

## Board Members

Ron Roberts, Chair  
*Chair, County of San Diego*

Terry Sinnott, First Vice Chair  
*Deputy Mayor, Del Mar*

Matt Hall  
*Mayor, Carlsbad*

Mary Salas  
*Mayor, Chula Vista*

Carrie Downey  
*Councilmember, Coronado*

Bill Wells  
*Mayor, El Cajon*

Lisa Shaffer  
*Deputy Mayor, Encinitas*

Sam Abed  
*Mayor, Escondido*

Serge Dedina  
*Mayor, Imperial Beach*

Kristine Alessio  
*Councilmember, La Mesa*

Mary Teresa Sessom  
*Mayor, Lemon Grove*

Ron Morrison  
*Mayor, National City*

Jim Wood  
*Mayor, Oceanside*

Steve Vaus  
*Mayor, Poway*

Kevin Faulconer  
*Mayor, City of San Diego*

Todd Gloria  
*Councilmember, City of San Diego*

Jack Dale  
*Councilmember, Santee*

Jim Desmond  
*Mayor, San Marcos*

Lesia Heebner  
*Councilmember, Solana Beach*

Judy Ritter  
*Mayor, Vista*

Dianne Jacob  
*Vice Chair, County of San Diego*

## Advisory Members

Hon. John Renison  
*Supervisor, District 1  
Imperial County*

Malcolm Dougherty, *Director  
California Department  
of Transportation*

Harry Mathis, *Chair  
Metropolitan Transit System*

Mark Packard, *Chair  
North County Transit District*

CAPT John J. Adametz, CEC, USN, CO,  
Naval Facilities Engineering Command  
Southwest  
**U.S. Department of Defense**

Garry Bonelli, *Commissioner  
San Diego Unified Port District*

Mark Muir, *Vice Chair  
San Diego County Water Authority*

Allen Lawson, *Chairman  
Southern California Tribal  
Chairmen's Association*

Remedios Gómez-Arnau  
*Consul General of Mexico*

Gary L. Gallegos  
*Executive Director, SANDAG*



# BOARD OF DIRECTORS AGENDA

Friday, July 8, 2016  
10 a.m. to 12 noon  
SANDAG Board Room  
401 B Street, 7th Floor  
San Diego

## AGENDA HIGHLIGHTS

**SECOND READING AND ADOPTION OF RESOLUTION:  
REGIONAL TRANSPORTATION COMMISSION ORDINANCE  
NO. RTC-CO-2017-01: THE SAN DIEGO COUNTY ROAD  
REPAIR, TRANSIT, TRAFFIC RELIEF, SAFETY, AND WATER  
QUALITY ORDINANCE AND EXPENDITURE PLAN  
PROVIDING FOR THE IMPOSITION OF A ONE-HALF OF ONE  
CENT RETAIL TRANSACTIONS AND USE TAX FOR A FORTY-  
YEAR PERIOD COMMENCING ON APRIL 1, 2017**

**PLEASE SILENCE ALL ELECTRONIC DEVICES DURING THE MEETING**

**YOU CAN LISTEN TO THE BOARD OF DIRECTORS  
MEETING BY VISITING OUR WEBSITE AT SANDAG.ORG**

### MESSAGE FROM THE CLERK

In compliance with Government Code §54952.3, the Clerk hereby announces that the compensation for legislative body members attending the following simultaneous or serial meetings is: Executive Committee (EC) \$100, Board of Directors (BOD) \$150, and Regional Transportation Commission (RTC) \$100. Compensation rates for the EC and BOD are set pursuant to the SANDAG Bylaws and the compensation rate for the RTC is set pursuant to state law.

### MISSION STATEMENT

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

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



Welcome to SANDAG. Members of the public may speak to the Board of Directors on any item at the time the Board is considering the item. Please complete a Speaker's Slip, which is located in the rear of the room, and then present the slip to the Clerk of the Board seated at the front table. Members of the public may address the Board on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Public speakers are limited to three minutes or less per person. The Board of Directors may take action on any item appearing on the agenda.

Public comments regarding the agenda can be sent to SANDAG via [comment@sandag.org](mailto:comment@sandag.org). Please include the agenda item, your name, and your organization. Email comments should be received no later than 12 noon, two working days prior to the Board of Directors meeting. **Any handouts, presentations, or other materials from the public intended for distribution at the Board of Directors meeting should be received by the Clerk of the Board no later than 12 noon, two working days prior to the meeting.**

In order to keep the public informed in an efficient manner and facilitate public participation, SANDAG also provides access to all agenda and meeting materials online at [www.sandag.org/meetings](http://www.sandag.org/meetings). Additionally, interested persons can sign up for e-notifications via our e-distribution list at either the SANDAG website or by sending an email request to [webmaster@sandag.org](mailto:webmaster@sandag.org).

SANDAG operates its programs without regard to race, color, and national origin in compliance with Title VI of the Civil Rights Act. SANDAG has developed procedures for investigating and tracking Title VI complaints and the procedures for filing a complaint are available to the public upon request. Questions concerning SANDAG nondiscrimination obligations or complaint procedures should be directed to SANDAG General Counsel, John Kirk, at (619) 699-1997 or [john.kirk@sandag.org](mailto:john.kirk@sandag.org). Any person who believes himself or herself or any specific class of persons to be subjected to discrimination prohibited by Title VI also may file a written complaint with the Federal Transit Administration.

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

SANDAG agenda materials can be made available in alternative languages. To make a request call (619) 699-1900 at least 72 hours in advance of the meeting.

Los materiales de la agenda de SANDAG están disponibles en otros idiomas. Para hacer una solicitud, llame al (619) 699-1900 al menos 72 horas antes de la reunión.

如有需要, 我们可以把SANDAG议程材料翻译成其他語言.

请在会议前至少 72 小时打电话 (619) 699-1900 提出请求.

**SANDAG offices are accessible by public transit. Phone 511 or see [511sd.com](http://511sd.com) for route information. Bicycle parking is available in the parking garage of the SANDAG offices.**



# BOARD OF DIRECTORS

Friday, July 8, 2016

## ITEM NO.

## RECOMMENDATION

1. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG that is not on this agenda. Other public comments will be heard during the items under the heading "Reports." Anyone desiring to speak shall reserve time by completing a "Request to Speak" form and giving it to the Clerk of the Board prior to speaking. Public speakers should notify the Clerk of the Board if they have a handout for distribution to Board members. Public speakers are limited to three minutes or less per person. Board members also may provide information and announcements under this agenda item.

### CONSENT

+2. APPROVAL OF PROPOSED CONTRACT (Laura Coté)

APPROVE

The Board of Directors is asked to authorize the Executive Director to execute a contract award for Segment 2 of the South Bay *Rapid* Project.

### REPORTS

+3. SECOND READING AND ADOPTION OF RESOLUTION: REGIONAL TRANSPORTATION COMMISSION ORDINANCE NO. RTC-CO-2017-01: THE SAN DIEGO COUNTY ROAD REPAIR, TRANSIT, TRAFFIC RELIEF, SAFETY, AND WATER QUALITY ORDINANCE AND EXPENDITURE PLAN PROVIDING FOR THE IMPOSITION OF A ONE-HALF OF ONE CENT RETAIL TRANSACTIONS AND USE TAX FOR A FORTY-YEAR PERIOD COMMENCING ON APRIL 1, 2017 (Rob Rundle, Julie Wiley)\*

SECOND READING AND ADOPTION OF RESOLUTION, ORDINANCE, EXPENDITURE PLAN, AND BALLOT LANGUAGE

The Board of Directors is asked to: (1) conduct the second reading of the Regional Transportation Commission (RTC) Ordinance No. RTC-CO-2017-01 by reading the title of the Ordinance; and (2) adopt RTC Resolution No. RTC-2017-01 in order to: approve the language for the Ordinance and Expenditure Plan; approve the language for use in the ballot concerning the Ordinance; authorize submission of the specified Ordinance and ballot language to the County of San Diego (County) for inclusion on the ballot for the November 8, 2016, election; provide direction to the County on various matters, including SANDAG's commitment to provide payment to the County for costs of placing the Ordinance on the ballot; and make findings relating to the Ordinance and Expenditure Plan's exemption from the California Environmental Quality Act.

+4. CLOSED SESSION: CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8 (Chip Willett, Bender Rosenthal; Brad Kuhn, Nossaman; Ryan Kohut)

The Board of Directors will be briefed by the SANDAG real property negotiation team on the status of negotiations with the Regency Centers, L.P. regarding the price and terms of payment of a potential settlement to acquire real property at 8610 Genesee Avenue and 4282 Esplanade Court, San Diego, California (Assessor Parcel Nos. 345-210-13 and 345-210-14), for use by SANDAG to construct the Mid-Coast Corridor Transit Project.

**5. 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.

**6. UPCOMING MEETINGS**

**INFORMATION**

The next Board Business meeting is scheduled for Friday, July 22, 2016, at 9 a.m.

**7. ADJOURNMENT**

+ next to an agenda item indicates an attachment

\* next to an agenda item indicates that the Board of Directors also is acting as the San Diego County Regional Transportation Commission for that item



**BOARD OF DIRECTORS  
JULY 8, 2016**

**ACTION REQUESTED - APPROVE**

**APPROVAL OF PROPOSED CONTRACT**

File Number 8000100

**Introduction**

Pursuant to Board direction, construction and professional services awards associated with an original solicitation valued at \$5 million or more require approval by the Board of Directors.

**Discussion**

In February 2016, SANDAG conducted an invitation for bids for Segment 2 of the South Bay *Rapid* Project. Segment 2 includes construction of a dedicated Bus Rapid Transit (BRT) guideway within the existing median of East Palomar Street, from Olympic Parkway to Magdalena Avenue, and in dedicated right-of-way from Magdalena Avenue over State Route 125 (SR 125) and around Otay Ranch Town Center Mall to Birch Road in Chula Vista.

As required by federal provisions, an engineer's estimate was prepared by SANDAG prior to the solicitation, resulting in an estimated amount of \$18.04 million.

Eight bids were received; the lowest bidder was Flatiron West, Inc. (Flatiron). A summary of bids is included as Attachment 1. Approval of a contract award to Flatiron is recommended, with a term of 415 working days and a contract amount of \$19.87 million. The 10 percent difference between the engineer's estimate and the lowest bid is attributed to the increased cost for earthwork, retaining wall construction, and bridge construction due to the limited space available to construct these facilities between the existing multifamily properties between Magdalena Avenue and SR 125. Additionally, costs for the BRT station communication, lighting, and electrical systems were higher due to the complexity of constructing these systems at the stations.

This procurement was the subject of a protest and subsequent Writ Petition in San Diego Superior Court by the second low bidder, West Coast General Corporation/Myers and Sons, JV, alleging that Flatiron and another bidder had common financial interests and should thus be precluded from bidding. On July 1, 2016, the Court entered a ruling in SANDAG's favor on that issue and specifically allowing the contract award to proceed.

**Recommendation**

The Board of Directors is asked to authorize the Executive Director to execute a contract award for Segment 2 of the South Bay *Rapid* Project, as detailed herein.

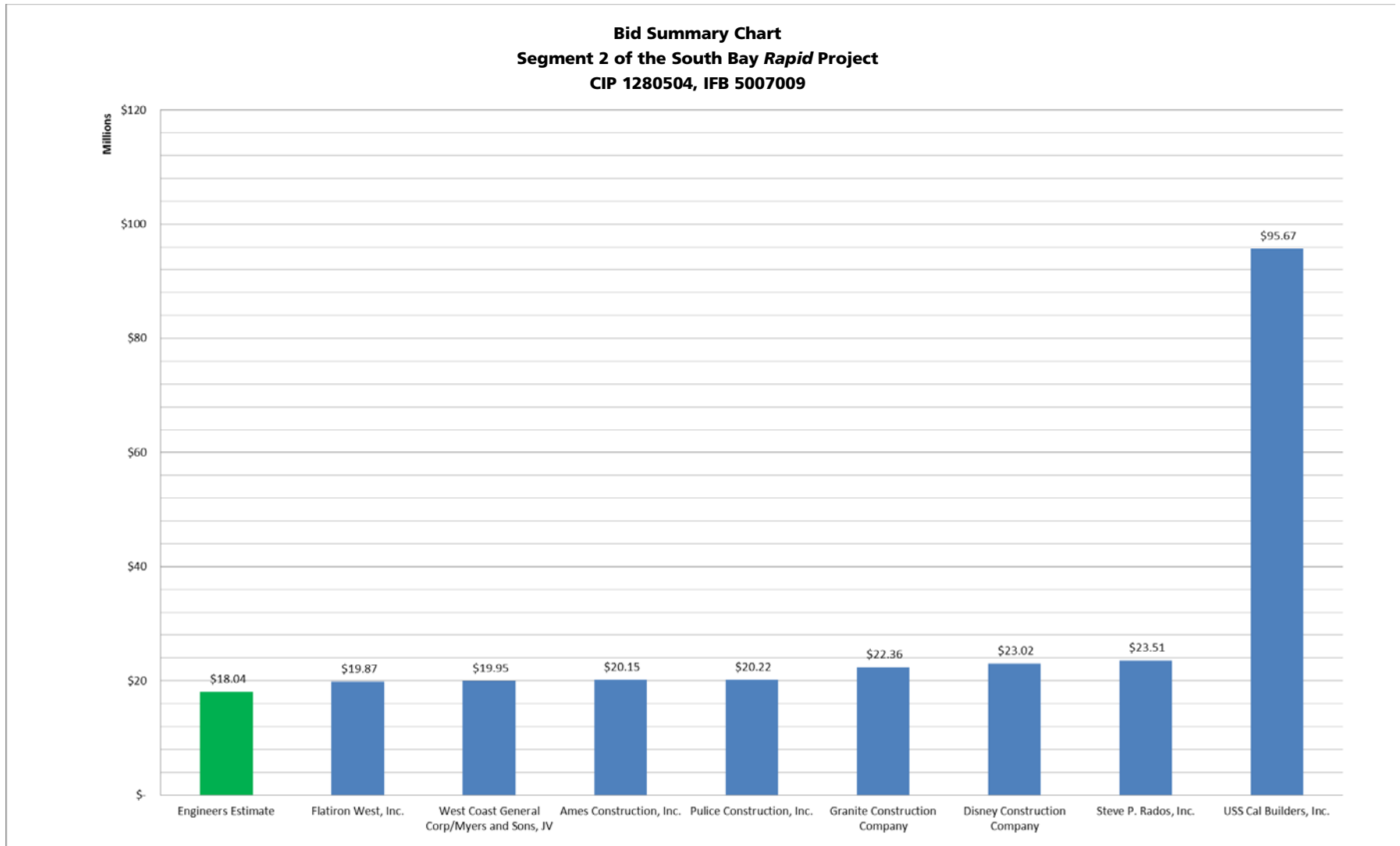
The FY 2017 Program Budget includes funding for this proposed contract in Capital Improvement Project No. 1280504: South Bay *Rapid*. The additional funding needed to award this contract, that exceeds the Engineer's Estimate, will come from the I-805 Corridor program of projects budget.

