-emission vehicles. The purpose of both formula and competitive programs is to provide capital funding to
replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities.

One major change from the FAST Act is that transit agencies that currently receive direct grants (NCTD and MTS) under Section 5307 can now be direct recipients of Section 5339. Under MAP-21, NCTD and MTS were not eligible to submit grants under this program and in order to keep the two transit agencies whole, SANDAG had exchanged like amount of TransNet-Major Corridors (MC) funds with Section 5339 to be used toward TransNet-MC eligible SANDAG projects. With the change, SANDAG will no longer offer the fund exchange. With the new discretionary programs, the transit agencies can compete for additional funds.

As stated above, the Section 5307 program is based on number of factors including data from the vanpool program. Over the years, the regional vanpool program has contributed substantially to the overall funding that comes to the region. In recognition of its contribution, the transit agencies have agreed to update the funding level to fully fund the regional vanpool program from the total apportionment based on prior year actual expenditure. After deducting for the cost of the vanpool program, Section 5307 funds are allocated 70 percent for MTS and 30 percent for NCTD. The same 70/30 formula was used to allocate the Sections 5337 and 5339 between MTS and NCTD. SANDAG does not directly receive funds from neither Section 5337 nor Section 5339.

**State Transit Assistance (STA):** Since its creation in 1971, the STA program has been an ongoing source of state funding for capital and operating support for public transit agencies. The 2009-10 State Budget eliminated the STA but was reinstated as part of the “Gas Tax Swap” agreement (ABx8-6, March 2010), which reconfigured the funding streams that flow into the program. STA is now fully funded by the sales tax on diesel, and can be used for operating and capital purposes.

Current statute requires transit agencies to meet certain criteria related to operating efficiencies in order to use the STA funds for operations. Senate Bill 508 (2015) revised this requirement wherein if a transit agency failed to meet the operating criteria, the allocation would be reduced by the same percentage in which the efficiency standards were not met. SB 508 further reduced the criteria burden by excluding number of cost factors such as pension and health coverage.
Introduction

Last July, the SANDAG Board of Directors approved project awards for the third cycle of grant funding available through TransNet Active Transportation Grant Program (ATGP).

In Cycle 3, $1,420,000 was available for the Large-Category active transportation capital projects (projects of $500,000 or more). Seven applications were submitted in this category and were ranked using criteria adopted by the SANDAG Board of Directors. The rankings are shown in the table below, and funding was awarded to the two top-ranked projects, with full funding awarded to the National City project shown in green, and partial funding awarded to the Solana Beach project shown in pink ($420,000 out of the $500,000 request).

Original Awards to Capital ATGP Grant Proposals Requesting $500,000 or More (Large Category) in Order of Rankings

<table>
<thead>
<tr>
<th>Rank</th>
<th>Jurisdiction</th>
<th>Project Title</th>
<th>Funding Requested</th>
<th>Funding Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>National City</td>
<td>Sweetwater River Bikeway/30th Street Bicycle Facility Improvements</td>
<td>Request: $1,000,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2</td>
<td>Solana Beach</td>
<td>Stevens/Valley Avenue Corridor – Bicycle and Pedestrian Improvement Project</td>
<td>Request: $500,000</td>
<td>$420,000</td>
</tr>
<tr>
<td>3</td>
<td>National City</td>
<td>Citywide Midblock Crossing Enhancements Project</td>
<td>Request: $625,000</td>
<td>$0</td>
</tr>
<tr>
<td>4</td>
<td>Imperial Beach</td>
<td>Bernardo Shores Bayshore Bikeway to Rainbow Drive Bikeway Link</td>
<td>Request: $700,000</td>
<td>$0</td>
</tr>
<tr>
<td>5</td>
<td>Chula Vista</td>
<td>Industrial Boulevard Improvements</td>
<td>Request: $544,500</td>
<td>$0</td>
</tr>
<tr>
<td>6</td>
<td>El Cajon</td>
<td>El Cajon Underpasses</td>
<td>Request: $1,049,220</td>
<td>$0</td>
</tr>
<tr>
<td>7</td>
<td>County of San Diego</td>
<td>San Diego Coastal Bike Path Safety Improvements - Las Flores Creek Constriction</td>
<td>Request: $576,240</td>
<td>$0</td>
</tr>
</tbody>
</table>

Recommendation

The Transportation Committee is asked to recommend that the Board of Directors: (1) approve the reallocation of Cycle 3 TransNet Active Transportation Grant Program “Large Category” grant funds, as outlined in this report; and (2) direct staff to pursue the allocation of remaining grant program funds to the next highest ranking projects in the “Small Category” able to accept funds and complete projects as proposed in the original grant applications.
Discussion

In August 2015, National City was awarded statewide Active Transportation Program funding for the Sweetwater River Bikeway/30th Street Bicycle Facility Improvements – the same project awarded funding in the TransNet program. As a result, the $1 million in funds allocated from the TransNet program to the project have become available to be reallocated to the next highest-ranking projects. Staff reached out to each of the applicants to determine whether those jurisdictions would be able to accept the funds and complete the projects as proposed in the applications.

Solana Beach confirmed its interest in receiving full funding for the partially-funded Solana Beach project (providing the additional $80,000 to fully fund the $500,000 requested in the application); and National City confirmed its interest in receiving full funding for the Citywide Midblock Crossing Enhancements in National City ($625,000). That leaves $295,000 in remaining funds. Staff contacted each of the next jurisdictions in order of ranking to offer partial funding, but each jurisdiction declined the funds given that they are not able to complete the projects as proposed in the application with the funds being offered, as shown in the table below. This leaves $295,000 of unused funding that can be offered to the “Small Category” active transportation capital projects (projects of less than $500,000) as shown in Attachment 1. If the totality of funds could not be allocated to the “Small Category”, any remaining funds could be held in reserves for the next funding cycle.

