Members
Jim Desmond, Chair
Mayor, City of San Marcos
(Representing North County Inland)
Bill Sandke, Vice Chair
Councilmember, City of Coronado
(Representing South County)
Georgette Gomez, Councilmember
City of San Diego
Ron Roberts, Supervisor
County of San Diego
Bill Baber
Vice Mayor, City of La Mesa
(Representing East County)
Catherine Blake Spear
Mayor, City of Encinitas
(Representing North County Coastal)
Harry Mathis, Chair
Metropolitan Transit System
John Aguilera, Vice Chair
North County Transit District
Jim Janney
San Diego County Regional Airport Authority

Alternates
Judy Ritter
Mayor, City of Vista
(Representing North County Inland)
Mary Salas
Mayor, City of Chula Vista
(Representing South County)
Mark Kersey, Councilmember
City of San Diego
Bill Horn, Supervisor
County of San Diego
Greg Cox, Supervisor
County of San Diego
Jennifer Mendoza
Mayor Pro Tem, City of Lemon Grove
(Representing East County)
Ellie Haviland
Councilmember, City of Del Mar
(Representing North County Coastal)
Lorie Bragg
Metropolitan Transit System
Bill Horn / Mark Packard
North County Transit District
April Boling
San Diego County Regional Airport Authority

Advisory Members
Laurie Berman / Dara Wheeler
District 11, Caltrans
Erica Pinto (Jamul)
Allen Lawson (San Pasqual)
Southern California Tribal Chairmen’s Association
Gary L. Gallegos
Executive Director, SANDAG

TRANSPORTATION COMMITTEE AGENDA

Friday, May 19, 2017
9 a.m. to 12 noon
SANDAG Board Room
401 B Street, 7th Floor
San Diego

AGENDA HIGHLIGHTS

• PROPOSED FY 2017 PROGRAM BUDGET AMENDMENT: I-5/GILMAN DRIVE BRIDGE PROJECT
• CALIFORNIA FREIGHT INVESTMENT PROGRAM
• FY 2018 TRANSPORTATION DEVELOPMENT ACT PRODUCTIVITY IMPROVEMENT PROGRAM

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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
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TRANSPORTATION COMMITTEE  
Friday, May 19, 2017

**ITEM NO.**  
**RECOMMENDATION**

1. **APPROVAL OF MEETING MINUTES**  
   The Transportation Committee is asked to review and approve the minutes from its April 21, 2017, meeting.

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

**CONSENT**

3. **TransNet SMART GROWTH INCENTIVE PROGRAM AND ACTIVE TRANSPORTATION GRANT PROGRAM: QUARTERLY PROGRESS REPORT (Tracy Ferchaw)**  
   This report provides an overview of progress made by TransNet Smart Growth Incentive Program and Active Transportation Grant Program recipients through December 31, 2016.

4. **SPECIALIZED TRANSPORTATION GRANT PROGRAMS STATUS UPDATE (Danielle Kochman)**  
   This report provides an overview of the progress made to date by the grant recipients in the Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310) and TransNet Senior Mini-Grant programs.

**REPORTS**

   The Transportation Committee is asked to recommend the Board of Directors approve an amendment to the FY 2017 Program Budget to accept $1.2 million from UC San Diego to fully fund the I-5/Gilman Drive Bridge Project (CIP Project No. 1200508).
The Transportation Committee is asked to approve Amendment No. 5 - Administrative Modification to the 2016 Regional Transportation Improvement Program.

The Transportation Committee is asked to recommend that the Board of Directors approve the proposed projects for submission to the 2017 California Freight Investment Program.

The Transportation Committee is asked to recommend that the Board of Directors find that the Metropolitan Transit System and North County Transit District made a reasonable effort to implement productivity improvements during FY 2017 and approve continuing this program in FY 2018, which fulfills the requirements outlined in Section 99244 of the Transportation Development Act.

The Transportation Committee is asked to review and discuss options for conducting the first TransNet Ten-Year Comprehensive Program Review for consideration by the Board of Directors.

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.

The next meeting of the Transportation Committee is scheduled for Friday, June 2, 2017, at 10 a.m. Please note that this meeting will be held jointly with the Regional Planning Committee.

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

APRIL 21, 2017

The meeting of the Transportation Committee was called to order by Chair Jim Desmond (North County Inland) at 9:01 a.m.

1. APPROVAL OF MEETING MINUTES (APPROVE)

Action: Upon a motion by Mr. Jim Janney (San Diego County Regional Airport Authority [SDCRAA]), and a second by Supervisor Ron Roberts (County of San Diego), the Transportation Committee approved the meeting minutes of March 17, 2017. Yes – Chair Desmond, Vice Chair Bill Sandke (South County), Councilmember Georgette Gomez (City of San Diego), Supervisor Roberts, Vice Mayor Bill Baber (East County), Mayor Catherine Blakespear (North County Coastal), Chair Harry Mathis (Metropolitan Transit System [MTS]), Vice Chair John Aguilera (North County Transit District [NCTD]), and Mr. Janney. No – None. Abstain – None. Absent – None.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Clive Richard, a member of the public, spoke about safety and Americans with Disabilities Act compliance concerns related to the San Diego State University pedestrian bridge.

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

Chair Desmond said the TransNet Independent Taxpayer Oversight Committee is looking to fill two positions. Applications are due to SANDAG by April 26, 2017.

REPORTS

3. BAYSHORE BIKEWAY BARRIO LOGAN SEGMENT: CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) EXEMPTION (APPROVE)

Stephan Vance, Senior Regional Planner, provided details on the project background.

Andrew Martin, Senior Regional Planner, presented information on CEQA compliance and the exemption recommendation.

Andy Hanshaw, San Diego County Bicycle Coalition, spoke in favor of the item.
Sophie Wolfram, Climate Action Campaign, spoke in favor of the item.

Victor Avina, County of San Diego, spoke in favor of the item.

Lisa Schmidt, City of San Diego, spoke in favor of the item.

**Action:** Upon a motion by Councilmember Gomez, and a second by Vice Chair Sandke, the Transportation Committee approved the California Environmental Quality Act exemption for the Bayshore Bikeway Barrio Logan Segment. Yes – Chair Desmond, Vice Chair Sandke, Councilmember Gomez, Supervisor Roberts, Vice Mayor Baber, Mayor Blakespear, MTS Chair Mathis, NCTD Vice Chair Aguilera, and Mr. Janney. No – None. Abstain – None. Absent – None.

4. **FY 2018 REGIONAL TRANSIT CAPITAL IMPROVEMENT PROGRAM (RECOMMEND)**

Kim Monasi, Project Control Manager, presented the item.

**Action:** Upon a motion by MTS Chair Mathis, and a second by Vice Mayor Baber, the Transportation Committee recommended that the Board of Directors: (1) approve the submittal of Federal Transit Administration grant applications for the San Diego region; and (2) adopt Regional Transportation Commission Resolution No. RTC-2017-04, approving Amendment No. 3 to the 2016 Regional Transportation Improvement Program. Yes – Chair Desmond, Vice Chair Sandke, Councilmember Gomez, Supervisor Roberts, Vice Mayor Baber, Mayor Blakespear, MTS Chair Mathis, NCTD Vice Chair Aguilera, and Mr. Janney. No – None. Abstain – None. Absent – None.

5. **2016 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: AMENDMENT NO. 4 (ADOPT)**

Michelle Smith, Senior Project Control Analyst, presented the item.

**Action:** Upon a motion by MTS Chair Mathis, and a second by Vice Mayor Baber, the Transportation Committee adopted Resolution No. 2017-20, approving Amendment No. 4 to the 2016 Regional Transportation Improvement Program. Yes – Chair Desmond, Vice Chair Sandke, Councilmember Gomez, Supervisor Roberts, Vice Mayor Baber, Mayor Blakespear, MTS Chair Mathis, NCTD Vice Chair Aguilera, and Mr. Janney. No – None. Abstain – None. Absent – None.

6. **CONTINUED PUBLIC COMMENTS**

There were no continued public comments.

7. **UPCOMING MEETINGS**

The next meeting of the Transportation Committee is scheduled for Friday, May 5, 2017, at 9 a.m.

8. **ADJOURNMENT**

Chair Desmond adjourned the meeting at 10:03 a.m.
## CONFIRMED ATTENDANCE
### SANDAG TRANSPORTATION COMMITTEE MEETING
#### APRIL 21, 2017

<table>
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<tr>
<th>JURISDICTION</th>
<th>NAME</th>
<th>MEMBER/ ALTERNATE</th>
<th>ATTENDING</th>
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<td>Catherine Blakespear</td>
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<td>Ellie Haviland</td>
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<td>North County Inland</td>
<td>Jim Desmond (Chair)</td>
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<td>Jennifer Mendoza</td>
<td>Alternate</td>
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<td>South County</td>
<td>Bill Sandke</td>
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<td>Mary Salas</td>
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<td>City of San Diego</td>
<td>Georgette Gomez</td>
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<td>Mark Kersey</td>
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<td>County of San Diego</td>
<td>Ron Roberts</td>
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<td>Bill Horn</td>
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<td>Greg Cox</td>
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<td>Metropolitan Transit System</td>
<td>Harry Mathis</td>
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<td>Lorie Bragg</td>
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<td>North County Transit District</td>
<td>John Aguilera</td>
<td>Member</td>
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<tr>
<td>San Diego County Regional Airport Authority</td>
<td>Jim Janney</td>
<td>Member</td>
<td>Yes</td>
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<td></td>
<td>April Boling</td>
<td>Alternate</td>
<td>No</td>
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</table>

### ADVISORY MEMBERS
- **Caltrans**
  - Laurie Berman | Member | Yes
  - Dara Wheeler | Alternate | Yes
- **SCTCA**
  - Erica Pinto | Member | Yes
  - Allen Lawson | Member | No
- **Other Attendees**
  - Luz Cofresi-Howe | NCTD | Yes
  - Sharon Cooney | MTS | Yes
  - Ron Roberts | Chairman, SANDAG | Yes
Introduction

Staff provides a quarterly progress report on TransNet Smart Growth Incentive Program (SGiP) and Active Transportation Grant Program (ATGP) projects to the Independent Taxpayer Oversight Committee (ITOC), Transportation Committee (TC), and Regional Planning Committee (RPC).

The TransNet SGiP and ATGP Quarterly Progress Report (Attachment 1) shows progress made on each grant project through December 31, 2016.

As of December 31, 2016, all but two SGiP projects are on schedule. An administrative six-month schedule extension amendment is being processed for one Cycle 3 project, and one formal 12-month schedule extension amendment was approved by the RPC at its May 5, 2017, meeting (see Attachment 1 and Exhibits A and B).

As of December 31, 2016, all but three Cycle 3 ATGP projects and one ATGP-Active Transportation Program Funds Exchange project are on schedule. Administrative six-month schedule extension amendments are being processed for these projects (see Attachment 1 and Exhibits D and E).

Board Policy No. 035: Competitive Grant Program Procedures sets forth the process to extend project completion deadlines (Exhibit F).

Next Steps

The next quarterly progress report is scheduled for presentation to ITOC, TC, and RPC in July 2017.

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

Attachment: 1. Quarterly Progress Report TransNet Smart Growth Incentive Program and Active Transportation Grant Program with Exhibits A–F

Key Staff Contact: Tracy Ferchaw, (619) 699-1977, tracy.ferchaw@sandag.org
Quarterly Progress Report
TransNet Smart Growth Incentive Program and
Active Transportation Grant Program
Reporting Period Through December 31, 2016

Introduction

This report shows progress made by each grant recipient through December 31, 2016, on projects funded by two grant programs included in the TransNet Extension Ordinance and Expenditure Plan: (1) the Smart Growth Incentive Program (SGIP); and (2) the Active Transportation Grant Program (ATGP). It also indicates any schedule amendments being processed.

Smart Growth Incentive Program

The SGIP was established through the TransNet Extension Ordinance “to provide funding for a broad array of transportation-related infrastructure improvements that will assist local agencies in better integrating transportation and land use.” Since the program was launched in 2009, the SGIP has awarded $30.8 million in funds (as of December 31, 2016) to a total of 43 projects, including 23 capital grants and 20 planning grants. Of the 43 SGIP funded projects, 22 have been completed. An overview of SGIP funding Cycles 1, 2, and 3 is provided below.

Cycle 1 Smart Growth Incentive Program

In May 2009, SANDAG awarded $9.2 million in funding to 13 projects (5 planning grants and 8 capital grants) for the first cycle of the SGIP. Eleven of the projects have been completed, and two were transferred to SANDAG (July 2013) for implementation through the Regional Bike Plan Early Action Program (EAP). (Progress on the transferred projects is reported through SANDAG’s annual budget for the Regional Bike Program.) Information on Cycle 1 SGIP projects can be found at sandag.org/grantsummary.

Cycle 2 Smart Growth Incentive Program (Exhibit A)

In June 2013, SANDAG awarded $9.6 million in funding to 13 projects (7 planning grants and 6 capital grants) for the second cycle of the SGIP. Eleven of the projects have been completed. The remaining two projects are currently scheduled to be completed by the end of July 2017. However, as of December 31, 2016, only one of the two Cycle 2 SGIP projects is on schedule. At this time, the City of San Diego is requesting a 12-month schedule amendment from the Regional Planning Committee (RPC) for the Morena Boulevard Station Area Study Phase 2 SGIP project.

Cycle 3 Smart Growth Incentive Program (Exhibit B)

In July 2015, SANDAG awarded $12 million in funding to 17 projects (8 planning grants and 9 capital grants). As of December 31, 2016, no projects have yet been completed, and all but one Cycle 3 SGIP projects are on schedule. At this time, one six-month schedule extension administrative amendment is being processed for the City of National City’s Downtown Specific Plan Update.

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1 Board Policy No. 035: Competitive Grant Program Procedures allows staff to process one administrative amendment per grant project for schedule extensions of up to six months.
Active Transportation Grant Program

The TransNet Extension Ordinance specifies that ATGP funds be used “for bikeway facilities and connectivity improvements, pedestrian and walkable community projects, bicycle and pedestrian safety projects and programs, and traffic calming projects.” Since the program was launched in 2009, the ATGP has awarded $18.7 million in funds to a total of 64 projects, including 29 planning, bike parking, and education program grants and 35 capital grants. Of the 64 ATGP projects, 51 have been completed, and 1 was transferred to the Regional Bike Plan EAP (see below, Cycle 1 ATGP). An overview of ATGP funding Cycles 1, 2, and 3 and the TransNet ATGP-Active Transportation Program (ATP) Funding Exchange projects is provided below. This program is funded by TransNet and Transportation Development Act (TDA) funds.

Cycle 1 Active Transportation Grant Program

In June 2009, SANDAG awarded $7.8 million in TransNet and TDA funding to 26 projects (8 planning, bike parking, and education program grants and 18 capital grants). Twenty-five of the projects have been completed, and one was transferred to SANDAG (April 2013) for implementation through the Regional Bike Plan EAP. (Progress on the transferred project is reported through SANDAG’s annual budget for the Regional Bike Program.) Information on Cycle 1 ATGP projects can be found at sandag.org/grantsummary.

Cycle 2 Active Transportation Grant Program (Exhibit C)

In September 2012, SANDAG awarded $8.8 million in TransNet and TDA funding to 25 projects (14 planning, bike parking, and education program grants and 11 capital grants) for the second cycle of this program. As of December 31, 2016, all 25 projects have been completed. Given the completion of all Cycle 2 ATGP projects and similar to how other completed grant program cycles are reported, Exhibit C will be removed from future quarterly reports, and information about these projects will be available at sandag.org/grantsummary.

Cycle 3 Active Transportation Grant Program (Exhibit D)

In July 2015, SANDAG awarded $3 million in TDA funding to 12 projects (6 planning, bike parking, and education program grants and 6 capital grants). One capital project (City of National City’s Sweetwater River Bikeway/30th Street Bicycle Facility Improvements) was withdrawn due to the award of statewide ATP funding for the same project. The funding awarded to that project was reallocated to fully fund two capital ATGP projects (cities of Carlsbad and Solana Beach) that had received partial funding and to fully fund the next highest-ranked capital ATGP project (City of National City Midblock Crossing). In January 2017, one non-capital planning project (Civic San Diego’s Euclid and Market Complete Streets Master Plan) was withdrawn due to a loss of matching funds. On February 24, 2017, the Board of Directors approved the reallocation of the funding awarded to that project, fully funding one additional non-capital ATGP project (City of Chula Vista) and partially funding the next highest-ranked non-capital ATGP project (City of Lemon Grove). These newly-funded projects have been incorporated into Exhibit D for a new total of 13 projects awarded funding; contract executions are anticipated in June 2017, and progress will be tracked in future quarterly reports. As of December 31, 2016, one project has been completed, and all but three Cycle 3 ATGP projects are on schedule. At this time, three six-month schedule extension administrative amendments are being processed for the City of Oceanside’s Bike/Bus Safety Public Outreach project, the City of Santee’s Citywide Bike Lanes project, and the City of Carlsbad’s Carlsbad Boulevard and Tamarack Avenue Pedestrian Improvement Project.
TransNet Active Transportation Grant Program-Active Transportation Program Funds
Exchange Projects (Exhibit E)

On September 26, 2013, the Governor signed legislation creating the California ATP to encourage increased use of active modes of transportation, such as bicycling and walking. The program is administered by the California Transportation Commission (CTC). Funding for each cycle (generally held annually or every two years) is competitively awarded in two stages, beginning with a statewide competition led by the CTC, followed by a regional competition conducted by SANDAG. Following the regional project evaluation process for Cycles 1 and 2 of the ATP, a funding exchange was implemented to reduce the administrative burden associated with federal funding requirements for nine local projects. The funding exchange resulted in the exchange of ATP funds for TransNet funds; SANDAG will use the ATP funds exchanged to construct regional bike projects that have already received federal/state funding approval.

SANDAG has approved the exchange of $10.7 million in TransNet funds since the ATP was launched. In November 2014, $6 million in TransNet ATGP funds were approved for seven projects (two planning grants and five capital grants) selected through the regional Cycle 1 ATP process. In October 2015, $4.7 million in TransNet ATGP funds were approved for two capital projects selected through the regional Cycle 2 ATP process. Projects receiving TransNet funds as a result of the funding exchange are being administered by SANDAG through the ATGP. Grant agreements have been executed for the nine projects, which are now underway. As of December 31, 2016, all but one ATGP-ATP Funds Exchange projects are on schedule. At this time, a six-month schedule extension administrative amendment is being processed for the City of National City’s Division Street Road Diet project.

Grant Monitoring and Oversight

Staff reviews quarterly reports to ensure that grantees are making timely progress with respect to the key milestones identified in Board Policy No. 035: Competitive Grant Program Procedures (Exhibit F), governing the timely use of grant funds and their respective grant agreements. The “Watch List” column in the status summaries (Exhibits A–E) is used to identify those grantees in danger of missing their scheduled milestone dates that have not yet worked with staff to take corrective action. Delays in tasks leading up to either the award of a contract or project completion milestones also may result in placement of grantees on the watch list.

In addition, staff reviews project deliverables for consistency with the agreed-upon scopes of work. Progress reports (including schedule amendments) for the two grant programs are presented to the Independent Taxpayer Oversight Committee (ITOC), Transportation Committee (TC), and RPC on a quarterly basis.

Per Section 3 of Board Policy No. 035 (Exhibit F), the appropriate Policy Advisory Committee (the RPC for SGIP grants and the TC for ATGP grants) reviews and considers SGIP and ATGP schedule amendments for approval based upon extenuating circumstances that the grantee could not have reasonably foreseen.

During past quarterly progress reports, RPC, TC, and ITOC members directed staff to consider process improvements to better ensure that projects are delivered in a timely manner. In response to Recommendation No. 15 included in the FY 2012 TransNet Triennial Performance Audit conducted by the ITOC, staff has established a formal process for site visits with grantees to improve performance over the course of grant implementation.
In addition, staff has developed an interactive map on KeepSanDiegoMoving.com that provides more information on the ATGP and SGIP grant-funded projects. This map is available to the public and is updated on a quarterly basis.

Exhibits:  
A. Status of Cycle 2 (FY 2011 – 2013) TransNet Smart Growth Incentive Grant Program Projects  
B. Status of Cycle 3 (FY 2014 – 2016) TransNet Smart Growth Incentive Grant Program Projects  
C. Status of Cycle 2 (FY 2011 – 2013) TransNet/Transportation Development Act Active Transportation Grant Program Projects  
D. Status of Cycle 3 (FY 2014 – 2016) TransNet/Transportation Development Act Active Transportation Grant Program Projects  
E. Status of TransNet Active Transportation Grant Program-Active Transportation Program Funds Exchange Projects  
F. Board Policy No. 035: Competitive Grant Program Procedures
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<th>Description of Project Activities</th>
<th>Grant Amount</th>
<th>Contract Execution Date</th>
<th>ORIGINAL Contract Expiration Date</th>
<th>CURRENT Contract Expiration Date</th>
<th>Watch List**</th>
<th>Status and Amendment History</th>
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<td>Morena Boulevard Station Area Study Phase 2</td>
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<td>01/21/14</td>
<td>01/21/16</td>
<td>07/21/17</td>
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<td>Grantee is requesting a 12-month schedule extension. Am 1 (RPC) — 18 month</td>
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<td>The Complete Boulevard Planning Study</td>
<td>$171,617</td>
<td>01/21/14</td>
<td>01/21/17</td>
<td>07/21/17</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones and is expected to be completed on schedule. No Amendments</td>
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<td>Healthy Communities Program</td>
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<tr>
<td>Imperial Beach</td>
<td>PLANNING: Proposes the transformation of the Palm Avenue/SR 75 corridor into a &quot;Main Street&quot; through public right-of-way improvements, traffic calming, and pedestrian, bicycle, and transit enhancements. Involves the preparation of preliminary designs and environmental documentation.</td>
<td>$400,000</td>
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<td>PROJECT COMPLETE — JANUARY 2016</td>
<td></td>
</tr>
<tr>
<td>La Mesa</td>
<td>CAPITAL: Enhances the La Mesa Downtown Village area by constructing a variety of streetscape improvements and a new public plaza.</td>
<td>$2,000,000</td>
<td></td>
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<td>PROJECT COMPLETE — DECEMBER 2015</td>
<td></td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>PLANNING: Proposes multimodal enhancements to the Main Street Promenade Extension corridor and creates opportunities for recreation and social gathering. Includes the preparation of preliminary designs and environmental documentation</td>
<td>$400,000</td>
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<td>PROJECT COMPLETE — OCTOBER 2016</td>
<td></td>
</tr>
<tr>
<td>National City</td>
<td>CAPITAL: Enhances National City's right-of-way by providing streetscape improvements and incorporating place-making features, such as public art.</td>
<td>$2,000,000</td>
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<td>PROJECT COMPLETE — JULY 2016</td>
<td></td>
</tr>
<tr>
<td>San Diego</td>
<td>PLANNING: Develops a master plan for East Village Green, Downtown San Diego's largest proposed open space, and the 14th Street Promenade, a proposed linear park, to provide a safe pedestrian and bicycle connection between City College and Barrio Logan.</td>
<td>$300,000</td>
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<td>PROJECT COMPLETE — JULY 2016</td>
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</tbody>
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<tr>
<td>10</td>
<td>San Diego</td>
<td>Island Avenue Green Street Mobility Improvements</td>
<td>CAPITAL: Constructs a series of widened sidewalks and corner bulb-outs along Island Avenue.</td>
<td>$1,000,000</td>
<td></td>
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<td>PROJECT COMPLETE — FEBRUARY 2016</td>
</tr>
<tr>
<td>11</td>
<td>San Diego</td>
<td>Wayfinding Signage</td>
<td>CAPITAL: Installs approximately 300 new wayfinding signs throughout Downtown San Diego to direct residents, visitors, and workers to popular destinations.</td>
<td>$335,329</td>
<td></td>
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<td></td>
<td>PROJECT COMPLETE — SEPTEMBER 2015</td>
</tr>
<tr>
<td>12</td>
<td>San Marcos</td>
<td>Armorlite Complete Street Corridor</td>
<td>CAPITAL: Constructs multimodal improvements along Armorlite Drive, a Class I bike path on the north side of the street, and the extension of Class II or III bike facilities to the Mission Sports Park.</td>
<td>$1,000,000</td>
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<td>PROJECT COMPLETE — AUGUST 2016</td>
</tr>
<tr>
<td>13</td>
<td>Vista</td>
<td>Vista Downtown Specific Plan Update</td>
<td>PLANNING: Updates the Vista Downtown Specific Plan to support smart growth and multimodal connections.</td>
<td>$148,383</td>
<td></td>
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<td>PROJECT COMPLETE — OCTOBER 2015</td>
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<tr>
<td>1 El Cajon</td>
<td>El Cajon Transit Center Transit-Supportive Land Use and Mobility Plan</td>
<td>PLANNING: Comprehensively analyzes the study area surrounding the El Cajon Transit Center to plan a new vision for the area to include transit-supportive land use, improved mobility options, and an enhanced public realm.</td>
<td>$400,000</td>
<td>12/14/15</td>
<td>12/14/17</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
<td></td>
</tr>
<tr>
<td>2 Escondido</td>
<td>Transit Center Active Transportation Connections</td>
<td>CAPITAL: Fills important gaps in the active transportation network immediately adjacent to the Escondido Transit Center (ETC) where active transportation demand is the highest. The project connects the ETC to grocery, commercial, residential, and office centers to the west by constructing a bridge for pedestrians and by providing bike lanes between Tulip and Quince streets.</td>
<td>$1,270,000</td>
<td>12/03/15</td>
<td>06/03/19</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
<td></td>
</tr>
<tr>
<td>3 Imperial Beach</td>
<td>Palm Avenue Mixed-Use and Commercial Corridor Plan West End Sector</td>
<td>PLANNING: Builds upon the 2009 Master Plan taking the plans from a 30 percent level to 100 percent construction drawings for the project area (West End Sector). Project details include public right-of-way improvements, traffic calming measures, and significant pedestrian, bicycle, and transit improvements.</td>
<td>$400,000</td>
<td>01/11/16</td>
<td>05/26/18</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
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<td>North Spring</td>
<td>CAPITAL: Enhances public infrastructure, encourages/supports future private development, contributes to the reduction of greenhouse gases, and serves as a model smart growth project for the region. Enhancements include ADA ramps, high-visibility cross walks, lighting, safety fencing, a Class III bicycle route with sharrow markings along the corridor, a pedestrian railroad crossing, and sidewalk improvements.</td>
<td>$992,503</td>
<td>11/12/15</td>
<td>07/12/18</td>
<td></td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>CAPITAL: Realigns and reconstructs segments of Lemon Grove Avenue (LGA) and North Avenue, the trolley/railroad crossing, and the LGA SR 94 entrance/exit. Upgrades existing substandard improvements at the trolley/railroad crossing; water and storm drains; and underground SDG&amp;E, Cox, and AT&amp;T transmission and/or distribution overhead lines.</td>
<td>$805,000</td>
<td>11/20/15</td>
<td>05/20/17</td>
<td>11/20/17</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. Am 1 (staff) — 6 month extension</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>PLANNING: Considers promoting mixed-use with increased residential densities and commercial intensities within the proposed boundaries consistent with the adopted Downtown Village Specific Plan (DVSP). However, the proposed project also will consider a form-based code for the expansion as well as areas of the existing DVSP. This area falls within a walkable distance to the Lemon Grove Trolley Depot and several bus stops.</td>
<td>$175,000</td>
<td>11/20/15</td>
<td>11/20/17</td>
<td></td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
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<tr>
<td>7 National City Downtown Westside Wayfinding and Community Gateways</td>
<td>CAPITAL: Includes the installation of new wayfinding/gateway signs throughout the Downtown and Westside Communities. The visually unified street space will attract and support future development and serve as a model example for smart growth in the region.</td>
<td>$825,000</td>
<td>12/08/15</td>
<td>09/08/17</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
<td></td>
</tr>
<tr>
<td>8 National City Westside Mobility Improvements</td>
<td>CAPITAL: Enhances bicycling and pedestrian connections in the Downtown and Westside Specific Plan areas and encourages smart growth development. Includes the installation of Class II bicycle facilities, intersection curb bulb-outs at key intersections, and ADA-compliant curb ramps at intersections with improved crosswalks.</td>
<td>$2,000,000</td>
<td>12/08/15</td>
<td>12/08/17</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
<td></td>
</tr>
<tr>
<td>9 National City Downtown Specific Plan Update</td>
<td>PLANNING: Provides an overall update to the original plan adopted in 2005. Incorporates new elements related to smart growth, specifically Transportation Demand Management and parking policies. Revises land use zones and urban design standards and recommends future implementation programs/projects in a manner that will provide direction for development that will create a unique sense of place in National City's vibrant Downtown core.</td>
<td>$320,000</td>
<td>12/09/15</td>
<td>06/09/17</td>
<td>No</td>
<td>Grantee is requesting an administrative six-month schedule extension. No Amendments</td>
<td></td>
</tr>
</tbody>
</table>
# Status of Cycle 3 (FY 2014 – 2016) TransNet Smart Growth Incentive Grant Program Projects

**Reporting period through December 31, 2016**

## Exhibit B

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<tr>
<td>10 Oceanside</td>
<td>Seagaze Drive Downtown Mobility Project</td>
<td>CAPITAL: Enhances the quality of Seagaze Drive and provides much needed continuity with Mission Avenue through innovative smart growth supporting infrastructure including: pedestrian bulb-outs, ADA ramps with truncated domes, rectangular rapid flashing beacons, enhanced crosswalks, and a raised pork-chop median.</td>
<td>$357,497</td>
<td>12/02/15</td>
<td>06/02/17</td>
<td>12/02/17</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. Am 1 (staff) — 6 month</td>
</tr>
<tr>
<td>11 San Diego</td>
<td>14th Street Pedestrian Promenade Demonstration Block</td>
<td>CAPITAL: Creates an approximately 30-foot wide pedestrian promenade/linear park. Plans to link City College to Barrio Logan through East Village, including connecting several existing and future park sites. Serves to connect Downtown’s densely populated neighborhoods with enhanced landscaped corridors focused on improving pedestrian and other non-vehicular circulation.</td>
<td>$1,000,000</td>
<td>12/08/15</td>
<td>07/08/18</td>
<td></td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. Am 1 (RPC) — location change</td>
</tr>
<tr>
<td>12 San Diego</td>
<td>San Ysidro Wayfinding Signs</td>
<td>CAPITAL: Includes the design and installation of wayfinding signs in the San Ysidro Port of Entry District to improve the area’s mobility and respond to changes in the configuration of the Port of Entry. Signs will help visitors easily locate public services, popular destinations, and transportation options.</td>
<td>$350,000</td>
<td>12/04/15</td>
<td>06/04/17</td>
<td>12/04/17</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. Am 1 (staff) — 6 month extension</td>
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### Status of Cycle 3 (FY 2014 – 2016) TransNet Smart Growth Incentive Grant Program Projects

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<tr>
<td>13</td>
<td>San Diego</td>
<td>Grantville Trolley Station/Alvarado Creek Enhancement Project</td>
<td>PLANNING: Restores the Alvarado Creek channel to a naturalized creek with bridges and walking/cycling trails, the pedestrian and bicycle experience between future transit-oriented developments and the transit stop will be greatly enhanced. The station’s full potential cannot be fully realized without supporting amenities such as a restored creek.</td>
<td>$400,000</td>
<td>12/04/15</td>
<td>08/04/17</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
</tr>
<tr>
<td>14</td>
<td>San Diego (Civic San Diego)</td>
<td>Sixth Avenue Bridge Promenade Feasibility and Conceptual Design</td>
<td>PLANNING: Will complete a Feasibility and Conceptual Design study for an enhanced pedestrian connection between Downtown and Bankers Hill/Balboa Park. The preliminary concept for this project includes an enhanced pedestrian pathway or promenade from Downtown to Balboa Park with treatments such as widened sidewalks, landscaping, benches, and trellises.</td>
<td>$200,000</td>
<td>12/08/15</td>
<td>12/04/17</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
</tr>
<tr>
<td>15</td>
<td>San Diego</td>
<td>Pacific Beach Greenways, Parks, and Transit</td>
<td>PLANNING: Expands community open space and improves multimodal circulation by identifying new public spaces, improves mobility, supports transit, and fosters development in an existing smart growth area. The study effort will include the creation of public open spaces, multimodal infrastructure improvements that improve safety for all modes of travel and expand beach access, improvements to the beach boardwalk, and integration of arts and culture in urban design.</td>
<td>$400,000</td>
<td>12/04/15</td>
<td>12/04/17</td>
<td>06/04/18</td>
<td>No</td>
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</tbody>
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### Status of Cycle 3 (FY 2014 – 2016) TransNet Smart Growth Incentive Grant Program Projects

#### Reporting period through December 31, 2016

**Exhibit B**

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<tr>
<td>San Diego</td>
<td>PLANNING: Will produce an updated land use and zoning strategy to expand employment potential of the project area and allow complementary residential uses in a mixed-use context.</td>
<td>$105,000</td>
<td>12/04/15</td>
<td>06/04/17</td>
<td>12/04/17</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. Am 1 (staff) — 6 month extension</td>
</tr>
<tr>
<td>Vista</td>
<td>CAPITAL: This infrastructure and street scape project is located in Vista’s Town Center on South Santa Fe Avenue. It is a complete and livable streets revitalization project that includes a road diet that will reduce the street width from five lanes to two lanes; install new curbs, gutters, and enhanced sidewalks; construct roundabouts at key intersections; and install decorative elements such as landscaping, street lights, street signs, and pedestrian furniture.</td>
<td>$2,000,000¹</td>
<td>11/19/15</td>
<td>05/19/19</td>
<td></td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
</tr>
</tbody>
</table>

¹ This project also received $3.7 million through the Active Transportation Grant Program-Active Transportation Program Funds Exchange awarded in October 2015 (see Exhibit E).