GARY L. GALLEGOS  
Executive Director

Attachment: 1. Bid Summary Chart: Segment 2 of the South Bay *Rapid* Project

Key Staff Contact: Laura Cote, (619) 699-6947, [laura.cote@sandag.org](mailto:laura.cote@sandag.org)

Bid Summary Chart: Segment 2 of the South Bay *Rapid* Project





**BOARD OF DIRECTORS  
JULY 8, 2016**

**ACTION REQUESTED - SECOND READING AND  
ADOPTION OF RESOLUTION, ORDINANCE,  
EXPENDITURE PLAN, AND BALLOT LANGUAGE**

**SECOND READING AND ADOPTION OF RESOLUTION:                      File Number 3200000  
REGIONAL TRANSPORTATION COMMISSION ORDINANCE NO.  
RTC-CO-2017-01: THE SAN DIEGO COUNTY ROAD REPAIR, TRANSIT,  
TRAFFIC RELIEF, SAFETY, AND WATER QUALITY ORDINANCE AND  
EXPENDITURE PLAN PROVIDING FOR THE IMPOSITION OF A ONE-HALF OF  
ONE CENT RETAIL TRANSACTIONS AND USE TAX FOR A FORTY-YEAR PERIOD  
COMMENCING ON APRIL 1, 2017**

**Introduction**

At the June 24, 2016, meeting, the Board of Directors conducted the first reading of the Regional Transportation Commission (RTC) Ordinance No. RTC-CO-2017-01 (Attachment 1A). At that meeting, the Board discussed the ballot language and final changes to the Ordinance. After the discussion, the Board voted to waive the first reading and all future readings of the ordinance.

**Discussion**

*Ordinance Changes*

Prior to conducting the first reading, the Board of Directors made changes to various sections of the Ordinance. These changes include:

Section 22(C): This new subsection adds an obligation for SANDAG to hire a skilled and trained workforce for the construction of the projects listed in Section 7 (Regional Corridors Program).

Section 22(D): This new subsection adds a requirement that SANDAG shall use its best efforts to take actions within its control to complete the projects in Section 14 (Priority Corridors Program) within 15 years.

**Recommendation**

The Board of Directors is asked to: (1) conduct the second reading of the Regional Transportation Commission (RTC) Ordinance No. RTC-CO-2017-01 (Attachment 1A), by reading the title of the Ordinance; and (2) adopt RTC Resolution No. RTC-2017-01 (Attachment 1), in substantially the same form as attached in order to: approve the language for the Ordinance and Expenditure Plan; approve the language for use in the ballot concerning the Ordinance (Attachment 1B); authorize submission of the specified Ordinance and ballot language to the County of San Diego (County) for inclusion on the ballot for the November 8, 2016, election; provide direction to the County on various matters, including SANDAG's commitment to provide payment to the County for costs of placing the Ordinance on the ballot; and make findings relating to the Ordinance and Expenditure Plan's exemption from the California Environmental Quality Act (Attachment 1C).



Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee (ITOC): Section II(A) of this attachment to the Ordinance was modified to add two new seats to the ITOC. One seat was added for a person in public policy advocacy related to greenhouse gas emissions reductions, climate action plans, transit, or active transportation; and one seat was added for a representative of organized labor.

### *Ballot Language Changes*

At the June 24, 2016, Board of Directors meeting, further refinements to the ballot language were discussed. The Board agreed with the wording modifications that were presented by staff based on Board member comments at the June 10, 2016, meeting. Attachment 1B shows the final version of the language.

### *Second Reading of the Ordinance and Resolution*

The enabling legislation that gives SANDAG, serving as the San Diego County Regional Transportation Commission (RTC), the authority to place a tax measure on the ballot, requires that a retail transactions and use tax ordinance be approved by the RTC and then submitted to the County of San Diego. The Ordinance must include the tax rate being imposed, the purposes for which the funds will be used, and the term during which the tax will be imposed. The Ordinance also must contain an expenditure plan, including the allocation of revenues for the purposes authorized by law. The attached Ordinance and Expenditure Plan meet all of these requirements.

After reading the title of the Ordinance, the Board of Directors will be asked to adopt RTC Resolution No. RTC-2017-01. California Elections Code Section 10403 states that SANDAG is to file with the Board of Supervisors, with a copy to the elections official, a resolution of its governing board that:

- (1) Requests that the district, city, or other political subdivision election be consolidated with the statewide election.
- (2) Sets forth the exact form of the question, proposition, or office to be voted upon at the election, as it is to appear on the ballot. The question or proposition to appear on the ballot shall conform to this code governing the wording of propositions submitted to the voters at a statewide election.
- (3) Acknowledges that the consolidated election will be held and conducted in the manner prescribed in Elections Code Section 10418.

### **Next Steps**

Pending action by the Board of Directors, the adopted resolution, including the Ordinance, Expenditure Plan, and ballot language would be submitted to the County of San Diego Board of Supervisors and Registrar's office prior to the August 12, 2016, deadline.

GARY L. GALLEGOS  
Executive Director

Attachments: 1. RTC Resolution No. RTC-2017-01  
1A. Ordinance and Expenditure Plan  
1B. Ballot Measure Language  
1C. California Environmental Quality Act Notice of Exemption

Key Staff Contact: Rob Rundle, (619) 699-6949, [rob.rundle@sandag.org](mailto:rob.rundle@sandag.org)  
Julie Wiley, (619) 699-6966, [julie.wiley@sandag.org](mailto:julie.wiley@sandag.org)



401 B Street, Suite 800  
 San Diego, CA 92101  
 Phone (619) 699-1900  
 Fax (619) 699-1905  
[www.sandag.org](http://www.sandag.org)

## **RESOLUTION NO. RTC-2017-01**

### **A RESOLUTION OF THE SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION CONCERNING THE SAN DIEGO COUNTY ROAD REPAIR, TRANSIT, TRAFFIC RELIEF, SAFETY, AND WATER QUALITY ORDINANCE AND EXPENDITURE PLAN**

WHEREAS, it has been proposed that the San Diego County Regional Transportation Commission (Commission) adopt Resolution No. RTC-2017-01, concerning the San Diego County Road Repair, Transit, Traffic Relief, Safety, and Water Quality Ordinance and Expenditure Plan, hereinafter referred to as the "Ordinance and Expenditure Plan;" and

WHEREAS, the San Diego Association of Governments (SANDAG) Board of Directors, pursuant to its authority to act as the Commission, proposes to submit the Ordinance and Expenditure Plan to the voters, which would, among other things, authorize the imposition of a retail transactions and use tax (tax) for a period of 40 years at a rate of one-half of one-cent to provide funding for transportation and other improvements in the incorporated and unincorporated territory of the County of San Diego, if approved by a two-thirds majority or more of the voters at an election scheduled for November 8, 2016; and

WHEREAS, revenues generated from the tax would be allocated solely as described in the Ordinance and Expenditure Plan. Potential uses of the revenues generally would include but not be limited to repairing roads and deteriorating bridges and improving critical infrastructure; relieving freeway congestion; providing each local government with funds to repair potholes and streets and to protect waterways and beaches from polluted runoff; expanding transit service for all persons in the County of San Diego, including seniors, people with disabilities, students, and veterans; preserving open space and better protecting water quality and reducing risk of wildfires; and enhancing the transportation network countywide; and

WHEREAS, in 1987, San Diego County voters approved *TransNet* – a regional half cent retail transactions and use tax collected for a period of 20 years to finance transportation improvements; and

WHEREAS, in November 2004, voters approved the extension of *TransNet* to 2048, known as the *TransNet* Extension, and Section 10 of the attachment to the *TransNet* Extension entitled "*TransNet* Extension Environmental Mitigation Program (EMP) Principles," which was last amended in March 2012, commits SANDAG to act on an additional regional funding measure (a ballot measure and/or other secure funding commitments) to meet the long-term requirements for implementing habitat conservation plans in the San Diego region, within the timeframe necessary to allow a ballot measure to be considered by the voters no later than 12 years after passage of the *TransNet* Extension; and

WHEREAS, Senate Bill 1685 of 2008 (Public Utilities Code Section 13230 et seq.) expanded the uses for which revenues from an additional regional funding measure could be used; and

WHEREAS, the Ordinance and Expenditure Plan will be placed on the countywide ballot in November 2016, and is intended to meet the aforementioned commitment by SANDAG in the *TransNet* Extension; and

WHEREAS, habitat and open space preservation are important to the San Diego region and an integral component of the Regional Plan, SANDAG shall continue to seek a funding source to meet the long-term requirements for implementing habitat conservation plans in the San Diego region; and

WHEREAS, SANDAG adopted the Regional Plan in 2015, which is the long-range Regional Transportation Plan (RTP) and Sustainable Communities Strategy for the San Diego region required by Section 65080 of the Government Code to be prepared by SANDAG as the designated Regional Transportation Planning Agency; and

WHEREAS, the Regional Plan also includes the Regional Comprehensive Plan, which integrates land use, transportation systems, infrastructure needs, and public investment strategies within a regional framework to be prepared by SANDAG as required by Section 132360 of the Public Utilities Code; and

WHEREAS, the Regional Plan specifically contemplates an additional local revenue source that this Ordinance and Expenditure Plan would satisfy as one of the funding mechanisms necessary to implement the programs and improvements proposed in the Regional Plan; and

WHEREAS, the Regional Plan also specifically contemplates continued contributions from the general funds or other funds of local governments to provide a significant share of the funding for regional transportation improvements and related local improvements; and

WHEREAS, the proposed Ordinance and Expenditure Plan contains a list of specific transportation improvement projects, and regional and local programs that will be funded in whole or in part by the tax revenues, and all such projects are consistent with the Regional Plan; and

WHEREAS, the revenues would be used in a manner consistent with Public Utilities Code Section 132320, the long-range Regional Plan and the short-range, multi-year Regional Transportation Improvement Program, and for the administration of the San Diego County Regional Transportation Commission Act commencing with Public Utilities Code Section 132000; and

WHEREAS, under California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4), the Ordinance and Expenditure Plan is not a "project" subject to the requirements of CEQA because it solely creates a funding mechanism and does not constitute a binding commitment to approve, fund, implement, or construct (collectively "approve") any specific project set forth in the Ordinance and Expenditure Plan; and

WHEREAS, individual projects included in the Ordinance and Expenditure Plan will not be approved until completion of any required environmental review under CEQA and/or the National Environmental Policy Act (NEPA). Adoption of this Ordinance and Expenditure Plan would not

preclude the consideration of feasible alternatives, including the no-project alternative, and mitigation measures; and

WHEREAS, the Ordinance, with its attachments, has been read two times at SANDAG Board of Directors meetings held on June 24, 2016, and July 8, 2016, in accordance with SANDAG Board Policies, and is attached hereto as Attachment 1A.

WHEREAS, the ballot measure language to appear on the ballot for the Ordinance and Expenditure Plan (Ballot Measure Language) has been reviewed by the Board of Directors and is attached hereto as Attachment 1B;

NOW THEREFORE BE IT RESOLVED that the SANDAG Board of Directors, also acting as the San Diego County Regional Transportation Commission, does hereby resolve as follows:

1. The Ordinance and all of its attachments, including but not limited to the Expenditure Plan, are hereby approved for inclusion in the consolidated election within the County of San Diego scheduled for November 8, 2016.
2. The Ballot Measure Language is hereby approved for use in the consolidated election within the County of San Diego scheduled for November 8, 2016.
3. The SANDAG Board of Directors finds that under CEQA (Public Resources Code, Section 21065), the CEQA Guidelines (14 California Code of Regulations, Section 15378 (b)(4)), and related case law, adoption of the Ordinance and the Expenditure Plan is not approval of a "project" subject to CEQA because it solely creates a government funding mechanism and does not constitute a binding commitment to approve, fund, implement, or construct (collectively "approve") any specific project set forth in the Ordinance and Expenditure Plan. The Ordinance and Expenditure Plan gives only a brief, general description of the individual projects included. Individual projects would not be approved until completion of any required environmental review under CEQA and/or NEPA. Adoption of this Ordinance and Expenditure Plan would not preclude the consideration of feasible alternatives, including the no-project alternative, and mitigation measures. The list of projects included in the Ordinance and the Expenditure Plan is not fixed, and is subject to amendment. Moreover, the implementation of many projects included in the Ordinance and Expenditure Plan is contingent upon receipt of substantial matching contributions from other funding sources; therefore, inclusion of these projects in the Expenditure Plan does not assure they will be implemented. Reference: Ordinance and Expenditure Plan Sections 3(F), 14(F), 22(E), 24.
4. The primary purpose of the proposed Ordinance and Expenditure Plan is to provide funding for regional and local improvement projects and programs planned or proposed in the Regional Plan. The Board of Directors recognizes, however, that an additional purpose is to create a long-term funding mechanism for regional and local infrastructure improvements and programs that will extend past the planning horizon of the Regional Plan and that may be used to fund future projects that are not currently proposed or planned in the Regional Plan. In addition, it is understood that proposed projects or programs contemplated in the Regional Plan could in the future be changed or modified prior to completion on the basis of new information, changes in circumstances, or other presently unforeseen causes. The Ordinance and Expenditure Plan also is intended to provide, in part, for the distribution of some

funds to local jurisdictions to fund local street and road maintenance, repairs and improvements, and other local projects undertaken directly by local governments that are consistent with the Regional Plan (or any successor RTP), but may not be directly proposed or planned in the Regional Plan. To the extent that the Ordinance and Expenditure Plan creates a funding mechanism for such future regional or local improvement projects or programs that are not currently proposed in the Regional Plan, the adoption of the Ordinance and Expenditure Plan does not constitute a project within the meaning of CEQA as provided in CEQA Guidelines §15378(b)(4). Further, as a practical matter, the actual nature of these future projects or programs and their potential environmental effects, mitigation measures, and alternatives cannot presently be determined with sufficient certainty to permit meaningful environmental review at this time. In the event that the Ordinance and Expenditure Plan, or the Regional Plan or any successor RTP, are amended to add additional transportation improvement projects or programs that may be funded in whole or in part with revenue from the Ordinance and Expenditure Plan, any required CEQA review of the potential environmental effects, mitigation measures, alternatives, and other information required by CEQA will be conducted for each such project in connection with the future adoption or amendment of the Regional Plan and/or prior to actual implementation of each such additional transportation improvement project or program. With respect to any local project or program funded through the Ordinance and Expenditure Plan, the local government responsible for carrying out the project shall be responsible for conducting any environmental review required by CEQA or NEPA prior to implementation of the project or program.