Proposed Reallocation of Capital ATGP Grant Awards for Projects Requesting $500,000 or More (Large Category) in Order of Rankings

<table>
<thead>
<tr>
<th>Rank</th>
<th>Jurisdiction</th>
<th>Project Title – ATGP Capital – Large Category</th>
<th>Funding Request</th>
<th>Revised Funding Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>National City</td>
<td>Sweetwater River Bikeway/30th Street Bicycle Facility Improvements</td>
<td>Request: $1,000,000 Match: $55,000 Total: $1,055,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2</td>
<td>Solana Beach</td>
<td>Stevens/Valley Avenue Corridor – Bicycle and Pedestrian Improvement Project (Partial Funding)</td>
<td>Request: $500,000 Match: $100,000 Total: $600,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>3</td>
<td>National City</td>
<td>Citywide Midblock Crossing Enhancements Project</td>
<td>Request: $625,000 Match: $25,000 Total: $650,000</td>
<td>$625,000</td>
</tr>
<tr>
<td>4</td>
<td>Imperial Beach</td>
<td>Bernardo Shores Bayshore Bikeway to Rainbow Drive Bikeway Link</td>
<td>Request: $700,000 Match: $220,000 Total: $920,000</td>
<td>partial funding declined</td>
</tr>
<tr>
<td>5</td>
<td>Chula Vista</td>
<td>Industrial Boulevard Improvements</td>
<td>Request: $544,500 Match: $215,400 Total: $759,900</td>
<td>partial funding declined</td>
</tr>
<tr>
<td>6</td>
<td>El Cajon</td>
<td>El Cajon Underpasses</td>
<td>Request: $1,149,220 Match: $116,580 Total: $1,165,800</td>
<td>partial funding declined</td>
</tr>
<tr>
<td>7</td>
<td>County of San Diego</td>
<td>San Diego Coastal Bike Path Safety Improvements - Las Flores Creek Constriction</td>
<td>Request: $576,240 Match: $0 Total: $576,240</td>
<td>partial funding declined</td>
</tr>
</tbody>
</table>

Total Proposed Reallocation for ATGP “Large Category” Capital Projects: $1,125,000
Next Steps

Pending the Transportation Committee’s action, the Board would be asked to approve the proposed reallocation at its February 26, 2016 meeting. Staff would finalize agreements with the local jurisdictions and report back on the final reallocation as part of a future regular quarterly update for the grant programs.

CHARLES “MUGGS” STOLL
Director, Land Use and Transportation Planning

Attachment:  1. Capital ATGP Grant Proposals Requesting Less Than $500,000

Key Staff Contact: Carolina Ilic, (619) 699-1989; carolina.ilic@sandag.org
### Capital ATGP Grant Proposals Requesting Less Than $500,000

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Project Title</th>
<th>ATGP Funds Requested</th>
<th>Cumulative Funds Requested</th>
<th>Recommended Project Funding</th>
<th>Sum of Ranks</th>
<th>Overall Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Escondido</td>
<td>Escondido Creek Trail Signalized Bike/Pedestrian Crossing at El Norte Parkway</td>
<td>$335,000</td>
<td>$335,000</td>
<td>$335,000</td>
<td>23</td>
<td>1</td>
</tr>
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<td></td>
<td>Project</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Oceanside</td>
<td>Seagaze Drive Downtown Mobility Project</td>
<td>$357,497</td>
<td></td>
<td></td>
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<td>2</td>
</tr>
<tr>
<td>Santee</td>
<td>Riverwalk Drive Crossing Project</td>
<td>$216,900</td>
<td>$551,900</td>
<td>$216,900</td>
<td>41</td>
<td>3</td>
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<td>Santee</td>
<td>Citywide Bike Lanes Project</td>
<td>$156,000</td>
<td>$707,900</td>
<td>$156,000</td>
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<tr>
<td>Carlsbad</td>
<td>Carlsbad Boulevard and Tamarack Avenue Pedestrian Improvement Project</td>
<td>$270,000</td>
<td>$977,900</td>
<td>$192,100</td>
<td>67</td>
<td>5</td>
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<td>Chula Vista</td>
<td>Main Street Corridor Pedestrian Improvements</td>
<td>$497,000</td>
<td>$1,474,900</td>
<td>$0</td>
<td>75</td>
<td>6</td>
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<tr>
<td>Santee</td>
<td>San Diego River Trail Design Project</td>
<td>$414,000</td>
<td>$1,888,900</td>
<td>$0</td>
<td>76</td>
<td>7</td>
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<td>Imperial Beach</td>
<td>Fern Avenue Pedestrian and Mobility Improvement Project</td>
<td>$400,000</td>
<td>$2,288,900</td>
<td>$0</td>
<td>92</td>
<td>8</td>
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<td>County of San Diego</td>
<td>San Diego Coastal Bike Path Safety Improvements - Stuart Mesa/41 Area Constriction</td>
<td>$477,640</td>
<td>$2,766,540</td>
<td>$0</td>
<td>109</td>
<td>9</td>
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Total Available Funding: $900,000
Total Recommended Funding: $900,000

**Notes:**
- The Seagaze Drive Downtown Mobility Project was awarded funding through the SGIP Capital Grant Program, and was therefore removed from the ATGP competition.

**Funding Summary:**
- **Total Funding Requested:** $3,124,037 (39% of Capital Funds)
- **Funding Deficit:** ($2,224,037)
2-19-16 Transportation Committee Meeting

1.0 Roads, Rail, High-Speed Rail, Bridges, Busses, and Bicycle Issues

1.1 Roads

1.1.1 Road Construction Materials

The world is awash in steel with China’s idle capacity that is more than the entire output of Europe and the U.S. combined, that they are trying to export. China produces close to half the world’s steel and has enough capacity to supply the entire world, but has only exported 50E6-MT/yr to prevent retaliation from the EU and U.S. In 2014 China was exporting 130E6-tons and the world starting imposing anti-dumping penalties and other barriers on their market. Oil shale production peaked the U.S.’s steel imports for pipe and oil related production equipment. As oil prices dropped, demand for steel followed. In December 2015 the U.S. Commerce Department found Chinese corrosion-resistant steel was being subsidized by 236% of the commodity’s price and recommended a penalty of 255.8%. Cold and hot rolled steel could face the same penalties. Breakbulk carriers say there are too many ships and it is cutting their business volume.

Ref: The Journal of Commerce January 2016, Breakbulk & Project, addendum pp. 20-21

A large crane on a Caltrans project tipped over on state Route 15 in South Park on 1-13-16 injuring a worker and blocking the freeway. The crane was loading K-rails onto a trailer.

Ref: The San Diego U-T 1-14-16 pp. B2

Officials in Manhattan say they will have the crane parts cleaned up from Worth Street by Monday morning. A construction crane being lowered fell to the street in New York City.

Ref: The San Diego U-T 2-7-16 pp. A24 and 2-6-16 pp. A4

1.1.2 Interstate

A large sink hole opened on the right shoulder of Eastbound I-8 near SDSU on 1-21-16. The hole was 20-ft by 30-ft and its cause was not determined. The hole was repaired but the cause is still a mystery.


1.1.3 State, County, and City

Del Mar declared an emergency to fix a section of Camino Del Mar after a bluff collapsed early this month. A stretch of Camino del Mar in Del Mar was shut down for repairs of damage from a collapsed bluff in last weeks’ storms. A part of the bluff at Anderson Canyon south of Del Mar Heights Road collapsed, causing damage to a storm drain and infrastructure.