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# Status of Cycle 2 (FY 2011 – 2013) TransNet/Transportation Development Act

**Active Transportation Grant Program Projects**

Reporting period through December 31, 2016

### Exhibit C

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<tr>
<td>1</td>
<td>Carlsbad Active Village Campaign</td>
<td>EDUCATION: Develops a multimedia campaign to promote the benefits of walking and biking in Carlsbad and Carlsbad Village and aims to increase bicycling and walking for everyday trips, improve connectivity, and create a pilot program that is scalable for other cities in the region.</td>
<td>$271,211</td>
<td></td>
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<td>PROJECT COMPLETE — JANUARY 2016</td>
</tr>
<tr>
<td>2</td>
<td>Carlsbad Bike the Village: 100 Racks</td>
<td>BIKE PARKING: Builds upon the Carlsbad Village's Bike Rack Pilot Program and other related capital improvement projects in the vicinity and installs 80 additional custom racks and 6 bike corrals.</td>
<td>$33,000</td>
<td></td>
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<td>PROJECT COMPLETE — JULY 2013</td>
</tr>
<tr>
<td>3</td>
<td>Carlsbad Coastal Rail Trail — Reach 1</td>
<td>CAPITAL: Enhances safety and improves circulation and access for all modes of transportation between Carlsbad and Oceanside across a natural barrier and completes the northern sections of the Coastal Rail Trail into Oceanside.</td>
<td>$800,000</td>
<td></td>
<td></td>
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<td>PROJECT COMPLETE — JANUARY 2015</td>
</tr>
<tr>
<td>4</td>
<td>Carlsbad Comprehensive Active Transportation Strategy</td>
<td>PLANNING: Develops a Comprehensive Active Transportation Implementation Strategy for livable streets. The plan will be tested by implementing up to five pilot projects.</td>
<td>$150,000</td>
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<td>PROJECT COMPLETE — MAY 2015</td>
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**Status of Cycle 2 (FY 2011 – 2013) TransNet/Transportation Development Act Active Transportation Grant Program Projects**

Reporting period through December 31, 2016

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<tr>
<td>Chula Vista</td>
<td>Main Street Streetscape</td>
<td>PLANNING: Provides a plan using Complete Street principles, improves access to nearby recreational facilities, and promotes water conservation through improved landscaping features.</td>
<td>$299,981</td>
<td></td>
<td></td>
<td></td>
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<td>PROJECT COMPLETE — SEPTEMBER 2015</td>
</tr>
<tr>
<td>Del Mar</td>
<td>Bike Parking Facilities</td>
<td>BIKE PARKING: Plans and implements bike parking facilities, including bike racks and lockers, throughout the city.</td>
<td>$25,000</td>
<td></td>
<td></td>
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<td></td>
<td>PROJECT COMPLETE — JUNE 2014</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>Eco-Bikeway Seventh and Seacoast</td>
<td>CAPITAL: Provides construction of Class II and Class III bikeways and expands the local pedestrian network along Palm Avenue. Provides an important connection from the Bayshore Bikeway to Seacoast Drive.</td>
<td>$1,500,000</td>
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<td>PROJECT COMPLETE — NOVEMBER 2013</td>
</tr>
<tr>
<td>National City</td>
<td>Fourth Street Community Corridor</td>
<td>CAPITAL: Provides roughly two miles of Class II bicycle facilities, including bicycle detector loops and bicycle boxes. Includes installation of high-visibility crosswalks and traffic calming elements.</td>
<td>$450,000</td>
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<td>PROJECT COMPLETE — MARCH 2016</td>
</tr>
<tr>
<td>National City</td>
<td>D Avenue Corridor</td>
<td>CAPITAL: Provides approximately 2.5 miles of Class II and III bicycle facilities, including bicycle detector loops and bicycle boxes at all signalized intersections. Includes installation of high-visibility crosswalks and traffic calming elements.</td>
<td>$600,000</td>
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<tr>
<td>National City</td>
<td>Bicycle Parking Enhancements</td>
<td>BIKE PARKING: Installs bicycle racks throughout National City’s bicycle network, providing cyclists with secure and convenient parking for end-of-trip storage.</td>
<td>$50,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — JUNE 2016</td>
</tr>
<tr>
<td>Oceanside</td>
<td>North Coast Transit Station Bike Station</td>
<td>BIKE PARKING: Provides a 200-square foot bike station which offers secure, indoor bike parking for 30 bicycles; bicyclists can access the station 24 hours a day, 7 days a week.</td>
<td>$100,000</td>
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<td>PROJECT COMPLETE — SEPTEMBER 2016</td>
</tr>
<tr>
<td>Oceanside</td>
<td>Two-Year Education, Encouragement, and Awareness Project</td>
<td>EDUCATION: Provides adult and student education for active transportation skills and concepts, bilingual Public Service Announcements, and bike route maps of Oceanside bike facilities.</td>
<td>$180,808</td>
<td></td>
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<td>PROJECT COMPLETE — JUNE 2016</td>
</tr>
<tr>
<td>Oceanside</td>
<td>Oceanside Boulevard Transit Access and Beautification</td>
<td>CAPITAL: Improves the sidewalk and landscaping along Oceanside Boulevard, facilitating pedestrian access to transit stations and destinations.</td>
<td>$400,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — SEPTEMBER 2014</td>
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<tr>
<td>Oceanside</td>
<td>Mission Avenue Improvements</td>
<td>CAPITAL: Provides a mix of bicycle, pedestrian, and roadway improvements including increased sidewalk width with curb bulb-outs, streetscape improvements, and Class III bicycle improvements.</td>
<td>$1,500,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — JULY 2014</td>
</tr>
</tbody>
</table>

Am = Amendment  
RPC = Regional Planning Committee
## Status of Cycle 2 (FY 2011 – 2013) TransNet/Transportation Development Act
### Active Transportation Grant Program Projects
#### Reporting period through December 31, 2016

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<tr>
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<th>Status and Amendment History</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego</td>
<td>Linda Vista Comprehensive Active Transportation Strategy</td>
<td>$300,000</td>
<td>ORIGINAL</td>
<td>CURRENT</td>
<td>Watch List</td>
<td>Status and Amendment History</td>
<td></td>
</tr>
<tr>
<td>San Diego</td>
<td>Downtown Complete Streets Mobility Plan</td>
<td>$300,000</td>
<td>ORIGINAL</td>
<td>CURRENT</td>
<td>Watch List</td>
<td>Status and Amendment History</td>
<td></td>
</tr>
<tr>
<td>San Diego</td>
<td>Chollas Creek to Bayshore Bikeway — Multi-Use Path Design</td>
<td>$441,250</td>
<td>ORIGINAL</td>
<td>CURRENT</td>
<td>Watch List</td>
<td>Status and Amendment History</td>
<td></td>
</tr>
<tr>
<td>San Diego</td>
<td>San Diego River Bike Path and Mission Center Boulevard Improvement: Pedestrian Hybrid Beacon</td>
<td>$293,000</td>
<td>ORIGINAL</td>
<td>CURRENT</td>
<td>Watch List</td>
<td>Status and Amendment History</td>
<td></td>
</tr>
<tr>
<td>San Diego</td>
<td>Microwave Bicycle Detection (The Intersector)</td>
<td>$200,000</td>
<td>ORIGINAL</td>
<td>CURRENT</td>
<td>Watch List</td>
<td>Status and Amendment History</td>
<td></td>
</tr>
</tbody>
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*Contract Expiration Date: December 31, 2016

**Watch List: The project is not listed on the watch list.

Am = Amendment
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### Status of Cycle 2 (FY 2011 – 2013) TransNet/Transportation Development Act Active Transportation Grant Program Projects

**Reporting period through December 31, 2016**

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</thead>
<tbody>
<tr>
<td>20 San Marcos</td>
<td>Bicycle and Pedestrian Master Plan</td>
<td>PLANNING: Identifies needed improvements to the existing network and new routes to provide bicycle and pedestrian connectivity.</td>
<td>$80,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — JUNE 2015</td>
</tr>
<tr>
<td>21 San Marcos</td>
<td>San Marcos Boulevard Complete Street Multi-Way Boulevard</td>
<td>PLANNING: Creates a multimodal transportation corridor and prepares a set of Complete Street concepts for the future re-development of San Marcos Boulevard.</td>
<td>$124,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — FEBRUARY 2015</td>
</tr>
<tr>
<td>22 Santee</td>
<td>San Diego River Trail — South Side of the San Diego River</td>
<td>CAPITAL: Improves trail by installing a Class I bike path with decomposed granite shoulders for pedestrians.</td>
<td>$281,750</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — MAY 2015</td>
</tr>
<tr>
<td>23 Santee</td>
<td>Town Center Parkway/ Olive Lane/ Prospect Avenue Bike Project</td>
<td>CAPITAL: Improves safety for bicyclists by installing Class II bike lanes, narrowing vehicle lanes, adding bike lanes at intersections, and adjusting video detection to detect bicycles.</td>
<td>$134,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — MARCH 2014</td>
</tr>
</tbody>
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## Status of Cycle 2 (FY 2011 – 2013) TransNet/Transportation Development Act
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<tbody>
<tr>
<td>24 Solana Beach</td>
<td>Comprehensive Active Transportation Strategy</td>
<td>PLANNING: Encompasses a comprehensive update of the bicycle master plan and the consideration of pedestrian facilities and traffic calming needs, especially around schools, transit, and commercial neighborhoods.</td>
<td>$136,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — JUNE 2015</td>
</tr>
<tr>
<td>25 Vista</td>
<td>Bicycle Master Plan</td>
<td>PLANNING: Updates the City of Vista’s 2002 Bicycle Master Plan. Provides connections to neighboring bikeways in adjacent communities of Oceanside, Carlsbad, San Marcos, and unincorporated parts of the county.</td>
<td>$150,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — JANUARY 2015</td>
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<tr>
<td>Carlsbad</td>
<td>Carlsbad Boulevard and Tamarack Avenue Pedestrian Improvement Project</td>
<td>CAPITAL: Provides enhanced facilities for pedestrians, transit users, and bicyclists. The proposed project will establish a new standard for a pedestrian scramble, provide and demand actuated “No Turn on Red” blank out signs, modify traffic detection to count cyclists, and provide unique clearance times. Bicyclists will be provided with northbound and southbound bike boxes.</td>
<td>$270,0002</td>
<td>12/08/15</td>
<td>05/08/17</td>
<td></td>
<td>No</td>
<td>Grantee is requesting an administrative six-month schedule extension. No previous Amendments</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>Walk + Bike Chula Vista Education Encouragement Awareness Campaign</td>
<td>EDUCATION: Creates a positive multimedia campaign and coordinates and promotes new walking and biking infrastructure projects to increase awareness on bicycle and pedestrian access, educate businesses and residents, and promote alternative transportation choices and improved safety in Chula Vista.</td>
<td>$100,000</td>
<td>12/07/15</td>
<td>06/07/17</td>
<td></td>
<td>No</td>
<td>Project IS making timely progress towards its milestones. No Amendments</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>Multimodal Pedestrian/ Bikeway Master Plan</td>
<td>PLANNING: Develops plans to promote and upgrade interconnected pedestrian and bicycle transportation facilities within the City of Chula Vista.</td>
<td>$250,000</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>No</td>
<td>Contract execution anticipated in June 2017.3</td>
</tr>
</tbody>
</table>

2 The Carlsbad Boulevard and Tamarack Avenue Pedestrian Improvement Project received both Cycle 3 Active Transportation Grant Program Funds and 2015 Active Transportation Grant Program-Active Transportation Program Exchange Funds (see Exhibit E).

3 The Board of Directors approved the reallocation of funds toward this project on February 24, 2017.

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<tr>
<td>4 Coronado</td>
<td>Coronado Comprehensive Active Transportation Strategy</td>
<td>PLANNING: Provides a complete multimodal transportation network in Coronado that accommodates the needs of all users and modes. Specifically, the Comprehensive Active Transportation Strategy will include a pedestrian master plan component, an updated bicycle master plan component, and the development of Safe Routes to School and traffic calming recommendations for the City of Coronado.</td>
<td>$90,000</td>
<td>02/01/15</td>
<td>11/01/18</td>
<td>No</td>
<td>Project IS making timely progress towards its milestones. No Amendments</td>
<td></td>
</tr>
<tr>
<td>5 Escondido</td>
<td>Escondido Creek Trail Signalized Bike/Pedestrian Crossing at El Norte Parkway Project</td>
<td>CAPITAL: Provides active transportation connectivity for the Escondido Creek Trail in accordance with the Escondido Creek Trail Master Plan. The project also includes a bridge that will provide a sidewalk, decorative fencing, a safety barrier, bike lanes, and buffers across the Escondido Creek.</td>
<td>$335,000</td>
<td>12/03/15</td>
<td>06/03/19</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
<td></td>
</tr>
<tr>
<td>6 Lemon Grove</td>
<td>ADA Transition Plan</td>
<td>PLANNING: Develops plans for updating ADA compliance to existing facilities within the City of Lemon Grove</td>
<td>$50,000</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>No</td>
<td>Contract execution anticipated in June 2017.4</td>
</tr>
</tbody>
</table>

4 The Board of Directors approved the reallocation of funds toward this project on February 24, 2017.

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</thead>
<tbody>
<tr>
<td>National City</td>
<td>Citywide Midblock Crossing Enhancements Project</td>
<td>CAPITAL: Provides additional pedestrian lighting enhancements at 14 existing mid-block pedestrian crossing locations throughout the city, creates a safe environment for pedestrians through complete street design principles, and encourages the development for a well-connected pedestrian network. Improvements include new solar-powered lights and curb bulb-outs, enhanced crosswalk striping, and upgrades to the curb ramp to be ADA-compliant.</td>
<td>$625,000</td>
<td>07/01/16</td>
<td>12/31/17</td>
<td></td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
</tr>
<tr>
<td>National City</td>
<td>National City Bicycle Parking Enhancements (Bike Parking)</td>
<td>BIKE PARKING: Installs bicycle racks throughout National City’s bicycle network. The bicycle racks will provide cyclists with safe, secure, and convenient parking for end-of-trip storage and enhance regional and local bicycle networks.</td>
<td>$50,000</td>
<td>12/09/15</td>
<td>12/09/16</td>
<td>06/09/17</td>
<td>No</td>
<td>Project IS making timely progress toward its revised milestones. Am 1 (staff) — 6 month</td>
</tr>
<tr>
<td>Oceanside</td>
<td>Bike/Bus Safety Public Outreach Project</td>
<td>EDUCATION: Creates public service messages (aka bus wraps) on 15 buses to: (1) educate the public on the meaning of “Sharrows” and (2) alert cyclists to the danger of attempting to pass buses on the right side. Program funding will allow wraps on 15 buses for 6 months and will reach approximately 600,000 people per month.</td>
<td>$90,000</td>
<td>11/30/15</td>
<td>05/30/17</td>
<td></td>
<td>No</td>
<td>Grantee is requesting an administrative six-month schedule extension. No Amendments</td>
</tr>
</tbody>
</table>

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### Status of Cycle 3 (FY 2014 – 2016) TransNet/Transportation Development Act
### Active Transportation Grant Program Projects
### Reporting Period through December 31, 2016

**Exhibit D**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Santee</td>
<td>Riverwalk Drive Crossing Project</td>
<td>CAPITAL: Installs new concrete bulb-outs, pedestrian ramps, pedestrian warning signage, a new ladder crosswalk, and enhanced area lighting. It also will add parking lanes to narrow the lanes and add sharrows down the length of the project.</td>
<td>$216,900</td>
<td>12/03/15</td>
<td>07/03/18</td>
<td>No</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
</tr>
<tr>
<td>Santee</td>
<td>Citywide Bike Lanes Project</td>
<td>CAPITAL: Provides for bike lanes along Fanita Parkway from Mast Boulevard to Carlton Oaks Boulevard, Cuyamaca Street from Riverpark Drive to Mast Boulevard, El Nopal from Magnolia Avenue to eastern city limits, Fanita Drive from Prospect Avenue to southern city limits, Riverview Parkway from Mission Gorge Road to Town Center Boulevard, and Woodside Avenue North from SR 67 off-ramp to eastern city limits.</td>
<td>$156,000</td>
<td>12/03/15</td>
<td>04/03/17</td>
<td>No</td>
<td>No</td>
<td>Grantee is requesting an administrative six-month schedule extension. No Amendments</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>Stevens/Valley Avenue Corridor — Bicycle and Pedestrian Improvement Project</td>
<td>CAPITAL: Reduces the number of lanes on Stevens/Valley Avenue in order to provide for bike lanes along all of Stevens/Valley Avenue to construct sidewalks in missing locations, provide enhanced crosswalks, construct curb ramps consistent with current standards, and provide traffic calming features to slow down traffic.</td>
<td>$500,000</td>
<td>11/12/15</td>
<td>05/12/18</td>
<td>No</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
</tr>
</tbody>
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### Cycle 3 Active Transportation Grant Program Projects (Completed)

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<tr>
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<tbody>
<tr>
<td>13</td>
<td>El Cajon</td>
<td>Be Safe, El Cajon SUPPORT: Circulate San Diego and the City of El Cajon will initiate a multimedia, multilingual, multimodal, and multifaceted education, encouragement, and awareness campaign to encourage active transportation and pedestrian safety for residents.</td>
<td>$50,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — December 2016</td>
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</table>
| Chula Vista   | F Street Promenade Streetscape Master Plan 
PLANNING: Provides a plan using Complete Street principles, improves access to nearby recreational facilities, and promotes water conservation through improved landscaping features. | $491,000     | 08/14/15                | 08/14/18                         |                                  | No           | Project IS making timely progress toward its milestones. No Amendments |
| Del Mar       | Pedestrian and Bike facilities along Camino del Mar, Jimmy Durante, and Via de la Valle 
CAPITAL: Constructs street, sidewalk, and bicycle lane improvements to create continuous, aligned sidewalks and improved bicycle lanes within public right-of-way for better mobility. | $812,000     | 07/14/15                | 01/14/17                         |                                  | No           | Project IS making timely progress toward its milestones and is expected to be completed on schedule. No Amendments |
| Escondido     | 4th Street Community Corridor 
CAPITAL: Constructs Class I and Class II bike facilities that connect the Escondido Creek Trail and Inland Rail Trail. | $1,092,000   | 09/03/15                | 03/03/19                         |                                  | No           | Project IS making timely progress toward its milestones. No Amendments |
| Imperial Beach| Bikeway Village Bayshore Bikeway Access Enhancement Project 
CAPITAL: Constructs streetscape improvements and a Class II bike facility along 13th Street. Improvements will be implemented in conjunction with the adaptive reuse of two commercial warehouse structures into a commercial/retail-serving “Bikeway Village.” | $1,800,000   | 12/01/15                | 12/01/16                         | 06/01/17                        | No           | Project IS making timely progress toward its revised milestones. Am 1 (staff) — 6 month |
### Status of TransNet Active Transportation Grant Program-Active Transportation Program Funds Exchange Projects

**Reporting period through December 31, 2016**

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<tr>
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<tr>
<td><strong>5</strong> National City</td>
<td>Division Street Road Diet</td>
<td>CAPITAL: Implements pedestrian improvements and installs approximately one mile of Class II buffered bike lanes along Division Street.</td>
<td>$875,000</td>
<td>08/21/15</td>
<td>05/21/17</td>
<td>No</td>
<td>Grantee is requesting an administrative six-month schedule extension. No Amendments</td>
</tr>
<tr>
<td><strong>6</strong> National City</td>
<td>Euclid Avenue Bicycle and Pedestrian Enhancements</td>
<td>CAPITAL: Implements a road diet and provides approximately 1.7 miles of a Class II buffered bike lane along Euclid Avenue between Cervantes Avenue and East 24th Street.</td>
<td>$425,000</td>
<td>08/21/15</td>
<td>05/21/17</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones and is expected to be completed on schedule. No Amendments</td>
</tr>
<tr>
<td><strong>7</strong> County of San Diego</td>
<td>Active Transportation Plan</td>
<td>PLANNING: Prepares a comprehensive master plan and policy document for the unincorporated area to guide the development and maintenance of active transportation infrastructure and supportive programs.</td>
<td>$500,000</td>
<td>06/12/15</td>
<td>06/12/18</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
</tr>
</tbody>
</table>

**Awarded October 2015**

| **8** Carlsbad | Carlsbad Boulevard and Tamarack Avenue Pedestrian Improvement Project | CAPITAL: Provides enhanced facilities for pedestrians, transit users, and bicyclists. The proposed project will establish a new standard for a pedestrian scramble, provide and demand actuated “No Turn on Red” blank out signs, modify traffic detection to count cyclists, and provide unique clearance times. Bicyclists will be provided with northbound and southbound bike boxes. | $1,054,000$\textsuperscript{5} | 05/09/16 | 05/09/19 | No | Project IS making timely progress toward its milestones. No Amendments |

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$5$ This project also received $270,000 in Cycle 3 of the Active Transportation Grant Program (see Exhibit D).

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<tr>
<td>9</td>
<td>Vista</td>
<td>Paseo Santa Fe Phase II</td>
<td>CAPITAL: This infrastructure and streetscape project is located in Vista’s Town Center on South Santa Fe Avenue. It is a complete and livable streets revitalization project that includes a road diet that will reduce the street width from five lanes to two lanes; install new curbs, gutters, and enhanced sidewalks; construct roundabouts at key intersections; and install decorative elements such as landscaping, street lights, street signs, and pedestrian furniture.</td>
<td>$3,700,000⁶</td>
<td>04/16</td>
<td>10/12/19</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
<td></td>
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⁶ This project also received $2,000,000 in Cycle 3 of the Smart Growth Incentive Program (see Exhibit B).

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RPC = Regional Planning Committee
COMPETITIVE GRANT PROGRAM PROCEDURES

Applicability and Purpose of Policy

This Policy applies to all grant programs administered through SANDAG, whether from TransNet or another source, including but not limited to the Smart Growth Incentive Program, Environmental Mitigation Program, Bike and Pedestrian Program, Senior Mini Grant Program, Federal Transit Administration grant programs, and Active Transportation Grant Program.

Nothing in this Policy is intended to supersede federal or state grant rules, regulations, statutes, or contract documents that conflict with the requirements in this Policy. There are never enough government grant funds to pay for all of the projects worthy of funding in the San Diego region. For this reason, SANDAG awards grant funds on a competitive basis that takes the grantees’ ability to perform their proposed project on a timely basis into account. SANDAG intends to hold grantees accountable to the project schedules they have proposed in order to ensure fairness in the competitive process and encourage grantees to get their projects implemented quickly so that the public can benefit from the project deliverables as soon as possible.

Procedures

1. Project Milestone and Completion Deadlines

   1.1. When signing a grant agreement for a competitive program funded and/or administered by SANDAG, grant recipients must agree to the project delivery objectives and schedules in the agreement. In addition, a grantee’s proposal must contain a schedule that falls within the following deadlines. Failure to meet the deadlines below may result in revocation of all grant funds not already expended. The final invoice for capital, planning, or operations grants must be submitted prior to the applicable deadline.

      1.1.1. Funding for Capital Projects. If the grant will fund a capital project, the project must be completed according to the schedule provided in the grant agreement, but at the latest, any necessary construction contract must be awarded within two years following execution of the grant agreement, and construction must be completed within eighteen months following award of the construction contract. Completion of construction for purposes of this policy shall be when the prime construction contractor is relieved from its maintenance responsibilities. If no construction contract award is necessary, the construction project must be complete within eighteen months following execution of the grant agreement.

      1.1.2. Funding for Planning Grants. If the grant will fund planning, the project must be completed according to the schedule provided in the grant agreement, but at the latest, any necessary consultant contract must be awarded within one year following execution of the grant agreement, and the planning project must be complete within two years following award of the consultant contract. Completion of planning for purposes of this policy shall be when grantee approves the final planning project deliverable. If no consultant contract award is necessary, the planning project must be complete within two years of execution of the grant agreement.
1.1.3 Funding for Operations Grants. If the grant will fund operations, the project must be completed according to the schedule provided in the grant agreement, but at the latest, any necessary services contract for operations must be awarded within one year following execution of the grant agreement, and the operations must commence within six months following award of the operations contract. If no services contract for operations is necessary, the operations project must commence within one year of execution of the grant agreement.

1.1.4 Funding for Equipment or Vehicles Grants. If the grant will fund equipment or vehicles, the project must be completed according to the schedule provided in the grant agreement, but at the latest, any necessary purchase contracts for equipment or vehicles must be awarded within one year following execution of the grant agreement, and use of the equipment or vehicles for the benefit of the public must commence within six months following award of the purchase contract.

2. Project Milestone and Completion Deadline Extensions

2.1. Schedules within grant agreements may include project scopes and schedules that will identify interim milestones in addition to those described in Section 1 of this Policy. Grant recipients may receive extensions on their project schedules of up to six months for good cause. Extensions of up to six months aggregate that would not cause the project to miss a completion deadline in Section 1 may be approved by the SANDAG Executive Director. Extensions beyond six months aggregate or that would cause the project to miss a completion deadline in Section 1 must be approved by the Policy Advisory Committee that has been delegated the necessary authority by the Board. For an extension to be granted under this Section 2, the following conditions must be met:

2.1.1. For extension requests of up to six months, the grantee must request the extension in writing to the SANDAG Program Manager at least two weeks prior to the earliest project schedule milestone deadline for which an extension is being requested. The Executive Director or designee will determine whether the extension should be granted. The Executive Director’s action will be reported out to the Board in following month’s report of delegated actions.

2.1.2. A grantee seeking an extension must document previous efforts undertaken to maintain the project schedule, explain the reasons for the delay, explain why the delay is unavoidable, and demonstrate an ability to succeed in the extended time frame the grantee proposes.

2.1.3. If the Executive Director denies an extension request under this Section 2, the grantee may appeal within ten business days of receiving the Executive Director’s response to the responsible Policy Advisory Committee by sending the appeal to the SANDAG Program Manager.

2.1.4. Extension requests that are rejected by the Policy Advisory Committee will result in termination of the grant agreement and obligation by the grantee to return to SANDAG any unexpended funds within 30 days. Unexpended funds are funds for project costs not incurred prior to rejection of the extension request by the Policy Advisory Committee.
3. Project Delays and Extensions in Excess of Six Months

3.1 Requests for extensions in excess of six months, or that will cause a project to miss a completion deadline in Section 1 (including those projects that were already granted extensions by the Executive Director and are again falling behind schedule), will be considered by the Policy Advisory Committee upon request to the SANDAG Program Manager.

3.2 A grantee seeking an extension must document previous efforts undertaken to maintain the project schedule, explain the reasons for the delay, explain why the delay is unavoidable, and demonstrate an ability to succeed in the extended time frame the grantee proposes. The grantee must provide the necessary information to SANDAG staff to place in a report to the Policy Advisory Committee. If sufficient time is available, and the grant utilized TransNet funds, the request will first be taken to the Independent Taxpayer Advisory Committee (ITOC) for a recommendation. The grantee should make a representative available at the meeting to present the information to, and/or answer questions from, the ITOC and Policy Advisory Committee.

3.3 The Policy Advisory Committee will only grant an extension under this Section 3 for extenuating circumstances that the grantee could not have reasonably foreseen.

4. Resolution and Execution of the Grant Agreement

4.1 Two weeks prior to the review by the Policy Advisory Committee of the proposed grants, prospective grantees must submit a resolution from their authorized governing body that includes the provisions in this Subsection 4.1. Failure to provide a resolution that meets the requirements in this Subsection 4.1 will result in rejection of the application and the application will be dropped from consideration with funding going to the next project as scored by the evaluation committee. In order to assist grantees in meeting this resolution deadline, when SANDAG issues the call for projects it will allow at least 90 days for grant application submission.

4.1.1 Grantee governing body commits to providing the amount of matching funds set forth in the grant application.

4.1.2 Grantee governing body authorizes staff to accept the grant funding and execute a grant agreement if an award is made by SANDAG.

4.2 Grantee’s authorized representative must execute the grant agreement within 45 days from the date SANDAG presents the grant agreement to the prospective grantee for execution. Failure to meet the requirements in this Subsection 4.2 may result in revocation of the grant award.

5. Increased Availability of Funding Under this Policy

5.1 Grant funds made available as a result of the procedures in this Policy may be awarded to the next project on the recommended project priority list from the most recent project selection process, or may be added to the funds available for the next project funding cycle, at the responsible Policy Advisory Committee’s discretion. Any project that loses funding due to failure to meet the deadlines specified in this Policy may be resubmitted to compete for funding in a future call for grant applications.

Adopted: January 2010
Amended: November 2014
SPECIALIZED TRANSPORTATION GRANT
PROGRAMS STATUS UPDATE

Introduction

This report provides an update through December 31, 2016, on two competitive grant programs that SANDAG manages for specialized transportation projects and services in the San Diego region: The Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310) Program, and the Senior Mini-Grant Program. The Section 5310 Program is funded by the Federal Transit Administration (FTA) and the Senior Mini-Grant Program is funded through the TransNet Extension Ordinance.

Both programs require that SANDAG conduct a competitive selection process to distribute the funds. The first set of awards under the Senior Mini-Grant program were made in September 2008, and additional funds have been awarded through four subsequent cycles. The first set of Section 5310 funds were awarded in March 2015 and additional funds have been awarded through one subsequent cycle.

Discussion

Grant Programs Status Update

Under the Moving Ahead for Progress in the 21st Century Act (MAP-21), SANDAG was designated to administer the FTA Section 5310 Program. The purpose of the Section 5310 Program is to improve mobility for seniors and individuals with disabilities by removing barriers to transportation services and expanding transportation mobility options. Eligible projects include both traditional capital investment and nontraditional investment beyond the Americans with Disabilities Act complementary paratransit service. Many of the projects that were eligible under New Freedom are now eligible for funding through Section 5310. Since the Section 5310 program began in 2015, 31 projects have been awarded funding in the San Diego region, totaling almost $8 million. The first round of Section 5310 awards funded 14 projects totaling over $3 million.

The Senior Mini-Grant Program funds specialized transportation services for seniors whose special needs cannot be met by conventional transit or paratransit service. Since the Senior Mini-Grant Program began in 2009, 69 projects have been awarded funding, totaling $14.7 million.
Grant Oversight

SANDAG staff provides ongoing oversight of the specialized transportation grant program grantees through review of progress reports and project performance submitted with each invoice. Grantees must maintain documentation of the services provided and are inspected by SANDAG at regular site visits to ensure compliance with grant agreement service delivery requirements and Board Policy No. 035: Competitive Grant Program Procedures. This information is used to provide regular status updates to the Transportation Committee. The last report was presented at the February 17, 2017, meeting. Staff also provides annual updates to the Social Services Transportation Advisory Council on all specialized transportation grant programs and to the TransNet Independent Taxpayer Oversight Committee (ITOC) on the Senior Mini-Grant Program.

Service Delivery Costs

Attachment 1 includes a “cost-efficiency watch list,” which compares the grantees actual cost-per-unit of service delivery to the original proposal. Grant agreements for these programs executed after January 1, 2012, include a provision where a grantee’s inability to achieve within 130 percent of its proposed cost-per-unit by the end of the sixth month of the project would trigger a requirement for the grantee to complete a recovery plan. By the end of the first year, if the grantee is still unable to achieve the 130 percent threshold, the grant agreement would be terminated. The cost-efficiency watch list denotes grantees that may be required to complete a recovery plan or are in danger of contract termination because performance is not in line with the level of service delivery included in the original proposal, per the contract requirements. There is currently one grantee on the cost-efficiency watch list. The City of Coronado was awarded Senior Mini-Grant funds to develop and implement a volunteer driver program to provide transportation for seniors wanting to access its new senior center. The project is still in the development phase and has not yet begun delivering service. SANDAG staff will continue to monitor the performance of all grantees.

Service Delivery Schedule

Attachment 1 also includes a “schedule watch list,” which denotes those grantees that appear in jeopardy of not being able to fully draw down on funds without approval of an extension request. Extensions of up to six months are permitted but need to be approved by the SANDAG Executive Director, with longer extensions requiring consideration by the Transportation Committee. There are currently four projects on the schedule watch list:

- Mountain Health and Community Services would require an 11-month extension to its Senior Mini-Grant project at its current draw-down rate. Mountain Health and Community Services has requested a six-month extension, which is in process (see Attachment 2). If any additional time to draw down remaining funding is requested, the Transportation Committee would be asked to consider the extension request in fall 2017.

- The City of Coronado Senior Mini-Grant project is still in the development phase and has not yet begun delivering service. The grant is not set to expire until June 30, 2018, so any action required for an extension request would be taken at the status update presented to the Transportation Committee in spring 2018.
Facilitating Access to Coordinated Transportation’s RideFACT project, funded through both the Senior Mini-Grant and Section 5310 programs, would require seven-month extensions at the current draw-down rate. The grants are set to expire in September 2017. Any action required for extension requests would be taken at the status update presented to the Transportation Committee in summer 2017.

Jewish Family Services North County Inland project, funded through both the Senior Mini-Grant and Section 5310 programs, would require eight-month extensions at the current draw down rate. The grants are not set to expire until January 2018, so any action required for extension requests would be taken at the status update presented to the Transportation Committee in fall 2017.

SANDAG staff will continue to monitor the progress of all grantees and report on any extension requests in the next quarterly status update.

TransNet Triennial Performance Audit Recommendations Implementation

In June 2015, the ITOC accepted the FY 2015 TransNet Triennial Performance Audit Report and recommendations. One of the recommendations was to report on all performance indicators captured in the quarterly progress reports. The quarterly progress reports submitted by Senior Mini-Grant applicants include three performance indicators: cost-per-unit of service delivery, cost-per-vehicle service hour, and seat utilization. To date, the quarterly status updates have only reported on the cost-per-unit of service delivery.

Attachment 1 now includes the two performance indicators that were previously not reported (cost-per-vehicle service hour and seat utilization) for Senior Mini-Grant projects. Because grant agreements for the Senior Mini-Grant program do not currently require performance threshold achievement for these two performance indicators, there are currently no watch lists associated with them. The proposed and actual values for these two performance indicators are listed for information and general monitoring purposes only.

These two performance indicators are not included for Section 5310 projects because these indicators were not included in the project application form or the quarterly progress report forms for this program in previous cycles. These performance indicators were incorporated into the project application form for Section 5310 operating projects through the most recent competitive process and will be listed for information and general monitoring purposes in the future, in the same manner as the Senior Mini-Grant program.