5. The SANDAG Board of Directors finds and directs that:

- a. The Ordinance and Expenditure Plan meet the statutory requirements, including those in Public Utilities Code Sections 132300 et seq. and 132632 for placement of the measure on the ballot, have been met.
- b. SANDAG will submit this Resolution, the Ordinance and Expenditure Plan, Ballot Measure Language, and all necessary information to the County of San Diego requesting that the Board of Supervisors thereby direct the County of San Diego's elections officer to render services relating to the election and placing the Ordinance and Expenditure Plan on the November 8, 2016, ballot.
- c. SANDAG shall deposit with the Registrar, at least 60 days in advance of the election, the amount of funds necessary to meet the Registrar of Voter's estimate of the Commission's share of the elections costs.
- d. SANDAG shall reimburse the County of San Diego in full for the services performed in response to this Resolution that are permitted by law upon presentation of a final invoice by the County of San Diego.
- e. SANDAG shall indemnify and hold harmless the County of San Diego, its officers, agents, and employees from expense of liability, including reasonable attorneys' fees, as the result of an election contest arising after conduct of an election.
- f. Pursuant to Public Resources Code §21081 and CEQA Guidelines §15091, the Ordinance and Expenditure Plan is exempt from CEQA. A true copy of the Notice of Exemption

(NOE) is attached hereto as Attachment 1C and incorporated fully herein by this reference. The NOE shall be filed with the San Diego County Clerk and the Governor's Office of Planning and Research following adoption of this Resolution.

6. The SANDAG Board of Directors requests that the County of San Diego and its elections officer do the following:
  - a. That the election concerning the Ordinance and Expenditure Plan be consolidated with the statewide election.
  - b. That the Ordinance and Expenditure Plan (Attachment 1A) and Ballot Measure Language (Attachment 1B) be used as the exact form of the proposition to be voted upon at the election, as it is to appear on the ballot. The Ballot Measure Language conforms to the requirements of the Elections Code governing the wording of propositions submitted to the voters at a statewide election.
  - c. That the consolidated election be held on November 8, 2016, and conducted in the manner prescribed in Elections Code Section 10418.
  - d. That the County of San Diego assign proposition letter "A" to the Ballot Measure Language.

PASSED AND ADOPTED this 8th of July 2016.

AYES:

NOES:

ABSENT:

---

Chair of the Board of Directors  
of the San Diego County Regional  
Transportation Commission

[Seal]

Attest:

---

Secretary of the Board of Directors of the  
San Diego County Regional Transportation  
Commission

## ORDINANCE AND EXPENDITURE PLAN

Regional Transportation Commission Ordinance No. RTC-CO-2017-01

Imposing a Transactions and Use Tax to be Administered by the State Board of Equalization

The People of San Diego County ordain as follows:

SECTION 1. TITLE: This ordinance shall be known and may be cited as the San Diego County Road Repair, Transit, Traffic Relief, Safety and Water Quality Ordinance and Expenditure Plan (Regional Transportation Commission Ordinance No. RTC-CO-2017-01), hereinafter referred to as the Ordinance or the Infrastructure Program. This Ordinance shall be applicable in the incorporated and unincorporated territory of the County of San Diego, which shall be referred to herein as "District."

SECTION 2. ELIGIBLE USES: The revenues received by the San Diego County Regional Transportation Commission (Commission) from this Ordinance, after deduction of required Board of Equalization costs for performing the functions specified in Section 132304(b) of the Public Utilities Code, shall be used to repair roads and deteriorating bridges and improve critical infrastructure; relieve freeway congestion; provide each community with funds to repair potholes and streets and to protect waterways and beaches from polluted runoff; to expand and improve transit services for all persons in the County, including seniors, people with disabilities, students and veterans; to preserve open space and better protect water quality and reduce the risk of wildfires; and to enhance the transportation network countywide as set forth in the Expenditure Plan. The revenues will be used in a manner consistent with Public Utilities Code Section 132320, the long-range Regional Plan and the short-range, multi-year Regional Transportation Improvement Program (RTIP), and for the administration of the San Diego County Regional Transportation Commission Act (hereinafter referred to as the "Act") commencing with Public Utilities Code Section 132000. Together these uses shall be known as Eligible Uses.

### SECTION 3. EXPENDITURE PLAN:

A. This Ordinance provides for the implementation of the Expenditure Plan, and imposition and administration of a transactions and use tax. All of the gross revenues generated from the transactions and use tax, plus any interest or other earnings thereon (collectively, "Revenues"), after the deduction for amounts payable to the State Board of Equalization for the performance of functions incidental to the administration and operation of the Ordinance, shall be defined as "Program Revenues" and shall be allocated solely for the purposes described in this Ordinance.

B. Program Revenues shall be subject to deductions on a first priority basis for payments to satisfy debt service requirements of all bonds issued pursuant to the Ordinance that are not satisfied out of separate allocations.

C. The specific projects and Programs that may be funded by the Ordinance are further described in the document entitled "Expenditure Plan", which is attached to the Ordinance and hereby incorporated by reference as if fully set forth herein.



D. The Expenditure Plan shall be consistent with the Regional Plan as may be required by state or federal law.

E. Any ancillary proceeds resulting from the implementation of the Ordinance including without limitation, interest earnings on funds and sales of excess property, shall be deposited into the Program that generated the funds. Any funds allocated from Program Revenues that are not utilized in a given fiscal year shall remain available for expenditure in subsequent fiscal years.

F. Many of the projects in the Expenditure Plan also will require substantial matching contributions from other sources before they can be implemented. In the allocation of all revenues made available pursuant to this Ordinance, the Commission shall make every effort to maximize state and federal transportation funding to the region. The Commission may amend the Expenditure Plan, in accordance with Section 24, as needed to maximize funding to the San Diego region. Nothing in Section 14 of this Ordinance is intended to prohibit the Commission from determining projects in addition to those identified in the Priority Corridor Program should be implemented on a priority basis.

G. Any amendments to the Expenditure Plan shall be made in accordance with the procedures for amending this Ordinance as provided for in Section 24.

SECTION 4. IMPOSITION OF TRANSACTIONS AND USE TAX: There is hereby imposed in the District, in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, Section 132301 et seq. of the Public Utilities Code, which authorizes the Commission to adopt this tax and Ordinance, and Division 12.7 of the Public Utilities Code commencing with Code Section 132000, a new transactions and use tax at the rate of one-half of one percent (1/2%) commencing April 1, 2017, for a period of forty years, in addition to any existing or future authorized state or local transactions and use tax, which, together with the *TransNet* Extension, result in a maximum one percent tax rate to be imposed by the Commission in accordance with Section 132307(a) of the Act.

#### SECTION 5. GENERAL ADMINISTRATION:

A. Program Revenues may be expended by the Commission for general administrative services including contractual services, salaries, wages, benefits, and overhead necessary to carry out its administrative responsibilities, however, in no case shall the Program Revenues expended for those general administrative services exceed one percent (1%) of the Program Revenues.

B. Program Revenues that are net of the aggregate of the one percent (1%) administration expenses and the Independent Taxpayer Oversight Committee expenses required pursuant to Section 19 shall be referred to as "Net Revenues". The Commission shall allocate Net Revenues to fund projects and Programs as specified in the Ordinance, and shall administer the Ordinance consistent with the authority cited.

C. An annual independent audit shall be conducted through the Independent Taxpayer Oversight Committee (ITOC) to ensure that the revenues expended by the Commission under this Section are

necessary and reasonable in carrying out the Commission's responsibilities under the Act and this Ordinance.

D. The Commission shall use, to the extent possible, existing state, regional and local transportation planning and programming data and expertise, and may, as the law permits, contract with any public agency or private firm for services reasonably necessary to carry out the purposes of the Ordinance.

#### SECTION 6. LOCAL INFRASTRUCTURE PROJECTS PROGRAM:

A. A minimum of twenty-four percent (24%) of Net Revenues will be made available during the life of the Ordinance to fund implementation of the Local Infrastructure Projects Program using the formula specified in this Section, to each Local Agency to supplement other revenues available for those purposes.

B. Examples of Eligible Uses for funding in the Local Infrastructure Projects Program include, but are not limited to the following:

1. Transit: transit capital, operations and maintenance costs, including discounted youth pass programs; and offset of costs for transit oriented development projects with public improvements to incentivize developers' to construct housing near transit.
2. Habitat: acquisition, management, maintenance, and monitoring of natural habitat and open space, and other projects that implement protection and preservation programs consistent with adopted natural community conservation plans and habitat conservation plans.
3. Roads: planning, construction and maintenance of local streets and roads; traffic light synchronization projects; planning, construction and maintenance of grade separations; planning, construction and maintenance of active transportation projects such as sidewalks and bike paths; improvements to enhance accessibility to the transportation system by disabled persons; complete streets implementation.
4. Beach Sand: study, planning, design, construction, acquisition, maintenance, monitoring, and operation of beach sand replenishment projects.
5. Greenhouse Gas Reduction: preparation of Climate Action Plans (CAPs) and implementation of transportation-related greenhouse gas reduction and climate adaptation measures in CAPs; development and implementation of Transportation Demand Management projects; energy projects with a nexus to transportation such as projects in the SANDAG Plug-in Electric Vehicle Readiness Plan or the readiness plan for alternative fuels, or other energy projects that will reduce greenhouse gas emissions from transportation projects.
6. Watershed Management: preparation and implementation of watershed management plans, which can include elements such as groundwater recharge projects, flood control and sea level rise projects, planning for urbanization and impervious surfaces, and removal of invasive

species that interfere with the watershed; projects that capture, treat, and recycle or dispose of stormwater; or implementation of stormwater elements of transportation projects.

C. Each Local Agency shall use its share of the Net Revenues solely for Local Infrastructure Projects Program expenses that are Eligible Uses. If during the audit process described in Section 12, a Local Agency is found to have spent funds on uses that do not qualify as an Eligible Use, the Local Agency will be notified by the auditor and provided an opportunity to present documentation to the auditor that the funds were used for an Eligible Use or to cure the defect prior to issuance of the auditor's final report. If the Local Agency is unable to meet these requirements, the amount owed will be deducted from future allocations of Local Infrastructure Projects Program funds until the amount is repaid.

D. The Net Revenues available for Local Infrastructure Projects Program shall be allocated pursuant to the following distribution formula:

1. Each Local Agency shall receive an annual base sum of \$100,000.
2. The remaining Net Revenues after the base sum distribution shall be distributed to each Local Agency on the following basis: total population of the Local Agency using the most recent Department of Finance population estimates.
3. For the purposes of subparagraph 6(D)(2), any new incorporations or annexations that take place after July 1 of any fiscal year shall be incorporated into the formula beginning with the subsequent fiscal year. The SANDAG population estimates of such new incorporations or annexations shall be used until such time as Department of Finance population estimates are available.

#### SECTION 7. REGIONAL CORRIDORS PROGRAM:

A. The Program described in this Section is intended to encompass the regional corridors projects that are within SANDAG's authority to implement.

B. A minimum of 26.8 percent of Net Revenues will be made available during the life of the Ordinance to fund implementation of the projects described in the Expenditure Plan in the tables labeled "New or Expanded Transit Services – Capital".

C. A minimum of 14.2 percent of Net Revenues will be made available during the life of the Ordinance to fund implementation of the projects described in the Expenditure Plan in the tables labeled "Managed Lanes, HOV Lanes, and HOV Connectors" and "Highways and General Purpose Lane Connectors."

D. Program Revenues allocated in this Section and the Expenditure Plan for this Program include the funds necessary for satisfaction of financing and debt service and related requirements of all bonds issued pursuant to this Ordinance for projects in this Section.

E. Excess toll revenues from Managed Lanes as permitted in California Streets & Highways Code sections 103, 149.4, or other statutes authorizing the collection of tolls on Managed Lanes by SANDAG, shall be used for transit service improvements within the effected corridor, including safe routes to transit projects, in accordance with such laws.

#### SECTION 8. ACTIVE TRANSPORTATION PROJECTS PROGRAM AND REQUIREMENTS:

A. A minimum of three percent (3%) of Net Revenues will be made available during the life of the Ordinance to fund implementation of the Active Transportation Projects Program.

B. This Program is intended to provide funding for bikeway facilities and connectivity improvements, pedestrian and walkable community projects, bicycle and pedestrian safety projects and programs, pedestrian grade separation projects, and traffic calming projects. The funds in this Program will be distributed each year. A variable portion of these funds shall be allocated on a regional competitive grant basis by the Commission through periodic calls for projects, with the remaining funds being allocated to other uses in the Active Transportation Projects Program. It is intended that these funds be used to match federal, state, local, and private funding to maximize the number of improvements to be implemented. The Commission shall establish specific project eligibility criteria for the competitive grant program.

C. All new transportation infrastructure projects, or major reconstruction projects, funded by Net Revenues provided under this Ordinance shall accommodate travel by pedestrians and bicyclists, except where pedestrians and bicyclists are prohibited by law from using a given facility or where the costs of including bikeways and walkways would be excessively disproportionate to the need or probable use. Such facilities for pedestrian and bicycle use shall be designed to the best currently available standards and guidelines.

#### SECTION 9. OPEN SPACE FUNDING PROGRAM:

A. Section 10 of the attachment to the *TransNet* Extension entitled "*TransNet* Extension Environmental Mitigation Program (EMP) Principles," which was last amended in March 2012, commits the Commission to act on an additional regional funding measure (a ballot measure and/or other secure funding commitments) to meet the long-term requirements for implementing habitat conservation plans in the San Diego region, within the timeframe necessary to allow a ballot measure to be considered by the voters no later than twelve years after passage of the *TransNet* Extension. As this Ordinance will be placed on the countywide ballot in November 2016, it is intended to meet the aforementioned commitment by the Commission in the *TransNet* Extension.

B. A minimum of 11.1 percent of Net Revenues will be made available during the life of the Ordinance to fund implementation of the regional share of habitat conservation plans. This Program is identified in the Expenditure Plan as "Open Space" and is to be used for (1) acquisition cost for conservation of lands in the adopted habitat conservation plans, (2) long-term management to maintain biological resources, and (3) periodic monitoring to ensure the infrastructure investment is performing as expected.

## SECTION 10. TRANSIT OPERATORS FUNDING PROGRAM:

A. A minimum of 4.92 percent of Net Revenues will be made available during the life of the Ordinance to the Transit Operators for operating the expanded transit operating network due to the addition of services described in the Expenditure Plan as “New Transit Services - Operations.”