1.2 Rail

1.2.1 Interstate Freight System
Shippers, U.S. lawmakers, and other railroads are petitioning federal regulators to reject the proposed merger of CP and NS even though CP hasn’t filed any legal notice with U.S. rail regulators yet. CP disclosed a bid of $28E9 for NS in November 2015 and the U.S. Surface Transportation Board—STB—received dozens of letters from executives and the public sector officials against the merger. CP’s proposal would put the companies into a holding company using the voting trust modal and they would stay independent until the STB approved the merger. STB says changes to its “Merger Rules” necessitate the STB be more cautious of voting trusts because of public interests. CP’s chance of success is up to shareholders in a proxy fight over NS’s real value and regulatory obstacles.

Ref: The Journal of Commerce, January 25, 2016 pp. 34

Article on the debate of CP’s proposed merger with NS. The article covers what they transport; their routes from northwest Canada to the U.S.’s Midwest, southwest, and northeast; and dwell times and average speeds.

Ref: Trains, February 2016 pp. 4

BNSF is testing drones with the FAA’s permission as it becomes part of the FAA’s Path Finder Program. The future may follow the EU—France looked at drones in 2012 and now has 15-people working on 10-test systems throughout France. The drones would be used for security, to monitor track conditions, buildings, and vegetation growth. Poland uses thermal imaging drones to catch coal thieves, that is cutting coal losses by 60%. Combined with GPS, drones can locate problems faster.

Ref: Trains, February 2016 pp. 12

Picture of elements of a typical rail line such as: bungalow equipment shed, ballast, frogs—triangular steel pieces where two rails and two tracks unify in a turnout that a made out of manganese steel, rail, guard rails to guide the wheels through a turnout, and Passover clearances of 17-ft-height and 10-ft, 8-in width.

Ref: Trains, February 2016 pp. 20

In the Port of Stockton, CA there is a rail storage facility and Union Pacific’s new $18E6 rail-welding plant, that is designated to create 1,440-ft-long sections of continuous welded rail, that will be shipped on their 23-state, 32E3-mi system. The port has been in operation since the 1930s and it now is served by BNSF Railway and Union Pacific through a joint railroad, the Central California Transportation Company. All the rail arrives from Japan in 480-ft sections on the Pacific Spike, a 24E3-ton, 623-ft ship launched in August 2014 by the Onishi Shipyard of Shin Kurushima Dockyard Company for Sky Tree Shipping S.A. to haul sections of 136-lb and 141-lb, head-hardened steel rail from Nippon Steel of Japan’s Yawata Works near Kyoto. The Pacific Spike also delivers rail to Portland, OR. When the rail arrives at Stockton, onboard cranes unload the 480-ft rail, 5 at a time and load them on four sets of 89-ft shuttle cars at the port. The cars are transferred to the welding facility with a short line using EMD SW 1500s and Tier-4 compliant Brookville BL12CGs locomotives. The rail at the welding plant will be welded into 1320-ft sections with an electric flash-butt welding operation that has a weld as strong as the rest of the rail and is completed at 1250°C. The welded sections leave the plant and are loaded on UP welded-rail, railcars that are taken back to the port and put on an interchange track to be sent to where they are needed.
1.2.1.1 Locomotives

In the 1990s and early 2000s EMD and GE simplified their products with common options. The ES44AC is available to all 7-Class I Railroads in North America. In 2015 the ET44AC was supplanted to support emissions requirements. Options are: only 4-powered axels vrs-6; two levels of braking—standard dynamic with 98E3-lbs of braking and high-capacity with 117E3lbs; CN’s requirement for open grating in the walkways of the locomotives to allow snow to fall through; additional ballast to 432E3-lb; higher traction with adhesion management software and advanced rail clearance system; air-brake equipment; radial trucks; cab signaling system; distributed power; air compressors; and rear ditch lights.

Ref: Trains, February 2016 pp. 18

1.2.3 Car Types

1.2.3.1 Oil and Gas Tank Cars

Pictures of Greenbrier DOT-117 tank car for crude oil and ethanol. The car has thicker insulation, new fittings on top and bottom that are designed to survive a rollover or crash without breaking off.

Ref: Trains, February 2016 pp. 44

1.2.4 Urban Light Rail System

Article on the Rocky Mountaineer that carried 1.7E6 passengers since 1990 between Vancouver, British Columbia, and the Canadian Rocky’s.

Ref: Trains, February 2016 pp. 48-57

All Aboard Florida has a new colorful look for its passenger service in 2017, that is now named “Bright-line” with Siemens locomotives decked in yellow with each trainset in separate colors of red, blue, pink, and orange. The cars will accommodate 240-passengers, rising to 356 when it expands to 10, seven-car trainsets by June 2018. Initial service will start between Miami and West Palm Beach, FL with 79-mph service. An expansion north to the Orlando International Airport at speeds of 110-125-mph will start in 2017.

Ref: Trains, February 2016 pp. 23

Carlsbad will upgrade infrastructure by building a parking structure and lowering the railroad tracks in a trench in the Village and Barrio.

Ref: The San Diego U-T 1-14-16 pp. B4

1.2.5 Amtrak

Article on who should run Amtrak as CEO Joseph Boardman retires.

Ref: Trains, February 2016 pp. 8
34-miles on the Amtrak route from Durham to Burlington, NC have speed changes between 55 to 40, to 55 to 65-mph, about every half-mile because of curves in the line that was built in 1852. The DOT is putting together a project funding to solve the limitations.