Pending Grants

Due to the operating nature of specialized transportation grants, when a new grant is awarded to continue a project that already has an existing grant, the start date of that new grant would begin upon termination of the existing grant for that same project. Staff tracks anticipated start dates for new grants, which often change as the programs experience growth. Attachment 1 also indicates which projects have pending grants and the anticipated start date of each new grant. Several grantees have pending grants that were recently awarded by the Board of Directors on March 24, 2017. Agreements for these pending grants will be executed beginning July 1, 2017.
Recent Grant Awards

The most recent call for projects for these grant programs was issued on July 22, 2016. Funding was awarded by the Board of Directors on March 24, 2017, totaling almost $3.8 million for the Section 5310 program and approximately $3.1 million for the Senior Mini-Grant program. Through this process, SANDAG recognized that there was not enough funding available for the many worthy projects that were submitted for consideration in this competitive process. Additional Section 5310 funding was made available through Caltrans, which administers the program for projects serving the nonurbanized areas in the State of California. Many projects are eligible through the Caltrans and SANDAG competitive selection process because their projects serve both the urbanized and non-urbanized areas of San Diego County. Grantees that were not awarded funding through SANDAG but subsequently applied for funding through Caltrans include the City of Vista, Elderhelp, and Friends of Adult Day Health Care Centers. A draft ranked list of projects recommended for funding through Caltrans has been released and will be considered for adoption by the California Transportation Commission later this month. This draft list includes funding for five of the six projects submitted from the San Diego region, including several of the projects that were not successful through SANDAG, totaling $1.7 million.

Next Steps

Staff will continue to monitor all grantee progress relative to the grant agreements, proposals, and Board Policy No. 035. The next report will be presented to the Transportation Committee in July 2017.

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

Attachments: 1. Status of Active and Pending Senior Mini-Grant Projects - Reporting Period through December 31, 2016
2. Letter from Mountain Health & Community Services, Inc., dated April 5, 2017: Mountain Health Schedule Extension Request

Key Staff Contact: Danielle Kochman, (619) 699-1921, danielle.kochman@sandag.org
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### Active and Pending 5310 Grant Projects

**Reporting period through December 31, 2016**

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* Project cost includes the New Freedom amount and the required match amount.
** Cost per trip based on first year figures.
*** Cumulative to date.
**** 130% of proposed first year cost/trip.
April 5, 2017

Audrey Porcella, Regional Planner II
SANDAG
401 B Street, Suite 800
San Diego, CA 92101

Re: Request for a TransNet Senior Transportation Mini-Grant Program project amendment for a project Schedule Extension for Mountain Health and Community Services, Inc. – Agreement No. 5004708

Dear Ms. Porcella,

Mountain Health and Community Services, Inc. is requesting a six-month extension amendment to Agreement No. 5004708 for the TransNet Senior Transportation Mini-Grant Program. If approved, the new ending date is December 31, 2017. However, if after the initial 6-month extension it is determined that Mountain Health will need another extension, that request will be made at that time. The reason for the extension request is that we were unable to expend all of our funds due to the lack of volunteers and seniors in the area participating in the program.

Previous efforts undertaken to maintain the project schedule.

Mountain Health’s Transportation Coordinator has made efforts to stay on schedule by reaching out to potential volunteers and seniors by running an ad in the Alpine Community Network, the official website for Alpine. She also did an interview with a member of the Alpine Chamber of Commerce who is a writer of the Alpine Sun Newspaper. The transportation coordinator attended various non-profit and volunteer group meetings. She also contacted all the existing clients to get potential referrals.

A detailed explanation on the reason for delay, and how it was unavoidable.

There were times where a lot of seniors and volunteers went on vacation for the holidays, and therefore were unable to participate in the program that is also reflected in the reports. Seniors over the course of the program have also passed away leading to a slow decline in seniors within the program. Volunteers have also declined their volunteering efforts as they have told the Transportation Coordinator that their car insurance goes up with the extra mileage they put in. Some volunteers have also had to quit because of other job prospectives.
Demonstrate the ability to succeed in the timeframe proposed.

The Transportation Coordinator now has a dedicated day of the week to go out and advertise the program to find both volunteers and seniors. Some of the places she visits includes Churches and grocery stores. She has also reached out to the Marketing Coordinator who now runs an ad on all Mountain Health social medias regarding the program. The Program Coordinator will keep a close watch on whether these efforts are bringing in new clients, and make changes as necessary.

Sincerely,

[Signature]

Sumrite Prasher, Program Coordinator
Mountain Health and Community Services, Inc.
PROPOSED FY 2017 PROGRAM
BUDGET AMENDMENT: I-5/GILMAN DRIVE BRIDGE PROJECT

File Number 1200508

Introduction

The I-5/Gilman Drive Bridge Project constructs a new bridge over I-5 at Gilman Drive on the University of California, San Diego (UC San Diego) campus to facilitate on-campus circulation, as shown in Attachment 1. This Project is one of three regional projects SANDAG is jointly coordinating with UC San Diego and Caltrans to minimize disruption in the area. Under the terms of the Construction Cooperation Agreement (CCA), SANDAG’s contractor is constructing the Gilman Drive bridge to a design provided by UC San Diego, UC San Diego is contributing funding for the bridge, and Caltrans is providing the construction management services. The project team has determined that additional funds are needed to fully fund the project. Per the CCA, the additional funding would be provided by UC San Diego. The proposed action would amend the project budget to accept additional funding from UC San Diego for project changes and increased cost.

Discussion

In March 2015, the Board of Directors authorized adding the I-5/Gilman Drive Bridge Project to the SANDAG Program Budget with funding in the amount of $15 million. In June 2016, the Board of Directors authorized the Executive Director to enter into a CCA between SANDAG, UC San Diego, and Caltrans for the Mid-Coast Light Rail Transit Project, I-5/Voigt Drive Improvements Project, and I-5/Gilman Drive Bridge Project and to accept up to $4.407 million from UC San Diego for the Gilman Drive Bridge Project. The CCA caps the SANDAG contribution to the I-5/Gilman Drive Bridge Project at $15 million. UC San Diego is responsible for any costs related to the I-5/Gilman Drive Bridge Project in excess of the $15 million SANDAG contribution.

The I-5/Gilman Drive Bridge Project is currently being constructed by SANDAG’s contractor, Mid-Coast Transit Constructors. Construction is being managed by Caltrans and UC San Diego with the project management by SANDAG. The Guaranteed Maximum Price (GMP) negotiated excluded certain items held out of the GMP and provisional sums where UC San Diego took the risk for costs over an initial estimated amount. The project team has identified the need to increase the project budget and funding to reflect additional costs to dispose of soil offsite and for changes between the GMP plans.

Recommendation

The Transportation Committee is asked to recommend the Board of Directors approve an amendment to the FY 2017 Program Budget to accept $1.2 million from UC San Diego to fully fund the I-5/Gilman Drive Bridge Project (CIP Project No. 1200508).
and the final construction plans. These items had placeholder amounts in the GMP to advance the project while the team evaluated disposal sites and UC San Diego made final design changes. The soil disposal and design changes are expected to cost approximately $850,000. UC San Diego also is adding potable and reclaimed water lines in the bridge to improve its water system at a cost of approximately $400,000. The total budget change proposed, with the concurrence of UC San Diego, is $1.2 million to fund these costs (Attachment 2). UC San Diego will contribute up to this amount to fully fund the I-5/Gilman Drive Bridge Project as outlined in the CCA for a revised total project budget of approximately $20.6 million.

**Next Steps**

Upon approval by the Board of Directors authorizing the updated Project budget, SANDAG would execute an amendment to the CCA with UC San Diego and Caltrans to include the additional project scope and costs. Project construction is under way and is expected to be completed in early 2019.

JIM LINTHICUM  
Director of Mobility Management and Project Implementation

Attachments:  
1. Gilman Drive Vicinity Map  
2. Proposed Budget Amendment for CIP Project No. 1200508, I-5/Gilman Drive Bridge

Key Staff Contact: John Haggerty, (619) 699-6937, john.haggerty@sandag.org
Gilman Drive Vicinity Map
PROJECT SCOPE

Construct new overcrossing over I-5 between Gilman Drive and Medical Center Drive.

SITE LOCATION

Contact received and construction has begun. Construction is 25 percent complete.

PROJECT LIMITS

On I-5 between La Jolla Village Drive and the Voigt Drive overcrossing.

SANDAG EXPENDITURE PLAN ($000)

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FUNDING PLAN ($000)

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TOTAL: $1,000,000 | $156 | $249,972 | $249,972 | $11,800 | $12,324 | $11,579 | $12,324 | $11,579 | $10 | $10 | $10 | $10,965 | $20,907
2016 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: AMENDMENT NO. 5 - ADMINISTRATIVE MODIFICATION

Introduction

On September 23, 2016, the Board of Directors adopted the 2016 Regional Transportation Improvement Program (RTIP), the multiyear program of proposed major transportation projects in the San Diego region covering the period FY 2017 to FY 2021. The 2016 RTIP is a multibillion dollar program of projects funded by federal, state, TransNet local sales tax, and other local funding sources. The 2017 Federal Statewide Transportation Improvement Program, which incorporates the SANDAG 2016 RTIP, received federal approval on December 16, 2016.

Background

There are two types of processes to update the RTIP, administrative modifications and formal amendments. Formal amendments require, among other things, a 15-day public notice period, while administrative modifications are considered minor in nature and do not require a public notice period. Chapter 2 of the adopted 2016 RTIP provides additional details regarding the differences between formal amendments and administrative modifications. Amendment No. 5 is considered an administrative modification because the programming for each project, or grouped listing, is increasing by less than 40 percent, or $10 million, which is consistent with the federally accepted administrative modification procedures.

SANDAG is processing Amendment No. 5 to the 2016 RTIP as an administrative modification due to timing-related issues related to federal, state and local funding. The federal agencies delegated the approval of administrative modifications to the state, thereby streamlining the approval process.

Discussion

Project changes included in this administrative modification are summarized below with further programming details included in Table 1 (Attachment 1).

Recommendation

The Transportation Committee is asked to approve Amendment No. 5 – Administrative Modification to the 2016 Regional Transportation Improvement Program.
**North County Transit District**

**Transit Operating Support (NCTD34)** – At its meeting on April 28, 2017, the Board of Directors approved the apportionment of Federal Transit Administration (FTA) Section 5311 Non-Urbanized Area Formula Program funds for Federal Fiscal Year (FFY) 2017 and 2018. Based on those revised apportionments, this amendment proposes to increase FTA Section 5311 funding in all years of the current program. Total project increases by $115,000 bringing the new total to $229,800,000.

**San Diego Association of Governments**

**Mid-City Rapid Bus (SAN78)** – This amendment proposes to revise the TransNet Major Corridor funding between fiscal years to reconcile to actual payments and allocate remaining funding. Total project remains at $44,526,000.

**Grouped Projects for Bicycle and Pedestrian Facilities – Coastal Rail Trail (SAN148)** – This amendment proposes to reprogram Regional Active Transportation Program funding into FY 2018 to align funding with the delivery year. Total project remains at $26,871,000.

**San Diego Metropolitan Transit System**

**Transit Service Operations (MTS23A)** – As stated above, based on the approved revised apportionments, this amendment proposes to increase FTA 5311 funding in FFY 2017. Total project increases by $10,000 bringing the new total to $31,992,000.

**Various**

**Grouped Projects for Active Transportation Program (V14)** – This amendment proposes to carry over projects from the 2014 RTIP to FY 2017 to allow State Active Transportation Program funds to be allocated. The total programmed amount increases by $3,850,000 bringing the new total to $35,163,000.

**Fiscal Constraint Analysis**

Federal regulations require the 2016 RTIP to be a revenue constrained document, with programmed projects based upon available or committed funding and/or reasonable estimates of future funding. Funding assumptions are generally based upon: (1) authorized or appropriated levels of federal and state funding from current legislation; (2) conservative projections of future federal and state funding based upon a continuation of current funding levels; (3) the most current revenue forecasts for the Board approved short-term TransNet Program; and (4) the planning and programming documents of the local transportation providers.

As an administrative modification, an updated fiscal constraint analysis is not required. The proposed changes included in Amendment No. 5 do not affect the fiscal constraint submitted as part of the federally approved 2016 RTIP. Chapter 4 of the Final 2016 RTIP discusses in detail the financial capacity analysis of major program areas, including discussion of available revenues. The 2016 RTIP, including Amendment No. 5, continues to be reasonable when considering available funding sources.
Air Quality Analysis

On September 23, 2016, SANDAG found the 2016 RTIP in conformance with the Regional Air Quality Strategy/State Implementation Plan (SIP) and with the 2009 Regional Air Quality Strategy for the San Diego region. All of the required regionally significant capacity increasing projects were included in the quantitative emissions analysis conducted for the San Diego Forward: The Regional Plan (Regional Plan) and the 2016 RTIP. The Federal Highway Administration and the FTA jointly approved the conformity determination for the 2016 RTIP and the conformity redetermination for the Regional Plan on December 16, 2016.

The proposed amendment does not reflect a change in the design, concept, or scope of the project or the conformity analysis years as modeled for the regional emissions analysis of the 2016 RTIP. Projects in the 2016 RTIP Amendment No. 5 meet the conformity provisions of the Transportation Conformity Rule (40 CFR §93.122(g)). Capacity increasing projects were included in the quantitative emissions analysis conducted for the Regional Plan and 2016 RTIP. All other projects not included in the air quality conformity analysis are either non-capacity increasing or are exempt from the requirement to determine conformity according to the Transportation Conformity Rule (40 CFR §93.126). SANDAG followed interagency consultation procedures to determine which projects are exempt. Amendment No. 5 does not interfere with the timely implementation of Transportation Control Measures. The 2016 RTIP, including Amendment No. 5, remains in conformance with the SIP.

JOSÉ A. NUNCIO
TransNet Department Director

Attachment: 1. Table 1: 2016 Regional Transportation Improvement Program – Amendment No. 5 – Administrative Modification

Key Staff Contact: Sue Alpert, (619) 595-5318, sue.alpert@sandag.org
### Table 1
#### 2016 Regional Transportation Improvement Program
##### Amendment No. 5
San Diego Region (in $000s)

**North County Transit District**

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<td>NCTD service area - This project funds operating costs for existing fixed route and rail transit service, including intercity bus and rural services.</td>
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San Diego Association of Governments

MPO ID: SAN78

Project Title: Mid-City Rapid Bus

Project Description: From San Diego State University to Downtown San Diego along El Cajon Boulevard, College Avenue, Park Boulevard, and Broadway - provide new Rapid Bus service including: consolidated transit stops, SR 15 transit plaza, synchronized traffic signals with extended green lights for buses, new low-floor vehicles, new shelters, improved waiting areas, real-time next-bus arrival signs, service frequency upgrade to every 10 minutes in the peak period, and every 15 minutes off-peak.

Change Reason: Revise funding between fiscal years

Capacity Status: CI  Exempt Category: Non-Exempt

Est. Total Cost: $44,526  Open to Traffic: Oct 2014

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## San Diego Region (in $000s)

### Project Title:
Grouped Projects for Bicycle and Pedestrian Facilities - Coastal Rail Trail

### Project Description:
Projects are consistent with 40 CFR Part 93.126 Exempt Table 2 categories - bicycle and pedestrian facilities (both motorized and non-motorized)

### Change Reason:
Revise Lump Sum List - No Change To Programming

### Est Total Cost:
$26,871

### Capacity Status:
NCI

### Exempt Category:
Air Quality - Bicycle and pedestrian facilities

### Table: Budget Summary

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San Diego Metropolitan Transit System

Project Title: Transit Service Operations
Project Description: MTS service area - Operating support for Americans with Disabilities Act (ADA) and Paratransit bus service
Change Reason: Increase funding
Capacity Status: NCI
Exempt Category: Mass Transit - Transit operating assistance

Est Total Cost: $31,992

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<tr>
<td>Local Funds</td>
</tr>
<tr>
<td>TOTAL</td>
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## RTIP Fund Types

| **Federal Funding** |  |
|---------------------|  |
| FTA Section 5307    | Federal Transit Administration Urbanized Area Formula Program |
| FTA Section 5309 (NS)| Federal Transit Administration Discretionary - New Starts Program |
| FTA Section 5311    | Federal Transit Administration Rural Program |
| TE                  | Transportation Enhancement Program |

| **State Funding** |  |
|-------------------|  |
| ATP               | Active Transportation Program (Statewide and Regional) |
| STA               | State Transit Assistance |
| STIP-RIP          | State Transportation Improvement Program - Regional Improvement Program |

| **Local Funding** |  |
|-------------------|  |
| TDA               | Transportation Development Act |
| TransNet-BPNS     | Prop. A Extension Local Transportation Sales Tax - Bicycle, Pedestrian and Neighborhood Safety Program |
| TransNet-MC       | Prop. A Extension Local Transportation Sales Tax - Major Corridors |
| TransNet-T        | Prop. A Local Transportation Sales Tax - Transit |
| TransNet-TSI      | Prop. A Extension Local Transportation Sales Tax - Transit System Improvements |
CALIFORNIA FREIGHT INVESTMENT PROGRAM

Introduction

The California Transportation Commission (CTC) is anticipated to announce the availability of funding for the 2017 California Freight Investment Program (CFIP) at its May 17, 2017, meeting. This report provides information on SANDAG’s role as both an applicant for two projects, and as a regional coordinator to certify other regional projects for inclusion in San Diego Forward: The Regional Plan.

2017 California Freight Investment Program

Draft final guidelines for CFIP were released on May 8, 2017, and are scheduled for approval by the CTC on May 17 (Attachment 1). Pending adoption of the guidelines by the CTC, applications are anticipated to be due by July 31, 2017. Approximately $547 million is expected to be available for award.

Eligible CFIP projects include surface transportation capital improvements, including freight Intelligent Transportation System improvements, highway or bridge projects, grade separations, ports (border crossings), interchanges, truck only lanes, intermodal connectors, and freight impact reduction projects. All CFIP projects also must address freight evaluation criteria, air quality impact assessment criteria, and include a cost benefit analysis. Additionally, all projects must have a documented 30 percent local match. If selected for an award, the project must award construction by December 31, 2022.

The CTC supports a corridor based planning approach for the CFIP which recognizes and complements the planning work already done within major trade corridor regions. Eligible applicants within each corridor include Metropolitan Planning Organizations (MPOs), cities, counties, and other public agencies.
**SANDAG Coordination Role**

In accordance with the CFIP guidelines, SANDAG will be the applicant for two regional CFIP projects as well as the regional coordinator responsible for compiling and submitting to the CTC project nominations from other eligible applicants in the region. SANDAG as the regional MPO will submit a cover letter, signed by the Executive Director, along with all project nominations. The submittal will include a full list of all nominations received and confirm consistency with an adopted Regional Transportation Plan (RTP) and adopted regional freight plan.

SANDAG will ensure that any project submission is included within the most recently adopted RTP, therefore SANDAG requests that hard copies of all project nominations be submitted to SANDAG by July 24, 2017. Those entities submitting CFIP applications or entities that have questions about the application process should direct questions and ultimately send their completed CFIP applications to the attention of Elisa Arias, Principal Regional Planner, SANDAG, 401 B Street, Suite 800, San Diego, 92101, (619) 699-1936.

**Proposed SANDAG Project Submittals**

Based on the selection criteria outlined in the draft final CFIP guidelines, the projects listed in Table 1 are proposed for submittal to the CTC (in no priority order). A vicinity map of both proposed projects is included as Attachment 2. These projects are of regional and national significance, have obtained the necessary environmental clearances, and are poised to meet the required CFIP obligation timelines. In addition, they are included in the current RTP which includes the adopted regional freight plan.

| TABLE 1 |
|------------------|------------------|
| **State Route 11/ Otay Mesa East Port of Entry** | **North Coast Corridor Phase 1** |
| This project would include critical funding to support construction of the future Otay Mesa East Port of Entry. In particular, funding would support the acquisition of remaining right-of-way needed for State Route 11 and Otay Mesa East Port of Entry, completion of the final piece of roadway and associated facilities to complete the U.S. side of the project, and installation of fiber optic cables that will facilitate advanced traveler information, including a border wait time system for the entire San Diego region. | This project would support implementation of Phase 1 of the North Coast Corridor Program. Phase 1 includes a series of freight mobility upgrades in northern San Diego County, including construction of more than 28 miles of new highway lanes on Interstate 5 from Manchester Avenue to State Route 78, replacement of the San Elijo Lagoon highway and rail bridge and Batiquitos Lagoon rail bridge to improve throughput and mobility, and double tracking of the Los Angeles-San Diego-San Luis Obispo rail line between South Carlsbad and Solana Beach. |
Next Steps

Pending action by the Transportation Committee, the Board of Directors is scheduled to review the proposed SANDAG project submittals at its May 26, 2017, meeting.

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


Key Staff Contacts: Christina Casgar, (619) 699-1982, christina.casgar@sandag.org
                    Scott Strelecki, (619) 699-6954, scott.strelecki@sandag.org
2017
CALIFORNIA
FREIGHT INVESTMENT PROGRAM

FINAL GUIDELINES

May 17, 2017

California Transportation Commission
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I. Introduction

1. Background

The Fixing America’s Surface Transportation (FAST) Act was signed into law on December 4, 2015 and established a new freight fund under the National Highway Freight Program for a five-year period. The National Highway Freight Program provides approximately $582,571 million of apportionments to California over the five-year period of the FAST Act.

On June 27, 2016 the Governor signed Senate Bill 826 (Leno, 2016), which directs the California Transportation Commission (Commission) to allocate the federal National Highway Freight Program funds to corridor-based projects selected by local agencies and the state.

In addition to the National Highway Freight Program funding, Assembly Bill 133 (Weber, 2016) provided an $11 million Traffic Congestion Relief Fund loan repayment to be used for trade corridor improvements.

The Commission is responsible for programming and allocating these state and federal funds which will be administered through the California Freight Investment Program.

The California Freight Investment Program guidelines build from the 2007 Trade Corridors Improvement Fund guidelines, which provided $2 billion for freight-related infrastructure improvements along corridors with a high volume of freight movement. The Trade Corridors Improvement Fund was largely considered a successful program, as managed by the California Transportation Commission.

Freight planning and policy has changed since the Proposition 1B Trade Corridors Improvement Fund guidelines were developed in 2007 with the approval of the 2014 California Freight Mobility Plan and the 2015 California Sustainable Freight Action Plan, which have helped define California’s approach to freight planning and policy over the last decade. The California Freight Investment Program guidelines reflects the intent of these plans and policies along with the National Highway Freight Program Goals.

These guidelines describe the policy, standards, criteria, and procedures for the development, adoption and management of the California Freight Investment Program. The guidelines were developed in consultation with stakeholders representing state, regional, and local government entities, advocacy groups and private industry. As these guidelines were developed, there were a number of bills being considered in the state legislature to fund investments in trade corridors. It is the Commission’s intent that these guidelines be structured in such a way that they can guide the programming and allocating of the proposed funding should it be realized.

The Commission may amend these guidelines after first giving notice of the proposed amendments. The Commission will make a reasonable effort to amend the guidelines prior to a call for projects or may extend the deadline for project submission in order to comply with the amended guidelines.
2. Program Objectives

The objective of the California Freight Investment Program is to fund projects which improve the efficient movement of freight on designated corridors throughout the state and to support the goals outlined in the National Highway Freight Program, the California Freight Mobility Plan, and the guiding principles in the California Sustainable Freight Action Plan.

<table>
<thead>
<tr>
<th>National Highway Freight Program Goals</th>
<th>California Freight Mobility Plan Goals</th>
<th>California Sustainable Freight Action Plan Guiding Principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invest in infrastructure and operational improvements that strengthen economic competitiveness, reduce congestion, reduce cost of freight transportation, improve reliability, and increase productivity.</td>
<td>Improve the contribution of the California freight transportation system to economic efficiency, productivity, and competitiveness.</td>
<td>Support local and regional efforts to improve trade facilities and corridors that achieve regional environmental, public health, transportation, and economic objectives consistent with statewide policy goals.</td>
</tr>
<tr>
<td>Improve safety, security, efficiency and resiliency of freight transportation in rural and urban areas.</td>
<td>Improve the safety, security, and resiliency of the freight transportation system.</td>
<td>Improve the state-of-good-repair of the multi-modal freight transportation system.</td>
</tr>
<tr>
<td>Improve the state of good repair of the National Highway Freight Network.</td>
<td>Improve the state of good repair of the freight transportation system.</td>
<td>Grow the number of well-paying employment opportunities in the freight sector.</td>
</tr>
<tr>
<td>Use innovation and advanced technology to improve National Highway Freight Network safety, efficiency and reliability.</td>
<td>Use innovative technology and practices to operate, maintain, and optimize the efficiency of the freight transportation system while reducing its environmental and community impacts.</td>
<td>Apply innovative and green technology, along with accompanying infrastructure and applicable practices, to optimize the efficiency of the freight transportation system.</td>
</tr>
<tr>
<td>Improve the efficiency and productivity of the National Highway Freight Network.</td>
<td>Reduce costs to users by minimizing congestion on the freight transportation system.</td>
<td>Grow the economic competitiveness of California’s freight sector.</td>
</tr>
<tr>
<td>Reduce environmental impacts of freight movement on the National Highway Freight Network.</td>
<td>Environmental Stewardship – Avoid and reduce adverse environmental and community impacts of the freight transportation system.</td>
<td>Reduce or eliminate health, safety, and quality of life impacts on communities that are disproportionately affected by operations at major freight corridors and facilities. This includes reducing toxic hot spots from freight sources and facilities, and ensuring continued net</td>
</tr>
</tbody>
</table>
reductions in regional freight pollution.

<table>
<thead>
<tr>
<th>National Highway Freight Program Goals</th>
<th>California Freight Mobility Plan Goals</th>
<th>California Sustainable Freight Action Plan Guiding Principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve State flexibility to support multi-State corridor planning and address highway freight connectivity.</td>
<td>Invest strategically to improve travel time reliability and to achieve sustainable congestion reduction on key bottlenecks on primary trade corridors.</td>
<td>Reduce freight-related deaths and injuries, and security threats.</td>
</tr>
<tr>
<td></td>
<td>Improve system resilience by addressing infrastructure vulnerabilities associated with expected climate change impacts and natural disasters, which may include exploring opportunities to utilize natural systems to improve water quality, reduce ecosystem damage, prevent flooding, and create a cooling effect.</td>
<td>Site freight projects to avoid greenfield development by enhancing existing freight infrastructure or targeting infill development near compatible land uses.</td>
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### 3. Program Schedule

The following schedule lists the major milestones for the development and adoption of the 2017 California Freight Investment Program:

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<th>Date</th>
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<tr>
<td>Commission adoption of guidelines</td>
<td>May 17, 2017</td>
</tr>
<tr>
<td>Call for projects</td>
<td>May 17, 2017</td>
</tr>
<tr>
<td>Project applications due to Commission (postmark date)</td>
<td>July 31, 2017</td>
</tr>
<tr>
<td>Release staff recommendations</td>
<td>October 3, 2017</td>
</tr>
<tr>
<td>Commission adopts program</td>
<td>October 18, 2017</td>
</tr>
</tbody>
</table>
II. Funding

4. Source

The California Freight Investment Program will receive approximately $547.2 million of federal and state funds as follows:

- **$545.2 million** from the federal National Highway Freight Program over a five year period beginning with the 2015-16 federal fiscal year through the 2019-20 federal fiscal year. This amount is governed by the obligation authority set by Congress in its annual Federal Appropriation Act.

- **$11 million** of state funds appropriated in the Budget Act of 2015 as amended by Assembly Bill 133 (Chapter 2, Statutes of 2016, item 2660-013-0001, provision 1[b]).

It is the intent of the Commission to adopt a multi-year program of projects covering state fiscal years 2017-18 through 2019-20.

5. Distribution

The Commission supports a corridor-based programming approach to the California Freight Investment Program, which recognizes and complements the goods movement planning work already done within the major trade corridors. The Commission also recognizes and supports the key role that the state and regions have in project identification.

After consulting the California Freight Mobility Plan and conducting a number of stakeholder workshops, the Commission has determined that the following corridors are eligible for funding under this program:

- Bay Area (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma counties)
- Central Valley (El Dorado, Fresno, Kern, Kings, Madera, Merced, Placer, Sacramento, San Joaquin, Stanislaus, Sutter, Tulare, and Yolo counties)
- Central Coast (Monterey, San Benito, San Luis Obispo, Santa Barbara, and Santa Cruz counties)
- Los Angeles/Inland Empire (Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties)
- San Diego/Border (Imperial and San Diego counties)

The Commission acknowledges that other regions may have goods movement infrastructure needs along corridors that have a high volume of freight movement that are eligible for funding. The Commission anticipates those regions will nominate their projects for consideration.
To promote a corridor-based approach while also recognizing the key role of the state in prioritizing interregional freight projects, the Commission has developed the following targets for projects nominated by the California Department of Transportation (Caltrans) and for the geographic programming of projects nominated by other agencies.

The target for Caltrans’ nomination of statewide projects is based on the statewide priorities identified by the Administration and accounts for 40% of the identified program funding. While this percentage is less than the 60/40 state/local split typical of federal transportation funds as specified later in these guidelines, priority will be provided for projects jointly nominated and jointly funded by the state and local agencies. The Commission expects Caltrans’ nominations to provide for statewide geographic balance.

In considering geographic balance for the overall program, the Commission may program below the corridor-based targets in a region or regions to account for projects programmed from the statewide target.

The targets for the corridors are based on the identified costs of projects located on the Tier 1 network and total projects set forth in the California Freight Mobility Plan (excluding those shown as under construction and fully funded). The California Freight Mobility Plan Tier 1 network is comprised of routes having the highest truck volumes or provides essential connectivity to and between key freight gateways and regions.

The targets for the corridors are refined percentages based on the Proposition 1B Trade Corridors Improvement Fund percentages. These refined percentages will be used for the initial programming of California Freight Investment Program funds. The Commission intends to utilize the tiered Freight Project List in the California Freight Mobility Plan to identify a low to high programming range for each identified corridor for the distribution of funds in future programming cycles. The Commission expects Caltrans to maintain an updated Freight Project List and submit to the Commission annually.

The targets are neither minimums, maximums, nor guarantees. They do not constrain what any agency may propose or what the Commission may approve for programming and allocation within any particular corridor.

<table>
<thead>
<tr>
<th>Programming Targets</th>
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<tbody>
<tr>
<td><strong>Statewide Target</strong></td>
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<tr>
<td>Caltrans</td>
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<tr>
<td><strong>Regional Corridor Targets</strong></td>
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<tr>
<td>Low</td>
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<tr>
<td>Bay Area/Central Valley</td>
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<tr>
<td>Central Coast</td>
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<tr>
<td>Los Angeles/Inland Empire</td>
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<tr>
<td>San Diego/Border</td>
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<tr>
<td>Other</td>
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</tbody>
</table>
Savings at contract award and project completion must be returned proportionally to the California Freight Investment Program. California Freight Investment Program funding is not available to fund cost increases. Caltrans is encouraged to program a portion of State Transportation Improvement Program or State Highway Operation and Protection Program funds to pay for potential cost increases on their nominated projects. For jointly nominated projects, the Commission expects cost increases will be funded based on agreements between the agencies nominating the project.

6. Matching Requirements

Projects funded from the California Freight Investment Program will require at least a 30% match of local, state, or private funds except for projects nominated by Caltrans. For projects nominated by Caltrans, no match will be required. However, as noted in Section 11, the Commission will consider the leveraging and coordination of other funds when evaluating projects. For projects jointly nominated by Caltrans and another agency, matching funds must account for 30% of the local agency’s share of the project costs.

The matching funds must be expended concurrently and proportionally to the California Freight Investment Program funds. Costs incurred prior to allocation will not be counted towards match.

The applicant must provide a project funding plan through construction that demonstrates the supplemental funding in the plan (local, federal, state, private sources) is reasonably expected to be available and sufficient to complete the project.

The investment of public funding must be tied to public benefits as demonstrated through a public/private benefit cost analysis. California Freight Investment Program funds should not supplant other committed funds and revenues otherwise available through existing private sector revenue streams.

7. Reimbursement

The California Freight Investment Program is a reimbursement program for eligible costs incurred. Costs incurred prior to Commission allocation and, for federally funded projects, Federal Highway Administration project approval (i.e. Authorization to Proceed) are not eligible for reimbursement.
III. Eligibility

8. Eligible Applicants

Eligible applicants include local, regional, and public agencies such as cities, counties, Metropolitan Planning Organizations, Regional Transportation Planning Agencies, port authorities, public construction authorities, and Caltrans. Project proposals from private entities should be submitted by a public agency sponsor.

A nomination may identify an entity other than the applicant to be the project implementing agency. The implementing agency assumes responsibility and accountability for the use and expenditure of program funds.

Applicants must comply with all relevant federal and state laws, regulations, policies, and procedures.

9. Eligible Projects

Consistent with the California Freight Mobility Plan, a freight project is a project that significantly contributes to the freight system’s economic activity or vitality; relieves congestion on the freight system; improves the safety, security, or resilience of the freight system; improves or preserves the freight system infrastructure; implements technology or innovation to improve the freight system or reduce or avoid its negative impacts; or reduces or avoids adverse community and/or environmental impacts of the freight system.

To be eligible for funding under this program, a project must meet the aforementioned freight project definition, support the objectives of the program, and meet the screening and evaluation criteria.

A capital improvement that is required as a condition for private development approval or permits is not eligible for funding from the California Freight Investment Program.

Because the majority of funds in the California Freight Investment Program are federal funds, projects must comply with the provisions of Title 23 of the U.S. Code of Federal Regulation, and be located on the Primary Highway Freight System or a designated Critical Rural Freight Corridor or Critical Urban Freight Corridor. The designation of the Critical Rural Freight Corridor or Critical Urban Freight Corridor is not required at the time of project nomination, however, the designation must be federally approved prior to the project requesting allocation. Grade crossing improvement projects, grade separation projects, intermodal projects, and Intelligent Transportation System projects are not required to have a Critical Rural Freight Corridor or Critical Urban Freight Corridor designation.

California Freight Investment Program funds may be used for any component of a project, however, the project must award construction by December 31, 2022.

Projects eligible for funding under the program include, but are not limited to, the following:
• Additional capacity projects to address highway freight bottlenecks, highway or bridge projects to improve flow of freight on National Highway Freight Network, physical separation of passenger vehicles from commercial motor freight.

• Port and/or rail projects to facilitate intermodal interchange, transfer, and access into or out of the facility (limited to 10% of yearly apportionments).

• Intelligent Transportation Systems or other technology to improve the flow of freight, real time information systems, weigh-in-motion devices, electronic screening/credentialing systems, traffic signal optimization, work zone management and information systems, ramp metering, electronic cargo and border security technologies.