B. A minimum of 2.53 percent of Net Revenues will be made available during the life of the Ordinance to the Transit Operators for “Advanced Transit Services” described in the Expenditure Plan. Advanced Transit Services funding may be used to provide operations funding earlier than the currently assumed start date for a service described in the Expenditure Plan as “New Transit Services - Operations.”

C. A minimum of 1.95 percent of Net Revenues will be made available during the life of the Ordinance to the Transit Operators as described in the Expenditure Plan for “Enhanced Local Bus Services.”

D. A minimum of 1.95 percent of Net Revenues will be made available during the life of the Ordinance to the Metropolitan Transit System to operate the Trolley System at increased frequencies as described in the Expenditure Plan.

E. A minimum of 0.55 percent of Net Revenues will be made available during the life of the Ordinance to the North County Transit District to provide operations funding as described in the Expenditure Plan for “COASTER and SPRINTER - Enhanced Rail Services”.

F. The Trolley and COASTER services to be increased with the funding from their subprograms include those set forth in the attachment to this Ordinance entitled “Trolley/COASTER Systems Service Increased Frequency and Capacity.” With the exception of the Orange Line extra peak period trains, all Trolley and COASTER frequencies listed in the attachment would be implemented in April 2017 (COASTER) and June 2017 (Trolley) in alignment with the regular operational adjustment cycle for the COASTER and Trolley systems. The new Orange Line peak period trains, which will require new vehicles, will be implemented following an estimated two-year period from the operative date of the Ordinance to allow time for the procurement process and coordinate the procurement with other ongoing transit capital projects. The new AMTRAK Rail2Rail service is anticipated to be implemented by October 2017, pending approval by the LOSSAN Rail Corridor Agency and coordination of the start-up of service during the regular operational adjustment cycle for the LOSSAN/COASTER rail systems.

G. Net Revenues to be used for the Transit Operators Funding Program pursuant to this Section shall be allocated for transit service improvements. The Net Revenues shall be allocated through the annual Transit Operators’ budget process and the improvements to be funded shall be consistent with the Coordinated Plan. Decisions concerning the allocation of these funds shall be made by SANDAG following consultation with the Transit Operators and shall be based on the needs of the Transit Operators, applicable ridership estimates and other relevant performance based factors. Eligible Uses for funding in the Transit Operators Funding Program include, but are not limited to: transit capital, operations and maintenance costs, specialized transit, Transit Vehicles, technology upgrades, and state of good repair expenses.

H. Operations funding provided under this Section is for the operation of new, expanded, or enhanced services only and is not intended to supplant federal, state or other local funding available for transit operations. Net Revenues will only be available to a Transit Operator pursuant to this Section for operations expenses that exceed amounts paid by the operator in the previous fiscal year for its system-wide operations expenses unless the following conditions are met: 1) there were no reductions in the Transit Operator's rail or bus services in the previous fiscal year, and 2) the reason for the decline in operations expenses is either due to operational efficiencies or improvements by the Transit Operator or a reduction in the market cost to the Transit Operator for commodities such as fuel or buses.

I. To maintain eligibility for the receipt of funds under the Transit Operator Funding Program, a transit operator must limit the increase in its system-wide total operating cost per revenue vehicle mile to no more than the increase in the Consumer Price Index (CPI) for San Diego County from either one fiscal year to the next or as an average over the previous three fiscal years. The minimum annual CPI increase for either calculation of this eligibility requirement shall be 2.0%.

1. If the requirement is not achieved, the operator may not receive any additional funding under Section 10 in the following year above the amount received in the previous fiscal year adjusted for any increase in the Consumer Price Index for San Diego County. If there were unusual circumstances in a given fiscal year, the transit operator may request the approval of the Commission to exclude from the calculation certain cost increases that were due to external events entirely beyond the operator's control, including, but not limited to, increases in the costs for fuel, insurance premiums, or new state or federal mandates. In addition, if the requirement is not achieved a Transit Operator can request an exception from the Commission based on its presentation of evidence that it has pursued all reasonable measures to reduce its costs. Requests for exceptions must be supported by the Transit Operator providing evidence that it has taken all reasonable steps in its management practices to reduce operating costs.

2. If a Transit Operator is ineligible to receive funds under this Section, the funding that would have been allocated to the operator shall be placed in an operator contingency reserve fund. SANDAG shall develop a policy to be approved by the SANDAG Board of Directors concerning use of the operator contingency reserve fund. The Commission intends that the reserve fund be used for one-time non-recurring purposes, unless otherwise recommended by the Transportation Committee and approved by the Board of Directors. Eligible uses will include opportunities to advance urgent, high-priority needs; unanticipated needs relating to a crucial existing commitment; and unforeseen withdrawal or cutback of a revenue source.

#### SECTION 11. GRANTS PROGRAM:

A. A minimum of 5 percent of Net Revenues will be made available during the life of the Ordinance for Local Rail and Road Grade Separation projects as described in the Expenditure Plan. The SANDAG Board of Directors shall establish criteria for selection of projects in this subprogram that will consider Local Agency matching dollars. This subprogram is intended to provide at least 80 percent of the funding for projects that eliminate at-grade rail/vehicle conflicts.

B. A minimum of 1 percent of Net Revenues will be made available during the life of the Ordinance for Local Arterial Traffic Signal Synchronization projects as described in the Expenditure Plan. The SANDAG Board of Directors shall establish criteria for selection of projects in this subprogram that will consider Local Agency matching dollars. This subprogram is intended to provide at least 80 percent of the funding for projects that will increase efficiency of the transportation network.

C. A minimum of 3 percent of Net Revenues will be made available during the life of the Ordinance to support a competitive grant program to fund specialized transportation projects as described in the Expenditure Plan. Specialized transportation projects are those projects that complement traditional transit and paratransit services. The SANDAG Board of Directors shall establish specific project eligibility criteria for the competitive grant program. Eligible Uses include grants or loans to nonprofit organizations, Local Agencies, Transit Operators, and specialized transportation service agencies for projects and programs specifically designed to address the needs of transportation disadvantaged populations (seniors, students, disabled, low-income, veterans), including the operations of specialized transportation services serving these population groups; capital projects including related vehicle and technology procurements; coordination efforts among specialized transportation providers; mobility management services for the targeted population groups; funding to support projects that enhance access to public transit, including station improvements, Transportation Demand Management programs to incentivize public transit and specialized transportation use; and parking management programs or strategies to support smart growth and transit oriented development.

#### SECTION 12: LOCAL AGENCIES AND TRANSIT OPERATORS PROGRAM OF PROJECTS AND AUDIT PROCESS:

A. Each Local Agency and transit operator shall biennially approve a five-year project list and a biennial program of projects (POP) it plans to fund during the succeeding two fiscal years with the Net Revenues made available herein. Each Local Agency and Transit Operator POP will be prepared at same time as the RTIP process. A Local Agency's or Transit Operator's projects shall not receive Commission consideration until the Commission receives a resolution from the entity that documents that the entity held a noticed public meeting with an agenda item that clearly identified the proposed list of projects prior to approval by the entity's legislative body of the projects. The language that must be included in the resolution and the deadlines for submission shall be prescribed by the Commission. The resolution shall contain a provision that the entity will hold the Commission harmless from third party claims associated with the programs and projects included in their POP. The Commission will specify the form and content of the submittals and resolutions that Local Agencies and Transit Operators shall provide with their POP.

B. The Commission shall review each Local Agency's and Transit Operator's POP submittal and make a finding of consistency with the provisions of this Ordinance and with the Regional Plan prior to approving the Local Agency's POP for funding. All projects to be funded with Net Revenues made available for Local Infrastructure Projects must be consistent with the Regional Plan. All transportation projects in the POP must be included in the RTIP. Project priorities or phasing also shall be consistent with the Regional Plan and RTIP. The ITOC also shall review the proposed project lists and make recommendations to the Commission regarding consistency of the POP with the Ordinance. Each Local

Agency and transit operator may request an amendment to transportation projects included in its POP as necessary in accordance with the RTIP amendment procedures. Transportation projects shall not be funded with the Net Revenues made available herein unless the projects are in the applicable approved POP and RTIP.

C. Each Local Agency and Transit Operator shall be subject to an annual review and audit to be carried out by the ITOC. Based on the audit, an agency that maintains a balance of more than 30 percent of its annual apportionment (after debt service payments) must use the remaining balance to fund Eligible Use projects. The Commission will defer payment until the Local Agency's or Transit Operator's Director of Finance, or equivalent, submits to the Commission a certification that the unused balance has fallen below the 30 percent threshold.

#### SECTION 13. SANDAG PROGRAM OF PROJECTS AND AUDIT PROCESS:

A. The Commission shall biennially approve a five-year project list and a biennial program of projects it plans to fund during the succeeding two fiscal years with the Net Revenues made available herein. The POP will be prepared at the same time as the RTIP process. A public hearing will be held prior to approval of the SANDAG POP concerning the projects to be implemented by SANDAG. The Commission may amend the SANDAG POP as necessary in accordance with the RTIP amendment procedures.

B. The ITOC shall review the proposed SANDAG POP and make recommendations to the Commission regarding consistency of the SANDAG POP with the Ordinance. Projects shall not be funded with the Net Revenues made available herein unless the projects are in the approved POP and RTIP. SANDAG shall be subject to an annual review and audit to be carried out by the ITOC.

#### SECTION 14. PRIORITIZATION OF PROJECTS IN THE SANDAG PROGRAM OF PROJECTS (Priority Corridors Program):

A. There is recognition that work on certain high priority projects in the Regional Corridors Program needs to advance in order to provide better connections to regional job centers, provide transportation choices, and support economic/environmental opportunities for the San Diego region. These projects shall be part of the Priority Corridors Program and shall include:

##### North Corridors

- SR 78 Corridor: HOV/Managed Lanes and connectors
- I-5 HOV/Managed Lanes; COASTER double tracking, increased frequencies and capacities, including Fairgrounds Station and double tracking at San Dieguito Bridge; and state of good repair projects

##### Central Corridors

- SR 52 Corridor: HOV/Managed Lanes
- Sorrento Valley COASTER Station relocation and rail grade separation



- New Purple Line Trolley: Advance project development to compete for Federal Full Funding Grant Agreement. Construct as soon as the Federal Full Funding Grant Agreement has been secured
- Orange and Green Line Trolley increased frequencies and capacity

#### South Corridors

- South Bay *Rapid* 640: *Rapid* Express Service from San Ysidro to Downtown, Old Town, and Kearny Mesa
- South Bay *Rapid* 905: *Rapid* Express Service from Iris Trolley Station to Otay Mesa
- Blue Line Trolley increased frequencies and capacity
- I-5 South Corridor: Managed Lanes/general purpose lanes to support *Rapid* Express Service

#### East Corridors

- SR 67 Corridor: widening/evacuation route improvements from Mapleview to Dye Road
- I-8 Corridor: Improvements from 2nd Street to Los Coches
- SR 94/SR125 Interchange: Missing Connectors

B. Immediately following certification of passage of the Ordinance, the Commission shall consider an initial Plan of Finance and budget actions necessary to commence work on the Priority Corridors Program.

C. It is recognized that projects in the Priority Corridors Program are in various stages of project development and the Commission will make all efforts possible to advance all such projects to completion as expeditiously as possible.

D. As Priority Corridors projects progress through the project development process, the Commission shall ensure that sufficient funding or bonding capacity remains available to fully implement the projects.

E. All projects identified in the Priority Corridors Program shall be reviewed on a quarterly basis by the Commission to ensure all reasonable efforts are being made to advance the projects to completion.

F. Although funding for the projects in the Priority Corridors Program may not be removed without a vote of the electors of the County of San Diego pursuant to Section 24, all projects in the Priority Corridors Program shall be subject to the requirements of Section 22(E), which requires that no project be approved for construction until completion of any required environmental review under CEQA and/or the National Environmental Policy Act (NEPA). Nothing in this Section is intended to preclude the consideration of feasible alternatives, including the no-project alternative, and mitigation measures for each project.

## SECTION 15. COOPERATIVE FUND AGREEMENTS:

A. Except as provided for herein, the distribution of funds as set forth herein shall be met over the duration of the measure. To maximize the effective use of funds, revenues may be transferred or exchanged under the following circumstances:

1. The Commission, or agencies receiving funds by annual or multi-year agreement, may exchange or loan funds provided that the percentage of funds allocated for each purpose as provided in the Expenditure Plan is maintained over the duration of the measure and reviewed as part each comprehensive program review as described in Section 25. All proposed exchanges, including agreements between agencies to exchange or loan funds, must include detailed fund repayment provisions, including appropriate interest earnings such that the Commission suffers no loss of funds as a result of the exchange or loan. All exchanges must be approved by the Commission and shall be consistent with any and all rules approved by the Commission relating thereto.
2. The Commission may exchange revenues for federal, state, or other local funds allocated or granted to any public agency within or outside the area of jurisdiction of the Commission to maximize effectiveness in the use of revenues. Such federal, state, or local funds, unless restricted by the provider, shall be distributed in the same manner as the revenues from the measure.

## SECTION 16. MAINTENANCE OF EFFORT FOR LOCAL AGENCIES:

A. It is the intent of the Legislature, as stated in the Act, and the Commission that revenues provided from this Ordinance for transportation be used to augment, not supplant existing local revenues being used for the purposes set forth in the Expenditure Plan. Each Local Agency receiving revenues pursuant to this Ordinance shall annually maintain as a minimum aggregate amount, the same level of local discretionary funds, which includes Local Agency general funds, expended in each of the following MOE Categories: streets and roads, transit, and specialized transportation. Discretionary funds shall include, but not be limited to, *TransNet* funds that the Local Agency has previously expended in each of the MOE Categories, provided that, upon the expiration of the *TransNet* Extension, such amounts will no longer be included in MOE calculations.

B. The method for determining MOE for Local Agencies shall be based on an average of the Local Agency's expenditures over the last three fiscal years completed prior to the operative date of this Ordinance (Fiscal Years 2013-14, 2014-15, 2015-16), as was reported in the State Controller's Annual Report of Financial Transactions for Streets and Roads and as verified by an independent auditor. One-time expenditures that result from "banking" general fund monies and subsequently expending those funds during the base period Fiscal Years may be isolated and removed so that the MOE baseline is representative of a normal annual spending level, subject to review by the ITOC and approval by the Board of Directors. The MOE requirement shall not apply to Local Agency expenditures on non-transportation uses.