Ref: Trains, February 2016 pp. 22-23

In 2011 and 2012 a $50E6 ARRA high-speed rail grant and $20E6 matched funding from owner New England Central enabled rebuilding of 200-mi of aged and detreating main line in VT. The grant required use of U.S. produced steel and saw it born from scrap metal. The 20-mph upgrade to the line-speed was for New England Central’s freight traffic and Amtrak’s Vermonter. All 1.5E6-ft of rail came from Steel Dynamics Inc. in IN that also has its own railroad to supply the production lines. The company relies on scrap metals to blend and mix for remanufactured steel. Columbia City’s steel is made in 142.5-ton charge batches in the furnace. Metal mix for rail production is 90 % ferrous scrap and 10 % alternate iron such as pig-iron or broken blast-furnace iron. In the electric arc furnace at a molten state, it tilts to allow molten metal to drain into a 11-ft, 6-in ladle for additional processing at the ladle metallurgy furnace where it is refined to a proper chemical composition to meet specifications. The molten metal than goes to a vacuum tank degasser, that reduces the concentration of dissolved gases in the liquid metal to meet the hydrogen content demands for rail production and the six-minute process uses an argon-delivery system. The liquid metal is next cast and solidified into rail blooms, a variable-length section of steel. The blooms are either hot charged to the rolling mill or put into yard storage. The hot charged blooms are sent to a reheat furnace that has a capacity of 19-ft to 46-ft, 6-in and temperature up to 2,250°F. A descaling process uses strong water blasts to remove mineral scale. The descaled steel is placed in a reversing breakdown stand and is shaped by rollers into a rail. The rail for the New England Central project required 115-lb rail. The rail proceeds to a combination mill made up of three mill stands: a rougher, an edger, and a universal finishing stand. As it exits, a stamper embosses a unique piece identity to the rail web. The rail proceeds to a runout table where the temperature is decreased from 900 to 400°F and on to a cooling bed with a hot saw and crop pit. After cooling the 240-ft rail sections are straightened, go through a surge bed, an inline rail test and inspection center where dimensions are checked, and on to an ultrasonic inspection station that uses sound waves to find defects. The flawed rail either has the defects cut out or if it is largely flawed is sent back to the scrap pile. The completed rails are sent to shipping and samples are sent to the physical metallurgy laboratory to a hot acid etching process with computerized metallograph and image-analysis software determining clean-steel ratings. The rail in 240-ft strands moves to the continuous weld production line waiting for the 89-ft rail cars. At the welding mill seven strands are welded together to make up a finished long strand of 1,610-ft. On the welding line the 240-ft sections are set up for bonding and a high-voltage electrical process bonds them. The ends are drilled for rail-joint-connections and the welds are cleaned up. At this point the rail is loaded and transported to VT. At the site crews install the rail working for 14-days, followed by 6-days of rest after installing 2-3-mi/d. Their best 14-d performance was 199,869-linear-ft [3.76-mi]. The crews keep up a 10.0E3 linier-ft installation/d, routine with a high of 14.238E3 linier-ft. Ballast trains, ties, scrap recovery, bridge work, grade crossings, signals, and turn-outs were all completed. The 1610-ft long-strands were in-field welded eliminating all rail joints completely. A heating car provided constant temperature before a spiker machine placed anchor spikes every few ties and the project was completed in less than two-years.

Ref: Trains, February 2016 pp. 28-35.
1.3 High Speed Rail

1.3.2 Higher-Speed—HrSR—

Picture of a French November 14, 2015 crash of a TGV-next generation, test train on a high-speed line in eastern France that was traveling some 217-mph when it caught fire and derailed killing 11-people.

You Tube: November 14, 2015 French high-speed train test crash

Ref: Trains, February 2016 pp. 14

1.4 Bridges

1.4.2 Interstate

Update on the new Tappan Zee Bridge on I-87 that will rise over the Hudson River near New York City. It is made up of some 800-girders from 65 to 120-ft long weighing up to 90-tons and are being delivered to the site by trucks, barges, and ports from steel fabricating plants in NC, VA, and PA. The Port of Coeymans NY will be used as staging and assembly area for the girders. The pieces will be assembled into huge sections and be barged down the river for assembly into the three-mile long bridge that will have 8-traffic lanes and four emergency pull-over lanes. The site will allow New York state to collect toll revenues. Deliveries will be made into 2017. The girder sections at Coeymans are assembled into sections up to 425-ft long and 40-ft wide. Hydraulic rail carts move the girders to barges that proceed to the construction site and are lifted into place by the same crane that was used to construct the San Francisco Bay Bridge that has a capacity of some 1,873-tons and was renamed I Lift NY.

Ref: The Journal of Commerce, January 25, 2016 Breakbulk & Project Cargo, addendum pp. 16

2.0 Port and Navy Issues

2.1 Ports

2.1.1 Container Ships

HANSA Heavy Lift—HHL—in December 2015 completed two voyages along the western boundary of the Northern Sea Route in the Artic region that has opened as a result of climate change. The HHL, New York delivered a heat exchanger weighing 365-MT from PA, the HHL Amazon carried power generator equipment from Italy to Sabetta, Russia, and three other voyages made the number of
trips by HHL to 5 in 2015. The HHL, New York and HHL, Amazon navigated through 70-cm [2.5-in] of ice in temperatures as low as -19°C [-2°F]. The heat exchanger went to the $27E9 Yamal LNG plant being built in Russia by Novatek that will be on line in 2018 and will deliver LNG in tankers to Asia and the EU. There have been 11-voyages on the route that has a seasonal navigation window of four months. The route runs along the Russian Arctic coast between the Barents Sea and the Kara Sea along the Siberian coast to the Bering Sea. Before the beginning of the 20th-century it was called the Northwest Passage. During the last several years weather as allowed commercial voyages in the Northwest Passage along the Canadian and Alaskan coasts, but it has heavier ice and more treacherous sailing conditions. Russia claims most of the Northern Sea Route in its exclusive economic zone and has promoted it as a shorter alternative that otherwise would use the Suez Canal. The north route between the EU and northeast China cuts 33% off the distance. Russia has invested in ice-breakers along the route and is building 10-relief ports along the Siberian coastline for ships that need help. China signed a free-trade agreement with Iceland using the route, but most is with Russia. HHL’s ships can handle ice as thick as 80-cm and they have a bubbling air filter to prevent water from freezing in the ballast tanks.


The cargo ship Modern Express is being towed to the Port of Bilao in Spain. The crew was evacuated on January 26, 2015

Ref: The San Diego U-T 2-4-16 pp. A3

Global changes in container shipping are confronting the U.S. Federal Maritime Commission—FMC—with decisions. Carrier consolidation, vessel-sharing alliances, and U.S. port congestion are issues that attention shippers want action on, and they may not want to depend on Washington to help with legal mandates, but rather with FMC. Cargo owners say marine terminal operators are using congestion to enact surcharges as revenue generators, but FMC has no complaints. Larger ships of 18E3-TEUs and their strain on supply chains, has put FMC in front of the problems. Port delays add weeks to some end-to-end transit times showing the influence of container shipping on the economy and took 0.2% off the U.S. GDP in the 1st-Q-2015, says the Federal Reserve. Complaints have prompted the Obama administration and Congress to look at FMC. The arrival of CMA CGM’s 18E3-TEU Benjamin Franklin in LA-LB and Oakland, CA says they will be coming on a regular basis and will be back in in February 2016. At 18E3-TEU and 90% utilization the ships will generate 17,800-TEU lifts during a single vessel call lasting four to five days. Better communication between ports and FMC will help, were mandated until a few years ago when FMC exempted them from filing their tariffs or schedules, but they are available. Revisions of the Shipping Act could improve the issues, but take too long as shown—the last rewrite was
in 1998 and took more than a decade to reach an agreement. The National Retail Federation, the National Industrial Transpiration League, and shipper groups are considering a petition to the FMC in 2016 to control congestion. Demurrage and detention charges were created to maximize efficiencies of delivery and pickup containers, not be a penalty for behavior. Alliances in the EU, Africa, Argentina, Canada, Oceania, and the UK could change FMC regulation. Spot-rates have dropped, despite the effects of alliances. The next affects may come from mergers such as CMA CGM and APL’s NOL, and COSCO and China Shipping. Alliances reduce vessels costs and the ships drop thousands of TEUs during a single port call, pressuring the terminals for yard space. Congestion surcharges are also an issue, but carriers have dropped them. The PierPass program in LA-LB is being looked at because of its costs. Winter weather shut downs need to be looked at with alternative routes.