• Grade Separations.

• Geometric improvements to interchanges and ramps.

• Truck only lanes, including climbing and runaway, and parking facilities.

• Adding or widening shoulders.

• Efforts to reduce environmental impacts of freight movement.

• Environmental/community mitigation for freight movement.

IV. Project Selection Process

10. Screening Criteria

Nominations will receive an initial screening by the Commission for completeness, eligibility, and deliverability before moving to the evaluation process. Incomplete or ineligible applications may not be evaluated.

Nominations will be screened by the Commission for the following:

• Project is included in the California Freight Mobility Plan, in an adopted regional freight plan, or an adopted regional transportation plan.

• Project can demonstrate a 30% funding match as outlined in Section 6 of these guidelines. A project that is already fully funded will not be considered for programming.

• Project must award a construction contract by December 31, 2022.

• Project must be one of the types of projects listed in Section 9 of these guidelines.

• Project must not have the purpose or intent to increase the state’s overall capacity to facilitate the transportation of coal in bulk, pursuant to Government Code Section 14525.3. In evaluating each new terminal project, if related environmental documents are not yet complete, the Commission shall base their review on written confirmation from the project applicant.

• Project must meet the objectives of the California Freight Investment Program.

• Project must be located on the federally approved Primary Highway Freight System or a designated Critical Rural Freight Corridor or Critical Urban Freight Corridor as specified in Section 9 of these guidelines.
• Project contributes to corridor or air basin emission reduction of greenhouse gases, diesel particulates, carbon monoxide, nitrogen oxides, and other pollutants.
• Project will stimulate economic activity, enhance trade value, and preserve/create jobs.

11. Evaluation Criteria

Evaluation criteria are outcome oriented and customizable to each corridor. Evaluation criteria are grouped into three categories.

Where a project is proposed to improve private infrastructure, the Commission’s evaluation will examine the public/private benefit assessment of the project.

Nominations will be evaluated on the following:

- Freight System Factors
  - Throughput – Project provides for increased volume of freight traffic through capacity expansion or operational efficiency.
  - Velocity – Project increases the speed of freight traffic moving through the distribution system.
  - Reliability - Project reduces the variability and unpredictability of travel time.

- Transportation System (Priorities) Factors
  - Safety - Project increases the safety of the public, industry workers, and traffic.
  - Congestion Reduction/Mitigation - Project reduces daily hours of delay on the system and improves access to freight facilities.
  - Key Transportation Bottleneck Relief - Project relieves key freight system bottlenecks where forecasts of freight traffic growth rates indicate infrastructure or system needs are inadequate to meet demand.
  - Multi-Modal Strategy - Project employs or supports multi-modal strategies to increase port and transportation system throughput while reducing truck vehicle miles/hour traveled (VMT/VHT) or truck idling times.
  - Interregional Benefits - Project links regions/corridors to serve statewide or national trade corridor needs.

- Community Impact Factors
  - Air Quality Impact - Project reduces local and regional emissions of diesel particulate, carbon monoxide, nitrogen oxides, greenhouse gases, and other pollutants.
  - Community Impact Mitigation - Project reduces negative impacts on communities (noise, localized congestions, safety, public health, etc.).
  - Economic/Jobs Growth – Project stimulates local economic activity, enhances trade value, and preserves/creates jobs.

The Commission will also consider the following factors when evaluating projects:
• The overall need, benefits and cost, of the project in the context of its contribution to advancing the California Freight Mobility Plan, the California Sustainable Freight Action Plan, and an adopted regional freight plan. Projects submitted by Caltrans should also include a description of how the project contributes to advancing the Interregional Transportation Strategic Plan.

• Project readiness and reasonableness of the schedule for project implementation, including the following:
  o Progress towards achieving environmental protection requirements.
  o The comprehensiveness and sufficiency of agreements with key partners (particularly infrastructure owning railroads) that will be involved in implementing the project.

• The leveraging and coordination of funding from other private, federal, state, local or regional sources, with consideration of those sources that are discretionary compared to those that are nondiscretionary.

• The commitment of multiple partners in the delivery of the project, as evidenced by joint nomination and/or joint funding of a project.

• The project’s support or use of innovated technology or practices.

12. Project Nominations

The Metropolitan Planning Organizations will be responsible for compiling and submitting project nominations from their respective agencies to the Commission. Project nominations coming from Imperial County will be considered as part of the San Diego/Border programming target, but the project nominations from Imperial County will be compiled and submitted through the Southern California Association of Governments as its Metropolitan Planning Organization, submitted to San Diego Association of Governments since the County falls within the San Diego/Border corridor—All other project nominations will be submitted directly to the Commission.

Each Metropolitan Planning Organization will submit a cover letter signed by the respective Executive Director and the project nominations. The submittal will include a full list of all nominations received and confirm consistency with an adopted Regional Transportation Plan and adopted regional freight plan, if applicable, their submittal that lists all nominations received and describes the process on how the nominations were selected and prioritized through a public and transparent process.

Project applications and their supporting documentation should be submitted to the Commission by July 31, 2017, in hard copy. Nominations will be treated in accordance with California Public Records Act requirements and certain information, subject to those requirements, may be publicly disclosed.

The Commission will post basic project application information on its website prior to adopting the final program of projects. After projects are selected for programming, Commission will post the status of all project applications to its website.

Each project application submittal must include three copies of the application package and one electronic copy. All application materials should be address or delivered to:
Each project application should be limited to 20 pages (excluding the benefits documentation and the Project Programming Request form) and must include:

- A cover letter, with signature authorizing and approving the application. Where the project is to be implemented by an agency other than the nominator, documentation of the agreement between the project nominator and implementing agency must be submitted with the application.

- A confirmation that any new bulk terminal project will not have the potential for significant environmental impacts, as described in related environmental documents in an environmental document as a result of the storage, handling, or transport of coal in bulk pursuant to Government Code Section 14525.3. In evaluating each new terminal, if related environmental documents are not yet complete, the Commission shall base their review on written confirmation from the project applicant.

- A confirmation that any new non-bulk terminal project will not increase the state’s overall capacity to facilitate the transportation of coal in bulk pursuant to Government Code Section 14525.3.

- A confirmation that any capacity-increasing project or a major street or highway lane realignment project was considered for reversible lanes pursuant to Streets and Highways Code Section 100.15.

- An explanation of the project and its proposed benefits, including the following:
  - Project title, which should be a brief non-technical description of the project type, scope, and location.
  - Project priority (if agency is submitting multiple applications)
  - Project background and a purpose and need statement.
  - A concise description of the project scope and anticipated benefits (outcomes and outputs) proposed for funding.
  - A description on how the project furthers the objectives of the California Freight Investment Program.
  - A map (or maps) of the project location denoting the project site and identifying impacted communities that meet either of the following criteria:
    - An area identified as among the most disadvantaged 25% in the state according to the California Environmental Protection Agency and based on the California Communities Environmental Health Screening Tool 3.0 (CalEnviroScreen 3.0) scores (score must be greater than or equal to 36.62). This list can be found at the following link under SB 535 List of Disadvantaged Communities: [http://www.calepa.ca.gov/EnvJustice/GHGInvest/](http://www.calepa.ca.gov/EnvJustice/GHGInvest/).
    - An area with a median household income (reference Table B19013) that is less than 80% of the statewide median based on the most current Census Tract.
A project cost estimate which includes the amount and source of all funds committed to the project and the basis for concluding that the funding is expected to be available. Cost estimates should be escalated to the year of proposed implementation and be approved by the Chief Executive Officer or other authorized office of the implementing agency.

When proposing to fund only preconstruction project components, the applicant must demonstrate the means by which it intends to fund the construction of a useable segment, consistent with the Regional Transportation Plan.

A description that demonstrates the ability to absorb any cost overruns and deliver the proposed project with no additional funding from this program.

A description of the project delivery plan, including a description of the known risks that could impact the successful implementation of the project and the response plan of the known risks. The risks considered should include, but not be limited to, risks associated with deliverability and engineering issues, community involvement, and funding commitments.

A description of the transportation corridor and the function of the proposed project within the corridor.

A description and quantification of improvements in trade corridor mobility, including measures of velocity, throughput, reliability and congestion reduction for freight movement in the corridor.

A description and quantification of the local and corridor effects of the project on diesel particulate, greenhouse gases and other pollutant emissions using the Quantification Methodology for Air Pollutants in Appendix A. The Air Resources Board is working to develop standardized methods for applicants to quantify air quality impacts. If these methodologies are available prior to adoption of these guidelines, they will be incorporated into the guidelines. Additionally, the Commission intends to consult with the Air Resources Board in assessing the air quality impact of proposed projects.

A description of how the project furthers the goals, performance measures, and targets of the region’s Regional Transportation Plan, and if applicable, it’s associated freight plan. For each performance measure the applicant should indicate how the project scored relative to other projects in the Regional Transportation Plan.

A description of the corridor plan or other coordinated management strategy being implemented by the nominator and other jurisdictions within the corridor to preserve corridor mobility.

- Documentation supporting the benefits and cost estimates cited in the application should be no more than 10 pages in length, citing or excerpting, as appropriate, the project study report, environmental document, Regional Transportation Plan, and other studies that
provide quantitative measures of the project's costs and benefits, including both trade corridor mobility benefits and emission reduction benefits.

- Each applicant should provide documentation that the expected benefits of the proposed project justify its costs, recognizing that some costs and benefits can be difficult to quantify. Each application should include analysis utilizing Caltrans' Life-Cycle Benefit-Cost Analysis Model 6.0. This model can be found at: [http://www.dot.ca.gov/hq/tpp/offices/eab/LCBC_Analysis_Model.html](http://www.dot.ca.gov/hq/tpp/offices/eab/LCBC_Analysis_Model.html). If another model is more applicable, the application should describe why and provide the analysis based on the alternate model.

- Where investment of California Freight Investment Program funding is proposed to improve private infrastructure, this documentation should include an assessment of public and private benefits to show that the share of public benefit is commensurate with the share of public funding.

- Documentation for rail investments should acknowledge and describe how the private railroads, regional agencies and appropriate state agencies will come to agreement on public and private investment levels and resulting benefits.

- Each application must include a Project Programming Request Form. An excel template of this form may be found at [http://www.dot.ca.gov/hq/transprog/ocip.htm](http://www.dot.ca.gov/hq/transprog/ocip.htm). Each Project Programming Request must list federal, state, local, and private funding categories by project component and fiscal year. If the project is a scope addition to a project with a prior Project Programming Request Form, the prior Project Programming Request should be included. California Freight Investment Program funds cannot be used to supplant other committed funds.

V. Programming

The Commission intends to adopt a program of projects for the California Freight Investment Program at the October 18-19, 2017 meeting. The California Freight Investment Program must be developed consistent with the federal apportionment levels approved under the FAST Act and the amount programmed in each fiscal year may not exceed the yearly obligation authority amount.

Pursuant to federal statute, the Commission may not program more than 10 percent of the total yearly apportionment amount for freight intermodal or freight rail projects, which include the following projects:

- Within the boundaries of public or private freight rail or water facilities (including ports).
- That provide surface transportation infrastructure necessary to facilitate direct intermodal interchange, transfer, and access into or out of the facility.

The program of projects for each fiscal year will include, for each project, the amount to be funded from the California Freight Investment Program, and the estimated total cost of the project. Project costs in the California Freight Investment Program will include costs for each of the following components: (1) permits and environmental studies; (2) plans, specifications, and estimates; (3) right-of-way; and (4) construction. The cost of each project component will be listed in the program no earlier than in the fiscal year in which the particular project component can be implemented. For Caltrans implemented projects, the cost of right-of-way support and...
construction support will be separated out and programmed separately from the right-of-way capital and construction capital cost.

The Commission will program and allocate funding to projects in whole thousands of dollars and will include a project only if it is fully funded from a combination of California Freight Investment Program and other committed funding. The Commission will regard funds as committed when they are programmed by the Commission or when the agency with discretionary authority over the funds has made its commitment to the project by ordinance or resolution. For federal formula funds, including Surface Transportation Program, Congestion Mitigation and Air Quality Improvement Program, and federal formula transit funds, the commitment may be by Federal approval of the Federal Statewide Transportation Improvement Program.

The Commission, with assistance from Caltrans, will monitor appropriations to, encumbrances from, and balances in the California Freight Investment Program to ensure the program contains an adequate balance to cover allocations and reimbursements.

Additionally, with assistance from Caltrans, the Commission will keep track of any available capacity from resulting project savings, rescinded allocations or project deletions. The Commission will determine the appropriate use of these funds on a program-wide basis.

VI. Program/Project Amendments

13. Project Review Committee

Commission staff may form a Project Review Committee to assist Commission staff in evaluating amendments on an as needed basis. The Project Review Committee will include representatives from Caltrans and various other transportation stakeholders.

14. Amendment Requests

Project amendments requested by implementing agencies shall receive the approval of all partner and funding entities before presentation to the Commission. Amendment requests should be submitted in a timely manner and include documentation that supports the requested change and its impact on the scope, cost, schedule and benefits.

Caltrans shall coordinate all amendment requests and utilize the Project Programming Request to help document the change. Implementing agencies must notify Caltrans in writing of proposed project scope changes. This notification must include the following:

- An explanation of the proposed scope change.
- The reason for the proposed scope change.
- The impact the proposed scope change would have on the overall cost of the project.
- An estimate of the impact the proposed scope change would have on the potential of the project to deliver the project benefits as compared to the benefits identified in the project application (increase or decrease in benefit) and an explanation of the methodology used to develop the aforementioned estimates.

Caltrans will review the proposed scope change and forward the proposed scope change with Caltrans’ written analysis and recommendation to the Commission for the Commission’s approval.
Commission staff may also request that the Project Review Committee review and make a recommendation on amendment requests.

Commission staff will present recommended scope changes deemed by staff to be minor changes, such as those with little or no impact to project benefits or which increase the benefits of the project, to the Commission as a part of the project allocation request. Staff will present recommendations to disapprove minor scope changes and recommendations to approve or disapprove more significant scope changes to the Commission as project amendments.

VII. Allocations

When an agency is ready to implement a project or project component, the agency will submit an allocation request to Caltrans. The typical time required, after receipt of the request, to complete Caltrans review, and recommendation and Commission allocation is 60 days.

Caltrans will review the request and determine whether or not to recommend the request to the Commission for action. The Commission will consider the allocation of funds for a project when it receives an allocation with a recommendation from Caltrans. The recommendation will include a determination of project readiness, the availability of appropriated funding, and the availability of all identified and committed supplementary funding. When Caltrans develops its construction allocation recommendation, the Commission expects Caltrans to certify that a project’s plans specifications and estimate are complete, environmental and right-of-way clearances are secured, and all necessary permits and agreements (including railroad construction and maintenance) are executed.

In compliance with Section 21150 of the Public Resources Code, the Commission will not allocate funds for design, right-of-way, or construction prior to documentation of environmental clearance under the California Environmental Quality Act. As a matter of policy, the Commission will not allocate funds for design, right-of-way, or construction of a federally funded project prior to documentation of environmental clearance under the National Environmental Policy Act (NEPA). Exceptions to this policy may be made in instances where federal law allows for the acquisition of right-of-way prior to completion of NEPA review.

The Commission will approve the allocation if the funds are available and the allocation is necessary to implement the project as included in the adopted California Freight Investment Program. If there are insufficient program funds to approve an allocation, the Commission may delay the allocation of funds to a project.

Allocations must be requested in the fiscal year of project programming. Agencies should not request Commission allocations unless prepared to award contracts related to the allocation within six months. Whenever programmed funds are not allocated within the fiscal year programmed or within the time allowed by an approved allocation extension, the project will be deleted from the California Freight Investment Program. Funds available following the deletion of a project may be programmed to a project amended into the program.

Where the project is to be implemented by an agency other than the applicant, the allocation request must include a copy of the Memorandum of Understanding or Interagency Agreement between the project applicant and implementing agency.
When Caltrans is the implementing agency, right-of-way support and construction support costs must be allocated separately from right-of-way capital and construction capital costs.

VIII. Project Delivery

15. Timely Use of Funds

California Freight Investment Program allocations must be requested in the fiscal year of project programming, and construction allocations are valid for award for six months from the date of allocation unless the Commission approves an extension. No award extensions will be granted beyond the December 31, 2022 award deadline.

Funds allocated for project development or right-of-way costs must be expended by the end of the second fiscal year following the fiscal year in which the funds were allocated. The implementing agency must invoice Caltrans for these costs no later than 180 days after the fiscal year in which the final expenditure occurred.

After award of the contract, the implementing agency has up to 36 months to complete (accept) the contract. At the time of fund allocation, the Commission may extend the deadline for completion of work and the liquidation of funds if necessary to accommodate the proposed expenditure plan for the project.

The Commission may extend the deadlines for allocation of funds, for award of a contract, for expenditures for project development or right-of-way, or for contract completion no more than one time, only if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the extension. The extension will not exceed the period of delay directly attributed to the extraordinary circumstance and will in no event be for more than 20 months.

Where a project component will not be ready for allocation as programmed in the current fiscal year, the implementing agency should request an extension of the allocation deadline rather than a project amendment.

16. Delivery Deadline Extensions

The Commission may extend a delivery deadline upon the request of the implementing agency. No deadline may be extended more than once. However, there are separate deadlines for allocations, for award of contract, for expenditures, and for project completion, and each project component has its own deadlines. The Commission may consider the extension for each of the deadlines separately.

All requests for project delivery deadline extensions shall be submitted directly to Caltrans for processing. The extension request should describe the specific circumstance that justifies the extension and identify the delay directly attributable to the circumstance. Caltrans will review the proposed extension requests and forward them with Caltrans’ written analysis and recommendation to the Commission for action.
17. Project Inactivity

Once funds for a project are encumbered, project applicants are expected to invoice on a regular basis (for federal funds, see 23 CFR 630.106 and the Caltrans' Inactive Obligation Policy). Failure to do so will result in the project being deemed "inactive" and subject to de-obligation if proper justification is not provided.

18. Project Reporting

Caltrans, in cooperation with the implementing agencies, will report to the Commission on a semi-annual basis. The reports will include information on the activities and progress made toward implementation of the project, including those project activities taking place prior to an allocation and the commitment status of supplemental funding identified at the time of programming. A final delivery report will also be required. The purpose of the reports is to ensure that the project achieves the objectives of the program, is executed in a timely fashion, and is within the scope and budget identified when the decision was made to fund the project.

For new terminal projects, project applicants will annually notify the Commission that the project is not being used to handle, store, or transport coal in bulk.

Within one year of the project becoming operable, the implementing agency must provide the following information to Caltrans to be included in a final delivery report to the Commission which includes:

- The scope of the completed project as compared to the programmed project.
- Before and after photos documenting the project.
- The final costs, by component and fund type, as compared to the approved project budget at allocation.
- Its duration as compared to the project schedule in the project application.
- Performance outcomes and benefits derived from the project as compared to those described in the project application. This should include an explanation of the methodology used to quantify the benefits.

For the purpose of this section, a project becomes operable when the construction contract is accepted or acquired equipment is received.

The National Highway Freight Program funds administered under the California Freight Investment Program will be subject to the National Performance Management Measures for assessing Performance of Freight Movement. The final regulations for the Performance Management Measures are slated to become final on May 20, 2017. Commission staff, in cooperation with stakeholders, intend to bring forward updated reporting guidelines to meet these Performance Management Measures at a future Commission meeting.

19. Project Auditing

Caltrans must audit, in accordance with Generally Accepted Government Auditing Standards, a representative sample of California Freight Investment Program projects to evaluate the performance of the project, determine whether project costs incurred and reimbursed are in compliance with the executed project agreement or approved amendments thereof; state and
federal laws and regulations; contract provisions; and Commission guidelines, and whether project deliverables (outputs) and outcomes are consistent with the project scope, schedule and benefits described in the executed project agreement or approved amendments thereof. A report on the projects audited, their findings and status of any corrective action must be submitted to the Commission by October 1 of each year.
Appendix A – Quantification Methodology for Air Pollutants

This quantification methodology is for applicants of the California Freight Investment Program to quantify the carbon dioxide (CO2), particulate matter 10 microns or less (PM10), and nitrogen oxide (NOx) impacts of proposed projects. Additionally, the methodology provides resources to quantify particulate matter 2.5 microns or less in diameter (PM2.5) as an informational item. Because of limited data availability, it only needs to be provided for projects that do not include the locomotive sector (grade separations and some operational improvement projects).

For project inputs, applicants are expected to rely on existing project level data and tools. Submissions shall show their work by providing the calculations from beginning to end. Project applicants are also required to submit documentation supporting calculations, inputs, and key assumptions. Web links to supporting data/documents will be accepted.

The methodology is intentionally simplified and relies on widely available inputs and tools. The results are not intended to replace environmental review and quantification of environmental impacts for the purposes of the California Environmental Quality Act or National Environmental Policy Act.

Project Types

The methodology focuses on four project types—interchange improvement, highway widening, grade separation, and operational improvement—and must be utilized for projects falling under these categories.

Table 1 – Project Type Definition

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Interchange Improvement</td>
<td>To improve a junction, including on- and off-ramps, to permit traffic on at least one highway to pass through the junction without directly crossing another traffic stream.</td>
</tr>
<tr>
<td>Highway Widening</td>
<td>To widen a highway in order to improve its capacity.</td>
</tr>
<tr>
<td>Grade Separation</td>
<td>To improve a junction by using grade separation to permit traffic on at least one highway to pass through the junction without directly crossing another traffic stream.</td>
</tr>
<tr>
<td>Operational Improvement</td>
<td>Any project (other than an interchange upgrade, highway widening, or grade separation) expected to result in a decrease in vehicle or locomotive congestion.</td>
</tr>
</tbody>
</table>

Quantification Methodology for CO2, NOx, and PM10 Emissions

The general steps of the quantification methodology are:

- Quantify the pre- and post-project CO2, NOx, and PM10 emissions for an interchange upgrade, highway widening, grade separation, or operational improvement project using the equations provided below.
- Quantify the emissions for passenger vehicles, heavy-duty vehicles, and locomotives (grade separation or operational improvement projects only) separately, and then sum the categories to calculate total emissions. For example, a rail to highway grade
A separation project will calculate pre- and post-project emissions for the locomotive, passenger, and heavy-duty modes.

- Subtract the pre-project emissions from the post-project emissions to determine the emission impact of the project.
- For projects with construction occurring on more than one route (interchange improvements, grade separations), calculations should be done for each route separately and then summed.

Particulate matter 2.5 microns or less in diameter (PM2.5) should also be calculated and reported as an informational item. Because of limited data availability, it only needs to be provided for projects that do not include the locomotive sector (grade separations and some operational improvement projects).

See Appendix B for a general example of the application of this methodology.

**Passenger Vehicle Methodology:**

\[
\text{Emissions} = (\text{Emission Factor}) \times (\text{Passenger Vehicle Throughput}) \times (\text{Impacted Distance}) \times (20 \text{ Year Project Life})
\]

**Emission Factor:**

Select the appropriate emission factor (grams/vehicle-mile) in Table 2 based on average vehicle speed at the location of the project and the estimated post-project average speed. The statewide passenger vehicle emission factors, provided in Table 2, were downloaded from EMFAC 2014 with the following parameters:

- Annual average for 2030 (estimated mid-project life)
- 2007 vehicle categories LDA, LDT1, LDT2, MDV, and MCY.
- Aggregated model year
- Gasoline fuel

**Table 2 – 2030 Annual Average Passenger Vehicle Emission Factors (Per Vehicle)**

<table>
<thead>
<tr>
<th>Speed</th>
<th>g NOx/mile</th>
<th>g PM10/mile</th>
<th>g CO2/mile</th>
<th>g PM2.5/mile</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>0.0969</td>
<td>0.00946</td>
<td>806</td>
<td>0.00869</td>
</tr>
<tr>
<td>10</td>
<td>0.0761</td>
<td>0.00591</td>
<td>595</td>
<td>0.00544</td>
</tr>
<tr>
<td>15</td>
<td>0.0678</td>
<td>0.00394</td>
<td>460</td>
<td>0.00363</td>
</tr>
<tr>
<td>20</td>
<td>0.0603</td>
<td>0.00276</td>
<td>367</td>
<td>0.00254</td>
</tr>
<tr>
<td>25</td>
<td>0.0538</td>
<td>0.00204</td>
<td>304</td>
<td>0.00187</td>
</tr>
<tr>
<td>30</td>
<td>0.0496</td>
<td>0.00158</td>
<td>260</td>
<td>0.00146</td>
</tr>
<tr>
<td>35</td>
<td>0.0483</td>
<td>0.00131</td>
<td>233</td>
<td>0.00120</td>
</tr>
<tr>
<td>40</td>
<td>0.0472</td>
<td>0.00114</td>
<td>217</td>
<td>0.00104</td>
</tr>
<tr>
<td>45</td>
<td>0.0473</td>
<td>0.00104</td>
<td>209</td>
<td>0.00096</td>
</tr>
<tr>
<td>50</td>
<td>0.0478</td>
<td>0.00101</td>
<td>209</td>
<td>0.00092</td>
</tr>
<tr>
<td>55</td>
<td>0.0484</td>
<td>0.00102</td>
<td>217</td>
<td>0.00094</td>
</tr>
<tr>
<td>60</td>
<td>0.0467</td>
<td>0.00109</td>
<td>231</td>
<td>0.00100</td>
</tr>
<tr>
<td>65</td>
<td>0.0517</td>
<td>0.00123</td>
<td>255</td>
<td>0.00113</td>
</tr>
<tr>
<td>70</td>
<td>0.0512</td>
<td>0.00134</td>
<td>281</td>
<td>0.00124</td>
</tr>
</tbody>
</table>
Passenger Vehicle Throughput:
Use total vehicle throughput per year and the proportion of passenger vehicles at the project site to calculate the passenger vehicle throughput. If post-project throughput is not available, keep it consistent with the pre-project throughput. Assume a passenger fleet mix factor of 0.91 for all projects if documented project specific data is unavailable.

\[
\text{Passenger Vehicle Throughput} = \left( \frac{\text{total vehicle throughput}}{\text{year}} \right) \times (0.91)
\]

Project Life:
Assume a 20 year project life for pre- and post-project calculations.

Impacted Distance:
Using documented data (project study report, environmental document), provide the impacted distance of the project in centerline miles. If documented impacted distance data is not available, provide the length of the project area in centerline miles. Use the same value for pre- and post-project calculations.

Heavy-Duty Vehicle Methodology:

\[
\text{Emissions} = (\text{Emission Factor}) \times (\text{Heavy Duty Vehicle Throughput}) \times (\text{Impacted Distance}) \times (20 \text{ Year Project Life})
\]

Emission Factor:
Select the appropriate emission factor (grams/vehicle-mile) in Table 3 based on annual average vehicle speed at the location of the project and the estimated post-project annual average speed. The statewide heavy-duty vehicle emission factors, provided in Table 3, were downloaded from EMFAC 2014 with the following parameters:
- Annual average for 2030 (estimated mid-project life)
- 2007 vehicle categories LHDT1, LHDT2, MH, MHDT, HHDT, SBUS, UBUS, and OBUS.
- Aggregated model year
- Diesel fuel

<table>
<thead>
<tr>
<th>Speed</th>
<th>g NOx/mile</th>
<th>g PM10/mile</th>
<th>g CO2/mile</th>
<th>g PM2.5/mile</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>12.2</td>
<td>0.0264</td>
<td>2500</td>
<td>0.0252</td>
</tr>
<tr>
<td>10</td>
<td>9.05</td>
<td>0.0209</td>
<td>2130</td>
<td>0.0200</td>
</tr>
<tr>
<td>15</td>
<td>5.00</td>
<td>0.0188</td>
<td>1500</td>
<td>0.0180</td>
</tr>
<tr>
<td>20</td>
<td>3.74</td>
<td>0.0204</td>
<td>1510</td>
<td>0.0195</td>
</tr>
<tr>
<td>25</td>
<td>2.01</td>
<td>0.0095</td>
<td>1270</td>
<td>0.0091</td>
</tr>
<tr>
<td>30</td>
<td>1.46</td>
<td>0.0077</td>
<td>1270</td>
<td>0.0074</td>
</tr>
<tr>
<td>35</td>
<td>1.15</td>
<td>0.0064</td>
<td>1340</td>
<td>0.0061</td>
</tr>
<tr>
<td>40</td>
<td>0.86</td>
<td>0.0057</td>
<td>1290</td>
<td>0.0054</td>
</tr>
</tbody>
</table>

Heavy-Duty Vehicle Throughput:
Use total vehicle throughput per year and the proportion of heavy-duty vehicles at the project site to calculate the heavy-duty vehicle throughput. If post-project throughput is not available, keep it consistent with the pre-project throughput. Assume a heavy-duty fleet mix factor of 0.09 for all projects if documented project specific data is unavailable\(^3\).

\[ Heavy - Duty\ Vehicle\ Throughput = \left( \frac{\text{total vehicle throughput}}{\text{year}} \right) \times (0.09) \]

Project Life:
Assume a 20 year project life for pre- and post-project calculations\(^4\).

Impacted Distance:
Using documented data (project study report, environmental document), provide the impacted distance of the project in centerline miles. If documented impacted distance data is not available, provide the length of the project area in centerline miles. Use the same value for pre- and post-project calculations.

Locomotive Methodology:
\[
Emissions = (\text{Emission Factor}) \times (\text{Fuel Usage Factor}) \times (\text{Locomotive Throughput}) \times (\text{Impacted Distance}) \times (20 \text{ Year Project Life})
\]

Emission Factor:
Select the appropriate emission factor in Table 4. The g/gal is calculated using Tier 2, Tier2+/Tier3, and Tier 4 line-haul emission factors from U.S. EPA\(^5\) and a train conversion factor of 20.8 bhp-hr/gallon\(^6\). The 2030 Train Mix is based on U.S. EPA emission factors and ARB 2016 Line Haul Locomotive Model projection of Tier distribution.

Table 4 – Locomotive Emission Factors

<table>
<thead>
<tr>
<th></th>
<th>NOx (g/gallon)</th>
<th>PM10 (g/gallon)</th>
<th>CO2 (g/gallon)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2030 Train Mix</td>
<td>66</td>
<td>1.4</td>
<td>10,206</td>
</tr>
</tbody>
</table>

Fuel Usage Factor:
The fuel usage factor shall be provided in gallons of fuel/gross ton-miles. The pre-project fuel usage factor should be based on recent regional data. The post-project fuel usage factor could improve compared to the pre-project factor if the project is expected to result in locomotives operating in more efficient notch profiles. Estimate the post-project fuel usage factor based on the projected notch profile through the grade change. Work with the locomotive operators, as appropriate, to estimate the fuel usage factor.

Locomotive Throughput:
Provide locomotive throughput in gross tons moved per year. If post-project throughput is not available, keep it consistent with the pre-project throughput. Work with the locomotive operators, as appropriate, to estimate the locomotive throughput.

\[ \text{Locomotive Throughput} = \frac{\text{grosstons}}{\text{year}} \]

Project Life:
Assume a 20 year project life for pre- and post-project calculations.\(^7\)

Impacted Distance:
Using documented data (project study report, environmental document), provide the impacted distance of the project area in track miles (of only one track if there are multiple tracks). If documented impacted distance data is not available, provide the length of the project area in track miles (of only one track if there are multiple tracks). Use the same value for pre- and post-project calculations.

---

\(^7\) Caltrans, “Life-Cycle Benefit-Cost Analysis Model”
Appendix B - Example of Methodology Application

Example Project Emission Quantification

Example Scenario: An applicant is proposing a grade separation project at a junction between rail tracks and a road in Sacramento. Pre-project average vehicle speed is 20mph and is expected to increase to 30mph post project. Vehicle throughput is 100,000 vehicles/year and locomotive throughput is 1,000,000 gross tons/year and throughput is expected to be the same post-project. The impacted road distance is one mile and the impacted rail distance is two miles. The pre- and post-project fuel usage factors are 1gallon/550 gross ton-miles and 1gallon/600 gross-ton miles (expected), respectively.

Note that this example does not include the calculation for PM 2.5 because this project includes the locomotive sector. However, PM 2.5 must be calculated for all other projects that do not include locomotives.