C. In the event a city is newly incorporated, it must meet the MOE requirement that would have otherwise applied to the pro rata share of the County's MOE levels based on the pro rata share of the County population that is within the boundaries of the new city. MOE determinations after the initial year shall be made by allocating the adjusted MOE amount to the County (or other Local Agency) and the newly incorporated city based upon the initial population. Conversely, if any area or population is removed from the jurisdiction of a Local Agency, subsequent MOE determinations with respect to such Local Agency will be adjusted to account for such removal.

D. The MOE level as determined through this process shall be subject to adjustment every three years based on the Construction Cost Index developed by Caltrans. Any increase in the MOE level based on this adjustment shall not exceed the growth rate in the local jurisdiction's General Fund revenues over the same time period. The Commission shall not allocate any Net Revenues pursuant to this Ordinance to any eligible Local Agency in any fiscal year until that Local Agency has certified to the Commission that it will include in its budget for that fiscal year an amount of local discretionary funding in the three MOE Categories at least equal to the MOE requirement.

E. An annual independent audit shall be conducted to verify that the MOE requirement for each Local Agency was met. Any Local Agency that does not meet its MOE requirement in any given year shall have its Local Infrastructure funding reduced in the following year by the amount by which the agency did not meet its required MOE level. Any Local Infrastructure Projects Program funding not allocated as a result of the MOE requirement shall be redistributed to the remaining eligible agencies according to the formula described in subparagraph 6(D)(2).

F. In the event that special circumstances prevent a Local Agency from meeting its MOE requirement, the Local Agency may request up to three additional fiscal years to fulfill its requirement. Such a request must be approved by the Commission. The ITOC also shall review such requests and make recommendations to the Commission.

SECTION 17. EXISTING ORDINANCES. Nothing in this Ordinance is intended to modify, repeal, or alter ordinances previously adopted by the Commission except as otherwise specifically provided herein. The provisions of this Ordinance shall apply solely to the retail transactions and use tax adopted herein. The provisions of previously adopted ordinances, including the tax rate, expenditure plan, procedures for adoption and amendment of the expenditure plan and other operative provisions for Commission Ordinance No. 04-01, the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (*TransNet* Extension), shall remain in effect in accordance with its terms. The *TransNet* Extension and any obligations or bonded indebtedness arising thereunder shall be deemed to continue and shall be in full force and effect until March 31, 2048. This Ordinance is not intended to modify, repeal or alter the provisions of *TransNet* Extension, and shall not be read to supersede the *TransNet* Extension, except as otherwise specifically provided herein concerning the ITOC and in Section 18. If the Ordinance is not approved by the electors of the County, the provisions of *TransNet* Extension and all powers, duties, and actions taken thereunder shall remain in full force and effect.

SECTION 18. BONDING AUTHORITY: To reduce borrowing costs and assist in delivery of projects, upon voter approval of this Ordinance, notwithstanding anything to the contrary herein or in the *TransNet* Extension, the Commission shall be authorized to issue limited tax bonds pursuant to Division 12.7 of the Public Utilities Code, at any time, and from time to time, secured by the proceeds of the tax imposed by the Commission in accordance with Public Utilities Code Section 132307, including the revenues from the *TransNet* Extension and any extension thereof and the tax increase imposed by this Ordinance, and all the limited tax bonds of the Commission may be secured by a pledge of all such tax proceeds. The Commission, in allocating such tax proceeds, shall meet all debt service requirements for its bonds prior to allocating funds for programs or projects.

SECTION 19. INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE:

A. The ITOC was established to provide an enhanced level of accountability for expenditures made pursuant to the *TransNet* Extension. The ITOC also shall serve to provide oversight responsibilities for the Expenditure Plan for this Ordinance. The ITOC will help to ensure that all voter mandates are carried out as required and will develop recommendations for improvements to the financial integrity and performance in this Ordinance and the *TransNet* Extension.

B. The roles and responsibilities of the ITOC, the selection process for ITOC members, and related administrative procedures shall be carried out in substantially the same manner as further described in the document titled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee," which is hereby incorporated by reference as if fully set forth herein and is intended to completely supersede the attachment to the *TransNet* Extension entitled, "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

C. Following the effective date of this Ordinance, the ITOC shall be provided an amount not to exceed \$400,000 annually for its expenses, payable from Program Revenues from this Ordinance and the *TransNet* Extension, with annual adjustments for inflation based on the Consumer Price Index for San Diego County.

SECTION 20: MAINTENANCE, OPERATIONS, AND LIABILITY REQUIREMENTS:

A. Unless otherwise agreed to by SANDAG and Caltrans in a written agreement, once any state highway facility or usable portion thereof is constructed to at least minimum acceptable state standards, the state shall be responsible for the ongoing maintenance and operation expenses thereof, including any liability for third party claims that may arise concerning the facility. All state highway improvements to be funded with revenues as provided in this measure, including project development and overall project management, shall be a joint responsibility of Caltrans and SANDAG. All major project approval actions including the project concept, the project location, and any subsequent change in project scope shall be jointly agreed upon by Caltrans and SANDAG and, where appropriate, by the Federal Highway Administration and/or the California Transportation Commission.

B. Unless otherwise agreed to by SANDAG and the transit operator in a written agreement, the Transit Operator for which SANDAG has constructed a capital facility shall be responsible for the ongoing maintenance and operation expenses thereof, including any liability for third party claims that may arise concerning the facility, once SANDAG has issued relief of maintenance to the contractor for the project.

C. Unless otherwise agreed to by SANDAG and a Local Agency in a written agreement, the Local Agency or Local Agencies with ownership of the property on which SANDAG has constructed any capital facility pursuant to this Ordinance shall have responsibility for the ongoing maintenance and operations expenses of the facility, including any liability for third party claims that may arise concerning the facility, once SANDAG has issued relief of maintenance to the contractor for the project.

D. When habitat is purchased pursuant to Section 9 and then transferred to another entity via a written agreement, SANDAG liability for ongoing maintenance and operations expenses of the property, including any liability for third party claims that may arise concerning the property shall be limited to the liability, if any, expressly accepted by SANDAG in such agreement.

SECTION 21. ESTABLISHMENT OF SEPARATE ACCOUNTS: Each recipient of Ordinance funds shall have its funds deposited in a separate Infrastructure Program account. Where the creation of a separate fund is not possible due to accounting methodology used by the agency, an alternative approach to maintaining separate accountability for Ordinance revenue and expenditures must be developed and submitted to the SANDAG Director of Finance for concurrence. Interest earned on funds allocated pursuant to this Ordinance shall be expended only for those purposes for which the funds were allocated, which must be Eligible Uses.

SECTION 22. IMPLEMENTATION OF ORDINANCE:

A. Upon approval of this measure by the voters, the Commission shall, in addition to the local rules required to be provided pursuant to this Ordinance, adopt implementing ordinances, rules, and policies and take such other actions as may be necessary and appropriate to carry out its responsibilities.

B. The Commission hereby establishes a goal to use 80 to 100 percent San Diego County workers on the construction of public works projects funded by Net Revenues, where allowed under applicable law. SANDAG shall develop the implementation procedures for this subsection B by the operative date of the Ordinance. The procedures shall, among other things, set forth a process to ensure compliance with state and federal law regarding the need for adequate competition and worker availability. In accordance with California law, SANDAG shall only contract with responsible bidders and proposers, and prevailing wages shall be paid and apprenticeship ratios shall be met on all public works projects constructed with Net Revenues.

C. Unless otherwise required by applicable state or federal law, contractors and subcontractors at every tier hired by SANDAG for projects in Section 7 (Regional Corridors Program) after April 1, 2017, to work on public works projects SANDAG is responsible for constructing, will use a skilled and trained workforce to perform all work under the contract that falls within an apprenticeable occupation in the building and construction trades.

1. For purposes of this subsection a "skilled journeyperson" means a worker who either:
  - a. Graduated from an apprentice training program for the applicable occupation.
  - b. Has at least as many hours of on-the-job experience in the applicable occupation as would be required to graduate from an apprentice training program for the applicable occupation.
  
2. A "skilled and trained workforce" means a workforce that meets all of the following conditions:
  - a. All the workers are either skilled journeypersons or apprentices registered in an apprenticeship program either approved by the Chief of the Division of Apprenticeship Standards pursuant to Section 3075 of the Labor Code, or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the federal Secretary of Labor. Such a program is referred to in this Ordinance as an "apprentice training program".
  - b. The following minimum percentages are met for the skilled journeypersons employed to perform work on the contract by the contractor and each of its subcontractors at every tier:

<i>Effective Date</i>	<i>Percent of journeypersons who are graduates of an apprentice training program for apprenticeable occupations</i>
April 1, 2017	30%
January 1, 2018	40%
January 1, 2019	50%
January 1, 2020	60%

3. SANDAG shall develop a policy to be approved by the SANDAG Board of Directors concerning the methodology for calculating the percentages achieved, reporting requirements, enforcement methods, and other implementation procedures for this subsection of the Ordinance.
- D. The Commission shall use its best efforts to take actions within its control to complete those projects in Section 14 for the Priority Corridors Program within 15 years of the operative date of the Ordinance.
- E. Under California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4), adoption of this Ordinance and the Expenditure Plan is not a "project" subject to the requirements of CEQA because it solely creates a funding mechanism and does not constitute a binding commitment to approve, fund, implement or construct (collectively "approve") any specific project set forth in this Ordinance and Expenditure Plan. Individual projects included in the Ordinance and Expenditure Plan will not be approved until completion of any required environmental review under CEQA and/or the National

Environmental Policy Act (NEPA). Adoption of this Ordinance and Expenditure Plan does not preclude the consideration of feasible alternatives, including the no-project alternative, and mitigation measures.

F. All new transportation infrastructure projects in the Regional Corridors and Local Infrastructure Projects Programs, or major reconstruction projects in those Programs, funded by Net Revenues provided under this Ordinance shall accommodate water quality improvements and/or stormwater conveyance facilities that meet or exceed water quality standards, except where such accommodation is infeasible or where the costs of including such improvements would be excessively disproportionate to the need or probable benefit. Such facilities for water quality improvement and/or stormwater conveyance shall be designed to the best currently available standards and guidelines.

SECTION 23. EFFECTIVE AND OPERATIVE DATES: This Ordinance shall be effective on November 9, 2016, if one of the following events occurs: 1) two-thirds or more of the electors voting on the ballot proposition approving the ordinance vote to approve the ballot proposition on November 8, 2016; or 2) a law is passed on or before November 8, 2016, that lowers the voter approval threshold applicable to this Ordinance and the number of electors voting in favor of this Ordinance meets that threshold. The tax authorized by Section 4 of this Ordinance shall be operative on April 1, 2017. Bonds payable from the proceeds of the tax may be issued at any time prior to, on or after April 1, 2017. The provisions of this Ordinance relating to the allocation of revenues shall be operative on April 1, 2017.

SECTION 24. AMENDMENTS: With the exception of Sections 4, 9, 14, 16, and 19, which require a vote of the electors of the County of San Diego to amend, this Ordinance and the Expenditure Plan may be amended to further its purposes by ordinance, passed by roll call vote entered in the minutes, with two-thirds of the Commission concurring consistent with the Commission's standard voting mechanism. Separate documents incorporated by reference in the Ordinance also may be amended with a two-thirds vote of the Commission.

SECTION 25. COMPREHENSIVE PROGRAM REVIEWS: The Commission shall conduct a comprehensive review of all projects and Programs implemented under the Expenditure Plan to evaluate the performance of the overall program over the previous period and to make revisions to the Expenditure Plan to improve its performance over the subsequent period. Such comprehensive program reviews shall be conducted in Fiscal Years 2029, 2039 and 2049 in order to align with the comprehensive program reviews that are to be conducted pursuant to the *TransNet* Extension. Revisions to the Ordinance and Expenditure Plan required as a result of the comprehensive program reviews shall be subject to the amendment process in Section 24.

SECTION 26. DESIGNATION OF FACILITIES: Each project or program in excess of \$250,000 funded in whole or in part by revenues from this Ordinance shall be clearly designated during its construction or implementation as being provided by revenues from this Ordinance.

SECTION 27. SEVERABILITY: If any section, subsection, part, clause or phrase of this Ordinance is for any reason held unenforceable or unconstitutional by a court of competent jurisdiction, that holding shall not affect the validity or enforceability of the remaining funds or provisions of this Ordinance, and the

Commission declares that it would have passed each part of this Ordinance irrespective of the validity of any other part.

SECTION 28. ANNUAL APPROPRIATIONS LIMIT: Article XIII(B) of the California Constitution requires the establishment of an annual appropriations limit for certain governmental entities. The annual appropriations limit was established in the *TransNet* Extension Ordinance pursuant to Article XIII(B) of the California Constitution and Section 240308(b) of the Public Utilities Code. The appropriations limit has and shall be subject to adjustment as provided by law. All expenditures of the transactions and use tax revenues imposed in this Ordinance are subject to the appropriations limit of the Commission, except for appropriations for debt service and qualified capital outlay projects and other exceptions permitted by the California Constitution.

SECTION 29. DEFINITIONS:

Active Transportation Facilities. Means all purposes necessary and convenient to the design, right-of-way acquisition, and construction of facilities intended for use by bicycles and pedestrians, including grade separation facilities and other facilities and programs that help to encourage walking and the use of bicycles, such as secure bicycle parking facilities and bicycle and pedestrian promotion and safety education programs.

Bonds. Means indebtedness and securities of any kind or class, including but not limited to bonds, notes, bond anticipation notes, and commercial paper.

Commission. Means the San Diego County Regional Transportation Commission created by Chapter 1576 of the Statutes of 1985 (Division 12.7 of the Public Utilities Code, commencing with Section 132000).

Coordinated Plan (also known as the Coordinated Public Transit - Human Services Transportation Plan). Means the planning document that is regularly updated to provide a five-year blueprint for the implementation of public transit and social service transportation concepts described in the Regional Plan. It establishes a regional strategy to provide transportation to recognized transportation-disadvantaged groups, including seniors, individuals with disabilities, and persons with limited means. The plan combines the regional requirement for a Short-Range Transit Plan with the federal requirement for a Coordinated Plan into one planning document.

Expenditure Plan. Means the expenditure plan required by Section 132302 and 132360.6 of the Public Utilities Code to be included in a transactions and use tax ordinance to be approved by the Commission. The Expenditure Plan attached to this Ordinance includes the allocation of revenues for each Eligible Use.

Highways. Means all purposes necessary and convenient to the design, right-of-way acquisition, and construction of highway facilities, including all state highway routes and any other facilities so designated in the Expenditure Plan.