Analyses of the 18E3-TEU container ship Ben Franklin’s arrival at the LA-LB Port and APM Terminals in CA, moving 11,200-TEUs over a 3.5-day period before the ship moved to Oakland. Between 2005 and 2015 the LA-LB port’s imports were a high of some 7.1E6-TEUs to a low of 6.0E6-TEUs. The terminal used nine cranes that cleared stacks of seven boxes high. The Ben Franklin and its mega-ship sisters can stack containers 10-high, so APMT must invest more to raise its cranes three boxes higher. The next call of the Ben Franklin in San Pedro will be at another terminal, on the Long Beach side of the harbor to test the capabilities of the LA-LB ports terminals. Based on fuel prices the mega ships may have more competition.

Ref: The Journal of Commerce, January 2016 pp. 47

Frances CMA CGM could become the second largest container ship operation in the world with Neptune Orient Line Limited acquisition from APL if approved. They have 469-vessels and had a global market share of 8.8% in 2014 handling 12E6-TEUs that generated $16.74E9 in revenues.

Ref: Marine Log, December 2015 pp. 7

Article on the best ships of 2015: ISLA Bella, LNG fueled container ship; OHIO, LNG-ready product tanker; Chandra B, mini tanker; Sakigake, LNG tug; Marjorie C, new Jones Act conro; JS Iness Insight, ethane powered shale gas tanker; Neil Armstrong, research vessel; Crown Point, tugs; Barzan, gas ready boxships; Multratug 28, tug; Esvagt Foude, wind farm vessel; and Vaslo de Gama, 18E3-TEU box-ship.

Ref: Marine Log, December 2015 pp. 12-16

2.1.1.1 Regulation

In July 2016 all containers will have to be physically weighed and a signed “verified gross mass” included on the Bill of Lading. Logistic managers are frustrated because of lack of industry coordination and carriers don’t know how it’s going to happen. Maersk says clarity is still lacking in the trade routes of IMO. The weight rule came from a 2014 amendment to the Safety of Life at Sea—SOLAS—convention, but imposing the rule now falls to individual maritime agencies such as the Coast Guard in the U.S. within the 170-countries that are IMO members. SOLAS came from the 1914 sinking of the Titanic with a mandate for more life boats. The rule may be met by weighing the TEUs at the point of loading, not at the terminals. The World Shipping Council started the rule as a deterrent to ships safety issues for unweighted TEUs. Certifying processes for option 2 under the rule, allows the
TEUs contents to be weighed separately and added to the empty weight and needed blocking to determine the total weight.

Ref: The Journal of Commerce, January 25, 2016 pp. 54

For the first time in 44-years history the California Coastal Commission fired its executive director on 2-10-16. Charles Lester was looked at, as wanting to stop development on the coast. The Coastal Commissions Charles Lester may be replaced on the commission.


2.1.2 Cruise Ships

Alaska’s Marine Highway System will get new ferries that can carry 450-passengers and 53-standard vehicles. The ships were designed using Cadmatic’s 3D CAD/CAM engineering software system. The ships will be delivered in 2018.

Ref: Marine Log, December 2015 pp. 8

2.1.4 U.S.

2.1.4.1 Inland Waterways Council

The Waterways Council was held in New Orleans on November 11, 2015 and the House Transportation and Infrastructure Committee also meet to deliver its new Water Resources Development Act in 2016 to upgrade the acts of 2014 and 2007. New Orleans has one of the oldest lock projects with the inner harbor lock and dam built in 1921 and opened in 1923. Its 5.5-mi project connects Lake Pontchartrain to the Mississippi River and is now too small to handle river commerce of: chemicals-26 %, petroleum-22 %, iron and steel- 14 % in 2013. LA’s waterways contributed $47.7E9 to the state’s economy.

Ref: Marine Log, December 2015 pp. 6

Great Lakes Shipping operates on a 42-week season with 12 requiring ice-breaking services. Cargo moving from December 16 to April 15 during the ice season reach 20E6-tons or 15 % of the annual total, says the Lake Carrier Association. Without adequate ice breaking service the Great Lakes grind to a halt. In the 2013-14 winter, U.S. flag cargo movements dropped by nearly 7.0E6-tons causing two steelmakers to reduce production, power plants exhausted coal supplies, 4,000-jobs were lost, and it caused $700E6 in lost business revenues. In 2015 cargo shipping was down 3.2E6-tons causing revenue losses of $355E6 and 2,000-jobs. U.S. senators want funding in 2016 for U.S. Coast Guard icebreakers on the lakes. The Coast Guard has 9 icebreakers and on May 18, 2015 the House passed H.R. 1987 for 2016-17 funding of an icebreaker for the Great Lakes.

Ref: Marine Log, December 2015 pp. 11

2.1.4.2 Drayage Truck Issues

The federal regulators 10-day shutdown of Land Air Express of New England was a warning to U.S. trucking companies, brokers, and shippers on safety issues. The Federal Motor Carrier Safety Administration—FMCSA—lifted the out-of-service order against the less-than-truckload carrier on January 7, 2016 allowing trucks back on the road since December 29, 2015. The agreement allows
FMCSA to monitor the carrier’s safety performance for the next two-years. The company was shut down because of driver management problems; and drug and alcohol, testing issues. Falsified driver log books were also cited. FMCSA lost part its oversite of truck driver hours-of-service rules and public access to sensitive motor carrier safety information with opposition of the transportation industry and Congress.


2.1.6 Maintenance Operations

Article on Lithium Polymer battery-based Energy Storage Systems—ESS—on small ferries, offshore supply vessels—OSV—, tug boats, research vessels, yachts, and port cranes. The ESS only stores energy, but reduces GHG, NOx emissions, allows use of full electric drivetrains, and is used in combination with hybrid drivetrains.

Ref: Marine Log, December 2015 pp. 17-18

Bordelon Marine in LA on the Gulf has taken delivery of the DP2 ultra-light Intervention Vessel—ULIV—Brandon Bordelon. The ship is equipped with a helideck, crane, and office space will support two full work class remotely operated underwater vehicles—ROV—systems. The ships high performance acoustic position reference system is designed for tracking underwater targets and positioning dynamically positioned DP vessels.