Pre-Project Passenger Vehicle:

\[ \text{Emissions} = (\text{Emission Factor}) \times (\text{Passenger Vehicle Throughput}) \times (\text{Impacted Distance}) \times (\text{Project Life}) \]

Inputs:

Emission Factor (per vehicle):

<table>
<thead>
<tr>
<th>Speed</th>
<th>g NOx/mile</th>
<th>g PM10/mile</th>
<th>g CO2/mile</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>0.0603</td>
<td>0.00276</td>
<td>367</td>
</tr>
</tbody>
</table>

Passenger Vehicle Throughput:

\[ \text{Passenger Vehicle Throughput} = \left( \frac{\text{total vehicle throughput}}{\text{year}} \right) \times (\text{passenger: fleet mix factor}) \]

\[ \text{Passenger Vehicle Throughput} = \left( \frac{100,000 \text{ vehicles}}{\text{year}} \right) \times (.91) \]

\[ \text{Passenger Vehicle Throughput} = 91,000 \text{ passenger vehicles/year} \]

Project Life: 20 years

Impacted Distance: 1 mile
Quantification:

\[ NOx \text{ Emissions} = (0.0603 \text{ g/vehicle – mile}) \times (91,000 \text{ vehicles/year}) \times (1 \text{ mile}) \times (20 \text{ years}) \]

\[ NOx \text{ Emissions} = 109,746 \text{ grams} \]

\[ PM10 \text{ Emissions} = (0.00276 \text{ g/vehicle – mile}) \times (91,000 \text{ vehicles/year}) \times (1 \text{ mile}) \times (20 \text{ years}) \]

\[ PM10 \text{ Emissions} = 5,023 \text{ grams} \]

\[ CO2 \text{ Emissions} = (367 \text{ g/vehicle – mile}) \times (91,000 \text{ vehicles/year}) \times (1 \text{ mile}) \times (20 \text{ years}) \]

\[ CO2 \text{ Emissions} = 667,940,000 \text{ grams} \]

Pre-Project Heavy-Duty Vehicle:

\[ Emissions = \text{(Emission Factor)} \times (\text{HD Vehicle Throughput}) \times (\text{Impacted Distance}) \times (\text{Project Life}) \]

Inputs:

Emission Factor:

<table>
<thead>
<tr>
<th>Speed</th>
<th>g NOx/mile</th>
<th>g PM10/mile</th>
<th>g CO2/mile</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>3.74</td>
<td>0.0204</td>
<td>1510</td>
</tr>
</tbody>
</table>

Heavy-Duty Vehicle Throughput:

\[ Heavy – Duty Vehicle Throughput = \left( \frac{\text{total vehicle throughput}}{\text{year}} \right) \times (\text{heavy – duty: fleet mix factor}) \]

\[ Heavy – Duty Vehicle Throughput = \left( \frac{100,000 \text{ vehicles}}{\text{year}} \right) \times (.09) \]

\[ Heavy – Duty Vehicle Throughput = 9,000 \text{ vehicles} \]

Project Life: 20 years

Impacted Distance: 1 mile

Quantification:

\[ NOx \text{ Emissions} = (3.74 \text{ g/vehicle – mile}) \times (9,000 \text{ vehicles/year}) \times (1 \text{ mile}) \times (20 \text{ years}) \]

\[ NOx \text{ Emissions} = 673,200 \text{ grams} \]

\[ PM10 \text{ Emissions} = (0.0204 \text{ g/vehicle – mile}) \times (9,000 \text{ vehicles/year}) \times (1 \text{ mile}) \times (20 \text{ years}) \]

\[ PM10 \text{ Emissions} = 3,672 \text{ grams} \]
\[ CO_2 \text{ Emissions} = (1,510 \text{g/vehicle} - \text{mile}) \times (9,000 \text{vehicles/year}) \times (1 \text{mile}) \times (20 \text{years}) \]

\[ CO_2 \text{ Emissions} = 271,800,000 \text{ grams} \]

**Pre-Project Locomotive**

\[ Emissions = (\text{Emission Factor}) \times (\text{Fuel Usage Factor}) \times (\text{Locomotive Throughput}) \]
\[ \times (\text{Impacted Distance}) \times (\text{Project Life}) \]

**Inputs:**

**Emission Factor:**

<table>
<thead>
<tr>
<th></th>
<th>NOx (g/gallon)</th>
<th>PM10 (g/gallon)</th>
<th>CO2 (g/gallon)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2030 Train Mix</strong></td>
<td>66</td>
<td>1.4</td>
<td>10,206</td>
</tr>
</tbody>
</table>

**Fuel Usage Factor:** 1 gallon/550 gross ton-miles

**Locomotive Throughput:**

\[ Locomotive \text{ Throughput} = \frac{1,000,000 \text{ gross tons}}{\text{year}} \]

**Project Life:** 20 years

**Impacted Distance:** 2 miles

**Quantification:**

\[ NO_x \text{ Emissions} = (66 \text{ g/gallon}) \times (1 \text{ gallon/550 gross ton} - \text{mile}) \times (1,000,000 \text{ gross tons/year}) \]
\[ \times (2 \text{ mile}) \times (20 \text{ years}) \]

\[ NO_x \text{ Emissions} = 4,800,000 \text{ grams} \]

\[ PM_{10} \text{ Emissions} = (1.4 \text{ g/gallon}) \times (1 \text{ gallon/550 gross ton} - \text{mile}) \times (1,000,000 \text{ gross tons/year}) \]
\[ \times (2 \text{ mile}) \times (20 \text{ years}) \]

\[ PM_{10} \text{ Emissions} = 101,818 \text{ grams} \]

\[ CO_2 \text{ Emissions} = (10,206 \text{ g/gallon}) \times (1 \text{ gallon/550 gross ton} - \text{mile}) \times (1,000,000 \text{ gross tons/year}) \]
\[ \times (2 \text{ mile}) \times (20 \text{ years}) \]

\[ CO_2 \text{ Emissions} = 742,254,545 \text{ grams} \]
Total Pre-Project Emissions:

\[ NOX (\text{passenger vehicle + heavy - duty vehicle + locomotive}) = 109,746 \text{ g} + 673,200 \text{ g} + 4,800,000 \text{ g} \]

\[ NOX = 5,582,946 \text{ grams} \]

\[ PM10 (\text{passenger vehicle + heavy - duty vehicle + locomotive}) = 5,023 \text{ g} + 3,672 \text{ g} + 101,818 \text{ g} \]

\[ PM10 = 110,513 \text{ grams} \]

\[ CO2 (\text{passenger vehicle + heavy - duty vehicle + locomotive}) = 667,940,000 \text{ g} + 271,800,000 \text{ g} + 742,254,545 \text{ g} \]

\[ CO2 = 1,681,994,545 \text{ grams} \]

Post-Project Passenger Vehicle:

\[ Emissions = (\text{Emission Factor}) \times (\text{Passenger Vehicle Throughput}) \times (\text{Impacted Distance}) \times (\text{Project Life}) \]

Inputs:

Emission Factor (per vehicle):

<table>
<thead>
<tr>
<th>Speed</th>
<th>g NOx/mile</th>
<th>g PM10/mile</th>
<th>g CO2/mile</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>0.0496</td>
<td>0.00158</td>
<td>260</td>
</tr>
</tbody>
</table>

Passenger Vehicle Throughput:

\[ \text{Passenger Vehicle Throughput} = \left( \frac{\text{total vehicle throughput}}{\text{year}} \right) \times (\text{passenger: fleet mix factor}) \]

\[ \text{Passenger Vehicle Throughput} = \left( \frac{100,000 \text{ vehicles}}{\text{year}} \right) \times (.91) \]

\[ \text{Passenger Vehicle Throughput} = 91,000 \text{ passenger vehicles/year} \]

Project Life: 20 years

Impacted Distance: 1 mile

Quantification:

\[ NOx \text{ Emissions} = (.0496 \text{g/vehicle - mile}) \times (91,000 \text{ vehicles/year}) \times (1 \text{ mile}) \times (20 \text{ years}) \]

\[ NOx \text{ Emissions} = 90,272 \text{ grams} \]
\[ PM_{10} \text{ Emissions} = (.00158 \text{g/vehicle – mile}) \times (91,000 \text{ vehicles/year}) \times \text{(1 mile)} \times \text{(20 years)} \]

\[ PM_{10} \text{ Emissions} = 2,876 \text{ grams} \]

\[ CO_{2} \text{ Emissions} = (260 \text{g/vehicle – mile}) \times (91,000 \text{ vehicles/year}) \times \text{(1 mile)} \times \text{(20 years)} \]

\[ CO_{2} \text{ Emissions} = 473,200,000 \text{ grams} \]

**Post-Project Heavy-Duty Vehicle**

\[ Emissions = (\text{Emission Factor}) \times (\text{Heavy – Duty Vehicle Throughput}) \times (\text{Impacted Distance}) \times (\text{Project Life}) \]

**Inputs:**

**Emission Factor:**

<table>
<thead>
<tr>
<th>Speed</th>
<th>g NOx/mile</th>
<th>g PM10/mile</th>
<th>g CO2/mile</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>1.46</td>
<td>0.0077</td>
<td>1270</td>
</tr>
</tbody>
</table>

**Heavy-Duty Vehicle Throughput:**

\[ Heavy – Duty Vehicle Throughput = (\frac{\text{total vehicle throughput}}{\text{year}}) \times (\text{heavy – duty: fleet mix factor}) \]

\[ Heavy – Duty Vehicle Throughput = (\frac{100,000 \text{ vehicles}}{\text{year}}) \times (.09) \]

\[ Heavy – Duty Vehicle Throughput = 9,000 \text{ vehicles} \]

**Project Life:** 20 years

**Impacted Distance:** 1 mile

**Quantification:**

\[ NO_{x} \text{ Emissions} = (1.46 \text{g/vehicle – mile}) \times (9,000 \text{ vehicles/year}) \times \text{(1 mile)} \times \text{(20 years)} \]

\[ NO_{x} \text{ Emissions} = 262,800 \text{ grams} \]

\[ PM_{10} \text{ Emissions} = (.0077 \text{g/vehicle – mile}) \times (9,000 \text{ vehicles/year}) \times \text{(1 mile)} \times \text{(20 years)} \]

\[ PM_{10} \text{ Emissions} = 1,386 \text{ grams} \]

\[ CO_{2} \text{ Emissions} = (1,270 \text{g/vehicle – mile}) \times (9,000 \text{ vehicles/year}) \times \text{(1 mile)} \times \text{(20 years)} \]

\[ CO_{2} \text{ Emissions} = 228,600,000 \text{ grams} \]
**Post-Project Locomotive**

\[ Emissions = (Emission \ Factor) \times (Fuel \ Usage \ Factor) \times (Locomotive \ Throughput) \times (Impacted \ Distance) \times (Project \ Life) \]

**Inputs:**

**Emission Factor:**

<table>
<thead>
<tr>
<th></th>
<th>NOx (g/gallon)</th>
<th>PM10 (g/gallon)</th>
<th>CO2 (g/gallon)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2030 Train Mix</td>
<td>66</td>
<td>1.4</td>
<td>10,206</td>
</tr>
</tbody>
</table>

**Fuel Usage Factor:** 1 gallon/600 gross ton-miles

**Locomotive Throughput:**

\[ Locomotive \ Throughput = \frac{1,000,000 \text{ gross tons}}{\text{year}} \]

**Project Life:** 20 years

**Impacted Distance:** 2 miles

**Quantification:**

**NOx Emissions**

\[ NOx \ Emissions = (66 \text{ g/gallon}) \times (1 \text{ gallon/600 gross ton - mile}) \times (1,000,000 \text{ gross tons/year}) \times (2 \text{ mile}) \times (20 \text{ years}) \]

**NOx Emissions = 4,400,000 grams**

**PM10 Emissions**

\[ PM10 \ Emissions = (1.4 \text{ g/gallon}) \times (1 \text{ gallon/600 gross ton - mile}) \times (1,000,000 \text{ gross tons/year}) \times (2 \text{ mile}) \times (20 \text{ years}) \]

**PM10 Emissions = 93,333 grams**

**CO2 Emissions**

\[ CO2 \ Emissions = (10,206 \text{ g/gallon}) \times (1 \text{ gallon/600 gross ton - mile}) \times (1,000,000 \text{ gross tons/year}) \times (2 \text{ mile}) \times (20 \text{ years}) \]

**CO2 Emissions = 680,400,000 grams**

**Total Post-Project Emissions:**

\[ NOx(passenger \ vehicle + \ heavy - \ duty \ vehicle + \ locomotive) = 90,272 \text{ g} + 262,800 \text{ g} + 4,400,000 \text{ g} \]
\[\text{NOx} = 4,753,072 \text{ grams}\]

\[\text{PM10 (passenger vehicle + Heavy – Duty vehicle + locomotive)}\]
\[= 2,876 g + 1,386 g + 93,333 g\]

\[\text{PM10} = 97,595 \text{ grams}\]

\[\text{CO2 (passenger vehicle + heavy – duty vehicle + locomotive)}\]
\[= 473,200,000 g + 228,600,000 + 680,400,000 g\]

\[\text{CO2} = 1,382,200,000 \text{ grams}\]

**Emissions Impact of the Project:**

\[\text{Emission Impact} = (\text{Post – Project Emissions}) - (\text{Pre – Project Emissions})\]

\[\text{NOx} = 4,753,072 g - 5,582,946 g = -829,874 \text{ grams NOx}\]

\[\text{PM10} = 97,595 g - 110,513 g = -12,918 \text{ grams PM10}\]

\[\text{CO2} = 1,382,200,000 g - 1,681,994,545 g = -299,794,545 \text{ grams CO2}\]
California Freight Investment Program

Project Locations

May 2017

1 North Coast Corridor - Phase 1
2 State Route 11 / Otay Mesa East Port of Entry

Commercial/Industrial
Land Use
2012 San Diego Data and
2013 Baja California Data

Highway/Road/Managed Lanes

Freight Rail
Burlington Northern Santa Fe
Railway (BNSF)
shared with COASTER/SPRINTER

Land Ports of Entry
San Ysidro Rail Port of Entry
Otay Mesa Truck Port of Entry
Otay Mesa East Future Port of Entry

North Coast Corridor - Phase 1
State Route 11 / Otay Mesa East Port of Entry
**Introduction**

The Transportation Development Act (TDA) provides one-quarter percent of the state sales tax for operating and capital support of public transportation systems and non-motorized transportation projects. SANDAG, as the designated Regional Transportation Planning Agency, is responsible for the allocation of TDA funds to the region’s cities, county, and transit operators.

Pursuant to California Public Utilities Code Section 99244, a transit operator can be allocated no more in FY 2018 than it was allocated in FY 2017 unless the region’s transportation planning agency determines that the operator made a reasonable effort to implement the productivity improvement recommendations adopted after the last triennial TDA audit (completed in June 2016), and also to show productivity. This reasonable effort is determined through the evaluation of three-year trend data and an annual review of actions taken by each operator to address recommendations received during the triennial audit.

**Discussion**

**Productivity Improvement Measures**

The TDA Productivity Improvement Program includes all of the performance measures included in the state TDA Guidebook Section 99246(d). Additionally, SANDAG tracks multiyear trend analysis since it is recognized that steps taken by the transit agencies to improve system performance often take several years to be fully realized. The Productivity Improvement Program for FY 2017 included an evaluation of the following six TDA performance measures over a three-year period (Quarter 2 FY 2014 to Quarter 2 FY 2017):

- Operating Cost Per Passenger (adjusted for annual inflation) – measures cost-effectiveness
- Operating Cost Per Revenue Hour (adjusted for annual inflation) – measures cost-efficiency

**Recommendation**

The Transportation Committee is asked to recommend that the Board of Directors find that Metropolitan Transit System and North County Transit District made a reasonable effort to implement productivity improvements during FY 2017 and approve continuing this program in FY 2018, which fulfills the requirements outlined in Section 99244 of the Transportation Development Act.
• Passengers Per Revenue Hour – measures service productivity
• Passengers Per Revenue Mile – measures service productivity
• Revenue Hours Per Employee – measures labor productivity
• Farebox Recovery Ratio – measures cost-efficiency

These performance indicators are measured separately for fixed-route services (Metropolitan Transit System [MTS] Trolley, MTS Bus, MTS Rapid, North County Transit District [NCTD] SPRINTER, NCTD COASTER, and NCTD BREEZE Bus) and Americans with Disabilities Act of 1990 (ADA) Paratransit services (MTS ADA and NCTD ADA).

The indicators, which are reviewed quarterly by the Regional Short-Range Transit Planning Task-Force, help determine if the agency is obtaining the desired results from the system and if overall performance is improving based on updated regional strategies or service operation plans. These indicators also help the transit agencies determine where improvements can be made. Improvements can then be incorporated into each operator's Service Implementation Plan, which are included in the Coordinated Public Transit – Human Services Transportation Plan prepared by SANDAG.

Performance trends were evaluated in FY 2017 to determine whether the transit agencies improved their performance considering external circumstances (e.g., fuel prices and reduced state funding levels for transit). The six TDA performance measures are reported for each individual service (MTS Bus, MTS Rapid, MTS ADA, MTS Trolley, NCTD BREEZE, NCTD COASTER, NCTD SPRINTER, and NCTD ADA). With the implementation of Rapid services in calendar year 2014, the report has been revised to separate SANDAG TransNet supported routes into a new Rapid category. Rapid services include SuperLoop (Routes 201, 202, and 204), Mid-City (Route 215), and Interstate 15 corridor (Routes 235 and 237).

Attachment 1 includes a chart of each of the six performance indicators of each service from Quarter 2 of FY 2014 to Quarter 2 of FY 2017. This year, these indicators include a period of recent downward trends in ridership, revenue, and productivity. It is important to note that the transit operators are proactively working to mitigate these trends. Studies are underway to review market demographics, analyze service trends, and respond to ridership needs and changes. They are looking to increase ridership and revenue by reinvesting resources from underutilized services into more productive areas and routes with high demand. Significant public outreach efforts are ongoing to assess various options to address the latest trends. Both transit operators are participating with SANDAG to update the regional fare ordinance to help both ridership and revenues.

It is also worth noting that the recent downward trends in performance metrics are not unique to the San Diego region. The majority of the large and medium-sized transit agencies in California have lost ridership in 2017 compared to 2016. This same trend is prevalent across the nation as well. Given that the trends are very recent, it is difficult to definitively identify the causes of reduced ridership, but there is some evidence that issues such as low gasoline prices, low cost of automobile financing and ownership, changing demographics, and app-based ride-hailing transportation services are contributing to the decline. Therefore, despite these challenges that are being faced
throughout the transit industry, the operators in the San Diego region are actively working to maintain their productivity measure at their highest level possible.

**MTS FY 2017 Performance**

The results of the Quarter 2 FY 2014 to Quarter 2 FY 2017 MTS performance trend analysis indicate that during the last year:

- **MTS Trolley** has seen a 16.5 percent increase in the operating cost per passenger, a 7.9 percent increase in the operating cost per revenue hour, a 7.4 percent decrease in passengers per revenue hour, and a 6.2 percent decrease in passengers per revenue mile since Quarter 2 in FY 2016.

- **MTS Bus** has seen a 15.9 percent increase in the operating cost per passenger, a 7.5 percent increase in the operating cost per revenue hour, a 7.3 percent decrease in passengers per revenue hour, and a 6.8 percent decrease in passengers per revenue mile since Quarter 2 in FY 2016.

- **MTS ADA** has seen a 16.8 percent increase in the operating cost per passenger, a 12.4 percent increase in the operating cost per revenue hour, a 3.7 percent decrease in passengers per revenue hour, and a 5.1 percent decrease in passengers per revenue mile since Quarter 2 in FY 2016.

- **MTS Rapid** has seen a 2 percent increase in the operating cost per passenger, a 6.5 percent increase in the operating cost per revenue hour, a 4.4 percent increase in passengers per revenue hour, and a 5.4 percent increase in passengers per revenue mile since Quarter 2 in FY 2016. MTS farebox recovery rate for fixed-route services has remained strong throughout the three-year period, with an average of 42 percent. This is above the 31.9 percent TDA minimum threshold requirement. For ADA services, the farebox recovery rate has averaged 13.6 percent over this period, and is also above the TDA minimum threshold of 10 percent.

**NCTD FY 2017 Performance**

The results of the Quarter 2 FY 2014 to Quarter 2 FY 2017 NCTD performance trend analysis indicate that:

- **NCTD COASTER** has seen a 31.6 percent increase in the operating cost per passenger, a 27.1 percent increase in the operating cost per revenue hour, a 3.4 percent decrease in passengers per revenue hour, and a 2.9 percent decrease in passengers per revenue mile since Quarter 2 in FY 2016.

- **NCTD SPRINTER** has seen a 37.3 percent increase in the operating cost per passenger, a 30.1 percent increase in the operating cost per revenue hour, a 5.3 percent decrease in passengers per revenue hour, and a 4.4 percent decrease in passengers per revenue mile since Quarter 2 in FY 2016.
• NCTD BREEZE has seen a 15.3 percent increase in the operating cost per passenger, a 1.9 percent
decrease in the operating cost per revenue hour, a 14.9 percent decrease in passengers per
revenue hour, and a 11.6 percent decrease in passengers per revenue mile since Quarter 2 in
FY 2016.

• NCTD ADA has seen a 0.15 percent increase in the operating cost per passenger, a 4.9 percent
increase in the operating cost per revenue hour, a 4.8 percent increase in passengers per
revenue hour, and a 3.6 percent increase in passengers per revenue mile since Quarter 2 in
FY 2016. On July 1, 2011, NCTD commenced LiFT paratransit services under a Coordinated
Transportation Services (Brokerage) model. While this change lowered costs and improved
productivity through the 3rd Quarter of FY 2014, the contracted operator, due to legal and
financial reasons, could no longer commit to its contractual obligations. On April 1, 2014, NCTD
transitioned back to the previous service delivery approach using a dedicated fleet of vehicles
and operators. This service model is more costly to operate, and as a result, costs have increased
over the three-year period. Staff will continue to monitor NCTD’s ADA paratransit program over
the next year and will explore opportunities to further increase performance.

• NCTD farebox recovery rate for fixed-route services has remained steady over the three-year
period at 22.4 percent, which is above the 18.8 percent TDA minimum threshold requirement.
For ADA services, the farebox recovery rate has averaged 9.39 percent for the same three-year
period, which is just below the TDA minimum threshold of 10 percent. However, the farebox
recovery ratio for the service has declined since the service model has changed from a
brokerage model to a contracted service. For the last quarter (Quarter 2 of FY 2017), the
farebox recovery ratio was 8.7 percent. To improve the farebox recovery ratio, NCTD is
proposing to implement changes to the Regional Fare Ordinance in FY 2018 that would become
effective FY 2019 along with significant operational changes to include introduction of new
technologies that will improve scheduling efficiency, a more robust eligibility certification
program, and increased usage of brokered trips using taxicabs and other providers.

TDA Triennial Audit Recommendations

In addition to the three-year performance monitoring associated with the annual TDA claim, the
triennial performance audit included the development of improvement recommendations for the
transit agencies. The most recent performance audit completed in June 2016 included some
recommendations on possible strategies to improve efficiency and effectiveness for NCTD. There
were no recommendations for MTS. These recommendations have been addressed by NCTD: action
plans, the progress made to date to implement them, and updated responses (from Form B of the
2017 TDA Claim) are included in Attachment 2. MTS provided a statement of effort to address
declining performance (included in Attachment 3).
FY 2017 Productivity Improvement Program

Based on the results discussed above, the conclusion of the performance analysis is that both MTS and NCTD have made reasonable efforts toward achieving their FY 2017 productivity improvements. As mentioned above, the farebox recovery ratio for NCTD ADA services is below the required minimum TDA threshold. However, NCTD is working to improve the operating efficiency of the ADA service, as evidenced in their response in Attachment 2. SANDAG staff will continue to monitor this performance indicator in future reporting.

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

Attachments: 1. FY 2017 Productivity Improvement Results
              2. NCTD Annual TDA Claim Form (Form B)
              3. MTS Annual TDA Claim Form (Form B)

Key Staff Contact: Lisa Madsen, (619) 595-1432, lisa.madsen@sandag.org
FY 2017 Productivity Improvement Results

Figure 1: Operating Cost per Passenger (Logarithmic Scale)

Figure 2: Operating Cost per Revenue Hour (Logarithmic Scale)
Figure 3: Passengers per Revenue Hour

Figure 4: Passengers per Revenue Mile
**STATEMENT OF EFFORTS MADE TO IMPLEMENT PERFORMANCE AUDIT RECOMMENDATIONS**

**SANDAG Staff Member:** Lisa Madsen  
**Operator:** North County Transit District (NCTD)  
**Date Completed:** May 5, 2017  
**Date of Last Performance Audit:** June 24, 2016

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| 44   | **Recommendation 1**  
Implement strategies to minimize operating costs for LIFT paratransit service. | NCTD is in the process of modifying the ADA Paratransit Program by instituting the following changes: |
|      |                  | - **Implementation of New Technologies**  |
|      |                  |   - NCTD has undertaken the following activities to improve efficiency and or reduce cost.  |
|      |                  |     1. NCTD has purchased software from Trapeze that will allow passengers to book rides on-line or thru an interactive voice response system. This technology will result in operational efficiencies related to the number of schedulers and reservationists required. Previous implementation of this software at other transit agencies has resulted in up to a 40% drop in call volume.  |
|      |                  |     2. NCTD is installing mobile data terminal (MDT) on each LIFT and FLEX vehicles, which will improve scheduling efficiency for drivers which should support improving the productivity of trips completed per revenue hour. This will also allow the system to provide notifications to customers via their method of choice (text message, email, or phone call) when the vehicle is near their pick-up point to support improved on-time departures. Previous implementation of this software at other transit agencies has resulted in a cost reduction of up to 15% in some cases.  |
|      |                  |   - **Implementation of fare requirements allowed in the San Diego Regional Comprehensive Fare Ordinance**  |
|      |                  |     o NCTD is finalizing proposed changes to the NCTD Fare Structure. The Regional Fare Ordinance allows the fare for ADA paratransit fares to be double the fixed route fare for the same trip if taken by fixed route inclusive of transfers. Currently, NCTD is not including the cost of transfer(s) required to complete a trip. Implementation of this change directly addresses improving the farebox recovery ratio. NCTD will also be proposing to implement mitigation strategies for the economically distressed population within the LIFT program.  |
|      |                  |   - **Implementation of Enhanced ADA Certification Program**  |
|      |                  |     o NCTD currently certifies passengers for the LIFT program using an on-line only process. Potential clients apply for the certification thru |
an application, supported by medical records from their doctor. The determination is made solely by the application and supporting documents. NCTD will be implementing a hybrid approach to certification beginning October 2017. Applicants will still apply online similar to the existing process, and will only be required to participate in an in-person interview and or functional assessment when a clear determination of eligibility (approval or denial) cannot be made based on the online application and supporting documentation. Prior transit agencies that have implemented a similar model have seen a reduction in the number of unrestricted clients from an average of 80% down to an average of 60%, and an increase in total denials from 3% to 7%. In addition, the client opportunity to participate in NCTD’s travel training program that is being re-established as part of the strengthen eligibility program.

- **Modification of certain operational rules such as pickup window**
  - In order to improve on-time performance, improve scheduling efficiency, improve the ability to dynamically re-route based on performance, and improve the customer experience, NCTD is modifying the following operational rules:
    1. On-time Pick-up Window: Currently the on-time pickup window is 20 minutes, NCTD is changing the on-time pickup window to 30 minutes to improve scheduling efficiency and to foster improved on-time performance by the Contractor.
    2. Cancellation Window: Currently the customer is allowed to cancel the trip 1 hour prior to the start of a trip, NCTD is adjusting the cancellation window to 2 hours to support improved operational efficiency.
    3. Scheduling Window: Currently customers are allowed to book a trip 2 days in advance, NCTD is expanding the scheduling window to 7 days in advance. This will provide the Contractor more time to efficiently group and offer trips to the lowest cost provider. This changes also provides customers the opportunity to call less frequently to book trips, making the service easier to use for customers and lowering the call volume making it easier for customers to call in for last minute trips and checking on trips.

**Implementation Schedule**

November 17, 2016 Board Meeting: NCTD staff briefed the Board on the changes outlined above to comply with the TDA Audit recommendations, as well as industry best practices.

January 19, 2017 Board Meeting: NCTD awarded the Bus and Paratransit Operations and Maintenance Contract to MV Transportation. Mobilization to take place from February thru June, with the Period of Performance starting July 1 2017. This contract implements the operational rule changes outlined above.

March 16, 2017 Board Meeting: Board authorized NCTD to purchase additional Trapeze software outlined above. NCTD staff met with Trapeze shortly after the
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<td>Board meeting to discuss best practices around implementation of software and modification of policy to support the implementation and usage of the software.</td>
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<td>By July 1, 2017 NCTD expects to have the MDT’s installed and functioning in the LIFT fleet.</td>
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<td>By October 31, 2017 NCTD expects to have the modified LIFT Certification process in place.</td>
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<td>By July 1, 2018 NCTD expects to implement the remainder of the Trapeze modules and implement fare rates as allowed by the Regional fare ordinance.</td>
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<td><strong>Recommendation 2</strong>&lt;br&gt;Institute robust tracking and management system for excess capital inventory at rail maintenance facilities.</td>
<td><strong>Inventory Transfers Completed As of June 30 2016</strong>&lt;br&gt;NCTD, as part of the Rail Contract Mobilization effort from January 1, 2016 to June 12, 2016, performed a joint physical count and inventory audit with the demobilizing contractors (HTI, HTSI, TASI, and Transdev) and the incoming contractor, Bombardier. An agreed-upon list was produced from this physical count and inventory audit, and is the basis for tracking all changes to inventory from July 1, 2016. A major focus for NCTD was to itemize all the capital project material previously reported under capital improvement projects. An additional focus for NCTD was to eliminate obsolete material and create additional space for new inventory coming in. Most of the capital improvement projects supplied spare parts as a part of project closeout that were reported as assets connected to the respective capital improvement. This made it difficult for NCTD to know what spares were available and if the material was usable. The inventory audit conducted by NCTD and its contractor, Bombardier, included these spare parts in the itemized listing and documented their respective condition. NCTD now has the ability to track these spares for past and future projects, ensuring that the agency is not purchasing material already on the shelf, as well as ensuring that obsolete material is disposed of properly. NCTD has also incorporated a lay down area that allows storage of bulk material in an organized fashion, so that material can be accurately tracked and utilized.</td>
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<td><strong>Inventory Reconciliation Process, Actions, &amp; Schedule</strong>&lt;br&gt;By April 30, 2017, Bombardier shall complete its reconciliation of the NCTD provided inventory and provide a report that categorizes the inventory as follows: usable inventory, excess inventory, and obsolete inventory.</td>
<td>By May 31, 2017, NCTD shall complete its review of Bombardier's reconciliation of the NCTD provided inventory and shall provide direction to Bombardier regarding the disposition of excess inventory and disposal of obsolete inventory. The usable inventory and the associated value of such inventory shall constitute the total dollar value of the NCTD transferred inventory and the minimum value of the inventory that Bombardier shall be responsible for transferring back to NCTD at the conclusion of Contract 16043-OS.</td>
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<td>By June 30, 2017, Bombardier shall provide NCTD the initial draft of the Inventory Plan as required in Section 10.2 of Contract 16043-OS.</td>
<td>By August 1, 2017, NCTD shall provide Bombardier its comments and convene meetings regarding the initial draft Inventory Plan to support its finalization.</td>
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<td>Recommendation 3</td>
<td>Work with SANDAG to develop digital database for storing NCTD right of way data</td>
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By September 30, 2017, Bombardier shall submit to NCTD the final Inventory Plan as required by Section 10.2 of Contract 16043-OS. Thereafter, the updated and final Inventory Plan shall be submitted annually by January 1, starting in the year 2018 for NCTD to review and approve.

Currently, NCTD uses a variety of data sources for the research of Right-of-Way data. These sources include an NCTD GIS database that identifies right-of-way parcels and boundaries, surveys, and real property agreements. The data sources such as surveys and real property agreements are electronically stored in NCTD’s document management system LaserFiche.

Additionally, NCTD has developed and is now testing a Real Estate Module in its Enterprise System, JD Edwards that allows for the storage of its Real Estate Agreements, both revenue and non-revenue. This module will be live in July of 2017, and affords the District visibility to the various incidental uses along the Right-of-Way. The module stores information by milepost and use type, along with critical terms and conditions of the agreements.
STATEMENT OF EFFORTS MADE TO IMPLEMENT PERFORMANCE AUDIT RECOMMENDATIONS

SANDAG Staff Member: Lisa Madsen Date Completed: May 1, 2017
Operator: Metropolitan Transit System (MTS)
Date of Last Performance Audit: May 31, 2016

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<td>40</td>
<td>Recommendations</td>
<td>While no specific recommendations were made in the most recent audit, MTS is proactively working to mitigate recent downward trends in ridership, revenue, and productivity. The Transit Optimization Plan (TOP) is a one-year study that began in Summer 2016 to review market demographics, analyze service trends, and respond to ridership needs and changes. The goal is to increase ridership and revenue by reinvesting resources from underutilized services into more productive areas, routes, and segments that retain a high demand. A resulting list of over 50 proposals for improvements was offered to the public for feedback, and these will be further refined into recommendations for Board approval and implementation in late 2017 and early 2018. MTS is also undergoing several fare collection efforts to add new convenience and payment options, modernize the system, and review pricing levels for potential changes. A new mobile ticketing app was launched in March 2017, allowing riders to buy certain fares and passes on their smartphone, and MTS anticipates adding options for stored-value on Compass Card in mid-2017. A Concept of Operations is also in development for the next-generation fare collection system that will ultimately replace the Compass system, which will be close to 20 years old at retirement. Lastly, MTS is participating with SANDAG and NCTD on updating the regional fare ordinance with the goals of retaining and attracting ridership while protecting revenues. It is worth noting that the recent downward trends in performance metrics are not unique to MTS or San Diego. MTS polled 29 large and medium-sized transit agencies in California; all but four lost ridership in the first three quarters of 2017 over 2016. Nationally, of 13 peer bus agencies, eleven lost ridership in the same period. There has been much speculation in the transportation industry on why transit ridership is dropping after record years in 2013-2015; there are likely many reasons including low gasoline prices, low cost of automobile financing and ownership, longer commutes, changing demographics (gentrifying transit-rich neighborhoods and relocation of affordable housing to more remote communities), and app-based ride-hailing alternatives. These national trends are reflected in other statistics like record auto sales and significant growth in Vehicle Miles Traveled (VMT). While California has shown leadership in climate action goals, VMT has still steadily increased in the state since the recession.</td>
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Nationally, most transit agencies whose ridership increased over the past two years had a very substantial simultaneous investment in transit, such as the opening of a new rail line or the passage of a local funding measure that provided resources to add services. This may also help MTS grow transit ridership, as it will begin service next year on the South Bay Rapid bus line between Otay Mesa and Downtown San Diego, and construction is swiftly progressing on the Mid-Coast light rail extension, with a planned start of service in 2021. Other projects in San Diego Forward, the 2050 Regional Transportation Plan, include a new light rail line on the Interstate 805 corridor, fixed guideway projects for feeder service, and several dozen potential Rapid and Express routes throughout the region. State legislation is also proposed that would enable MTS to sponsor a ballot measure that could provide additional funding for transit.

Lastly, MTS continues to actively manage costs, as recognized by the auditors. In the last year, all remaining diesel standard transit buses were retired from the MTS fleet, moving to cleaner burning and less costly compressed natural gas-powered buses. Additionally, a significant percentage of MTS’ fixed-route and paratransit minibus fleet was switched from gasoline powered to buses fueled with less expensive propane.
FIRST TransNet TEN-YEAR COMPREHENSIVE PROGRAM REVIEW

Introduction

The TransNet Extension Ordinance requires that the SANDAG Board of Directors, acting as the San Diego County Regional Transportation Commission (Commission), conduct a Ten-Year Comprehensive Program Review of all TransNet projects and programs to evaluate and improve performance of the overall program. This report presents the Transportation Committee with options for discussion that would be presented to the Board for its consideration when determining how the first Ten-Year Review should be conducted.

