TransNet Independent Taxpayer Oversight Committee

Wednesday, February 13, 2019
9:30 a.m. to 12 p.m.
401 B Street, San Diego
7th Floor Conference Room

Agenda Highlights

• City of San Diego TransNet Program and Transportation Capital Improvement Program Update

• 2019 ITOC Annual Report: Appointment of Subcommittee

• FY 2020 to FY 2024 TransNet Program Revenue Estimates

Please silence all electronic devices during the meeting

Mission Statement

The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus; makes strategic plans; obtains and allocates resources; plans, engineers, and builds public transit; and provides information on a broad range of topics pertinent to the region’s quality of life.
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Both agenda and non-agenda comments should be sent to the Clerk of the Committee via clerk@sandag.org. Please include the meeting date, agenda item, your name, and your organization. Any comments, handouts, presentations, or other materials from the public intended for distribution at the meeting should be received by the Clerk no later than 5 p.m. two working days prior to the meeting. All public comments and materials received by the deadline become part of the official public record and will be provided to the members for their review at the meeting.

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## TransNet Independent Taxpayer Oversight Committee

**Wednesday, February 13, 2019**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Recommendation</th>
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<tbody>
<tr>
<td>+1.</td>
<td><strong>Approve</strong></td>
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<tr>
<td></td>
<td><strong>Approval of Meeting Minutes</strong></td>
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<tr>
<td></td>
<td>The TransNet Independent Taxpayer Oversight Committee is asked to review and approve the minutes from its January 9, 2019, meeting.</td>
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<td></td>
<td>Estimated Start Time: 9:30 a.m.</td>
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<td>2.</td>
<td><strong>Recommend</strong></td>
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<td></td>
<td><strong>Public Comments/Communications/Member Comments</strong></td>
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<td></td>
<td>Members of the public shall have the opportunity to address TransNet Independent Taxpayer Oversight Committee (ITOC) on any issue within the jurisdiction of SANDAG that is not on this agenda. Anyone desiring to speak shall reserve time by completing a Request to Comment form and giving it to the Clerk prior to speaking. Public speakers should notify the Clerk if they have a handout for distribution to ITOC members. Public speakers are limited to three minutes or less per person. ITOC members also may provide information and announcements under this agenda item.</td>
</tr>
<tr>
<td>+3.</td>
<td><strong>Recommend</strong></td>
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<tr>
<td></td>
<td><strong>TransNet Smart Growth Incentive Program and Active Transportation Grant Program: Quarterly Status Update and Amendments</strong> (Tracy Ferchaw)</td>
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<tr>
<td></td>
<td>The ITOC is asked to recommend that the Regional Planning Committee approve two Proposed Smart Growth Incentive Program schedule extensions. The ITOC also is asked to recommend that the Transportation Committee approve three proposed Active Transportation Grant Program schedule extensions.</td>
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<tr>
<td></td>
<td>Estimated Start Time: 9:35 a.m.</td>
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<tr>
<td>+4.</td>
<td><strong>Information</strong></td>
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<td></td>
<td><strong>TransNet Major Corridor and Regional Bikeway Program Projects: Quarterly Status Report (FY 2019, 2nd Quarter)</strong> (Chelsea Gonzales)</td>
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<td></td>
<td>This report provides an update on TransNet Major Corridor and Regional Bikeway Program projects.</td>
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<td>Estimated Start Time: 9:40 a.m.</td>
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<td>+5.</td>
<td><strong>Information</strong></td>
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<td><strong>TransNet Regional Transportation Congestion Improvement Program Proposed Fee Adjustment</strong> (Jim Miller and Ariana zur Nieden)</td>
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<td>This report provides an update on the annual Regional Transportation Congestion Improvement Program fee adjustment required under the TransNet Extension Ordinance.</td>
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<td>Estimated Start Time: 9:45 a.m.</td>
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<td>+6.</td>
<td><strong>Information</strong></td>
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<td><strong>Quarterly TransNet Financial Reports for the Period Ending December 31, 2018, and Other Financial Data</strong> (Lisa Kondrat-Dauphin and Samuel Diche)</td>
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<td>This report provides the most recent quarterly financial information related to TransNet revenues and certain TransNet programs.</td>
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<td>Estimated Start Time: 9:50 a.m.</td>
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</table>

This report provides an update on the latest developments in the financial markets, economy, sales tax revenues, and strategies being explored and implemented to minimize possible impacts to the TransNet Program.

Estimated Start Time: 9:55 a.m.

Reports

8. Actions by the Transportation Committee and Board of Directors on TransNet-Related Agenda Items (Ariana zur Nieden)

Staff will present an update on actions taken by the Transportation Committee and Board of Directors on agenda items that the ITOC has reviewed.

Estimated Start Time: 10:00 a.m.

9. City of San Diego TransNet Program and Transportation Capital Improvement Program Update (Gene Matter, Assistant Director, Transportation and Storm Water Department; and Ben Battaglia, Administrative Services and Fiscal Manager, Transportation and Storm Water Department; and Myrna Dayton, Assistant Director Public Works Department)

City of San Diego staff will present an update to the ITOC summarizing the City of San Diego’s TransNet Local Street and Road Program and capital improvement project expenditure efforts.

Estimated Start Time: 10:05 a.m.

+10A. TransNet Environmental Mitigation Program: Annual Status Report and Implementation Actions (Kim Smith and Keith Greer)

Staff will present an annual update on key achievements of the TransNet Environmental Mitigation Program, with a focus on work completed in FY 2018.

Estimated Start Time: 10:25 a.m.