Re: Marine Log, December 2015 pp. 10

2.2 Navy

2.2.1 Ships and Planes

A record number of Air Force drones have crashed because of electrical failures that cause the 2.5-ton drones to lose power and drop from the sky. Some Air Force drones were destroyed or sustained $2.0E6 in damage in accidents in 2015. The Air Force is offering a $125E3 retention bones to piolets that are complaining of over work and will contract the work out to private companies. The drones cost some $14E6 each.

Ref: The San Diego U-T 1-20-16 pp. 16 pp. A14

More on the Navy’s green fleet. In 2004 the Navy and Marine Corps said the military forces would get half their power from non-fossil fuel sources by 2020 and the Navy would deploy a carrier strike force using biofuels by 2016. Since then every type of aircraft, ship, has gone to sea using beef fat, municipal waste, palm oil, algae or camellia.


SAFE boats in WA state will build a series of Type-F Riverine Interceptor Vessels for the Colombian Navy and Coast Guard. The vessels can travel at 37-knots and have a 200-nmi range and they will protect shipping lanes in Columbia. This is SAFE Boats third contract with the Navy/Coast Guard program.

Ref: Marine Log, December 2015 pp. 8

The NTSB, Navy, and Coast Guard will continue efforts to find the El Faro’s VDR and other parts.
2.2.2 International Issues

The UN Security Council condemned North Korea's launch of a long-range rocket on 2-7-16, following the January 6, 2016 nuclear test which North Korea claimed was a powerful hydrogen bomb. The rocket put the Earth observation satellite ShingStar 4 into orbit in less than 10-min. North Korea launched a long-range rocket between 9:30 a.m. and 9:35 a.m. on 2-7-16. Japans NHK reported debris from the launch fell some 155-mi off the southwest coast of the Korean Peninsula into the East China Sea, 14-min after the launch. Satellite images of North Korea's Sohae rocket launch site show apparent fueling activity. North Korea said they would launch an observation satellite aboard a rocket between February 8 and February 25 at the Tong-Changg-U launch site. North Korea on 2-2-16 said they would launch a satellite-carrying rocket next week for their space program. There was a launch in December 2015 of their Unha 3 booster that delivered a satellite.

The Obama administration will spend $3.4E9 more in the EU to keep the equivalent of a 4,000-soldier armed brigade in the region, although no troops will be formally based there. The move will stockpile heavy weapons, vehicles, and equipment in eastern and central Europe. Obama says they will quadruple spending on U.S. troops in the EU to deter Russia. He will ask for $3.4E9 for the European Reassurance and spending to fight the Islamic State will increase to $7.5E9. Defense Ash Carter gave an overview of the 2017 defense budget of $582.7E9, saying Russia is challenging NATO.

The Pentagon still wants to use Russian made rocket engines to send U.S. military satellites into Space, but will work to use American made ones in the future.

More on China's new Liaoning, aircraft carrier.

Report on Russia's Naval operations off Syria's coast with missile carriers and destroyers to protect the Navy and cargo ships, says Capitan 1st Grade Stanislav Varik. Russia had a perminate vigil in the Mediterranean during WW I.

3.0 Water Issues

3.1 Regulation

The U.S. EPA was in Carlsbad on 1-27-16 an announced more than $182E6 in funding for drinking water and wastewater infrastructure improvements in CA. The Carlsbad water recycling facility has received about $37E6 in low-interest loans funded by the federal agency during the past several years to double the plant's output. The expansion under way will allow Carlsbad to recycle water for irrigation and industrial uses only, to meet 33 % of the city's water needs. The federal money goes into the CA revolving Fund to provide low interest loans to local water districts for projects to reduce pollution,
improve drinking water and increase efficiency. As districts pay back the loans it is available for new water projects. The city of San Diego will also receive $9.0E6 for a sewer pipeline rehabilitation project and a new Sorrento Mesa recycled water pipeline. The city also used funds to upgrade its metro biosolids center that takes solids from area wastewater treatment plants and turns it into fertilizer for parks, gardens and agriculture crops.


3.1.2 Conservation Mandates

State officials on 2-2-16 extended emergency drought regulations through October 2016 while preparing to ease restrictions on select water supplies in the Spring of 2016. San Diego County District’s that receive water supplies from the Poseidon desal plant in Carlsbad will likely get a credit to lower the state mandated conservation level. CA has saved a cumulative 25.3 % water use through December 2015, but it savings has dropped close to 1 %/mon since July 2015.

Ref: Ref: The San Diego U-T 2-3-16 pp. A1 & A11

3.3 Reservoirs and Aqueducts

The snowpack in the mountains that feed the Colorado River was slightly above the long-term average on 1-20-16. The snow melts going onto the Colorado River and into Lake Powell in UT and AZ. Lake Powell, that is behind the 580-ft high Glen Canyon Dam, regulates the flow of water and it is now about half full. April will tell how the snow pack has helped the lake. The upper Colorado River Basin snow level is 10 % of normal.

Ref: The San Diego U-T 1-21-16 pp. A5

3.4 Ground Water

Groundwater supplies at Borrego Springs is being depleted four-times faster than it is being replenished, says USGS’s six-year study. The BWD said they would have a plan to stop over-drawing the aquifer in 20-years. On average 5,600-af sinks into the aquifer/yr, but that is far from the 20E3-af/yr that is pumped out for the last 20-years. The water level has been dropping about 2-ft/yr, says Claudina Faunt of the USGS. Groundwater is Borrego Springs only source of water and some areas of the aquifer went down 100-ft. The older water contains sediments, is saltier, and contains arsenic. 70 % of the water is being used for agriculture, 20 % for golf courses, and 10 % for residential use. The 2,000-acres of citrus trees, since the 1950s in the valley consume 8,600-af or 43 % of all groundwater pumped out. Palm and ornamental trees make up the rest.

Ref: The San Diego U-T 1-19-16 pp. B1 & B3

4.0 Pipelines and Tunnel Issues

4.1 Pipelines

4.1.5 Oil and Gas

4.1.5.3 Natural Gas Leaks
A construction crew hit a natural gas line at 7:30 a.m. in Chula Vista and it took SDG&E until 10:00 a.m. to shut off the gas.

Ref: The San Diego U-T 1-29-16 pp. B3

4.1.5.4 Oil Spills

ExxonMobil bid to truck some 17E6-gal of crude oil to refineries in Santa Barbara County after the oil spill, with 30 truck trips/day for six-months was approved. On May 19, 2015 a 6-in breach along a corroded section from a pipeline owned by TX-based Plans All American released thousands of gallons of crude oil west of Santa Barbara.