HOV Lanes. Means High Occupancy Vehicle Lanes on highways that are used by vehicles carrying more than one occupant. HOV lanes are an exclusive road or traffic lane that typically has a higher operating speed and lower traffic volumes than a general purpose or mixed-flow lane. In California, vehicles that typically can use HOV lanes include carpools, vanpools, buses, other multi-passenger vehicles, motorcycles, and emergency vehicles, as well as decaded low-emission vehicles.

Local Agency. Means the County of San Diego and each city in the County of San Diego.

Managed Lanes. Means highway lanes that provide access for carpools, vanpools, bus, and/or solo drivers who pay a fee to use the lanes. The lanes can be barrier-separated and some lanes can be reversed to go with the flow of traffic.

Program: Means each of the categories of expenditure to be funded by Net Revenues from the Ordinance, including the Local Infrastructure Projects Program, the Regional Corridors Program, the Active Transportation Projects Program, the Open Space Funding Program, the Transit Operators Funding Program, and the Grants Program.

Program of Projects (POP). Means a five-year project list and a biennial program of projects developed by SANDAG, or by a Local Agency or transit operator, showing what the agency plans to fund during the succeeding two fiscal years with the Net Revenues.

Project Development Process. Means all activities required to ready a project for construction, from planning to final design.

Regional Plan. Means the long-range Regional Transportation Plan and Sustainable Communities Strategy for the San Diego region required by Section 65080 of the Government Code to be prepared by SANDAG as the designated Regional Transportation Planning Agency. The Regional Plan also includes the Regional Comprehensive Plan, which integrates land use, transportation systems, infrastructure needs, and public investment strategies within a regional framework to be prepared by SANDAG as required by Section 132360 of the Public Utilities Code.

Regional Transportation Improvement Program (RTIP). Means the five-year programming document required by Section 65080 of the Government Code to be prepared by SANDAG as the designated Regional Transportation Planning Agency.

San Diego Association of Governments (SANDAG). Pursuant to the Act, the SANDAG Board of Directors serves as the Commission and the Commission utilizes SANDAG employees as its staff. For this reason, references to the responsibilities of the SANDAG Board of Directors and staff are made in this Ordinance.

Transit. Means all purposes necessary and convenient to the construction, operation and maintenance of public transportation services and facilities including the acquisition of vehicles and right-of-way. Public transportation services include, but are not limited to, local and express bus, bus rapid transit (BRT), paratransit (dial-a-ride), fixed guideway, light rail (trolley) and commuter rail services and facilities.

Transit Operator. Means any transit district, included transit district, municipal operator, included municipal operator, or transit development board as defined in Public Utilities Code Section 99210.

Transit Vehicle. Includes, but is not limited to, buses, vans, cars, railcars, locomotives, and trolley cars.

*TransNet* Extension. Means Commission Ordinance No. 04-01, the San Diego Transportation Improvement Program Ordinance and Expenditure Plan, which became effective on November 3, 2004.

Transportation Demand Management. Means a comprehensive set of strategies designed to encourage alternative travel modes to single occupant vehicles. Principal strategy measures involve, but are not limited to, ridesharing, alternative work hours, and parking management.

SECTION 30. CONTRACT WITH STATE: Prior to the operative date, the Commission shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this Ordinance; provided, that if the Commission shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

SECTION 31. PURPOSE:

This Ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

- A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 132301 et. seq. of the Public Utilities Code, which authorizes the Commission to adopt this tax ordinance, which shall be operative if a two-thirds majority or more of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.
- B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
- C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefor that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.
- D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this Ordinance.

SECTION 32. TRANSACTIONS AND USE TAX:

A. For the privilege of selling tangible personal property at retail, the tax imposed by this Ordinance shall apply to all retailers in the incorporated and unincorporated territory of the District at the rate of one-half of one percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this Ordinance, which, together with the *TransNet Extension*, result in a maximum one percent tax rate to be imposed by the Commission.

B. For the purpose of this Ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State of California or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

C. An excise tax is hereby imposed on the storage, use or other consumption in the District of tangible personal property purchased from any retailer on and after the operative date of this Ordinance for storage, use or other consumption in said territory at the rate of one-half of one percent of the sales price of the property which, together with the *TransNet Extension*, result in a maximum one percent tax rate to be imposed by the Commission. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

D. Except as otherwise provided in this Ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this Ordinance as though fully set forth herein.

E. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, wherever the State of California is named or referred to as the taxing agency, the name of this Commission shall be substituted therefore. The substitution shall not, however, be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Victims Compensation and Government Claims Board, State Board of Equalization, State Treasury, or the Constitution of the State of California;
2. The result of that substitution would require action to be taken by or against this Commission or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including, but not necessarily limited to, sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

(a) Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

(b) Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provisions of that code;

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

F. The word "District" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

G. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this Ordinance.

H. Exemptions and Exclusions.

1. There shall be excluded from the transactions tax and the use tax imposed by this Ordinance, the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

2. The following gross receipts are exempted from the computation of the amount of the transactions tax imposed by this Ordinance:

(a) Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

(b) Sales of property to be used outside the District that is shipped to a point outside of the District, pursuant to the contract of sales, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the District shall be satisfied:

(i) With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Chapter 2 of Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-county address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his principal place of residence; and

(ii) With respect to commercial vehicles, by registration to a place of business out-of-District and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

(c) The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this Ordinance.

(d) A lease of tangible personal property that is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this Ordinance.

(e) For the purpose of subparagraph (c) and (d) of this subsection, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

3. There is exempted from the use tax imposed by this Ordinance, the storage, use or other consumption in the District of tangible personal property:

(a) The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

(b) Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Section 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

(c) If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this Ordinance.

(d) If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease that is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this Ordinance.

(e) For the purposes of subparagraphs (c) and (d) of this Section, storage, use, or other consumption, or possession of, or exercise of any right of power over, tangible personal property shall be deemed not to be obligated pursuant to a contract of lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(f) Except as provided in subparagraph (g) of this subsection, a retailer engaged in business in the District shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the District or participates within the District in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the District or through any representative, agent, canvasser, solicitor, subsidiary, or person in the District under the authority of the retailer.

(g) "A retailer engaged in business in the District" also shall include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the District.

4. Any person subject to use tax under this Ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

I. All amendments subsequent to the effective date of this Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and that are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this Ordinance; provided, however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance.

SECTION 33. ENJOINING COLLECTION FORBIDDEN: No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State of California, the Commission or SANDAG, or against any officer of any of these entities, to prevent or enjoin the

collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

STATEMENT OF UNDERSTANDING REGARDING THE IMPLEMENTATION OF THE  
INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

I. Purposes of the ITOC

The Independent Taxpayer Oversight Committee (ITOC) was created to provide an increased level of accountability for expenditures made under the *TransNet* Extension, in addition to the independent annual fiscal and compliance audits required under the existing *TransNet* program. This “Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee” (Statement) is part of Ordinance No. RTC-CO-2017-01, which concerns the San Diego County Road Repair, Traffic Relief, Safety and Water Quality Protection Ordinance and Expenditure Plan (hereinafter referred to as the “Infrastructure Program” to clearly differentiate it from the *TransNet* Extension). It is intended to fully supersede the attachment to the *TransNet* Extension entitled “Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program.” If Ordinance No. RTC-CO-2017-01 is passed by the voters, the intent is that the ITOC created as part of the *TransNet* Extension will take on additional responsibilities concerning the Infrastructure Program, as those responsibilities are set forth and modified in this Statement.

The ITOC should function in an independent, open and transparent manner to ensure that all voter mandates are carried out as required in the *TransNet* Extension and the Infrastructure Program, and to develop positive, constructive recommendations for improvements and enhancements to the financial integrity and performance of the *TransNet* Extension and the Infrastructure Program.

It is intended that the ITOC be a functional partner to SANDAG. The *TransNet* Extension and the Infrastructure Program each contain a summary of the ITOC’s role and responsibilities consistent with the above purposes. In this Statement, additional and supplementary details with regard to the ITOC are delineated. These pertain to the process for selecting members of ITOC, terms and conditions governing membership, responsibilities, funding and administration, and conflict of interest provisions.

It is noteworthy that these details were originally developed in a cooperative process between SANDAG and representatives of the San Diego County Taxpayers Association, and with the involvement of other transportation professionals within the region. This document is understood to provide the basis for describing how the ITOC will function once the Infrastructure Program is approved.

In addition to the details outlined in this Statement the intent that provides the foundation for the desired partnership between ITOC and SANDAG, is summarized as follows:

- Resource—it is the intent that the ITOC will serve as an independent resource to assist in SANDAG’s implementation of *TransNet* Extension and Infrastructure Program projects and programs. The Committee’s membership is designed to provide a group of professionals who, collectively, can offer the benefit of their experience to advance the timely and efficient implementation of *TransNet* Extension and Infrastructure Program projects and programs. The ITOC will work in a public way to ensure all deliberations are conducted in an open manner.



Regular reports from the ITOC to the SANDAG Board of Directors (or policy committees) are expected with regard to program and project delivery, and overall performance.

- Productive—it is the intent that the ITOC will rely upon data and processes available at SANDAG, studies initiated by the ITOC, and other relevant data generated by reputable sources. It is understood, however, that SANDAG will be continuously striving to improve the reliability of data and to update analytical and modeling processes to be consistent with the state-of-the-art, and that the ITOC will be kept abreast of any such efforts, and invited to participate in development of such updates in a review capacity.
- Cost-efficient—it is the intent that the ITOC will not add cost burden to SANDAG’s implementation of the *TransNet* Extension and Infrastructure Program programs and projects. Rather, through a cooperative and productive working relationship between ITOC and the SANDAG implementation team, it is the objective that costs will be saved.
- Flexible—it is the intent that the ITOC will assist SANDAG to be opportunistic to take advantage of changing situations in the future with regard to technologies and transportation developments. Therefore, the provisions contained below are viewed through 2056 based upon a 2016 perspective and are not meant to be unduly restrictive on ITOC’s and SANDAG’s roles and responsibilities.

## II. Membership and Selection Process

A. Membership: There shall be nine ITOC voting members with the characteristics described below. Applications will be requested from individuals interested in serving on the ITOC through an open, publicly noticed solicitation process. The intent is to have one member representing each of the specified areas of expertise. If, however, after a good faith effort, qualified individuals have not been identified for one or more of the areas of expertise, then no more than two members from one or more of the remaining areas of expertise may be selected. For each of the areas of expertise listed below, an individual representing one of the region’s colleges or universities with a comparable level of academic experience also would be eligible for consideration.

1. A professional in the field of municipal/public finance and/or budgeting with demonstrated experience of ten years or more in a relevant and senior decision making position in the public or private sector.
2. A licensed architect, civil engineer or traffic engineer with demonstrated experience of ten years or more in the fields of transportation and/or urban design in government or the private sector.
3. A professional with demonstrated experience of ten years or more in real estate, land economics, and/or right-of-way acquisition.
4. A professional with demonstrated experience of ten years or more in the management of large-scale construction projects.

5. A licensed engineer with appropriate credentials in the field of transportation project design or construction and demonstrated experience of ten years or more in a relevant and senior decision making position in the government or private sector.
6. The chief executive officer or person in a similar senior-level decision making position, of a major private sector employer with demonstrated experience in leading a large organization.
7. A professional in biology or environmental science with demonstrated experience of ten years or more with environmental regulations and major project mitigation requirements and/or habitat acquisition and management.
8. A person with experience in public policy advocacy related to greenhouse gas emissions reductions, climate action plans, transit, or active transportation.
9. A person with experience working for, or in a leadership position with, an organized labor union.
10. Ex-Officio Members: SANDAG Executive Director or his/her designee and the San Diego County Auditor or his/her designee.

The criteria established for the voting members of the ITOC are intended to provide the skills and experience needed for the ITOC to carry out its responsibilities and to play a valuable and constructive role in the ongoing improvement and enhancement of the *TransNet* Extension and Infrastructure Program projects and programs. The initial application, screening and selection process for the representatives identified in paragraphs (8)-(9) of subsection II(A) above shall commence by April 1, 2017.

B. Technical Screening Committee: A technical screening committee will be established to review applications received from interested individuals. This committee will consist of three members selected by the SANDAG Executive Director from high-level professional staff of local, regional, state or federal transportation agencies outside of the San Diego region, or from one of the region's colleges or universities in a transportation-related field, or a combination thereof. The committee will develop a list of candidates determined to be qualified to serve on the ITOC based on the criteria established for the open position(s) on the ITOC. The technical screening committee will recommend two candidates for each open position from the list of qualified candidates for consideration by the Selection Committee. The recommendations shall be made within 30 days of the noticed closing date for applications.

C. Selection Committee: The Selection Committee shall be established to select the ITOC members from the list of qualified candidates recommended by the technical screening committee. The Selection Committee shall consist of the following:

1. Two members of the County of San Diego Board of Supervisors
2. The Mayor of the City of San Diego

3. A mayor from the Cities of Chula Vista, Coronado, Imperial Beach, or National City selected by the mayors of those cities.
4. A mayor from the Cities of El Cajon, La Mesa, Lemon Grove, or Santee selected by the mayors of those cities.
5. A mayor from the Cities of Carlsbad, Del Mar, Encinitas, Oceanside, or Solana Beach selected by the mayors of those cities.
6. A mayor from the Cities of Escondido, Poway, San Marcos, or Vista selected by the mayors of those cities.

The selection of ITOC members shall be made within 30 days of the receipt of recommendations from the technical screening committee. All meetings of the Selection Committee shall be publicly noticed and conducted in full compliance with the requirements of the Brown Act. Should the Selection Committee be unable to reach agreement on a candidate from the qualified candidates recommended by the technical screening committee, the Selection Committee shall request the technical screening committee to recommend two additional qualified candidates for consideration.

D. Terms of Office for ITOC members

1. ITOC members shall serve a term of four years, except that initial appointments may be less than four years in order to ensure the terms of the ITOC members are sufficiently staggered as described in Section II(D)(5) of this Statement.
2. ITOC members shall serve without compensation except for direct expenses related to the work of the ITOC.
3. ITOC members shall serve no more than eight years unless the member's first term was less than four years, in which case the member can serve an additional two terms after the partial term.
4. If and when vacancies in the membership of the ITOC occur, the same selection process as outlined above shall be followed to select a replacement to fill the remainder of the term. At the completion of a term, eligible incumbent members will need to apply for reappointment for another term.
5. Term limits for ITOC members should be staggered to prevent turnover of more than two members at any one time. In the event more than two members need to be replaced during the same recruitment period, the Selection Committee shall determine the length of their first term.