Discussion

In accordance with the TransNet Extension Ordinance, one of the responsibilities of the Commission is to conduct a comprehensive program review every ten years. The Extension Ordinance includes the following provision regarding Commission responsibility for the Ten-Year Review:

"Section 17. Ten-Year Comprehensive Review: 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 ten years and to make revisions to the Expenditure Plan to improve its performance over the subsequent ten years. Such comprehensive program reviews shall be conducted in Fiscal Years 2019, 2029 and 2039. Revisions to the Ordinance and Expenditure Plan required as a result of the ten-year review shall be subject to the amendment process in Section 16."

Background

The TransNet Extension Ordinance generates funding for public transit, highway, local road, and active transportation projects, and for programs focused on environmental protection and smart growth. The specific projects and programs funded under the Ordinance are further described in the document incorporated by reference to the Ordinance and titled TransNet Extension Expenditure Plan Analysis (Expenditure Plan).
Section 4 of the TransNet Extension Ordinance sets forth Expenditure Plan purposes and states as follows:

“Section 4. Expenditure Plan Purposes: The revenues received by the Commission from the existing measure as extended by this measure shall be used to improve transportation facilities and services countywide as set forth in the Expenditure Plan and in a manner consistent with the long-range Regional Transportation Plan and the short-range multi-year Regional Transportation Improvement Program.”

The Extension Ordinance also requires the review process to take into consideration the results of TransNet-funded improvements as compared to the performance standards established through the Regional Transportation Plan and the Regional Comprehensive Plan1.

The attachment to the Ordinance entitled “Statement of Understanding Regarding Implementation of the ITOC for the TransNet Program” includes Independent Taxpayer Oversight Committee (ITOC) responsibilities and states:

“5. Provide recommendations as part of the 10-year review process. This process provides an opportunity to undertake a comprehensive review of the TransNet program every 10 years and to make recommendations for improving the program over the subsequent 10 years. This review process should take into consideration the results of the TransNet-funded improvements as compared to the performance standards established through the Regional Transportation Plan and the Regional Comprehensive Plan.”

Preliminary considerations for the conduct of the review by the Board including the timing of the review, timeframe to be evaluated, the level of Board involvement in the process, and areas that may be evaluated, have been developed for discussion and are outlined below.

**Preliminary Options for Consideration**

**Timing of the Review**

The Board initiated the San Diego Forward: The Regional Plan (2019 Regional Plan) update process at its April 28, 2017, meeting. The 2019 Regional Plan update is anticipated to be completed with Board adoption in summer/fall 2019. With both the 2019 Regional Plan update and the Ten-Year Review anticipated to be conducted within the next two years, the Board may wish to align the timing of both efforts and take advantage of the opportunity to streamline activities while ensuring consistency across both efforts.

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1 At its May 25, 2012, meeting, the SANDAG Board of Directors approved the integration of the Regional Comprehensive Plan update with the development of the Regional Transportation Plan/Sustainable Communities Strategy. The integrated Plan (San Diego Forward: The Regional Plan) was adopted on October 9, 2015.
For example, the Ten-Year Review could be started in early summer 2017 (FY 2018) and conducted as a two-step process. The first step could entail a “look back” to assess the performance of the overall program to date. The second step could entail a “look ahead”, utilizing the results from the first step as a basis to consider potential revisions to the Expenditure Plan to improve performance of the TransNet program going forward. Should the Board decide to structure the Ten-Year Review in this manner, a decision would need to be made whether to perform each of the steps of the review by an outside firm or in-house staff.

The 2019 Regional Plan draft work plan was reviewed by the Board on April 28, 2017, and includes public outreach activities as well as development and evaluation of alternative multimodal transportation network scenarios for Board approval. Should the Board elect to conduct the look-ahead portion of the review as part of the 2019 Regional Plan efforts, any changes proposed to the Expenditure Plan could benefit from the extensive outreach already being conducted under the regional plan update. This approach could reduce duplicative efforts and costs, yet still ensure that stakeholders have ample opportunities to contribute to the development of any changes proposed to the Expenditure Plan for SANDAG Board consideration.

Alternatively, the Board could elect to conduct the Ten-Year Review separately from the 2019 Regional Plan update. However, this option would mean that results would likely not be available in time for consideration and consistency with the 2019 Regional Plan update.

Timeframe to be Evaluated

Another option for Board consideration is the timeframe that the Ten-Year Review would evaluate. While the Ordinance took effect on November 3, 2004, the allocation of revenues under the tax measure did not take effect until July 1, 2008 (FY 2009). In January 2005, the SANDAG Board voted unanimously to jump-start several transportation improvements included in the TransNet Extension Ordinance. This acceleration of project implementation is referred to as the TransNet Early Action Program (TransNet EAP) and was approved in recognition of the fact that, although voters approved the extension of TransNet in 2004, the revenues from the sales tax would not become available until FY 2009. The Board, however, exercised its authority to issue bonds backed by the future sales tax revenues to fund early project implementation.

For the review to consider evaluation of the work that was begun as part of the TransNet EAP and still maintain alignment with the timeframes listed in Section 17 from the Ordinance that state the Review shall be conducted in FY 2019, one option for Board consideration would be for the review to assess performance since January 2005, when the EAP was first initiated. To capture the most comprehensive information on project implementation to date, the review could evaluate the period through the end of FY 2017 (what would be the most recently completed fiscal year at the start of the review). As a point of comparison, when the ITOC conducted its first Triennial Performance Audit in FY 2009, it also considered the EAP years prior to collection of sales tax funds under the TransNet Extension. Capturing the most recent and complete progress made to date would be an important consideration when proposing any changes that may be made going forward.
Recommendations to make improvements could then apply to the subsequent ten-year period (starting in FY 2018) leading up to the Ordinance-prescribed FY 2029 review. Alternatively, recommendations to make improvements could be applied through the end of the TransNet Extension Ordinance (2048), or some other period.

**Board Member Involvement**

Another consideration is the level of Board member involvement and whether a new working group should be established. For example, appointment of an ad hoc working group may be warranted to accomplish specific tasks, such as developing a scope of work, or accomplishing some other specific assignment. If the Board were to decide to establish a new working group, then a proposed charter and membership also would need to be considered.

Another option would be to enlist existing working groups such as the Environmental Mitigation Program (EMP), Active Transportation Working Group, or Social Services Transportation Advisory Council. These and other existing working groups have been created by the Board and provide an additional layer of review offering the Board additional choices and alternatives when making decisions as it conducts its review. The Board also could rely on these existing work groups and staff as part of the Regional Plan work effort thereby further engaging stakeholders and members of the public.

**Other Areas for Consideration**

In addition to the requirement to review all projects and programs implemented under the Expenditure Plan, since adoption of the last regional plan update and TransNet triennial performance audit conducted by the ITOC in FY 2015, staff has kept track of recommendations raised by member agencies and other stakeholders that could be addressed as part of the Ten-Year Review. For example, it was proposed that the Board consider revisiting the Ordinance provision that requires “at least 70 percent of the revenues provided for local street and road purposes be used to fund congestion relief projects and no more than 30 percent of these funds for maintenance purposes” and that as SANDAG approaches the end of the EMP Memorandum of Agreement, that the EMP economic benefit achieved to date be reviewed. In addition, as discussed at recent ITOC and Board meetings, the fiscal constraints associated with delivering the remaining Major Corridor projects in the Ordinance as SANDAG transitions to a pay-as-you-go approach from the EAP format of advancing future sales tax funds through the issuance of funds could be considered as another area for review. These and other areas could be further explored for incorporation into the Ten-Year Review (Attachment 1). The TransNet Flow of Funds chart also is attached for reference (Attachment 2).
Next Steps

Pending initial input from the Transportation Committee, staff would return to the June 16, 2017, Transportation Committee meeting with a proposed preliminary schedule for the review. Options developed by the Transportation Committee for Board consideration could be developed into a proposed work plan to be presented at the June 23, 2017, Board meeting for direction on next steps.

JOSÉ A. NUNCIO
TransNet Department Director

Attachments: 1. First TransNet Ten-Year Comprehensive Review - Areas for Consideration
               2. TransNet Extension - Flow of Funds Chart

Key Staff Contact: Ariana zur Nieden, (619) 699-6961, ariana.zurnieden@sandag.org
First TransNet Ten-Year Comprehensive Review

Areas for Consideration

The first ten-year review needs to include an evaluation of the following areas based on the TransNet Extension Ordinance requirements and flow of funds:

- TransNet Expenditure Plan
- TransNet Early Action Program (EAP) and related bond issuances
- Regional Bike EAP
- Transit Services
- New Major Corridor Transit Service Operations
- TransNet Administration
- Local Streets and Roads Program
- Major Corridor Project Environmental Mitigation Program (EMP)
- Local Project EMP
- Smart Growth Incentive Program
- Senior Mini-Grant Program
- Bicycle, Pedestrian, the Neighborhood Safety Program ¹
- Independent Taxpayer Oversight Committee (ITOC)
- Consideration of the results of TransNet-funded improvements as compared to the performance standards established through the San Diego Forward: The Regional Plan
- Determination of whether the percentage of funds allocated for each purpose as provided in the Extension Ordinance will be maintained over the duration of the measure
- Determination that all exchange agreements or loans of funds between agencies 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
- Determination of whether the transfer, loan, or exchange of Regional Transportation Congestion Improvement Program (RTCIP) revenues is consistent with the expenditure priorities in SANDAG’s most recent and adopted long-range Regional Transportation Plan (RTP)

The review also could evaluate the following:

- The transition to a pay-as-you-go approach from the EAP format of advancing future sales tax funds through the issuance of bonds and identification of fiscal challenges and opportunities in implementing the remaining projects and programs under the Ordinance
- Ten-Year Review Performance measures and reporting requirements established through the implementation of the transportation authorization Moving Ahead for Progress in the 21st Century (MAP-21) and continued under Fixing America’s Surface Transportation (FAST Act), established by the U.S. Department of Transportation
- The potential for mode shift and greenhouse gas reduction opportunities
- Quantification of the TransNet Environmental Mitigation Program (EMP) economic benefit achieved to date to assess actual versus estimated cost savings for the program
- Review of proposed updates to the EMP Memorandum of Agreement (MOA) scheduled for review by the SANDAG Board of Directors in FY 2018

¹ The Bicycle, Pedestrian, and Neighborhood Safety Program also is known as the TransNet Active Transportation Grant Program.
• Consideration of an ITOC Memorandum that may be prepared by the ITOC performance auditor conducting the FY 2018 TransNet Triennial Performance Audit
• Examination of the Expenditure Plan and revisions to TransNet Program revenue estimates
• Examination of the Expenditure Plan and related SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules to determine whether any changes to definitions of Congestion Relief and Maintenance are warranted
• Analysis of the performance of the Master Agreement Regarding Collaborative Projects Between SANDAG and Caltrans and the Master Agreement between SANDAG, NCTD, and MTS, among others
Extension

Flow of Funds—FY09 to FY48

Total Annual 1/2% Sales Tax Receipts (Net of BOE Fees)

- **1%**
  - Up to 1% to SANDAG for Administration

- **$250,000**
  - ITOC Activities (with CPI adjustment)

- **2%**
  - Bicycle, Pedestrian & Neighborhood Safety Program

Net Annual Revenues

- **38%**
  - Major Corridor Capital Projects

- **4.4%**
  - Major Corridor Project EMP

- **1.8%**
  - Local Project EMP

- **2.1%**
  - Smart Growth Incentive Program

- **29.1%**
  - Local Street & Road Formula Funds*

- **16.5%**
  - Transit Services

- **8.1%**
  - New Major Corridor Transit Operations

- **2.5%**
  - Specialized Services for Seniors & Disabled (ADA)

- **3.25%**
  - Senior Grant Program

- **94.25%**
  - Pass/Subsidies/Operations/Capital Per SRTP

**X**: Percentage/Dollar distribution specified in Ordinance

**X**: Percentages based on 2002 dollar estimates in TransNet Extension Ordinance and Expenditures Plan

****: Formula Distribution to local jurisdictions based 2/3 on population and 1/3 on maintained road miles with a $50,000 base per jurisdiction.
Section 17. Ten-year Comprehensive Program Review:

“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 ten years and to make revisions to the Expenditure Plan to improve its performance over the subsequent ten years. Such comprehensive program reviews shall be conducted in Fiscal Years 2019, 2029 and 2039. Revisions to the Ordinance and Expenditure Plan required as a result of the ten-year review shall be subject to the amendment process in Section 16.”
Preliminary Options for Conducting the Ten-Year Review

• Timing
• Timeframe
• Board involvement
• Areas to be covered
Timing Considerations

• When should the review start?
• Should the Board align the review with the upcoming 2019 Regional Plan update?
• Should activities under both efforts be streamlined to ensure consistency?

Timing Considerations

• Should the Board conduct the review as a two-part process?

Example:
  – STEP 1: “Look back” to review implementation and evaluate performance to date
  – STEP 2: “Look forward” to potentially make revisions to improve the program

• Utilize results from STEP 1 as basis to consider potential revisions
Timeframe Considerations

• What should be the timeframe covered under the evaluation?
  
  • Examples:
    – January 2005 – June 2017
    – April 2008 – June 2017

Board Involvement Considerations

• What level of involvement would the Board like to have in the process?
  
  • Examples:
    – Board steering committee
    – Ad-hoc stakeholder working group
    – Existing policy advisory committee/working groups
Areas for Consideration

• What should be assessed under the review and who should perform the review?
  – Required: Review of Projects and Programs
  – Other?

Next Steps

• June 16 Transportation Committee meeting
• June 23 Board of Directors meeting
Date: May 18, 2017

To: North County Transit District Board of Directors

Through: Matthew Tucker, Executive Director

From: Luz Cofresi-Howe, Chief Financial Officer

cc: SANDAG Transportation Committee

Re: SANDAG Transportation Committee Meeting on May 19, 2007
Committee Agenda Item No. 8 – FY2018 Transportation Development Productivity Improvement Plan

BACKGROUND

The purpose of this memorandum is to provide context to the aforementioned item. Agenda Item No. 8 provides an analysis of the North County Transit District (NCTD) BREEZE, COASTER, SPRINTER and LIFT/ADA transit services by comparing certain performance indicators for Quarter 2 for FY2016 against Quarter 2 for FY2017. NCTD has developed the table below to provide better context in discussing the performance. It is important to note that the NCTD financial numbers do not apply a Consumer Price Index (CPI) retroactive adjustment as SANDAG does. Additionally, please note that the FY2017 financial data is not yet audited and will be affected by certain reclassifications to be performed in the 4th fiscal quarter of FY2017.

In summary, the table below indicates:

- declining ridership trends consistent with regional and national trends;
- costs for COASTER operations have increased by 22.7% (not adjusted for CPI), while ridership has declined by 3.2%;
- costs for SPRINTER operations have increased by 23.7% (not adjusted for CPI), while ridership has declined by 5.1%; and
- costs for BREEZE bus operations have declined by 3.6% (not adjusted for CPI) while ridership has declined by 11.9%.
North County Transit District FY 2017 Performance

<table>
<thead>
<tr>
<th></th>
<th>FY 16 2nd Quarter</th>
<th>FY 17 2nd Quarter</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COASTER</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>$3,714,832</td>
<td>$4,556,440</td>
<td>22.66%</td>
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<tr>
<td>Ridership</td>
<td>339,828</td>
<td>329,047</td>
<td>(3.17%)</td>
</tr>
<tr>
<td><strong>SPRINTER</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>$3,439,037</td>
<td>$4,256,405</td>
<td>23.77%</td>
</tr>
<tr>
<td>Ridership</td>
<td>675,060</td>
<td>640,611</td>
<td>(5.10%)</td>
</tr>
<tr>
<td><strong>BREEZE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>$11,820,973</td>
<td>$11,400,609</td>
<td>(3.56%)</td>
</tr>
<tr>
<td>Ridership</td>
<td>1,910,110</td>
<td>1,682,343</td>
<td>(11.92%)</td>
</tr>
</tbody>
</table>

**ANALYSIS**

**Rail Operations**

In December 2015, NCTD awarded a new contract to Bombardier Transportation for combined SPRINTER and COASTER operations and maintenance. Revenue operations by Bombardier commenced operations with an early start in mid-June 2016, three weeks before the beginning of FY2017. The Bombardier contract with NCTD included a more robust capital project program approximating $5 million annually compared to the prior rail operations and maintenance contract in effect during 2nd Quarter FY2016. In the 4th Quarter of FY2017, NCTD will be reclassifying those capital costs from operating costs to better represent actual cost performance for the rail modes. For example, the combined operating costs for SPRINTER and COASTER for 2nd Quarter FY2016 was $7,153,869; for 2nd Quarter FY2017 it was $8,812,845, an increase of $1,658,976. Based on the estimated $5 million of capital eligible activity in the Bombardier contract, a reclassification of capital costs of up to $1,250,000 will be made to the FY2017 total expenditures for SPRINTER and COASTER operations. As a result of this adjustment, costs will increase by $408,976 or 5.72%.

**Bus Operations**

The costs for BREEZE operations declined 3.58% 2nd quarter fiscal quarter over quarter. The key driver for the lower farebox recovery ratio is the significant decline in ridership at 11.9%. Staff recommended a comprehensive service adjustment that will invest resources where needed and address underutilized services, which was approved earlier today by the Board of Directors and is effective October 8, 2017.
5-19-17 Transportation Committee Meeting

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

1.1 Roads

1.1.2 Interstate

Tel Aviv officials approved a 100-story, 400-m-high skyscraper, called Bein Arim Tower, set for completion by 2025, says Milevsky Architects, at a cost of $300E6.

Ref: ENR, April 10, 2017 pp. 5

• The Raiders franchise will move to Las Vegas.

Ref: ENR, April 10, 2017 pp. 5

1.1.2.1 Truck Issues

After 3-attempts, the U.S. car-hauling trucking companies, have a new contract with the Teamsters Union. A National Auto-Transporters Contract and Regional Agreement in late March, will increase driver wages by $1.70/hr over the next 5-years. Demand for new cars and light-trucks is expected to slow, after a production of 17.555E6-units, in the U.S in 2016. They will also set mileage-rate increases during each year.

Ref: The Journal of Commerce, April 17, 2017 pp. 7-8

• Investor interest in digitizing the logistics process, continues to grow with online marketplace Freightos, doubling its total funding to $50E6 and new Silicon Valley cloud-based logistics platform Tuevo, representing $25E6 in financing. The Hong Kong-incorporated Freightos, announced a Series B extension round and Tuevo raised $25E6 in Series A financing by announcing a “collaborative logistics” platform, allowing shippers, brokers, and carriers to work together in real-time, across the supply chain. The $8E12 logistics industry, was plagued by complexity and chaos, by shipping company’s using pen and paper with its inefficiency’s.

Ref: The Journal of Commerce, April 17, 2017 pp. 8

• Shippers are concerned by the potential for rising truckload and intermodal pricing in 2017, and now need to worry about drayage issues. The electronic logging devices—ELDs—mandated for commercial truck drivers is on December 18, 2017, it will drive up drayage costs, as driver hours collide with delays at U.S. ports and rail yards. ELDs compound problems drayage operators face when searching for chassis, or waiting at terminal gates. ELDs and regulatory enforcement of driver hours-of-service rules, will run into terminal congestion, caused by bunching of containers accompanying port calls by larger ships. ELD could accelerate container trans-loading closer to the ports, as is done in Southern California, where freight is flowing to domestic intermodal containers and 53-ft trailers, adding inefficiencies. Paper logs allowed the number of high-volume hours-of-service violations, decline of 13.7 %, but violations of falsifying logs rose 9.6 %. Drivers stuck at ports for 3 to 4-hr will run out of hours they are allowed on the road, and they will move to other sectors of the trucking industry.

1
The Obama Compliance, Safety, and Accountability Program, to transform how U.S. truck safety regulators are enforced, was scrapped in March 2017. The FMCSA withdrew the rule issued in January 2016. It is on hold until the National Academy of Sciences issues a report on the program's mythology and data.

The largest of the U.S. trucking companies, increased their combined revenues by 5.8% in 2016. Only half of the truckload and specialized carriers increased sales in 2016.

The merger of Knight Transportation and Swift Transportation is a big merger, but it is less than 5% of the $120E9 truckload market in the U.S., at a combined value of $5E9. With 23E3-trucks and 28E3-employees, they will have a greater density across common lines, consolidated business from their largest shippers, access to a broader selection of drivers, and a portfolio that hits all major sectors—from over the road, to dedicated and refrigerated, to intermodal, and brokerage. This is expected to accelerate more consolidation in the trucking industry. Small company’s may not be able to deal directly with shippers in the future. The transaction is expected to smooth the industry, both are based in Phoenix, and they have a history of working together.

1.1.4 Parking

Article on the failure of 3-cantilevered flanges, of 3-precast, pre-stressed-concrete, double-T parking-deck sections, reinforced with a non-code-compliant, high-strength carbon-fiber-reinforced polymer grid. There could be as many as 200-other garages, of the same type of construction on the East Coast.

1.2 Rail

1.2.1 Interstate Freight Systems

Progress Rail Service in February 2017 completed emissions testing of a new switching locomotive, EMD 24B.

Article on 13-labor unions and Class I freight railroads, the National Mediation Board, and President Trump’s Administration. There could be an impasse as early as late 2017.

Railway Intermodal Services, are looking good for 250 to 500-mi routes, on short-haul RRs, for 2017. Greenbrier will add a 53-ft domestic container to add 10 more boxes on a 10,000-ft train.
1.2.1.1 Locomotives

China Railway Investment Corp. issued RFPs for contracts to supply 586-electric locomotives and 40E3 freight cars to China Railway Corp. China’s freight volume totaled 2.65E9-tons in 2016 and they operate freight services to 15-European cities, including the experimental, East Wind. The East Wind can now provide services from the East Coast of China to the U.K. in 16-days. 80% of cargo still travels by ship in the world market.

Ref: Railway Age, March 2017 pp. 7

1.2.2 Construction Materials

The market for wood and concrete ties is looking good for 2017.

Ref: Railway Age, March 2017 pp. 29-30 & 32-34

1.2.3 Car Types

National Steel Car and Curry Rail Services, of PA are building high capacity gondolas for cotton seed and wood chip service. The cars have a gross rail load of 286E3-lb, payload of 106.5-tons, and a level capacity of 7,200-ft³.

Ref: Railway Age, March 2017 pp. 7

1.2.4 Urban Light Rail Systems

Article on Transportation Technology Center Inc.’s, Automated Cracked Wheel Detector System, developed by Nanjing Tycho Information Technology Co. Ltd. A study will be done by AAR’s Strategic Research Initiatives, with the FRA. The technology has been implemented in China to inspect high-speed trainsets at 5-mph and they are working to get it up to 20-mph, but it is limited to 15-mph because ultrasonic testing falls off above 15-mph.

Ref: Railway Age, March 2017 pp. 36

1.2.5 Amtrak

The Washington State DOT—WSDOT—conducted national certification testing of Amtrak’s new Siemens SC-44 Charger, diesel-electric locomotive on the Cascades Corridor and will enter revenue service later in 2017. The WSDOT ordered 8-4,400-hp, Cummins QSK95 engine-equipped locomotives that are being assembled in Sacramento, CA. The states of WA, IL, CA, MI, and MO jointly developed specifications for the Charger. Amtrak and Siemens staff conducted the tests. The new locomotive is part of WSDOT’s $800E6 federal funded Cascades High-Speed Rail program.

Ref: Railway Age, March 2017 pp. 6

• Encinitas will spend $232E3 on a study to determine what needs to be done to silence the train horns.

Ref: The San Diego U-T 4-30-17 pp. B5
• Article on what Wick Moorman will do for Amtrak as President and CEO of the RR.
Ref: Railway Age, March 2017 pp. 12-16 & 18-19

1.2.6 International Freight Systems

A Mexican government report alleging lack of completion between its 3-top rail operators has led to unreasonable high carload and intermodal prices, and long trainsets for the new regulatory agency created in 2016.
Ref: The Journal of Commerce, April 2017 pp. 29-30

• Grupo Mexico, a Mexican mining company and owner of Ferromex, plans to acquire U.S. Class II operator, Florida East Coast—FEC—Railway, for $2.1E9 in cash. The sale requires regulatory approval in the U.S. and Mexico. In March, Mexico’s new regulatory agency introduced in 2016, alleged Ferromex and Kansas City Southern de Mexico, were fixing prices, restricting supply, and impending network access. The FEC said Grupo Mexico had won the auction on March 28, 2017.
Ref: The Journal of Commerce, April 2017 pp. 44 & 46 and 29 &30

• Article on China’s intermodal train service that connects 15-Chinese cities to 16-European services and to London. Some shippers may shift goods from water to rail on the backhaul from Europe to Asia. The trains could not compete with 20E3-TEUs in volume, as they are limited by speed capacity. The Eurasia Express Bridge has increased its weekly block train services from China to Europe, from 2-3 to 10-12, says Ken Asztalos of AFMS Logistics Management Group, that assists BCOs and westbound service that is now 12 to 15-days, compared to 25 a few years ago. Rail-gage changes in Poland and Kazakhstan take 2-hours—down 75 % from the past. Russian customs between Belarus, Kazakhstan, and Russia has less paperwork and procedures. These services are good for shippers of industrial equipment, automotive parts, and electronics that can’t work with 50-day ocean transits. A FTU at 9.6E3-km [21,164-lb] would cost $3,000 via ocean transit, $8,000 via rail, and $37E3 by air. The next step for China-Europe rail, is the Northern Connection, with Russia’s Trans-Siberian Railway, and the Southern Connection via Kazakhstan through Russia and Central Asia. There are some congested areas and delays, at peak volume periods. The China-Europe rail option is part of China’s multibillion-dollar, On Belt, One Road policy investment, that will be there. The Silk Road Economic Belt connects China with Asia, Russia and Europe, linking china with the Persian Gulf and Mediterranean, through Central Asia and West Asia, while connecting China with Southeast Asia, South Asia, and the Indian Ocean. The Ocean element is called the 21st -Century Maritime Silk Road, from China’s Coast to Europe, through the South China Sea, and Indian Ocean, on one route and from China’s coast through the South China Sea to the South Pacific on the other. Ground transportation is less expensive, but stalls at each border crossing, and include truck or train transfers, to each-other. There is also tariffs, arbitrary delays, and system manipulation. Digitizing the supply would level the playing field for small and midsized shippers, and would speed clearances. China will subsidize back-haul of containers.
Ref: The Journal of Commerce, May 1, 2017 pp. 10-13

1.3 High-Speed Rail—HSR—

1.3.2 Higher-Speed—HrSR—
1.3.2.1 U.S. Systems-in North America—151 to 230-mph

Jeff Morales, CEO of the California HrSR will step down in June 2017.

Ref: The San Diego U-T 4-22-17 pp. A2

- Update videos on California’s Higher-Speed Rail Project.

Ref: Google.com: california high-speed trains, 6-min bay area video

1.4 Bridges

1.4.2 Interstate

The 1-85 bridge in Atlanta that collapsed from a fire on March 30, 2017 will get funding from a $10.0E6 emergency relief fund, to replace a 700-ft roadway and supports. They will use 24-hr accelerated curing concrete and hope to open 1-85 in mid-June.

Ref: ENR, April 10, 2017 pp. 5

1.4.3 State, County, and City

Workers on the Georgia Street Bridge project between North Park and Hillcrest have unearthed street car tracks on University Ave., that were buried in 1949 when the system was dropped in favor of buses. The road will be lowered to accommodate larger vehicles under the bridge arch.

Ref: The San Diego U-T 4-23-17 pp. B1

1.4.4 International

The consortium, Signature Saint Lawrence building the $3.2E9 Champlain Bridge in Montreal has sued Canada’s government for $93E6, claiming transportation officials gave it late notice of stricter load limits that could add to delays and make it liable for tens of millions of dollars in penalties. A penalty of $300E3/day, kicks in if the Signature Saint Lawrence misses the December 1, 2018 deadline to finish work on the project.

Ref: ENR, April 17/24, 2017 pp. 17

2.0 Port and Military Issues

2.1 Ports

Article on how to get into the Maritime industry and undergrad programs to get started.

Ref: Marine Log, April 2017 pp. 33

2.1.1 Container Ships

There was a 5 % increase in global container port-volume in the 4th-Q-2016. All regions posted growth, in North America and Southeast Asia, with an average of 7 % in the final three months of 2016.

Ref: The Journal of Commerce, April 2017 pp. 31-32

- Article on Roll-On, Roll-Off shipping business, that is increasing for vehicle transport.

* Article on Roll-On, Roll Off carriers, doubling as break bulk vessels.

Ref: The Journal of Commerce, May 1, 2017 pp. 26 & 28

* Article on Roll On, Roll Off carriers, to move into the Westbound Service, from the Middle East to North America.

Ref: The Journal of Commerce, May 1, 2017 pp. 28

* U.S. shipyards have been busy in MS. VT Halter launched the El Coqui, the first of 2-LNG powered Roll-On/Roll-Off ships. In the Northeast, Philly Shipyard Inc., delivered the America Freedom, the 2nd of 4-next generation, 50E3-dwt product tankers for American Petroleum Tankers-subsidiary of Kinder Morgan Inc. They are also building 50E3-dwt tankers, 2-3.6E3-TEU container ships, and 2-LNG powered 3.4E6-TEU containerships with an option for two more.

Ref: Marine Log, April 2017 pp. 16

2.1.2 Cruise Ships

The first New York City ferry arrived in New York, completing the 1,742-nmi trip from Horizon Shipbuilding, Bayou La Batre, AL. Each vessel takes eight months to complete.

Ref: Marine Log, April 2017 pp. 10

* CA-based Moose Boats will build 75-ft semi-displacement USCG Sub-chapter-T passenger catamarans for Westar Marine Services, San Francisco, CA. The crew boats will carry 28-passengers and 20E3-lbs of cargo to and from anchorages and piers within San Francisco Bay, San Pablo Bay, the Sacramento River Delta, as well as offshore operations. Westar Marine Services will use the new boats to expand its cargo and passenger carrying capabilities. They also have a Seattle operation. Moose Boats was acquired by Lind Marine in 2016.

Ref: Marine Log, April 2017 pp. 13

* Article on Rolls-Royce and Swedish ferry company Stena Line AB, using their intelligent awareness system for ships to make them safer, more efficient, and easier to operate. It follows the Tekes funded project, Advanced Autonomous Waterborne Applications Initiative to make autonomous shipping a reality.

Ref: Marine Log, April 2017 pp. 39 & 40

* LNG is becoming the fuel of choice for cruise ships and passenger ships with new builds and conversions to dual-fuel engines. Article covers worldwide deployment of 35-passenger vessels as of mid-February 2017. There is another 16-car-passenger ferry’s, 11-cruise ships, and 8-ROPAX vessels on order. The “world’s most environmentally friendly cruise ship”, the Viking Grace, will go a step further next year, with the addition of a Rotor Sail—version of the Flettner Rotor, that uses the Magnus effect to harness wind power to propel the ship and cut carbon emissions by 300-tons of LNG/yr.

Ref: Marine Log, April 2017 pp. 36-37
2.1.3 LNG and CNG Terminals

Wärtsilä with Houlder and Trelleborg will develop a “jettyless” concept to transfer natural gas from carrier to shoreline terminals where no jetty exists. The concept will be a solution for small and smarter LNG terminals. It will also transfer LNG from small to mid-scale carriers, to onshore or floating storage and regasification barges at shore, and LNG connection by floating hoses to the carrier.

Ref: Marine Log, April 2017 pp. 15

- Article on the LNG market of the U.S. with Yamal and Australia that will add 41-mt/year of LNG to the world markets in 2017. With prices of LNG running from $4.00/1.0E3-ft³ in April 2016 to $10.00/1.0E3-ft³ in early 2017, and falling to $6.00/1.0E3-ft³ as spring of 2017 approached. This could cause LNG to be stored until prices go up, like oil did in the 2008-2009 financial crisis. The Gulf of Mexico could become a global LNG shipping hub, and a spot tanker destination, not unlike Fujariah, Gibraltar, and Singapore. The U.S. has a large mix of capacity holders, over 15-trains, including European and Asian utilities, Shell and Gas Natural, and is exporting LNG all over the world.

Ref: Marine Log, April 2017 pp. 30-32

2.1.4 U.S.

Peter Defazio, D-OR of the Transportation and Infrastructure Committee and Duncan Hunter, R-CA of the Subcommittee on the Coast Guard and Maritime Transportation, said the limited antitrust immunity enjoyed by major container line should be reviewed, given the power of the three new alliances, and major carriers being served subpoenas, by antitrust investigations in March 2017.

Ref: The Journal of Commerce, April 17, 2017 pp. 6

- Article on consolidation of the U.S. containerized trade market-share among the 5-largest carriers.

Ref: The Journal of Commerce, April 17, 2017 pp. 37

- U.S. agriculture and forest product exporters could save money on trucking moves and gain access to a new U.S. and Canadian ports via a new Canadian National Railway intermodal container ramp in Duluth, MN. They also will be able to gain access to the Port of Prince of Rupert via the CN network. The new port could also open-up the ports of Halifax, Montreal, and Mobile, AL to exporters.

Ref: The Journal of Commerce, April 17, 2017 pp. 46

- Article on the Port of Jacksonville, that is now handling 968E3-TEUs/yr and factoring in containers moving through private terminals—total containers handled is up to 1.2E6-TEUs/yr. Leading the containers traffic is Asian business volume, that grew 19% in 2016, to 336E3-containers—35% of the ports total container traffic. Portus, is at the port, has its operations at FL’s, Blount Island Jacksonville Terminal and locations in FL’s, Port Everglades and Cape Canaveral, and Sunny Point, NC. The new renovated berth in Jacksonville is equipped to handle cargoes up to 1,800-psf, has an on-deck rail capacity of 78-kips [78E3-lb]/axle, direct dockside class I rail service through CSX, and they can move cargo from rail to ship, in one motion. The 2nd busiest auto-port accounted for 35% of total port traffic with 700E3-units, came in the terminal in 2016. The balance of port activity is bulk cargo.