Ref: Hastings Tribune, 2-9-16

5.0 Transportation Environmental Issues

5.1 Maritime Transportation Environmental Emissions

The Port Authority of New York and New Jersey will revise its Clean Air Plan by lifting a truck replacement deadline for replacement of 6,000-dragey trucks on January 1, 2017. Without the lifting trucks with engines from 2007 or older would have been prohibited from entering the terminals on January 1, 2017. 70% of the trucks serving the port are in that category. Motor carriers say the deadline was impossible to meet and would cripple the East Coast’s largest port where 85% of containers move by truck. The revised plan will: prohibit trucks with 1994-95 engines from its terminals after January 1, 2017, add $1.2E6 in port funds to $9.0E6 in U.S. EPA funds to provide grants of up to $25E3/truck to support 420-trucks that have 1994 or 1995 engines, prohibit additional trucks with pre-2007 engines from joining the ports truck registry after March 1, 2016, and create an incentive program to encourage replacement of low-interest loans from lenders for replacements of 1996-2006 engines. An estimated annual attention rate of 1800 trucks, would take 8-10-years to replace all trucks dating before 2007. The New Jersey Motor Truck Association says the port lacks constitutional authority to ban trucks.


Norwegian, Det Stavangerske Dampskib-Selskab AS’s three officers were convicted of violations of the Act to Prevent Pollution from ships with a discharge of 20E3-gal of oil contaminated water into the ocean and 264-gal of sludge was dumped into the ocean from the inoperable oily water separator on the oil tanker Stavanger Blossom. Fine could reach $500E3/count and prison terms of 20-years.

Ref: Marine Log, December 2015 pp. 7

6.0 Transportation Financial Issues

6.2 Container Ships

China’s transportation infrastructure and trade focused regional development plans with an increasing number of trade liberalization agreements will help the Asia-Pacific region remain the fastest-growing region in the world economy in 2016. Asian corporate borrowers with large foreign currency debt partially in the U.S. dollar could face increasing stress if the dollar rises further against local currencies. The Trans-Pacific Partnership, bilateral free-trade pacts, regional development drives
—China’s Belt and Road initiative, Asian Infrastructure Investment Bank, and Silk Road Fund would further the growth.


Fleet over supply is an issue for 2016. China’s factory production for December 2015 contracted for the 10th consecutive month says the Baltic and International Maritime Council. The IMF forecasts a higher GDP growth rate for 2016 across the board. The hardest hit routes are the Asia-Europe and Asia-Mediterranean with the number of loaded inbound containers expected to drop 4.3 % in the 1st-half-2016, compared to 6 % drop for all of 2015, showing weakness in the Far East-European trade. Analysts say globalization has reached an equilibrium and outsourcing and output to Asia has only consumption growth to drive the market. Drewry says the container shipping industry could lose $5.0E9 in 2016 and big ships with rates of $900/FEU would lose a combined $1.4E9 in 2016. Japanese MOL and “K” Line say there will be no recovery without China’s trade. UK clothing retailers say they ship 10 % of Asia’s shipments by air and they will increase air volumes in 2016 because of late deliveries, but IATA says air freight will decline in 2016.


The Trans-Atlantic trade between North America and North Europe is more likely to show a profit in 2016 by currency movements, with a strong dollar sucking in imports on the westbound sailings and the euro weakening has depressed exports on the eastbound sailings. The dollar is at a 12-year high against the 19-nation single currency and appreciating imports are set to grow through 2016. The exchange rate affects ships as surplus capacity bumps up vessel utilization to reverse sagging spot freight rates. Westbound load factors sunk 80 % and ships are sailing half full on the return voyage to Europe. The westbound trade in 2016 will gain in 2016-17 with impacts of furniture and auto parts from the EU.

Ref: The Journal of Commerce, January 25, 2016 pp. 17

Variable rates are being proposed, based on: vessels length and lower charges/TEU, extra payments for popular berthing slots, discounts for efficient stowage, charges for delays and inaccuracies, rebates when terminals are at fault. In 2010 the largest container ship was 14E3-TEUs, today its almost 20E3-TEUs and by 2020 more than 100-vessels in service will have capacity of more than 18E3-TEU. Larger vessels require new cranes, additional yard space and equipment, dredging, and strengthening quay walls. Larger ships take up more space, when delayed block out waiting vessels, and the containers take longer to unload because of longer distances to pick them from the ships, reducing efficiency.

Ref: The Journal of Commerce, January 25, 2016 pp. 16

6.3 Federal Highway Trust Fund

6.3.1 Gasoline Tax

President Obama proposed a $4.1E12 budget that puts more taxes on crude oil, the wealthy, and big banks. The crude tax would raise gasoline prices by some 24¢/gal. The $2.8E12 net tax hike would double the tax increases Obama sought in 2015. The deficit under the plan will rise by $500E9 for the 2017 budget year that starts October 1, 2016. The budget has a $400E9 unitive for “clean” transportation projects, a 0.07 % fee on large-banks that will bring in $10.0E9/yr, reduce deductions by
the wealthy of some $646E9 over a decade, cigarette tax will be raised $1/pack, and will charge
the wealthy a 3.8% Obama care tax surcharge. The upper income earners will be put in a 30% tax bracket.

Ref: The San Diego U-T 2-10-16 pp. A4

Obama wants oil companies to pay a $10/bbl fee to help fund investments in “clean” transportation that
would generate some $20E9/yr. Congress Republicans are opposed to the measure.

Ref: The San Diego U-T 2-5-16 pp. A5

7.0 Airport and Global Space Issues

7.1 Airports

7.1.1 Planes

Boeing will cut production of 737 jetliners and 747-8's a freight plane until retirement of old
planes pulls up in 2019. They will also cut 777's in 2017 as they switch to the 777 X due out by 2020.
Their 4th-Q-2015 profit was 1.03E9, but fell from 1.47E9 in 4th-Q-2014.

Ref: The San Diego U-T 1-28-15 pp. C4

7.1.4 Air Freight

The International Air Transport Association wants airlines to prepare for a surge in air freight
volumes caused by weight requirements for containers on vessels in July 2016. The new Verified Gross
Mass regulation approved by the IMO in the Safety of Life at Sea convention will be enforced worldwide
on July 1, 2016. Containers being turned away at ports could be sent to air cargo to keep supply chains
moving. Global logistics says there could be problems with communications.


7.1.6 U.S.

SDIA passenger numbers reached 20,081,258 in 2015, a 7% increase over 2014. LAX had
74.5E6 passengers in 2015, a 5.6% increase over 2014. In 2015 34E6 people visited San Diego, a 1.2% increase
International air travel was some 700E3 up 4% from 2014 and up 11.3% from 2013, mostly
from Mexico, but Japan and London passengers are growing. Canadian travelers are coming on line with
British Airways and they will move from Boeing 777s to 747s with 300-seats. In the future SDIA wants
flights to Paris, Amsterdam, Frankfurt, and Munich in 2-5-years. They also want more flights to
Washington D.C., NYC, and Latin America.

Ref: The San Diego U-T 1-29-16 pp. C3

The national air traffic control system may be privatized and 38E3 government workers moved from the
FAA to a nonprofit corporation.