E. ITOC Responsibilities

The ITOC shall have the following responsibilities:

1. Conduct an annual fiscal and compliance audit of all *TransNet* Extension and Infrastructure Program-funded activities using the services of an independent fiscal auditor to ensure compliance with the *TransNet* Extension and Infrastructure Program. This annual audit will cover SANDAG, ITOC, Caltrans, and all Local Agency and transit operator recipients of *TransNet* Extension and Infrastructure Program funds during the fiscal year and will evaluate compliance with the MOE requirements and any other applicable requirements as applicable to these separate funding programs. The audits will identify expenditures made for each project and category of funding in the prior fiscal year and will include the accumulated expenses and revenues for ongoing, multi-year projects. In all cases *TransNet* Extension and Infrastructure Program funds shall be identified as separate sources of funds in a manner that is sufficient for auditing the separate requirements for the fund sources.

2. Prepare an annual report to the SANDAG Board of Directors presenting the results of the annual audit process. The report should include an assessment of the consistency of the expenditures of *TransNet* Extension and Infrastructure funds with the two ordinances and their Expenditure Plans and any recommendations for improving the financial operation and integrity of the programs for consideration by the SANDAG Board of Directors. This consistency evaluation will include a review of expenditures by project type for each local jurisdiction. The ITOC shall share the initial findings of the independent fiscal audits and its recommendations with the SANDAG Transportation Committee up to 60 days prior to their release to resolve inconsistencies and technical issues related to the ITOC's draft report and recommendations. Once this review has taken place, the ITOC shall make any final amendments it deems appropriate to its report and recommendations, and adopt its report for submission directly to the SANDAG Board of Directors and the public. The ITOC shall strive to be as objective and accurate as possible in whatever final report it adopts. Upon completion by the ITOC, the report shall be presented to the SANDAG Board of Directors at a subsequent meeting and shall be made available to the public.

3. Conduct triennial performance audits of SANDAG, Caltrans, Local Agencies, Transit Operators, and other selected recipients involved in the implementation of *TransNet* Extension and Infrastructure Program-funded projects and programs to review project delivery, cost control, schedule adherence and related activities.

a. The review should include consideration of changes to contracting, construction, permitting and related processes that could improve the efficiency and effectiveness of the expenditure of *TransNet* Extension or Infrastructure Program revenues. These performance audits shall be conducted using the services of an independent performance auditor and should include a review of the ITOC's performance. A draft of the ITOC's report and recommendations regarding the performance audits shall be made available to the SANDAG Transportation Committee at least 60 days before its final adoption by the ITOC to resolve inconsistencies and technical issues related to the ITOC's draft report and recommendations.

- b. Once this review has taken place, the ITOC shall make any final amendments it deems appropriate to its reports and related recommendations, and adopt its reports for presentation directly to the SANDAG Board of Directors and the public. The ITOC shall strive to be as objective and constructive as possible in the text and presentation of the performance audits.
    - c. Upon completion by the ITOC, the reports shall be presented to the SANDAG Board of Directors at a subsequent meeting and shall be made available to the public.
4. Provide recommendations to the SANDAG Board of Directors regarding any proposed amendments to the *TransNet* Extension or Infrastructure Program Ordinance or either of their Expenditure Plans.
5. Provide recommendations as part of the comprehensive program review process described in the *TransNet* Extension and Infrastructure Program. This process provides an opportunity to undertake a comprehensive review of the *TransNet* Extension and Infrastructure Program every 10 years and to make recommendations for improving the programs over the subsequent 10 years. This review process should take into consideration the results of the *TransNet* Extension and Infrastructure Program-funded improvements as compared to the performance standards established through the Regional Transportation Plan and the Regional Comprehensive Plan as embodied in the Regional Plan.
6. Participate in the ongoing refinement of SANDAG's transportation system performance measurement process and the project evaluation criteria used in development of the Regional Plan and in prioritizing projects for funding in the RTIP. The focus of this effort will be on *TransNet* Extension and Infrastructure Program-funded projects. Based on the periodic updates to the Regional Plan, as required by state and federal law, the ITOC shall develop a report to the SANDAG Transportation Committee, the SANDAG Board of Directors and the public providing recommendations for possible improvements and modifications to the *TransNet* Extension or Infrastructure Program projects or programs.
7. On an annual basis, review ongoing SANDAG system performance evaluations, including SANDAG's "State of the Commute" report, and provide an independent analysis of information included in that report. This evaluation process is expected to include such factors as level of service measurements by roadway segment and by time of day, throughput in major travel corridors, and travel time comparisons by mode between major trip origins and destinations. Such information will be used as a tool in the Regional Plan development process.
8. Review and comment on the programming of *TransNet* Extension and Infrastructure Program revenues in the RTIP. This provides an opportunity for the ITOC to raise concerns regarding the eligibility of projects proposed for funding before any expenditures are made. In addition to a general eligibility review, this effort should focus on significant cost increases and/or scope changes on the Major Corridor or Regional Corridors Program projects identified in the *TransNet* Extension or Infrastructure Program.

9. Review proposed debt financings and estimates of benefits of accelerated project delivery.
10. Review the Major Corridors Program projects identified in the *TransNet* Extension and the Regional Corridors Program within the Infrastructure Program for performance in terms of cost control and schedule adherence on a quarterly basis.
11. In carrying out its responsibilities, the ITOC shall conduct its reviews in such a manner that does not cause unnecessary project delays, while providing sufficient time to ensure that adequate analysis can be completed to allow the ITOC to make objective recommendations and to provide the public with information about the implementation of the *TransNet* Extension and Infrastructure Program projects and programs.

F. ITOC Funding and Administration

1. All costs incurred in administering the activities of the ITOC, including related fiscal and performance audit costs, shall be paid annually as set forth in the *TransNet* Extension and the Infrastructure Program respectively, from the proceeds of the transactions and use taxes. The funds made available to the ITOC to oversee the *TransNet* Extension and the Infrastructure Program, following the effective date of the Infrastructure Program Ordinance, shall not exceed \$400,000 annually, as adjusted for inflation annually. Any funds not utilized in one fiscal year shall remain available for expenditure in subsequent years as part of the annual budget process.
2. The expenditures of the ITOC shall be audited annually as part of the same fiscal audit process used for all other *TransNet* Extension and Infrastructure Program-funded activities.
3. Given that both the *TransNet* Extension and the Infrastructure Program have forty-year durations, but they do not expire at the same time, the ITOC shall continue as long as funds from the respective funding source remain available.
4. An annual ITOC operating budget shall be prepared and submitted to the SANDAG Board of Directors for its approval 90 days prior to the beginning of each fiscal year.
5. All ITOC meetings shall be public meetings conducted in full compliance with the Brown Act. The ITOC will meet on a regular basis, at least quarterly, to carry out its roles and responsibilities.
6. The SANDAG Board of Directors and staff will fully cooperate with and provide necessary support to the ITOC to ensure that it successfully carries out its duties and obligations, but should limit involvement to the provision of information required by the ITOC to ensure the independence of the ITOC as it carries out its review of the *TransNet* Extension and the Infrastructure Program and develops its recommendations for improvements.

7. ITOC members and their designated auditors shall have full and timely access to all public documents, records and data with respect to all *TransNet* Extension and Infrastructure Program funds and expenditures.

8. All consultants hired by the ITOC shall be selected on an open and competitive basis with solicitation of proposals from the widest possible number of qualified firms as prescribed by SANDAG's procedures for procurement. The scope of work of all such consultant work shall be adopted by the ITOC prior to any such solicitation.

9. SANDAG shall provide meeting space, supplies and incidental materials adequate for the ITOC to carry out its responsibilities and conduct its affairs. Such administrative support shall not be charged against the funds set aside for the administration of the ITOC provided under paragraph 1 above.

G. Conflict of Interest

1. The ITOC shall be subject to SANDAG's conflict of interest policies and reporting requirements. ITOC members shall have the same level of restrictions as those that apply to SANDAG Board members pursuant to California state law found at Government Code sections 87100 et seq. and 1090 et seq.

2. ITOC members shall have no legal action pending against SANDAG and are prohibited from acting in any commercial activity directly or indirectly involving SANDAG, such as being a consultant to SANDAG or to any party with pending legal actions against SANDAG during their tenure on the ITOC.

3. ITOC members shall not have direct commercial interest or employment with any public or private entity, which receives *TransNet* Extension or Infrastructure Program transactions and use tax funds.

## Funding Measure Expenditure Plan

	Amount (Millions of 2015\$)	Percent
<hr/>		
Total Revenues Available	\$18,194	
<b>Off the top:</b>		
Administration	\$182	1.0%
Independent Oversight	\$10	Fixed
<hr/>		
Subtotal	\$192	
Net Revenues	\$18,002	
<b>Distribution of Net Revenues</b>		
<hr/>		
Active Transportation	\$540	3.0%
Open Space	\$2,000	11.1%
Highways and GP Connectors	\$615	3.4%
Managed Lanes, HOV Lanes and HOV Connectors	\$1,940	10.8%
Transit Capital and Operations	\$7,507	41.7%
- Transit Capital Projects (\$4,830), (26.8%)		
- Transit Operations (\$2,137), (11.9%)		
- Specialized Transportation Grants (\$540), (3%)		
Local Infrastructure Projects Program	\$4,322	24.0%
Arterial Traffic Signal Synchronization Program	\$178	1.0%
Rail / Local Road Grade Separation Grant Program	\$900	5.0%
<hr/>		
<b>Total</b>	<b>\$18,002</b>	<b>100.0%</b>



**New or Expanded Transit - Capital**

Route	Description	RTP Cost		TransNet	Net Need	Proposed
		(2014	Cost (2015	II Plan of		
		\$millions)	\$millions)	Finance	(2015	(2015
				Capacity	\$millions)	\$millions)
				(2015		
Purple Line Phase 1	San Ysidro to Kearny Mesa	\$2,800	\$4,400	\$0	\$4,400	\$4,400
Rapid 2	North Park to Downtown	\$20	\$20	\$0	\$20	\$20
Rapid 10	La Mesa to Ocean Beach	\$87	\$89	\$0	\$89	\$89
Rapid 11	Spring Valley to SDSU via Downtown	\$65	\$66	\$0	\$66	\$66
Rapid 28	Pt Loma to Kearny Mesa via Old Town	\$12	\$12	\$0	\$12	\$12
Rapid 30	Old Town to Sorrento Mesa via Beaches	\$53	\$54	\$0	\$54	\$54
Rapid 41	Fashion Valley to UTC via Linda Vista	\$55	\$56	\$0	\$56	\$56
Rapid 90	SR 94 Corridor Express Service: El Cajon Transit Ctr to SD Airport via Downtown	\$20	\$20	\$0	\$20	\$20
Rapid 120	Downtown to Kearny Mesa	\$78	\$80	\$0	\$80	\$80
Rapid 550	SDSU to Palomar Station via Southeast	\$59	\$60	\$0	\$60	\$60
Rapid 635	Eastlake to Palomar Trolley	\$56	\$57	\$0	\$57	\$57
Rapid 640A/B	South I-5 Corridor Rapid Express Services: San Ysidro to Old Town via Downtown San Diego/Iris to Kearny Mesa via Downtown San Diego	\$93	\$95	\$0	\$95	\$95
Rapid 870/890	SR 52 Corridor Rapid Express Services: El Cajon/Santee to Kearny Mesa and UTC/Sorrento Mesa	\$19	\$19	\$0	\$19	\$19
Rapid 905	Iris Trolley to Otay Mesa	\$10	\$10	\$0	\$10	\$10
First/Last Mile Transit Connections	Mobility Hubs, transportation network connections	\$1,279	\$1,305	\$0	\$1,305	\$180
SR 94 Centerline Station	Transit station near 27th Street	\$50	\$51	\$0	\$51	\$51
Sorrento Valley Station	Relocation and Grade separation	\$242	\$247	\$0	\$247	\$247
Airport ITC	Intermodal connections to airport	\$337	\$343	\$0	\$343	\$343
San Ysidro ITC	Phases 1 and 2	\$118	\$120	\$0	\$120	\$120
Technology Enhancements	Transit priority measures, fare and customer service system upgrades	\$118	\$120	\$0	\$120	\$120
LOSSAN - Double Tracking	Various locations	\$318	\$324	\$0	\$324	\$324
COASTER - Stations	Camp Pendleton, Fairgrounds (incl. San Dieguito River Bridge Double Track)	\$207	\$211	\$0	\$211	\$211
COASTER	State of Good Repair improvements, including Del Mar Bluffs stabilization and bridge replacement	\$79	\$81	\$0	\$81	\$81
COASTER	Quiet Zones	\$60	\$60	\$0	\$60	\$60
COASTER & SPRINTER	Vehicle replacement to support COASTER, SPRINTER and Feeder Bus Service	\$133	\$136	\$0	\$136	\$136
Trolley	Vehicle replacement to support Trolley	\$90	\$90	\$0	\$90	\$90
Regional Transit Station Parking	Expanded transit station parking	\$120	\$120	\$0	\$120	\$120
Regional Vehicle Replacement	Replacement of rail vehicles	\$294	\$300	\$0	\$300	\$300
Regional Vehicle Replacement	New BRT and bus vehicle replacement	\$100	\$100	\$0	\$100	\$100
Regional Enhanced Bus Services	Expansion of bus maintenance facilities	\$100	\$100	\$0	\$100	\$100
		\$7,070	\$8,746	\$0	\$8,746	\$7,621
					Matching Funds	\$3,770
					Total Sales Tax Needed	\$3,852
					Financing Cost Attributable to Transit	\$978
					Total Capital + Financing Costs	\$9,724
						\$4,830