Ref: The Journal of Commerce, May 1, 2017 pp. 42-49
2.1.4.1 Inland Waterways

Article on the Mississippi River Inland Waterway and its economic contribution to the shipping industry.
Ref: Marine Log, April 2017 pp. 8

2.1.4.2 Drayage Truck Issues

Article on problems with the interoperable gray chassis regime known as “pool of pools” on March 1, 2015. BOCs and truckers suffer from lack of chassis for imported loads at terminals. Terminals require truckers to use pool chassis to pick up containers, but do not have enough to load the containers, trucks dropping off export loads or empty containers are told chassis cannot be left at terminals, and no one will pay them to reposition the bare chassis to the drop-off location. The Chinese New Year developments, compound this problem, when all the factories are closed for the festivities.
Ref: The Journal of Commerce, April 17, 2017 pp. 16-18

• Freight Transportation interests are trying to discourage regulators from levying a fee of $100/TEU at the ports of LA-LB, and Oakland in California, that would mitigate diesel emissions at terminals. The fee was proposed by the South Coast, Air Quality Management District—AQMD—on March 3, 2017, and would generate as much as $1.0E9/yr to lessen diesel emissions. It would go into effect July 1, 2018. The AQMD faces aggressive deadlines to meet emission standards under the federal Clean Air Act. Past attempts at fees failed, but the Pacific Merchant Shipping Association—PMSA—that represents shipping lines and terminal operators is concerned over where the fees are being spent. The 3-CA ports handle some 17E6-TEUs in 2016, and PMSA and the state legislature want the money to go for zero emissions technologies.
Ref: The Journal of Commerce, April 17, 2017 pp. 18

2.1.5 International

The new shipping alliances and enhancement of the 2M via its partnership with Hyundai Merchant Marine, fares for BCOs is causing delays as of April 1, 2017. The European Shippers Council—ESC—says spot freight rates continue to rise, and boxes left on docks and higher costs, are forcing exporters to cancel sales contracts. The ESC will form an observer group to find out what is causing the delays.
Ref: The Journal of Commerce, April 17, 2017 pp. 7

• Article on the top 50-logistics companies that generated $222E9 in revenue in 2016. Samsung SDS Logistics is 90 % owned by Samsung Electronics, but also handles 400 other BCOs, in China, South Korea, Vietnam, and Thailand. They also deal with Hanwha Q CELLS Co. Ltd.; a PV cell manufacturer; Hyundai Transland, a trailer chassis maker, that handles cross-border trucking between Mexico and the U.S.; and Navien, a manufacturer of tank-less water heaters, and space heaters. Other logistic companies are XPO Logistics, DHL, K+N, and Expeditors.
Ref: The Journal of Commerce, April 2017 pp. 20-24
• China International Marine—world’s largest container manufacturer, reported a 50 % decline in orders for 2016, to 587,300-containers. Singamas, the 2nd largest, also had a lower sales volume. China also now has a regulation, requiring water-based paint on containers, that will close factories in China for up to 3-months, to change the assembly lines for longer drying times. The delay could cause container shortages.

Ref: The Journal of Commerce, April 17, 2017 pp. 36

• Article on how ports are equipped for 13E3 to 14E3-TEUs ships on the East-West lanes and realization that bigger ships simply don’t fit, at ports on secondary north-south lanes, but will in the future, as markets develop for them. The problem is not just draft—it’s the turning basins, strength of the quay, and weight of the crane. The 10.0E3 and 11.0E3-TEU ships are calling South Africa and in time will also call South America. The 2.5E3-TEU to 3.0-TEU ships are feeders in Northern Europe and 2.0E3-TEU ships could work the Caribbean soon. After the CMA CGM’s Benjamin Franklin, which carries up to 18E3-TEUs, called LA-LB, Oakland, and Seattle, the capacity is there, but regular calls could spread operations thin. The future could see 22E3 to 24E3-TEU ships.

Ref: The Journal of Commerce, May 1, 2017 pp. 15-16

• With new technology, shippers are demanding greater visibility, not only into their supply chain—truckling companies and shipping lines, but also from third-party logistics providers, and brokers. At the April 2017, Transportation Intermediaries Association in Las Vegas, U.S. shippers already require real-time visibility as a pre-request to doing business. Visibility and freight-tracking are part of shipper, 3-party logistics—3PL—negotiations. Shippers want to know of potential disruptions, down to the level of where a pallet is, via satellite networks using GPS data available on a smart phone. This is now achievable with an app that shows where the pallet is 24/7.

Ref: The Journal of Commerce, May 1, 2017 pp. 22 & 34

• Piracy may be on the rise again off Somalia, after being at its lowest level since 1995. The International Maritime Bureau, recorded 191-incidents in 2016, with 150-vessels boarded, and 7-hijacked. Ships in high risk areas are advised to register with the Maritime Security Center—Horn of Africa; report to the U.K. Maritime Trade Operations office in Dubai, that acts as the primary point of contact for merchant vessels and liaison with military forces in the region; implement IMO guidance and BMP; and follow the Internationally Recommended Transit Corridor.

Ref: Marine Log, April 2017 pp. 11

• Brazilian shipyard, EPT Engenharia, delivered the last 6-vessels of 12-48-m, DP-1 monohulled Fast Supply Vessels—FSVs—for Baru Offshore, a subsidiary of INTERTUG. The 6-aluminum-hulled FSVs, are Brazil-flagged, on charter with Petrobras, and classed by DNV GL as +1A1 HSLC[bra] R1 Service EO. They were designed by Australia’s Incat Crowther, and optimized to comply with Petrobras UT4000 Fast Supply Vessel specification. They have capacities of 42E3-liters [l] of fuel, 90E3-l in cargo fuel, 10.0E3-l of ship water, and 88E3-l of cargo fresh water. Power is from 4-cummins QSK 50 main engines, each 1,800-bhp at 1,900-rpm, and will operate at speeds of 21-knots. They can also be used to accommodate 60-offshore personnel.

Ref: Marine Log, April 2017 pp. 13

2.1.6 Maintenance Operations

9
Article on industry and the U.S. Federal Maritime Commission that will testify at a Congressional Hearing in May 2017 to examine weather global vessel-sharing alliances should be barred from negotiating joint contracts with marine terminals, domestic tug boat operators, and stevedores—persons or contractors to load and unload cargo from ships. Under limited U.S. anti-trust authority, container lines belonging to discussion agreements can meet to discuss and agree on voluntary rate guidelines. The carriers are subject to the Department of Justice antitrust prosecution if they exceed this authority, by jointly fixing rates. Carriers retained this immunity in the last major revision of the ocean Shipping Reform Act of 1998.

Ref: The Journal of Commerce, May 1, 2017 pp. 32 & 34

- East West Seafoods LLC-based in WA will pay $50E3 in fines for violating the Act to Prevent Pollution from Ships, the Clean Water Act, and the Refuse Act. The 472-ft seafood processing vessel, F/V Pacific Producer, intentionally discharged oily bilge water and raw sewage into the ocean off AK, and presented the U.S. Coast Guard with false records. They were put on a five-year probation with a heightened level of security, subject to warrantless reasonable searches based on suspicion of violations of the law. They will also be required to keep up the Oil Record Book. East West Seafoods LLC’s Christos Tsbouris was also sentenced to a $10.0E3 fine, 5-years of probation, and required to attend courses related to pollution. They also paid outstanding fines of over $25E3 owed to the USCG, U.S. Dept. of Labor, and OSHA.

Ref: Marine Log, April 2017 pp. 14

- Article on tug boats and barges. The rebuilt ships will be fitted with caterpillar 3516 marine engines, each producing 2,675-hp at 1,600-rpm. To comply with the U.S. EPA Tier 4 final emissions standards, they are fitted with a Selective Catalytic Reduction after treatment system that uses urea-based solution called Diesel Exhaust Fluid, to reduce NOx contained in diesel exhaust down to nitrogen and water vapor. Mitsubishi will install EPA, Tier 3, S12R-Y3MPTAW-4, 1,100-hp engines, at 1,600-rpm for rebuilds in Amelia, LA supplied by Laborde Products the largest supplier of Mitsubishi products in North America. They offer Mitsubishi, 400 to 1,675-hp, Tier 3 engines.

Ref: Marine Log, April 2017 pp. 18-24

- Article on marine ship winches.

Ref: Marine Log, April 2017 pp. 25

2.2 Military

2.2.1 Ships and Planes

The Defense Department is giving $22.7E6 to General Dynamics-NASCO, for upgrades and maintenance on the literal ship Fort Worth. The Navy awarded $19.4E6 to BAE Systems San Diego for maintenance and repairs on the destroyers, John Finn and Rafael Peralta.

Ref: The San Diego U-T 4-22-17 pp. C1

2.2.2 International Issues

The State Department, is moving forward with embassy construction in Erbil, Iraq, in Mexico City, and annexes in Kempala, Uganda, and Naiobi, Kenya. Renovations are also planned in Athens,
Greece, and in Montevideo, Uruguay. The March 16 budget outline of the Trump Administration included $2.2E9 for embassy maintenance and construction—about the same as 2016.

Ref: ENR, April 17/24, 2017 pp. 7

• The pilot of a strike fighter on a final approach to the Carl Vinson, safely ejected in the Celebes Sea early Friday and was rescued. He was flying a F/A-18E Super Hornet in Carrier Airwing 2.

Ref: The San Diego U-T 4-22-17 pp. B2

• North Korea is ready to sink a U.S. aircraft carrier—Carl Vinson, to show its military might—calling it a “gross animal” in the Rodong Sinmun, newspaper of the ruling Workers Party. North Korea has detained another U.S. citizen—now 3.

Ref: The San Diego U-T 4-24-17 pp. A7

• Pope Francis warned the powerful to act humbly, or risk ruin.

Ref: The San Diego U-T 4-27-17 pp. A3

• Venezuela’s government will withdraw from the organization of American states.

Ref: The San Diego U-T 4-27-17 pp. A3

• China launched its first aircraft carrier, built entirely on its own, to safeguard its maritime territorial claims and critical trade routes. It will be launched at the Port City of Dalian—where the Soviet-built Liaoning, was refurbished and commissioned in 2012. New 50E3-ton carriers will do sea trials and be commissioned by 2020. India, Japan, and Taiwan view the carriers as a threat and will build new submarines and anti-ship missiles, says the project 2049 institute, in Arlington, VA. The U.S. operates 10-aircraft carriers and 62-destroyers, to China’s 32, and 75-subss to China’s 68. The U.S. Navy has 323E3-personal to China’s 235E3.

Ref: The San Diego U-T 4-27-17 pp. A8

• The Navy destroyer, Dewy, lost a helicopter, that crashed in waters off Guam, but rescued the entire crew.

Ref: The San Diego U-T 4-27-17 pp. A9

• A U.S. missile defense system deployed to counter growing threats from North Korea, has gone into operation in South Korea. The Terminal High Altitude Area Defense Battery, is drawing questions on who will pay for it and it will intercept North Korea’s missiles. Korean Defense Ministry’s representative, Moon Sang-gyun, said it will deal with the North Korean missile threat. President Trump wants South Korea to pay for the U.S. THAAD anti-missile defense system, that could reach $1.0E9 and he will renegotiate a or terminate a U.S. free-trade pact with them because of a deep trade deficit with Seoul. A top foreign policy advisor-Moon Jae-in, said it would be impossible for them to pay for it. Saudi Arabia, says Iran is using extreme ideologue to take over the Muslim world, says Mohammed bin Salman, who is 31, and second to the throne. South Korea announced the installation of parts of the U.S. missile defense system to counter the North Korean missile threat.

• President Trump says, its ally, Saudi Arabia is costing the U.S. too much, for defense operations by the U.S., he may visit Israel and Saudi Arabia in May 2017, and a May 2017 NATO summit in Brussels with other stops. Saudi Arabia’s Crown Prince, Mohammed bin Salman met with Trump in March 2017. Riyadh and other Gulf allies, see Trump as a strong president.

Ref: The San Diego U-T 4-28-17 pp. A7

• More on the U.S. submarine in South Korea. The submarine Michigan arrived at South Korea port city of Busan. North Korea conducted line-fire artillery drills with 300-400 artillery pieces.

Ref: The San Diego U-T 4-27-17 pp. B10 and 4-26-17 pp. A3

• President Trump and President Putin agreed to work together for a cease fire in Syria.

Ref: The San Diego U-T 5-3-17 pp. A1 & A6

• Prime Minister Shinzo Abe, of Japan wants to revise a Pacifist Constitution Article 9, to authorize overseas combat missions by “collective self-defense” and alongside allied troops.

Ref: The San Diego U-T 5-4-17 pp. A5

• North Korea says there is a plot by the U.S. CIA, via state-sponsored terrorism—from the U.S. White House, because the U.S. is considering putting North Korea back on its list of terror sponsors, with intent to assassinate Kim Jong-un. Kim Hak-song, a U.S. citizen—employed by Pyongyang University of Science and Technology 1, was intercepted on 5-7-17 in North Korea, for hostile acts against North Korea. Kim Sang-Dok also an American citizen was charged with the same allegations. North Korea will work with the Swedish Embassy on the issues. The others are Otto Warmbier, who got 15-years of hard labor, and Kim Dong-Chul—who got 10-years hard labor. A “Mr. Kim”, a North Korean man, is at the center of the assassination plot. He is a Pyongyang resident, “ideologically corrupted and bribed” by the CIA and South Korea’s, National Intelligence Service, that worked in Siberia, and was influenced by “murderous demons of the NIS and CIA to use biochemical substances on Kim Jong-un.

1 Google.com: pyongyang university of science and technology and Google.com: kim chin-kyung

Ref: The San Diego U-T 5-9-17 pp. A11

• The Democratic Party’s, Moon Jae-in, will run against Centrist and Conservative candidate’s on 5-9-17 for President of South Korea.

Ref: The San Diego U-T 5-9-17 pp. A3

• To date some 25-individuals have been charged in connection, with a bribery scheme involving Leonard Glenn Francis, of Glenn Defense Marine Asia Pte Ltd., including 4-Navy captains.

Ref: Marine Log, April 2017 pp. 10

• Bremerton, WA-based SAFE Boats Intl. LLC signed an agreement with Colombia’s COTECMAR Shipyard to co-produce aluminum vessels for use by the Colombian military and regional end users. It broadens a previously signed MOU between the two, provides for collaboration between the two, includes support services, and working with the yards. Columbia’s yard is in Cartagena de Indias, Columbia.
3.0 Water Issues

3.2 Rivers and Lakes

3.2.1 Dams

To fix the Oroville Dam’s spillway by November 2017, the California Department of Water Resources—DWR—operator of the dam, will bid with a 65% complete design, that shows effects in 3-parts, with a goal to double the spillways release capacity to 270E3-ft³/sec. For safety, the design requires removal and replacement of the upper main spillway chutes intact portion. The lower spillways damaged structure will be replaced using roller compacted concrete and the adjacent eroded slops will be reinforced. Work not completed this year, will be buttressed and completed the following year. As a safety measure, DWR will insert a cutoff wall in the emergency spillway to prevent “head-cutting” erosion before the fall wet weather begins. A RCC apron downstream of the weir to prevent bedrock erosion could also be installed.

Ref: ENR, April 17/24, 2017 pp. 10 and pp. 25

3.5 Recycled Water

3.5.2 Desalination

A device using a porous—metal-organic framework that absorbs 20% of its weight in water and sunlight, vaporizes the water, and then condenses it into water. It could supply a home, or be used in crop fields.

Ref: The San Diego U-T 4-24-17 pp. B2 Earth Watch

3.5.3 Storm Drains

Mayor Faulconer’s proposal to spend less cleaning clogged drainage channels has raised concerns about higher flood risk in San Diego. The city has some 120-channels.

Ref: The San Diego U-T 4-23-17 pp. B1 & B7

3.6 Municipal Water System Contamination

Gov. Snyder of MI, proposed standards for lead and copper in drinking water, that are more protective than federal rules. There is also a U.S. EPA’s, Lead and Copper Rule—LCR—revision, that was expedited in 2017. The rules were developed with the help of Marc Edwards—professor of Civil and Environmental Engineering at Virginia Tech University. The rules will lower the lead-action level, from the EPA’s 15-ppb to 10-ppb and require more stringent sampling methods, annual testing, and disclosure of testing results. The LCR adopted in 1991, requires homeowners to take several samples every two-years and send them to a lab for testing. The water utility is required to act if more than 10% of homes are found to have lead concentrations greater than 15-ppb.

Ref: ENR, April 17/24, 2017 pp. 8-9 & 30-36 & 38
• Water fixtures at 2 San Marcos schools had unsafe lead levels and have been removed. As of April 14, 2017, 737 schools in the state have asked for lead testing, says the board documents. In San Diego 305 schools are checking for lead problems.

Ref: The San Diego U-T 4-23-17 pp. B13

4.0 Pipelines and Tunnel Issues

4.1 Pipelines

4.1.5 Oil and Gas

4.1.5.1 U.S.

4.1.5.1.1 Natural Gas Grid Energy

The Virginia state regulators will require the Dominion’s Atlantic Coast pipeline—ACP—project and the Mountain Valley Pipeline’s—MVP—project, owned by NextEra and Con Edison to obtain U.S. ACE, water-quality certifications, as well as wetland and stream crossing permits, to assure they are constructed in the most environmentally protected manner. The ACP, is a 600-mi-long route from WV through VA and NC. The MVP will run 300-mi across WV, to deliver Marcellus shale gas to VA that will connect with the exiting Transco Pipeline.

Ref: ENR, April 17/24, 2017 pp. 4

4.2 Tunnels

4.2.1 Transportation

The Port of NY & NJ approved a $32.3E9, 2017-2026 Capital Plan, for the Gateway Passenger Rail Tunnel Project. It will also fund rebuilding of some of the ports, Trans Hudson’s aging rapid transit rail stations, and other upgrades for safety and reliability. AirTrain LaGuardia will also be built to take passengers from Manhattan and other NYC destinations to LaGuardia. Service to John F. Kennedy Intl. Airport was completed a few years ago.

Ref: Railway Age, March 2017 pp. 9

5.0 Transportation Environmental Issues

5.8 Surface Transportation Emissions

OSHA will delay by 3-months, enforcing its construction-industry, standard for exposure to silica dust. The new construction limit is 50-µg of silica dust/m³ of air, averaged over 8-hr—that is 20 % of the old standard. It also requires ventilation systems or respirators, when controls are not effective enough. The new standard is expected to save 600-lives/yr.

Ref: ENR, April 17/24, 207 pp. 7

6.0 Transportation Financial Issues

6.1 Ports
Container terminal operators are holding back on modernizing U.S. facilities because of shortages of funding and market confidence, even as a wave of new mega-ships test their dated infrastructure and technology. BCOs will see congestion flare-ups and needs for greater visibility of their shipment, to retain inventories, and avoid stock-outs. Both greenfield and brownfield developments are considered a risk in the current economy and capital and land is not there.


6.2 Container Ships

A push by importers to ship their merchandise before the April 1, 2017 launch of new alliances, sent the eastbound trans-Pacific spot rates to the West coast, up 15% in the week ending 4-30-17. The spot rate from Shanghai to the West Coast was $1,479/FEU and to the East Coast was $2,565/FEU.

Ref: The Journal of Commerce, April 2017 pp. 32 & 34 and May 1, 2017 pp. 7

- Container shipping lines are battling for higher shipping rates, but have been undercut by continuing overcapacity fueled by delivery of scores of large new container ships ordered years ago. In 12 months through September 2016, carriers that reported earnings recorded total revenues of $151.2E9—down 7.8% from 2015. Industry earnings for the same period before interest, tax, depreciation, and amortization of $9.9E9 was down 42.1% from $17.1E9 in 2015. The cause is overcapacity to reduce slot costs. More than 150-ships of 10.0E3 to 22E3-TEU are set to be delivered over the next 2-years, and expected global growth is set to be 4%/yr, with that growth added to 7% of capacity idled. The industry is scrapping Panamax vessels.

Ref: The Journal of Commerce, May 1, 2017 pp. 6

- Singapore-listed manager of 14-Panamax vessels, Rickmers Maritime Trust, is working up its container ship charter operation after failing to secure the support of creditors and investors for a planned restructuring. It was unable to obtain approval of bond holders to refinance $100E6 [$71.4E6] 8.45% medium-term notes—the condition for it to secure a new $260E6 credit facility from its lenders to restructure its debts, that led to a default, to a syndicate led by HSH Nordbank and DBS Bank, coupon payment to bond holders, in November 2016, and various breaches in loan covenants.

Ref: The Journal of Commerce, May 1, 2017 pp. 7

6.3 Federal Highway Trust Fund

Trump says he would consider raising the gasoline and diesel tax, that is 18.4 and 24.4¢/gal respectively, with nether adjusted for inflation, since 1993. To keep a positive balance in the Trust Fund, Congress, injected $143E9 in it since 2008. Highway-related tax revenues only raised $37.4E9 in FY-2015, causing maintenance deferments. The tax is supplied by users, as better roads reduce travel times, curb vehicle repairs, and improve roadway safety. The cost of doing nothing, is higher than the tax, says the American Trucking Industry, with a 35¢/gal gasoline tax increase, and indexing to inflation, would raise $473E9 over the next decade.

Ref: The San Diego U-T 5-2-17 pp. C1 & C4

6.4 State, County, and City
6.4.2 Gasoline Prices

Gov. Brown will pass a bill to put $52.4E9 in taxes and fees on CA drivers, to shore up CA’s freeways, roads, and bridges—Senate Bill 1. The Road Repair and Accountability Act will add 12¢/gal in gasoline taxes in CA. Gasoline taxes now are 58.3¢/gal in CA—47.3¢ excise tax, 2¢ underground storage tank fee, and 9¢ sales tax. The federal tax is 18.4¢/gal, for a total of 76.7¢/gal. In 2019, it will add the 12¢ for a total of 88.7¢/gal.

Ref: The San Diego U-T 4-25-17 pp. C1 & C4 and 4-23-17 pp. C1 & C5

6.5 Rail. HSR, and Light Rail

Development along BNSF’s Railway network totaled $35E9 in 2016 including a 41.3E9 steel mill in AR and sugar facility in IL.

Ref: Railway Age, March 2017 pp. 10

6.6 Airport

Chicago based Boeing Company earned $1.45E9 in the 1st-Q-2017 with a profit of $2.01/share. Revenues for military planes was $2.64E9.

Ref: The San Diego U-T 4-27-17 pp. C2

7.0 Airport and Global Space Issues

7.2 Global and Space

7.2.1 NASA

NASA’s commercial shipper, Orbital ATK space craft, the S.S. John Glenn left Cape Canaveral, FL on 4-18-17, with 7,700-lbs of food, experiments, and other goods, and arrived at the ISS on 4-22-17.

Ref: The San Diego U-T 4-23-17 pp. A14

7.2.4 Mars

The Mars explorers may use bricks made from Martin soil to build human habitats.

Ref: The San Diego 4-28-17 pp. B2

• Article on Mars, that has been studied continuously since 1997 by space orbiters, lenders, and rovers—currently 8, that have been sent in space by NASA, the European Space Agency, Russia, and India, that are active. The Martian meteorite, ALH84001 found in Antarctica had evidence of bacteria. The Mars Exploration Program, was founded in 2000 to send robotic spacecraft to Mars every time planetary alignment would allow. Mars is some 4.0E9-years old and was a living planet long ago. Curiosity is continually sending data in its exploration on the planet.

Ref: Physics Today, March 2017 pp. 34-41

7.2.6 Deep Space
More than 750E3 fragments larger than a cm, are thought to be orbiting Earth and are becoming a risk to communicating satellites.

The planet LHS 1140 b could host life. It lies 39-light-years away, circulating a red dwarf star in the constellation Cetus.

Ref: The San Diego U-T 4-23-17 pp. A26

8.0 Border and Cultural Issues

8.1 Border

8.1.1 Import-Export

President Trump says Canada is unfair to the U.S. dairy farmers, as a 75-farmer group lost their main milk export production/yr because of trade disputes. Vice President Pence, says Japan and South Korea need to rewrite trade deals over steel imports.

Ref: The San Diego U-T 4-21-17 pp. A3

• President Trump says Iran is failing to fulfill the “spirit” of its nuclear deal with World powers.

Ref: The San Diego U-T 4-21-17 pp. A4

• GM and other multinational Co.’s is planning to leave Venezuela, because of civil violence and social unrest over food shortages.

Ref: The San Diego U-T 4-21-17 pp. C1 & C4

• Attorney General Jeff Sessions said on 4-21-17, that sanctuary cities and counties that don’t cooperate with federal officials by handing over unauthorized immigrants who have committed crimes “puts criminals back on the streets”. He spent time on the border and in discussions on the wall issues.

Ref: The San Diego U-T 4-22-17 pp. A1 & A15

• President Trump plans to revive the Export-Import Bank of the U.S., that provides loans to foreign entities to enable them to buy American goods.

Ref: The San Diego U-T 4-23-17 pp. C2

• President Trump told leaders of Canada and Mexico the U.S. would not be pulling out of NAFTA—opening the door to future negotiations. He spoke with President Enrique Peña Nieto and Prime Minister Justin Trudeau on 4-26-17.

Ref: The San Diego U-T 4-27-17 pp. A1 & A4

• President Trump is proposing to lower the corporate tax rate from 35% to 15%, that could cost the Treasury $2.4E12 over a decade.

Ref: The San Diego U-T 4-25-17 pp. A4

• Decision Sciences International Corp. in Poway has a new shipping container scanner that uses subatomic particles to pinpoint dangers contents. They received a contract from the Singapore, Ministry
of Home Affairs to install one of its cargo scanning systems at its main port. The technology is licensed from the Los Alamos National Laboratory and has been refined for more than a decade. It tracks muons and electrons that identify the contents. The muons are heavier than electrons by a factor of 200, and deflect in a path—giving clues as to what the material is. It also analyses the deflection of electrons. Each year 11E6 containers come into the U.S. ports and 13E6 arrive via truck and rail. Since the 9/11 attack, all containers coming into the U.S. are scanned for nuclear weapons. The system could cost some $5.2E6 each.

Ref: The San Diego U-T 5-4-17 pp. C1 & C4

- Customs brokers say they support creation of a “single window” for filing trade data to government agencies in the U.S., Mexico, and Canada.

Ref: The Journal of Commerce, April 17, 2017 pp. 6

8.2 Culture

A lawyer asked the International Criminal Court in The Hague, on 4-24-17 to charge President Rodrigo Duterte and 11 other Philippine officials, with mass murder and crimes against humanity, in the killing of some 9,400-people over 30-years.

Ref: The San Diego U-T 4-25-17 pp. A3

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5-5-17 Transportation Committee Meeting

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

1.2 Rail

1.2.1 Interstate Freight Systems

Analysis of intermodal in 2016, show a 38 % loss of market volume in South Central CA and TX, and a 60 % gain of market volume in the Northwest linking the Midwest. It says there was a West Coast to East Cost migration from 2015 to 2016, in terms of port routing, has a shorter haul, and would most likely move the volume intact, rather than be trans-loaded. Another change from the data shows the new Gulf Coast container services starting for plastic resins, that will accelerate in 2017.

Ref: The Journal of Commerce, April 3, 2017 pp. 43

• More than 4 % of railroad employees involved in accidents in 2016 tested positive for drugs. FRA data show 4.2 % of railroaders in accidents in 2016 tested positive for marijuana, cocaine, ecstasy, benzodiazepine, oxycontin, and morphine—up 2.9 % from 2015. 6 % of employees performing hours-of-service tested positive, 14.3 % of maintenance-of-way workers were positive, and 33 % of mechanical employees had drugs in their systems. Drugs were a problem in the 1980s too.

Ref: Trains, May 2017 pp. 14

1.2 Rail

Article on preservation of Railroad antiques, showing a problem of preservation never wanting to let go.

Ref: Trains, May 2017 pp. 48-55

1.2.1 Interstate Freight Systems

Article on what E. Hunter Harrison did for CP railroad and what to expect at CSX where he is CEO now. His 7-service principals are: minimize car dwell time in yards, minimize car classifications, use multiple traffic outlets for cars to get to its destination, run general-purpose trains, balance train movements by direction, minimize power requirements, and strive for steady workflow.

Ref: Trains, May 2017 pp. 5, 6, and 16-17

• CSX had 3-derailments on March 7, 2017: in Biloxi, MS one that killed 4 and injured dozens; in Newburgh, NY that derailed 20-freight cars and three locomotives; and in Blue Island, IL that derailed several freight cars.

Ref: Trains, May 2017 pp. 11

1.2.1.1 Locomotives

Norfolk Southern opened a new 47th street locomotive shop in Chicago near 3-other yards. The shop will support 25-locomotives to local service, and road locomotives in need of repair.

Ref: Trains, May 2017 pp. 21
• Siemens is testing new SC-44 locomotives in the Pacific Northwest prior to delivery. The IL DOT is ordering 20-units and IL DOT, and agencies in CA, WA, and MO are purchasing 69-new SC-44s from Siemens.

Ref: Trains, May 2017 pp. 21

• Siemens’ Sacramento factory has been producing 4,000-hp Charger locomotives for CA, WA, and Midwestern states since 2016. Most of the units are sitting, waiting for insurance and operating agreements with Amtrak VP Dave Ward told the Next Generation Corridor Equipment Pool Committee—created by Congress as part of the Passenger Rail Investment and Improvement Act of 2008, at their annual meeting in Washington on February 24, 2017, that 30-document-change requests, caused minimal delays. The process helped develop performance specifications for the Tier-4 emissions standard compliant, 125-mph-capable locomotive. 33-Charger units were tested in OR and Washington’s Amtrak Cascades Corridor in February 2017 and other tests were done in Pueblo, CO, at the Transportation Technology Center. Further tests on actual routes is still needed, before revenue service is approved. Authorities responsible for bilevel cars that have yet to be made by Nippon Sharyo in Rochelle IL have stayed quit, and a prototype still has not been built. The CA DOT which oversees the contract with Nippon declined to explain how of the $352E6, 2009 grant, from the federal government will be used, which expires September 30, 2017. The builders partner, Sumitomo Corp. did not comment, but said its U.S. contractor has challenges meeting schedules and contract terms. The only cars ready for production in the U.S. are the single-level cars being built by Siemens for FL’s Brightline Service.

Ref: Trains, May 2017 pp. 7

1.2.2 Construction Materials

Kawasaki Heavy Industries introduced the efWING truck in 2013, that uses two carbon fiber-reinforced plastic leaf springs, as a steel substitute. It replaces both the steel coil springs and part of the steel frame, with both axles supported by opposite ends of the same carbon fiber spring. When a train leaves a curve, each truck swivels back into its straight alignment. Once centered, the inertia of the swiveling truck attempts to continue the rotation. The inertia will be counteracted by the track or, at higher speeds, by hydraulic dampers, that constantly pull the truck toward the center. The rotational force is a product of the trains speed and mass of the swiveling truck. When it’s more than the track or dampers can correct, the truck will hunt back and forth causing track and equipment damage, and derailment. Reducing the trucks mass, increases the maximum speed the truck will remain stable to 62-mph—more than the standard truck. Using one spring for both axes also improves equalization. Use of the efWING is limited to electric multiple-unit railcars in Japan and it is being tested in the U.S. in CO. It could be used on freight cars.

Ref: Trains, May 2017 pp. 22

1.2.4 Urban Light Rail Systems

Former U.S. Secretary of Transportation, Roy LaHood will lead an independent review of the Washington Metropolitan Area Transit Authority, to find solutions to operations, governance, and financial issues, that compromised service on the 118-mi Metrorail system.

Ref: ENR, April 3, 2017 pp. 13
• Article on Alaska’s electric trains: Grandview Cruise Train, Glacier Discovery, and Coastal Classic, that run from Anchorage to Seward, AK. The Coastal Classic uses Korean-built dining cars.

Ref: Trains, May 2017 pp. 24-25

• The Bombardier-built, light rail vehicle is running in tests near Waterloo, Ontario. It arrived in Waterloo on February 24 from Bombardier’s Thunder Bay, Ontario’s shops. ION Rapid Transit System will run tests until spring 2017 and will connect Waterloo to Kitchener, along a 12-mi line expected in service in 2018.

Ref: Trains, May 2017 pp. 12

• A woman was fatally struck by a Coaster train in Carlsbad, going 90-mph. She was standing on the tracks north of Tamarack Ave.

Ref: The San Diego U-T 4-5-17 pp. B2

1.2.5 Amtrak

Amtrak is testing the latest version of electronically controlled pneumatic brakes in 2017, on the Northeast Corridor and the Keystone Corridor’s electrified portion, between New York and Harrisburg, PA. Industry is working with RRs to introduce the new National Standards for using electronically controlled pneumatic brakes on passenger trains.

Ref: Trains, May 2017 pp. 23

1.2.6 International Freight Systems

Article on Austria’s Simmering Railway that has been operating for 160-years.

Ref: Trains, May 2017 pp. 32-39

1.3 High-Speed Rail

1.3.1 High-Speed

1.3.1.2 International

Article on trains in Europe that operate at the same time every hour.

Ref: Trains, May 2017 pp. 18-19

1.4 Bridges

1.4.1 Bridge Construction Materials

The first U.S. design guide for steel castings without welds or bolted plates could be published in two years and it would be included in an engineer-of-record, in a bid package. The Steel Founders Society of America, is writing the guide with the American Institute of Steel Construction’s, assistance. The casting engineer supplier will take full liability for performance of the castings.

Ref: ENR, April 3, 2017 pp. 8

1.4.3 State, County, and City
Good picture of State Route 520’s floating bridge in Seattle, WA and The Kansas City Street car.

Ref: ENR, April 3, 2017 pp. A3 & A9

1.6 Bicycle

San Diego continues to encourage bicycling to boost health, fight climate change, may include appointing a bicycle czar, and educating children on using bicycles.

Ref: The San Diego U-T 4-17-16 pp. B1 & B3

2.0 Port and Military Issues

2.1 Ports

2.1.1 Container Ships

Report on the launch of the new alliances on April 1, 2017. In the Asia-E.U. and trans-Pacific trades, a significant number of port to port combinations will be removed. In the trans Pacific trade alliances—THE, Ocean, and 2M + Hyundai Merchant Marine will have faster transits on half of the new port pairs—2-days to West Coast and 1.5-days to the East Coast says Sealntel.

Ref: The Journal of Commerce, 4-3-17 pp. 6

- Tim Smith, a Maersk executive, said there is enough capacity in the existing container shipping fleet to support a 3% annual growth in world trade for 5-years. There are 19E6-TEUs in the existing fleet, 2E6-TEU idle, and 3.0E6-TEU on order waiting for delivery. The 24E6-TEU capacity will cover the needs, even with 1.0E6-TEUs scrapped by 2022 with a fleet of 23E6-TEU. Capacity utilization needs to be at 90% or above all the time—if not, your asset utilization is too low to be profitable, and freight rates drop to hold market share, and you lose money.