Ref: The San Diego U-T 2-4-16 pp. C3

7.2 Global Space

7.2.5 Comets and Asteroids
A 100-ft wide asteroid seen last in 2013, designated 2013 TX68 will pass by Earth in March 2016 as close as 11E3-mi, or 5 % the distance from the moon to Earth. In its last approach to Earth in 2013 it was visible for three days.

Ref: The San Diego U-T 2-7-16 pp. A3

7.2.6 Deep Space

The California Institute of Technology says there may be another planet beyond Pluto with its closest orbit to the Sun of 20E9-mi and farthest of 100E9-mi. Pluto is 4.6E9-mi away from the Sun at its farthest point.

Ref: The San Diego U-T 1-21-16 pp. A3

8.0 Border and Culture Issues

8.1 Border

8.1.2 Ports of Entry

As of January 11, 2016 Canada’s Border Service agency will require trucking companies to meet Canada’s new electronic filing requirements before arrival at the border or face monetary penalties. Canada will require electronic filings of one hour before arrival for trucks and two hours for rail shipments. The eManifest Program is the heart of Canada’s Advanced Commercial Information initiative, similar to the U.S. Automated Commercial Environment initiative. Electronic manifests are required at every crossing point on the 5,525-mi U.S-Canadian border and millions of eManifests are expected each year. In 2014, 5.8E6 trucks crossed the U.S.-Canadian border, carrying 53.8 % of the $658.2E9 of freight shipped to and from Canada in 2014 and 65.6 % of the U.S. exports to Canada are moved by truck. Ocean shipping lines have had to submit electronic manifests 24-hours before arriving at Canadian ports since 2004 and air cargo operators since 2006. Electronic filing for freight forwarders isn’t mandatory yet, but CBSA is working on it. Canada’s shippers importing goods will also be covered in the future. Electronic manifests became mandatory for truckers and Railroads in July 2015, but without fines for non-compliance. Fines can be as much as $10.0E3/shipment and more if repeated.


8.2 Culture

Cu Ruar—Great-Grandfathers Turtle weighing in at 360-lbs died of natural causes in Hanoi’s Central Lake. It was a symbol of Vietnamese independence and longevity. In the 15th-century a legend says a nationalistic hero borrowed a magic sword—made from a dragon king, and fought with it to drive out the Chinese and returned it to the turtle in Hoan Kiem Lake. She was one of the last of the Yangtze River giant softshell turtle species, Rafetus Swinhoei with only 3 known remaining.

Ref: The San Diego U-T 1-24-16 pp. A21

John G Wotzka 720 4th Ave San Diego, CA 92101, Ph. 619-446-7690, johnwotzka@gmail.com
2016 STATE CAP-AND-TRADE TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM: PROPOSED PROJECT SUBMITTALS

Transportation Committee
February 19, 2016

TIRCP

• Transformative capital improvements that modernize California’s rail and transit system

• Objectives:
  – Reduce GHG emissions
  – Expand/improve rail service
  – Integrate rail services
  – Improve safety

• Minimum of $440 million available statewide
The Transportation Committee is asked to recommend that the Board of Directors approve the submittal of the proposed applications for the State Transit and Intercity Rail Capital Program as shown in Attachment 1.
National Q1 2016
“Best of a sluggish global economy”

U.S. GDP grew at 1.8 percent in 2015, expected to grow at 2.1 percent during 2016

<table>
<thead>
<tr>
<th>National Q1 2016</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Home Sales</strong></td>
<td><strong>GDP Growth</strong></td>
</tr>
<tr>
<td>7.7% ↑ YoY Dec 2014-Dec 2015</td>
<td>1.8% ↓ 0.6% Dec 2014-Dec 2015</td>
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<tr>
<td><strong>Gas Price per Gal</strong></td>
<td><strong>Unemployment</strong></td>
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<tr>
<td>$1.82 ↓ 11.5% Jan 2015-Jan 2016</td>
<td>5.0% ↓ 0.8% Dec 2014-Dec 2015</td>
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</table>

San Diego Q1 2016
“Continued progress”

San Diego’s economy continues to improve despite economic headwinds

<table>
<thead>
<tr>
<th>San Diego Q1 2016</th>
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<tbody>
<tr>
<td><strong>Job Growth</strong></td>
<td><strong>Innovation Sector</strong></td>
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<tr>
<td>3.5% ↑ YoY Dec 2014-Dec 2015</td>
<td>7.4% ↑ YoY Dec 2014-Dec 2015</td>
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<tr>
<td><strong>Gas Price per Gal</strong></td>
<td><strong>Unemployment</strong></td>
</tr>
<tr>
<td>$2.63 ↓ 0.0% Jan 2015-Jan 2016</td>
<td>4.7% ↓ 0.3% Dec 2014-Dec 2015</td>
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</table>
San Diego 2015
“SD leads the US in recovery”

Job creation since recession 2010 - 2015
“Nearly 38,000 jobs added in 2015”

<table>
<thead>
<tr>
<th>Industry</th>
<th>Average Weekly Wage</th>
<th>Median Wage</th>
<th>Median Wage as % of Total</th>
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<tbody>
<tr>
<td>Information</td>
<td>$1608</td>
<td>$1,083</td>
<td>67% of Jobs</td>
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<tr>
<td>Professional and business services</td>
<td>$1603</td>
<td>$1,083</td>
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<tr>
<td>Manufacturing</td>
<td>$1601</td>
<td>$1,083</td>
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<td>Financial activities</td>
<td>$1351</td>
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<tr>
<td>Construction</td>
<td>$1,103</td>
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<tr>
<td>Education and health services</td>
<td>$900</td>
<td></td>
<td></td>
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<tr>
<td>Trade, transportation, and utilities</td>
<td>$823</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leisure and hospitality</td>
<td>$462</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
San Diego Sales Tax Forecast

“Tempered growth in 2016”

- San Diego employment growth continues to outpace state and nation
- San Diego unemployment rate remains below 5.0 percent
- Housing market continues to grow at a healthy pace
- Automotive sales remain strong
- Primary model driver from State Board of Equalization revised forecast from 6.1 percent to 3.5 percent.
- Low gas prices reduce sales tax revenue
- Consumer spending slowing
- Strong dollar makes U.S. goods more expensive to foreigners

San Diego Region Total Taxable Sales

Taxable retail sales

Percentage change taxable retail sales
Item 7
FY 2016 TransNet Revenues Revision and FY 2017 to FY 2021 TransNet and Transit Related Revenues

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

1. approve a revision to the FY 2016 TransNet Revenues; and

2. approve the FY 2017 to FY 2021 estimates and apportionments for the Transportation Development Act, Federal Transit Administration, and TransNet.