## New or Expanded Transit - Operations

		Annual Operating Cost (2015 \$millions)	Annual Fare Recovery (2015 \$millions)	Annual Subsidy (2015 \$millions)	Proposed (2015 \$millions)*
<b>New Transit Services - Operations</b>					
Purple Line Phase 1	San Ysidro to Kearny Mesa	\$21.2	\$7.4	\$13.8	\$304.2
<i>Rapid 2</i>	North Park to Downtown	\$0.7	\$0.2	\$0.5	\$10.0
<i>Rapid 10</i>	La Mesa to Ocean Beach	\$4.5	\$1.6	\$2.9	\$64.3
<i>Rapid 11</i>	Spring Valley to SDSU via Downtown	\$3.6	\$1.3	\$2.3	\$51.5
<i>Rapid 28</i>	Pt Loma to Kearny Mesa via Old Town	\$1.3	\$0.5	\$0.8	\$18.6
<i>Rapid 30</i>	Old Town to Sorrento Mesa via Beaches	\$3.6	\$1.3	\$2.3	\$51.5
<i>Rapid 41</i>	Fashion Valley to UTC via Linda Vista	\$3.3	\$1.2	\$2.1	\$47.2
<i>Rapid 90</i>	SR 94 Corridor Express Service: El Cajon Transit Ctr to SD Airport via Downtown	\$0.6	\$0.2	\$0.4	\$8.6
<i>Rapid 120</i>	Downtown to Kearny Mesa	\$5.1	\$1.8	\$3.3	\$72.9
<i>Rapid 550</i>	SDSU to Palomar Station via Southeast	\$5.3	\$1.9	\$3.4	\$75.8
<i>Rapid 635</i>	Eastlake to Palomar Trolley	\$3.0	\$1.1	\$2.0	\$42.9
<i>Rapid 640A/B</i>	South I-5 Corridor Rapid Express Services: San Ysidro to Old Town via Downtown San Diego/Iris to Kearny Mesa via Downtown San Diego	\$2.1	\$0.7	\$1.4	\$30.0
<i>Rapid 870/890</i>	SR 52 Corridor Rapid Express Services: El Cajon/Santee to Kearny Mesa and UTC/Sorrento Mesa	\$2.4	\$0.8	\$1.6	\$18.7
<i>Rapid 905</i>	Iris Trolley to Otay Mesa	\$2.3	\$0.8	\$1.5	\$32.9
First/Last Mile Transit Connections	Mobility Hubs, transportation network connections	\$3.9	\$1.4	\$2.5	\$55.8
Advanced Transit Services	Funding to advance transit operations				\$455.0
<b>Total New Transit Services - Operations</b>		<b>\$62.9</b>	<b>\$22.0</b>	<b>\$40.9</b>	<b>\$1,339.8</b>
<b>Expanded Transit Operations</b>					
Local Bus Services	Augment Existing Service on High Demand Routes	\$20.0	\$7.0	\$13.0	\$350.0
COASTER and SPRINTER	Increased Frequencies and Capacity	\$4.0	\$1.4	\$2.6	\$97.5
Trolley System	Increased Frequencies and Capacity, and Security Enhancements	\$23.3	\$8.2	\$15.1	\$350.0
<b>Total Expanded Transit Operations</b>		<b>\$47.3</b>	<b>\$16.6</b>	<b>\$30.7</b>	<b>\$797.5</b>

\*Assumed start dates are approximate and will depend on Board prioritization and ability to secure matching funds to implement advanced capital projects

### Managed Lanes, HOV Lanes, and HOV Connectors

Route	Description	RTP Cost (2014 \$millions)	Cost (2015 \$millions)	TransNet II Plan of Finance Capacity (2015 \$millions)	Net Need (2015 \$millions)	Proposed (2015 \$millions)
<b>Managed Lanes and HOV Lanes</b>						
I-5	8F to 8F+2ML, SR 905 to SR 54	\$308	\$314	\$169	\$145	\$145
I-5	8F to 10F+2ML, SR 54 to SR 15	\$343	\$350	\$177	\$173	\$173
I-5	8F+2ML to 8F+4ML, SR 56 to SR 78	\$1,531	\$1,562	\$713	\$849	\$849
SR 52	2ML from SR 125 to I-805	\$389	\$397	\$71	\$326	\$326
SR 78	2HOV from I-5 to I-15	\$1,192	\$1,216	\$566	\$650	\$650
SR 94	Corridor Improvements*	\$485	\$500	\$353	\$147	\$147
		<u>\$4,248</u>	<u>\$4,338</u>	<u>\$2,049</u>	<u>\$2,289</u>	<u>\$2,289</u>
<b>Connectors - HOV</b>						
I-5/SR 78 HOV Connectors	S to E, W to N, N to E, W to S	\$253	\$258	\$0	\$258	\$258
I-15/SR 78 HOV Connectors	East to South and North to West	\$106	\$108	\$71	\$37	\$37
SR 52/I-805 HOV Connector	West to North and South to East	\$91	\$93	\$42	\$51	\$51
SR 94/SR 15 HOV Connectors	South to West and East to North	\$71	\$100	\$48	\$52	\$52
SR 94/I-805 HOV Connectors (incl. I-805 Widening to accommodate)	North to West and East to South	\$101	\$300	\$0	\$300	\$300
I-805/SR 15 HOV Connectors	South to South and North to North	\$81	\$100	\$0	\$100	\$100
		<u>\$703</u>	<u>\$959</u>	<u>\$161</u>	<u>\$798</u>	<u>\$798</u>
	<b>Total Managed Lanes, HOV Lanes, and HOV Connectors</b>	<b>\$4,951</b>	<b>\$5,297</b>	<b>\$2,210</b>	<b>\$3,087</b>	<b>\$3,087</b>
					Match	\$1,544
					Sales Tax Need	\$1,544
	Financing Costs Attributable to Managed Lanes, HOV Lanes, and HOV Connectors				\$396	\$396
				Total Capital and Financing	\$3,484	\$1,940

\*Improvements in the SR 94 Corridor are contingent on the outcome of an environmental review process underway at the time the Ordinance was drafted. The budget identified in this Expenditure Plan for this project is based on improvements identified in San Diego Forward: The Regional Plan (2015).

## Highways and General Purpose Lane Connectors

Route	Description	RTP Cost (2014 \$millions)	Cost (2015 \$millions)	<i>TransNet</i> II Plan of Finance Capacity (2015 \$millions)	Net Need (2015 \$millions)	Proposed (2015 \$millions)
<b>Highways</b>						
I-8	4F/6F to 6F from 2nd St to Los Coches	\$35	\$36	\$32	\$4	\$4
SR 52	4F to 6F from Mast Blvd to SR 125	\$76	\$78	\$0	\$78	\$78
SR 56	4F to 6F from I-5 to I-15	\$141	\$144	\$114	\$30	\$30
SR 67	2C to 4C from Maplevue to Dye Road	\$636	\$649	\$250	\$399	\$399
		\$888	\$906	\$396	\$510	\$510
<b>Connectors - General Purpose Lane</b>						
I-5/SR 56 Connectors	West to North and South to East	\$273	\$278	\$64	\$214	\$214
I-5/SR 78 Connectors	South to East and West to South	\$273	\$278	\$64	\$214	\$214
SR 94/SR 125 Connectors	South to East and West to North	\$150	\$153	\$114	\$39	\$39
		\$696	\$710	\$242	\$468	\$468
<b>Total Highways and General Purpose Lane Connectors</b>		\$1,584	\$1,616	\$638	\$978	\$978
					Match	\$489
					Sales Tax Need	\$489
Financing Costs Attributable to Highways and General Purpose Lane Connectors					\$126	\$126
Total Capital and Financing					\$1,103	\$615

## Estimate of Local Share for Future Sales Tax Measure

Jurisdiction	Percent Share	40-year total (2015 \$millions)	2017 - First Year Allocation (\$thousands)
Carlsbad	3.47%	\$150.0	\$2,479
Chula Vista	7.93%	\$342.7	\$5,661
Coronado	0.84%	\$36.1	\$597
Del Mar	0.25%	\$10.9	\$181
El Cajon	3.19%	\$138.0	\$2,280
Encinitas	1.99%	\$85.8	\$1,418
Escondido	4.58%	\$197.9	\$3,270
Imperial Beach	0.93%	\$40.4	\$667
La Mesa	1.90%	\$82.3	\$1,359
Lemon Grove	0.92%	\$39.6	\$655
National City	1.93%	\$83.6	\$1,381
Oceanside	5.32%	\$229.8	\$3,797
Poway	1.61%	\$69.5	\$1,148
San Diego	41.51%	\$1,793.9	\$29,637
San Marcos	2.87%	\$124.1	\$2,051
Santee	1.81%	\$78.3	\$1,294
Solana Beach	0.52%	\$22.5	\$372
Vista	3.04%	\$131.4	\$2,171
County	15.38%	\$664.7	\$10,982
<b>Total</b>	<b>100.00%</b>	<b>\$4,321.7</b>	<b>\$71,402</b>

For comparison purposes, the *TransNet* Extension includes an estimated \$76.7 million to local jurisdictions in FY 2017. The Future Sales Tax Measure FY 2017 estimate would represent an augmentation over and above what local cities and the county receive from *TransNet* in that year of 93%.

Figures above are for illustration purposes only and reflect a minimum \$100,000 allocation for each jurisdiction, with the remaining funds distributed by population.

## Other Allocations

	Amount (2015 \$millions)
<b>Off the Top</b>	
Administration	\$182
Independent Oversight	\$10
Subtotal	<u>\$192</u>
<b>Other Programs</b>	
Active Transportation	\$540
Open Space*	\$2,000
Specialized Transportation Grant Program	\$540
Arterial Traffic Signal Synchronization Program	\$178
Rail / Local Road Grade Separation Grant Program	\$900
Subtotal	<u>\$4,158</u>
Total	\$4,350

\*Assumes cost of acquisition, management and monitoring of habitat preserve areas to meet the regional obligation outlined in state/federal agreements

## Trolley/COASTER Systems Service Increased Frequency and Capacity

BLUE LINE		
<b>Blue</b>	Weekday	Extend 7.5-min peak frequency mid-day (additional 6 hrs)
<b>Blue</b>	Weekday	Extend 15-min frequency until end of service day (additional 4 hrs)
<b>Blue</b>	Saturday	15-min frequency until end of service day (additional 4 hrs)
<b>Blue</b>	Sunday	15-min frequency to start/end day (additional 7 hrs)
ORANGE LINE		
<b>Orange</b>	Weekday	Extend 15-min frequency (additional 4.5 hrs)
<b>Orange</b>	Weekday	Add two extra trains per peak period (additional 4 trips)
<b>Orange</b>	Saturday	Extend 15-min frequency (additional 5.5 hrs)
<b>Orange</b>	Sunday	Extend 15-min frequency (additional 4 hrs)
<b>Orange</b>	Sunday	Extend service day with 15-min frequency (additional 1.5 hrs)
GREEN LINE		
<b>Green</b>	Fri/Sat	Extend 30-minute frequency DT-SDSU (additional 3 hrs)(late night)
<b>Green</b>	Weekday	Extend 15-minute service (additional 4 hrs)
<b>Green</b>	Saturday	Extend 15-minute service (additional 5 hrs)
<b>Green</b>	Sunday	Extend 15-minute service to Santee
COASTER/AMTRAK		
<b>COASTER</b>	Weekday	Add 6 one-way mid-day trips (result: approx. 60-90 minutes between trains)
<b>AMTRAK*</b>	Weekday	Add 2 Amtrak Rail2Rail trips (morning northbound and evening southbound)
<b>* Subject to approval by the LOSSAN Rail Corridor Agency</b>		

Ballot Measure Language

<b>SAN DIEGO COUNTY ROAD REPAIR, TRANSIT, TRAFFIC RELIEF, SAFETY AND WATER QUALITY MEASURE</b>	
Shall an ordinance be adopted to: repair roads, deteriorating bridges; relieve congestion; provide every community funds for pothole/street repairs; expand public transit, including improved services for seniors, disabled, students, veterans; reduce polluted runoff; preserve open space to protect water quality/reduce wildfires by enacting, with independent oversight/audits, a 40-year, half-cent local sales tax (\$308 million annually) that Sacramento cannot take away?	
	Yes → <input type="radio"/>
	No → <input type="radio"/>



## Notice of Exemption

---

**To:**

Office of Planning and Research  
*U.S. Mail:*  
 P.O. Box 3044  
 Sacramento, CA 95812-3044

County Clerk  
 County of San Diego  
 1600 Pacific Highway, Suite 260  
 San Diego, CA 92101

**From:**

San Diego Association of Governments  
 401 B Street, Suite 800  
 San Diego, CA 92101

**Project Title:** San Diego County Road Repair, Transit, Traffic Relief, Safety and Water Quality Ordinance and Expenditure Plan

**Project Location:** All incorporated and unincorporated territory of the County of San Diego

**Description of Nature, Purpose, Beneficiaries of Project:** The San Diego Association of Governments (SANDAG), pursuant to its authority as the San Diego County Regional Transportation Commission (Commission), proposes to submit the San Diego County Road Repair, Transit, Traffic Relief, Safety and Water Quality Ordinance and Expenditure Plan (Ordinance and Expenditure Plan) to the voters, which would, among other things, authorize the imposition of a retail transactions and use tax (tax) for a period of 40 years at a rate of one-half of one-cent to provide funding for transportation and other improvements in the incorporated and unincorporated territory of the County of San Diego, if approved by a two-thirds majority or more of the voters at an election scheduled for November 8, 2016.

Revenues generated from the tax would be allocated solely as described in the Ordinance and Expenditure Plan. Potential uses of the revenues generally would include but not be limited to repairing roads and deteriorating bridges and improving critical infrastructure; relieving freeway congestion; providing each local government with funds to repair potholes and streets and to protect waterways and beaches from polluted runoff; expanding transit service for all persons in the County, including seniors, people with disabilities, students, and veterans; preserving open space and better protecting water quality and reducing risk of wildfires; and enhancing the transportation network countywide as set forth in the Expenditure Plan. The revenues would be used in a manner consistent with Public Utilities Code Section 132320, the long range Regional Plan and the short-range, multi-year Regional Transportation Improvement Program (RTIP), and for the administration of the San Diego County Regional Transportation Commission Act commencing with Public Utilities Code Section 132000.

**Name of Public Agency Approving and Carrying out Project:** San Diego Association of Governments

**Exempt Status:** CEQA Guidelines Section 15378, subdivision (b)(4)

**Reasons why project is exempt:** Under the California Environmental Quality Act (CEQA) (Public Resources Code, Section 21065), the CEQA Guidelines (14 California Code of Regulations, Section 15378 (b)(4)), and related case law, adoption of the Ordinance and the Expenditure Plan is not approval of a "project" subject to CEQA because it solely creates a government funding mechanism and does not constitute a binding commitment to approve, fund, implement, or construct (collectively "approve") any specific project set forth in the Ordinance and Expenditure Plan. The Ordinance and Expenditure Plan gives only a brief, general description of the individual projects included. Individual projects would not be approved until completion of any required environmental review under CEQA and/or the National Environmental Policy Act (NEPA). Adoption of this Ordinance and Expenditure Plan would not preclude the consideration of feasible alternatives, including the no-project alternative, and mitigation measures. The list of projects included in the Ordinance and the Expenditure Plan is not fixed, and is subject to amendment. Moreover, the implementation of many projects included in the Ordinance and Expenditure Plan is contingent upon receipt of substantial matching contributions from other funding sources; therefore, inclusion of these projects in the Plan does not assure they will be implemented. Reference: Ordinance and Expenditure Plan Sections 3(F), 14(F), 22(E), 24.

## Notice of Exemption

---

**Lead Agency Contact Person:** Rob Rundle    **Area Code/Telephone:** (619) 699-6949

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_ **Title:** \_\_\_\_\_

Signed by Lead Agency

Date received for filing at OPR: \_\_\_\_\_