Ref: The Journal of Commerce, 4-3-17 pp. 7

- The marine industry is starting to develop the Internet of Things—IoT for Big Data analysis. The 0.5% global sulfur cap, set for IMO mandate in 2020, can also be met by burning natural gas in a dual fuel engine. There are 100-LNG vessels on the water now, and 101 on order, with more in planning.

Ref: Marine Log, March 2017 pp. 2 and 30-34

- Article on the loss of the SS EL Faro, in the Atlantic Ocean in a hurricane.

Ref: Marine Log, March 2017 pp. 24 & 25 and April 2015 pp. 31

- Article on the legal merits involving common benefit claims, Korean bankruptcy claim, maritime lien vs. non-maritime lien rights, in the bankruptcy context, and balancing of the bankruptcy proceeding of Korea and that of the U.S.

Ref: Marine Log, March 2017 pp. 35

2.1.1.2 CNG & LNG
There are 100-LNG vessels operating the seas in: the E.U.-18, America’s-11, Asia-8, global-7, and in Norway-56. In 2014, there were 57-oil rigs operating and in 2017 it fell to 22. Iran is now shipping 563-shipments of crude oil up from 277 in 2015.

Ref: Marine Log, March 2017 pp. 4

- More ship operators may move to LNG bunkering as the sulfur-cap of 0.5% is mandated in 2020 by the IMO. Ship’s without LNG will need to use exhaust gas scrubbers to eliminate the SO₂ emissions. The advantage of LNG, is it eliminates nearly all SO₂ emissions, while reducing GHGs by 85-90%. DNV GL says, excluding LNG carriers and inland waterway vessels, there are now 100-LNG-fueled vessels in operation, and another 101 are on order, with deliveries into 2024. Bernhard Schulte Shipmanagement is working with U.K.’s, Babcock International Group, to develop one of the largest LNG bunker vessels, that will be built at Korea’s Hyundai Mipo Dockyard ¹ and is destined for the E.U. The 7,500-m³ LNG ship will be the first of 2 to use Babcock’s FGSVO technology ². Delivery is expected in September 2018.

The first purpose-built ship-to-ship, bunkering vessel entered the water when ENGIE, Fluxys, Mitsubishi Corp. and NYK took delivery of the 5,000-m³, LNG bunker tanker, ENGIE Zeebrugge, built in Korea at Hanjin Heavy Industries and is home ported in Zeebrugge, Belgium. It will supply LNG to ships operating in the Northern E.U. region, will load LNG at Fluxy’s LNG terminal in Zeebrugge, carries capacities from 2,000-m³, and can dock at a 2ⁿᵈ jetty. Spain’s Sener has discussed designs for 2-bunker supply vessels at the 2017 LNG Bunkering Summit, in Amsterdam, with capacities of 8.0E3-m³ and 4.0E3-m³. Shipyard group Damen has LNG bunker vessels with capacities from 500-m³ to 7,500-m³. The Maritime and Port Authority—MPA—of Singapore is co-funding 2-dual fuel tugs, and a dual fuel bunker tanker for Harley Marine Intl. Holdings Pte. Ltd. FuelNG, a 50-50 joint venture incorporated by Keppel and Shell secured a license as one of 2-companies to provide bunkering services in Singapore. Shell will supply the LNG for 10-years. MPA will waive 5-years of port dues for new LNG-fueled harbor craft, that register between October 1, 2017 and December 31, 2019. An additional 10% port dues concession will be offered to vessels qualifying for its, Green Port Program. Eagle LNG Partners is developing a new liquefaction export and bunkering facility at the Port of Jacksonville, that will produce 1.65E6-gal/d of LNG by 2019. Maxville LNG Terminal, by Eagle LNG partners at Jacksonville is underway to provide LNG to Crowley Maritime Corp, to fuel its 2-LNG-fueled CONRO vessels, being built at VT Halter Marine, in Pascagoula, MS. TOTE Maritime, which operates to San Juan, in the Jones Act trade lane, will use a 2,200-m³ LNG bunker barge to refuel its LNG-fueled 3,100-TEU Marlin Class ships.

¹ Google.com: Hyundai mipo dockyard
² Google.com: video: schulte & babcock team on lng fueling, marine log

Ref: Marine Log, March 2017 pp. 18-20

2.1.1.4 Reefers

Aker BioMarine awarded Vard a contract to design and construct a state-of-the-art, environmentally-friendly krill fishing vessel, for fishing operations in Antarctica. The 130-m x 23-m vessel will be equipped with the latest technology for the Antarctica’s most sustainable fisheries in the world.

Ref: Marine Log, March 2017 pp. 10

2.1.2 Cruise Ships
Fincantier S.P.A. was contracted to construct the next generation of ships for Norwegian Cruise Line, for 4-vessels at €800E6 each, and carry 3,300-passengers each.

Ref: Marine Log, March 2017 pp. 12

• All American Marine—AAM—Inc., Bellingham, WA will build a 600-passenger electric hybrid passenger vessel, for San Francisco in 2018. It will be christened Enhydra, a 128-ft by 30-ft, aluminum hulled, lithium-ion battery-electric hybrid, built under U.S. Coast Guard Subchapter K passenger vessel regulations and guidelines, for structural fire protection. AAM partnered with BAE Systems, to design and integrate the battery electric hybrid system. The hybrid system incorporates battery power from 2-8-kWh lithium-ion battery packs and Corvus Energy’s, next generation Orca Energy batteries. The vessel uses full battery operation at slower speeds, in the harbor, and the generator engages to power the traction motor at higher speeds.

Ref: Marine Log, March 2017 pp. 13

• Horizon Shipbuilding Inc.—HSI—in AL was awarded a contract to build 5-more ferries for Hornblower’s subsidiary, HNY Ferry Fleet, LLC, and they will operate the ferries on behalf of New York’s Citywide Ferry Service. The number of ferries for the service is now 13, that are being built by HIS. Metal Shark is also building another 6-ferries for a total of 19-ferries for the service. The design by Incat Crowther, has aluminum hull, is 85-ft-long, carry’s 150-passengers, and is powered by Baudouin diesel engines generating speeds of 25-knots.

Ref: Marine Log, March 2017 pp. 14

2.1.4 U.S.

West Coast ports have experienced a steady loss of market share in Asian imports in the last decade, from 78.4 % in 2005 to 66.8 % in 2016, but with emphasis on infrastructure development and process improvements to increase efficiency in moving cargo, will prevent further losses. The improvements are needed in today’s global supply chain for the mega-ships and new alliances to fewer gateways. The introduction of the double-stacked railcar, in the late 1970s, and its use by American Presidents Lines in the 1980s, West Coast ports dominated the U.S. import trade from Asia in the eastbound trans-Pacific—the largest U.S. trade lain. Labor disruptions and employer retaliation during the ILWU contract negotiations in 2002 and 2014 convinced national retailers and large direct importers they were relying too heavily on West Coast ports to handle container imports. In the last decade, they moved to the East and Gulf Coasts. The Port of Prince Rupert, BC, also opened its Fairview Container Terminal during that period, with direct service by Canadian National Railway, to Chicago and beyond, attracting imports from the U.S. West Coast ports. The port of Vancouver also marketed its self as a gateway to the U.S. and handles 4.4 % of U.S. imports from Asia, says Rob Leachman of UC Berkeley. The opening of the Third Set of Locks at the Panama Canal is also affecting carriers in the eastbound Pacific, there are 5-weekly services to the Gulf, and its share now is 2.9 %. The West Coast has been handling 8E3 to 10.0E3-TEUs—twice the size of older Panamax ships for 10-years, but the super-post-Panamax ships of 14E3-TEU capacity began in Southern California in 2011 and in 2016 the CMA CGM Benjamin Franklin called the Ports of Los Angles, Long Beach, Oakland, and Seattle, on a test run to alert terminal operators to the future. The terminals learned they needed advanced infrastructure, of larger terminals with more yard space, taller super-post-Panamax cranes, stronger wharves, and improved connections to highways and
transcontinental rail networks. Flow problems have been worked out with truck appointment systems, dray-off, and peel-off programs, to improve efficiency to near-dock sites, for pickup and chassis-management programs to improve equipment availability. The LA-LB “pool of pools” began on March 1, 2015 eliminated the problems when carriers exiled the chassis business. The port of LA is teaming up with GE Transportation, on a pilot project to produce a single electronic portal for communications for all ports. The era of Marine terminal automation has started in Southern California with the TraPac terminal an LA and Middle Harbor in LB, where autonomous yard tractors are moving containers from ship-to-shore cranes to the container stacks. Automated staking cranes and automated on-dock rail operations are in a near-zero-emissions environment, powered almost completely by electricity. Automation is costing upwards of $1.0E9 in the case of the Middle Harbor, but will promise consistent, reliable, and uninterrupted terminal operations, says Felix Kasiske of Hamburg Port Consulting. The Port upgraders are being completed by new warehouses and trans-loading facilities, and more development is to come. Vacancy rates on the West Coast are less than 1 % in LA, 4.3 % in the Inland Empire, 2.4 % in Oakland and East Bay, 1.8 % in metro Seattle, and 2.2 % in Kent Valley and Prince County, WA.

Ref: The Journal of Commerce, 4-3-17 pp. 32-36

• Secretary of Transportation, Elaine Chao is opening the suspended Sea Year training for the U.S. Merchant Maritime Ports Academy. Midshipmen would be reinstated on three commercial carriers: Crowley Maritime, Maersk Line Limited, and American Presidents Line, beginning in March 2017.

Ref: Marine Log, March 2017 pp. 12

• The ILWU and PMA are continuing to discuss extending the existing West Coast contract beyond July 1, 2019, with the next move on April 24-28 in the annual caucus in San Francisco. The East Coast and Gulf Coast is also doing the same by ILA’s contract, which expires September 30, 2018.

Ref: The Journal of Commerce, 4-3-17 pp. 8

• With the Bayonne Bridge clearance project expected to be completed this year, the Port of New York and New Jersey, may have to offer evenings, or 24/7 schedules to meet container ship demands. 24/7 service is available at Los Angeles and Long Beach, Oakland, Seattle, and Tacoma. Houston will extend gate hours in 2018. Truckers also agree to 24/7 service saying it would help congestion and overall operations.


• West Coast ports are ahead of East Coast counterparts in using appointment systems and extended gate hours to maximize capacity and minimize truck turn-times at container terminals. At least 8 of 13 terminals at the Ports of LA-LB have some form of mandatory appointment systems, and Yusen terminals will do so in 2017. Oakland International Container Terminal, began requiring appointments for import pick-ups in June 2016. Extra costs for extended hours, are being covered by PierPass in the LA-LB ports, that charges a fee for weekday gate moves. The ports of VA, Charleston, and GA also have Saturday gate hours. Extended hours will require more U.S. Customs and Border Protection officers.

Ref: The Journal of Commerce, 4-3-17 pp. 12 & 41-42

• The U.S. Customs and Boarder Protection—CAP—agency proposed modifications and revocation of ruling letters on application of the Jones Act to merchandise and vessel equipment transported between
2-coastwise points in the U.S. Past rulings allowed foreign-built vessels to operate on the Outer Continental shelf carrying certain types of vessel equipment. The CBP proposal of January 18, 2017 would overturn rulings back to 1976. The “vessel equipment” view would change 10-rulings, to pare back the exception to the Jones Act, and effect offshore vessels operations.

Ref: Marine Log, March 2017 pp. 17

2.1.4.1 Inland Waterways

Fincantieri Bay shipbuilding in Sturgeon Bay, WI—a division of Fincantieri Marine Group—FMG—, the U.S. subsidiary of Italy-headquartered, Fincantieri, is repairing 16-Great lakes bulkers for winter repair. Customers require repairs be done by the start of the shipping season on the lakes. A recent 3-acre expansion to the now 55-acre shipyard, includes new buildings and computer-aided manufacturing equipment, for year around work. They have a 7,000-ton floating dry dock, and two graving docks. The yard also has 6-vessels under construction to operate as articulated tug barge units for delivery in 2017 and 2018.

Ref: Marine Log, March 2017 pp. 11

2.1.4.2 Drayage Truck Issues

Article on chassis shortages, issues of out-of-service chassis, and excessive equipment dwell time, in most regions.


- The newest heavy-duty truck operating at the Port of LA emits water. Toyota’s hydrogen fuel-cell, called project Portal truck, will began a feasibility study at the port. The class 8 truck prototype will lead the way into the fuel-cell vehicle market. A Miral fuel cell sedan will go on display in China before the Shanghai Auto Show, as it competes with Hyundai and Honda. The truck of choice at the port has been the 670-hp-12 % bigger than the prototype, ISX15 diesel truck. Tesla says using batteries for semi-trucks is unfeasible because of the weight of the required battery size.

Ref: The San Diego U-T 4-20-17 pp. C2

2.1.5 International

The Vancouver Fraser Port Authority plans to create a single portal, through which truckers will have visibility into container terminals, and are working on improvements to the appointment system. The system is speeding terminal turn times, cutting truck emissions, and reducing road congestion. The Canadian British Columbia and provincial government of British Columbia has addressed truck capacity and trucker’s issues. The mega-ship cargo surges will test the system and improve the system.


- Article on growth of trans-loading with convergence of the big-ship phenomena and rapid growth in e-commerce fulfillment. Beneficial cargo owners will need to study their supply chains to determine the best routing for their needs.

Ref: The Journal of Commerce, 4-3-17 pp. 20, 22 & 23
• Article on the Port of Vancouver’s growing problems with container ships, passenger ferries, bunkers, breakbulk, car carriers, cruise vessels, and whales. In November 2016, the Trudeau led government voted to block tankers from accessing the Dixon Entrance, north of Vancouver—an inlet leading to Kittimat and the mouth of the proposed Enbridge Northern Gateway Pipeline. This action killed the Enbridge Pipeline, the expansion of the Southerly Trans-Mountain Pipeline from 300E3 to 890E3-bbl/d seems certain, and increasing tanker traffic in the strait, from 30 to 300-ship calls. A solution by the Vancouver Port Authority, is to install a 3-additional-berth terminal at the Roberts Bank “superport”, adding 2.4E6-TEU of extra capacity, but it will cause a lot of congestion moving the TEUs to and from warehouses and distribution centers along the Fraser River. They are proposing a transshipment hub at the mouth of the Alberni Fjord, at the Alberni inlet, to use as a hub—a fully automated terminal, akin to Rotterdam and Antwerp. The Port of Alberni Transport Hub would establish a deep-water container terminal capable of accommodating 2-22E3-TEU vessels, and the coastline could be used by barges. 600-trucks can be taken of the road for each barge and deliver the TEUs right next to the warehouses on the Fraser River and the terminal in Surrey could handle 1.2E3-TEUs. The warehouse space is becoming the most expensive in North America.

Ref: Marine Log, March 2017 pp. 36-37

2.1.6 Maintenance Operations

The U.S. Coast Guard initiated civil penalty proceedings against Hamburg’s Vega Mars in Tacoma, WA over discharging of ballast water without use of a U.S. Coast Guard approved ballast water management system. The violation could cost mean a penalty of $38,175.

Ref: Marine Log, March 2017 pp. 10

2.2 Military

2.2.1 Ships and Planes

The U.S. Coast Guard awarded 5-firm fixed price contracts for heavy polar icebreaker design studies and analysis, to several shipyards across the U.S. The Heavy Polar Icebreaker Integrated Program Office, will use the results to refine and validate the draft, heavy icebreaker system specifications. The request for proposals—RFP—for a detailed design, construction by the end of 2017, and the final RFP in 2018 has been sent out. The contract will be awarded in 2019.

Ref: Marine Log, March 2017 pp. 16

• President Trump requested $2.32E9 for new F/A-18 E/F, Super Hornet aircraft in a supplemental budget request for FY-2017. There is also a $54E9 FY-2018 defense spending budget, in negotiations in Congress that is iffy.

Ref: The San Diego U-T 4-6-17 pp. C1 & C4

2.2.2 International

The U.S. Military launched 59-cruise missiles at Syrian military AL-Shayrat airfield late 4-6-17—the first direct American assault on the government of President Bashar Assad, since the war started in 2011. The operation was authorized, in retaliation for a chemical attack killing civilians this week. He asked, “all civilized nations to end the slaughter…”, and to end terrorism of all kinds and all types.
The U.N. Security Council on 4-6-17 strongly condemned North Korea’s latest ballistic missile launch demanding as top to the actions. The 15-members expressed “utmost concern” at their destabilizing behavior and defiance of the Security Council.

Ref: The San Diego U-T 4-7-17 pp. A1 & A8

- The U.S. dropped a GBU-43 Massive Ordinance Air Blast or “mother of all bombs”, —MOAB—that is 30-ft long, weighs 22E3-lbs, that produces a devastating above-ground explosion, that sends a mushroom cloud into the sky. The common bombs used, weigh 250 to 2,000-lb. The war has been going on in Afghanistan for 16-years.

A U.S. drone struck and killed at least 18-members of an allied Syrian force.


- Investigations into parts removed from the North Korean launch of its Kwangmyong-song-4-satellite into space, show they were imported from China.

Ref: The San Diego U-T 4-14-17 pp. A11

- The U.S. Navy Third Fleet’s Carl Vinson Carrier Strike Group was not heading for North Korea, but to Australia 4,900-mi away. The U.S. Pacific Command announced the North Korea mission on April 8, 2017, saying they would skip the Australian port call, and move to the Yellow Sea. The Japan Maritime Self-Defense Force said, Tokyo’s warships would join the carrier for maneuvers, in the Western Pacific, close to the Korean peninsula. The carrier group is scheduled to arrive in the troubled area in late April. The Carl Vinson Strike Group, departed Singapore making its way to North Korea [was later revealed that they were going to Australia] where Kim Jong-un continues to test missiles capable of carrying nuclear weapons. On orders from Adm. Harry Harris—commander of U.S. Pacific command in HI. The carrier is accompanied by the destroyers: Wayne E. Meyer, Michael Murphy and cruiser Lake Champlain, and will remain under the control of Rear Adm. James Kirby, aboard the Carl Vinson and its commander, Vice Adm. Nora Tyson, who will direct the force from the Point Loma, Maritime Operations Center. It will take a week to get to the Korean peninsula.


- The Philippine government has positioned military troops on the Sparty Islands, stationed on a dilapidated WWII-era ship stranded on one of the shoals.

Reports say the U.S. Tomahawk air strike at the Al-Shayrat airfield with Syria and Russian allies sustained fuel tanks, munition stores, and 20-fixed-wing planes destroyed. The airfield was barely damaged and Russian barracks and choppers were not touched by the 59-missles. They also avoided warehouses where chemical weapons were suspected.

Ref: The San Diego U-T 4-9-17 pp. A15

- Wentworth Military Academy and College will close and be demolished in MO. It has been in operation since 1880.

Ref: The San Diego U-T 4-9-17 pp. A20
• On April 15, North Korea will celebrate the 105th anniversary of the birth of Kim Il Sung, the founder of the nation. Kim Jong-un is his grandson and some newspapers have been invited to report on a military show in the capital, Pyongyang this weekend. The Global Times, said Beijing would support stiffer United Nations sanctions, including “strictly limiting” oil exports to North Korea, if it conducts nuclear tests.

Ref: The San Diego U-T 4-13-17 pp. A3

• A blast at an Army Ammunition Plant in MO—the Lake City Army Ammunition Plant in Independence occurred where chemicals were being mixed, killed one worker. Other explosions at the plant, occurred in 1981, 1990, and 2011. The plant is 77-years old.

Ref: The San Diego U-T 4-12-17 pp. A11

• Secretary of State Rex Tillerson arrived at Vnukovo International Airport in Moscow on April 11 and will hold meetings in Moscow about connections between Russia and the U.S. and the Syrian attack for using chemical weapons and its rechannel to the operations in Iraq over use of chemical weapons.

Ref: The San Diego U-T 4-12-17 pp. A1 & A6

• President Putin’s office called the Tomahawk cruise missile strike, on Syria a violation of international law and a blow to the Russian-U.S. relationship. Prime Minister Dmitry Medvedev said it had “completely ruined it”. The Trump administration said Russia bore some responsibility for the chemical weapons attack on Syrian civilians.

Ref: The San Diego U-T 4-8-17 pp. A1 & A6

• North Korea fired a missile from Simpo, South Hamgyong, that fell into the East Sea [local name]. The city is also home to a submarine base.

Ref: The San Diego U-T 4-6-17 pp. A3

• China’s Foreign Minister Wang Yi, said “storm clouds” were gathering—referring to North Korea’s preparations to conduct a new nuclear test, and the U.S. deployment in waters off the peninsula.


• The Navy Department grounded its entire fleet of T-45 trainer jets, after instructor pilots raised concerns about the ability of aviators to breathe in them, while flying. Rear Adm. Dell Bull will keep all 197 of the single engine aircraft grounded as engineering experts meet with pilots in TX, MS, and FL.

Ref: The San Diego U-T 4-6-17 pp. A1 & A9

• President Trump and President Xi Jinping will meet at Trumps Mar-a-Lago estate in FL on 4-6-17 to discuss, what Trump says North Korea is a “humanity problem”. China’s president could give the U.S. a symbolic victory on trade but can’t accommodate the U.S. on sovereignty and security issues.

Ref: The San Diego U-T 4-6-17 pp. A5

• A fighter jet pilot in training ditched his F-16 jet in a wooded area of a suburban Washington neighborhood, 200-yds behind two-story brick homes in Clinton, 3-mi southwest of Joint Base Andrews. 20-homes were evacuated
Ref: The San Diego U-T 4-6-17 pp. A9

- Demolition of the Navy Broadway Complex, began this week, making way for the massive Manchester Pacific Gateway project. The $1.3E9 project will have a 17-story office building for the Navy headquarters, 4-office buildings, 2-hotels, a museum, retail promenade, and a 1.9-acre park. Manchester got a 99-year lease from the Navy in 2006, and the Navy has been there since the 1920s. Completion is expected in 2020.

Ref: The San Diego U-T 4-6-17 pp. C1 & C4

- Vice President Mike Pence, at the border village of Panmunjom, said strategic patience is over with North Korea after 25-years of rhetoric over development of nuclear weapons and ballistic missiles, and the U.S. and its allies want a solution through peaceful means, or by whatever means are necessary to protect South Korea and stabilize the region. President Trump says China was working with him to solve the "North Korean problems".

Ref: The San Diego U-T 4-17-17 pp. A1 & A8

- Talks between the U.S. and Afghanistan began, as they reviewed the 15-years of presence in face of a resurgent Taliban, in supporting them.

Ref: The San Diego U-T 4-17-17 pp. A3

- Russia opened the Arctic Trefoil Perminate Base 3 in Franz Josef Land, an ice covered, desolate archipelago. It covers 14E3-m² and is the 2nd Putin-era, Arctic base built for air defense units. Winter temperatures typically reach -40 °C [-40 °F] the base that also has an air base.

3 Google.com: russian military base shamrock-you tube

Ref: BBC News 4-18-17

2.3 Shipping Canals

2.3.1 Panama Canal

The Panama Canal is developing a computerized scheduling and resource management system to help double the number of big ships that can travel through the canal each day, giving it an advantage over the Suez Canal. The first phase was completed in September 2016 and the second will be up and running in 2018. It is in the Marine Traffic Control Center and is designed to automate, schedule, and plan all the parts that move a ship through the canal, including tugs, pilots, deck crew, and locks, says Arnoldo Cano. On average between 28 and 41 ships of all sizes have passed through the canal daily, since June 2016. From one end to the other it takes about 11 to 13 hours, excluding waiting at the start. A Maersk Line service from Chiwan, China to the Port of NY-NJ through the canal takes about 32-days to complete, compare to 30-days through the Suez Canal. The canal is now at 60% of its capacity in less than two-years of operations. With the Port of NY-NJ’s Bayonne Bridge raising completed, larger 10.0E6-TEUs ships are expected to use the canal.


3.0 Water Issues
3.1 Regulation

3.1.2 Conservation Mandates

After one of the wettest winters on record, Gov. Brown declared CA’s drought is over, for all but a handful of areas in the Central Valley. The drought emergency will hold in Fresno, Tulare, Kings, and Tuolumne Counties. The Gov. stressed that conservation must remain a way of life.

Ref: The San Diego U-T 4-8-17 pp. A1 & A8

3.2 Rivers and Lakes

The Slims River, a 10-ft-deep river, was reduced to a shallow creek from the Yukon’s Kaskawuish glacier movement, that forced the flows into the Pacific Ocean instead of the Arctic’s, Bering Sea, and it all happened in one day. The glacier covers about 9,650-mi² and the front of the glacier has retreated nearly 1.2-mi since 1899.

Ref: The San Diego U-T 4-18-17 pp. A7

3.3 Reservoirs and Aqueducts

Report on the conditions of the Colorado River’s lower portion. The report says we’re using more than the river can provide and supplies are declining, because of climate change, says Matt Rice, the Colorado director for American Rivers. It provides drinking water for 30E6-people in growing cities, including Las Vegas, Phoenix, Tucson, and Los Angeles. The economic impact is $900E9/yr and endangered species issues. The area is fed from Lake Mead to the Hoover, Davis, Parker, and Morelos dams, and flows on to the Colorado River Delta to the Gulf of California.

Ref: The San Diego U-T 4-12-17 pp. A1 & A7

3.6 Municipal Water System Contamination

The San Diego county received a $3.84E6 state grant to support efforts to prevent childhood lead poisoning for three-years. The lead problem is common in low-income families in older homes. In 2016, there were 122-children poisoned with high-levels of lead and 490-with low levels. San Ysidro’s schools with old plumbing have been a continuing problem.

Ref: The San Diego U-T 4-12-17 pp. B2

4.0 Pipelines and Tunnel Issues

4.1 Pipelines

4.1.5 Oil and Gas

On March 24, the Trump Administration approved the TransCanada’s 1,200-mi cross border Keystone XL Pipeline, with Trump’s permit approval, but opponents are still promising court battles lasting years, as well as on the ground, like the delays of the Dakota Access Pipeline.

Ref: ENR, April 3, 2017 pp. 10

4.1.5.4 Oil Spills
The spring has reviled an oil pipeline leak discovered last winter, that is 3-times the volume, originally estimated, and is the largest in ND’s history. It was caused when the hillside covering the 6-in gathering pipeline slumped, causing a pipe section to bend on a weld seam. When discovered on December 5, 2016 Belle Fourche Pipeline Co. estimated that 4,200-bbl of oil had run down the hillside into the Ash Coulee Creek, but the oil volume was locked up in ice, and was hard to estimate, says Bill Suess, with ND’s Dept. of Health. On 3-23-17 it was updated to 12,615-bbl. Alberta-based SWAT Consulting Inc. is performing remediation and the federal PHMSA issued a corrective action order to the operator.

Ref: ENR, April 3, 2017 pp. 4

5.0 Transportation Environmental Issues

5.1 Maritime Transportation Emissions

5.1.1 Ship Engines

To meet the requirements of IMO’s 0.5 % sulfur cap in 2020, Canada’s Methanex Corp., says there is another fuel solution, other than scrubbers or low-sulfur marine gas oil. The third solution is to use a dual-fueled approach, with diesel and clean-burning methanol fuel. Methanol contains no sulfur, has no carbon-to-carbon bonds that create soot, and it can also be produced from renewable feedstocks. Methanex’s subsidiary, Waterfront Shipping, made a deal to build 7-50E3-dwt methanol carriers to replace its aging fleet carrying methanol from the Gulf Coast of LA in the U.S.; Trinidad, Egypt; and New Zealand, with each ship equipped with Man B & W ME-LGI engines, capable of burning methanol that carries back clean petroleum on its backhaul voyage. Conversion to methanol achieves a SOx reduction of 99 %, NOx reduction of 60 %, and PM reductions of 95 %.

Ref: Marine Log, March 2017 pp. 37

6.0 Transportation Financial Issues

President Trump recouped his pledge to spend $1.0E12 or more on infrastructure projects, saying highways and air traffic control systems in the country are embarrassing, and the antiquated power grid needs upgrades. He would also eliminate 90 % of the regulations and still have a safe system. It will be hard to get the measures through Congress.

Ref: The San Diego U-T 4-6-17 pp. A4

- Article on what it will take to get American Infrastructure to 100 %. Roads in America started with the King’s Highway ‘rom New Yok City to Boston in 1673 and the first segment of NYC’s 2nd Ave. subway opened a century after it was started, at a cost of $4.5E9. For electricity, current funding is $757E9 and the projected need is $177E9, for water and waste water its $45E9 and $105E9, for roads and bridges its $941E9 and $1.8E12, and for ports and shipping its $22E9 and $15E9 respectively.

Update on NextGen—a joint FAA and aviation community program to modernize the skies with GPS for $30E9.

Ref: Time, April 10, 2017 pp. 22-45

6.2 Container Ships
The Federal Maritime Commission, commissioner Daniel Maffei says he plans to talk with lawmakers in the House and Senate about a bill proposal to the Shipping Act 1984, to create a fund to recover stranded cargo when shipping lines experience financial problems. The, THE Alliance has a trust instrument that ensures cargo is unloaded at its intended port and will be in place on April 1, 2017. Hanjin’s bankruptcy last year stranded 540E3-containers, equating to $14E9 in goods. As many as 200E3-containers leased by Hanjin still have not been recovered.


6.3 Federal Highway Trust Fund

Article on Trumps proposed budget for FY-2018, that could cut transportation spending by $2.4E9 or 13 %, and kill TIGER grants for highways, rail, transit, port, and other transportation projects such as federal funding for Amtrak long-distance service.

Ref: ENR, April 3, 2017 pp. 6-7

6.4 State, County, and City

6.4.2 Gasoline Prices

Gov. Brown pushed for his gas tax increase, to raise $5.0E9 for fixing roads. Gas taxes would go up 12c/gal, diesel by 16c, the annual fee with registration would go up from $25 to $175—dependent on value of the vehicle, and rise each year with inflation. Trucks would get a restriction on future regulations of GHGs related to commercial trucks and the proposals will be voted on this month.

Ref: The San Diego U-T 4-6-17 pp. A9

6.4.3 Diesel Prices

Article on issues of Mexico’s fuel price liberalization scheme and fuel price volatility for cross border shippers paying fuel surcharges in Mexico. Mexico wants a free-market for its fuel and energy products now and the government had set fuel prices since 1930. Logistic providers say higher fuel prices could boost trucking costs in Mexico by 8-14 %.

Ref: The Journal of Commerce, April 3, 2017 pp. 47

7.0 Airport and Global Space Issues

7.1 Airports

7.1.1 Planes

Boeing’s newest and largest 737 Max, moved down the runway and over Lake Washington, south of Seattle on 4-14-17. It will have to compete with Airbus’s longer A321neo. The Boeing 737 Max seats 204 passengers and can fly 3,515-nmi.

Ref: The San Diego U-T 4-14-17 pp. C3

- Boeing signed a $3.0E9 deal with Iran for 30-new 737 MAX aircraft and an option for 30-more. The deal follows a $16.6E9 sale following the nuclear deal, under the Obama Administration. The deal was with Aseman Airlines, owned by Iran’s Civil Service Pension Foundation. They also lease planes from the E.U.
Boeing launched a venture capital arm and invested in 2-tech startups. The new division Horizon X invested in Upskill, a Washington D.C. software company that uses eye ware to help assembly workers with complex tasks, wiring jetliners, and in Zunum Aero, a Seattle area company, working on electric-hybrid aircraft who also gets funding from JetBlue Technology Ventures, a unit of NY-based JetBlue Airways Corp. GE and Airbus are also investing in promising technology.

The Federal Aviation Administration is projecting the commercial drone fleet could jump more than 10-fold, to some 442E3 over the next 5-years, and could be higher.

San Diego adopted drone regulations on 4-10-17 that are a balance between boosting safety and respecting the rights of people using unmanned flying machines. They will simply follow the rules of the FFA regulations.

A photo of Jupiter taken at the Hubble Space Telescope was compared to images from last fall that showed vapor plumes from one of its moons and showed no new discoveries. The telescope is still doing its job in Space. This month, Jupiter is in opposition—at its closest path to Earth, 416E6-mi, and its Earth-facing hemisphere is fully illuminated by the Sun. The pictures show features that are 80-mi across. Winds on the planet can reach 400-mph.

China and South Korea agreed to impose tougher sanctions on North Korea if it carries out nuclear or intercontinental ballistic missile tests, says a senior South Korean diplomat. The U.S. is keeping pressure on the North, by moving a Navy carrier strike group toward the Korean peninsula. A Chinese envoy for international efforts to end North Korea’s nuclear weapons program, met with his South Korean counterpart, Kim Hong-kyum, in Seoul. They said to follow UN Security Council’s resolutions.

Mexico’s top trade negotiator, said talks to redo the NAFTA may conclude as soon as January 2018. Economy Minister Ildefonso Guajardo, said the January date would depend on the Trump Administration notifying Congress in time for negotiations to begin by the end of July.
• The IMF says they expect a 3.5% global growth for 2017, but it is under a threat from trade wars by the Trump Administration.

Ref: The San Diego U-T 4-19-17 pp, C3

8.1.2 Ports of Entry

The Trump budget for the U.S.-Mexico border wall is $4.1E9 through 2018, but Democrats will fight moves to include the money in a stop-gap funding bill, set for a vote on April 28, 2017, to avoid a partial government shutdown.

Ref: ENR, April 3, 2017 pp. 15

• The number of illegals crossing the border from Mexico in March 2017 was less than 12,500, down from 18,762 in February 2017, and 33,316 in March 2016. The numbers were also lower than the 220,063 in March 2000.

Ref: The San Diego 4-6-17 pp. A1 & A6

8.2 Culture

Canada's new budget over the next 5-years, will increase funding for affordable housing, social infrastructure, and cut transportation projects. They expect to keep the $60E9 budget for new infrastructure over the next 10-years.

Ref: ENR, April 3, 2017 pp. 7

• China will build 2.0E6-units of public housing for affordable homes to house low-income groups. The meteoric rise of house prices in major cities and the country’s household registration or “hukou” regime, have left many low-income families unable to afford, or access means to buy their own houses. The program is run by the Ministry of Housing and Urban-Rural Development, says Vice Minister Lu Kehua. At the end of 2016 the program had housed 11.3E6-families.

Ref: The San Diego U-t 4-18-17 pp. A3

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