+10B. TransNet Environmental Mitigation Program: New Memorandum of Agreement (Kim Smith and Keith Greer)

The ITOC is asked to recommend that the Board of Directors approve the proposed TransNet Environmental Mitigation Program Memorandum of Agreement (MOA) and authorize the Executive Director to sign the MOA on behalf of the agency.

Estimated Start Time: 10:35 a.m.

+11. 2019 ITOC Annual Report: Appointment of Subcommittee (Ariana zur Nieden)

The ITOC is asked to appoint no more than three voting members, including a project manager, to serve on its 2019 ITOC Annual Report Subcommittee and work with staff in drafting the 2019 ITOC Annual Report.

Estimated Start Time: 10:55 a.m.

+12. Proposed FY 2020 ITOC Annual Operating Budget (Ariana zur Nieden)

The ITOC is asked to recommend that the Board of Directors approve the proposed ITOC Operating Budget as part of the FY 2020 SANDAG Program Budget.

Estimated Start Time: 11:05 a.m.

+13. FY 2020 to FY 2024 TransNet Program Revenue Estimates (Dawn Vettese and Jim Miller)

Staff will present an overview of FY 2020 to FY 2024 TransNet Program revenue estimates.

Estimated Start Time: 11:35 a.m.
14. **Upcoming Meetings**
The next ITOC meeting is scheduled for Wednesday, March 13, 2019, at 9:30 a.m.  
Estimated Start Time: 11:55 a.m.

15. **Adjournment**

+ next to an item indicates an attachment
January 9, 2019, TransNet Independent Taxpayer Oversight Committee Meeting Minutes

Chair Dustin Fuller (Biology/Environmental) called the meeting of the TransNet Independent Taxpayer Oversight Committee (ITOC) to order at 9:32 a.m.

1. Approval of Meeting Minutes (Approve)

Action: Upon a motion by Mr. Jonathan Tibbitts (Licensed Civil/Traffic Engineer) and a second by Mr. Stewart Halpern (Finance/Budgeting), the ITOC approved the minutes from its October 10, 2018, meeting. Yes: Chair Fuller, Vice Chair Dick Vortmann (Private Sector), Mr. Brad Barnum (Contractor/Construction), Mr. Halpern, Mr. Kai Ramer (Licensed Engineer), Mr. Gregg Sadowsky (Right of Way Acquisition), and Mr. Tibbitts. No: None. Abstain: None. Absent: None.

2. Public Comments/Communications/Member Comments

There were no public comments.

Consent

3. TransNet Environmental Mitigation Program Land Management Grant Program: Quarterly Status Update (Information)

This report provided an overview of progress made by TransNet Environmental Mitigation Program Land Management Grant recipients.

Action: This item was presented for information.

4. TransNet Senior Mini-Grant Program: Quarterly Status Update (Information)

Jack Christensen, Grants Administrator, and Wendi Garrison, City of Coronado, provided an overview of progress made by TransNet Senior Mini-Grant Program recipients.

ITOC members requested and City of Coronado staff provided an explanation of accounting processes for labor hours and draw-down of funds.

Action: This item was presented for information.

5. TransNet Smart Growth Incentive Program and Active Transportation Grant Program: Quarterly Status Update (Information)

This report provided an overview of progress made by TransNet Smart Growth Incentive Program and Active Transportation Grant Program recipients.

Action: This item was presented for information.

Chelsea Gonzales, Associate Project Control Analyst, presented the item.

This report provided an update on TransNet Major Corridor and Regional Bikeway Program projects.

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

7. **TransNet ITOC Member Appointments (Information)**

The terms of four ITOC members expire in May 2019. Three of the four members whose positions are expiring are eligible to serve an additional term. This report provided an overview of the solicitation and appointment process.

ITOC members requested that staff provide clarification as to whether members can serve additional terms after a break in service has occurred.

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

8. **2019 Independent Taxpayer Oversight Committee Meeting Calendar (Approve)**

Ariana zur Nieden, Senior TransNet Program Manager, presented this item.

**Action:** Upon a motion by Mr. Tibbitts and a second by Mr. Sadowsky, the ITOC approved the 2019 Independent Taxpayer Oversight Committee meeting calendar. Yes: Chair Fuller, Vice Chair Vortmann, Mr. Barnum, Mr. Halpern, Mr. Ramer, Mr. Sadowsky, and Mr. Tibbitts. No: None. Abstain: None. Absent: None.

9. **Actions by the Transportation Committee and Board of Directors on TransNet-Related Agenda Items (Information)**

Ariana zur Nieden presented an update on actions taken by the Transportation Committee and Board of Directors on agenda items that the ITOC has reviewed. This monthly briefing was intended to keep the ITOC informed about relevant SANDAG actions taken on TransNet-related projects and programs: Overview of ITOC Audit Activities; San Diego Forward: The 2019-2050 Regional Plan – Network Concepts; TransNet Environmental Mitigation Program: FY 2019-2020 Work Plan; TransNet Smart Growth Incentive Program and Active Transportation Grant Program Funding Recommendations; and Proposed Amendments to the Regional Transit Comprehensive Fare Ordinance and TransNet Ordinance.

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

10. **Proposed Amendments to the Regional Transit Comprehensive Fare Ordinance and TransNet Ordinance (Recommend)**

Brian Lane, Senior Regional Planner, presented the item.

Dan Totah, a member of the public, spoke about the proposed fare increase.

**Action:** Upon a motion by Mr. Tibbitts and a second by Mr. Ramer, the ITOC recommended that the Board of Directors adopt the proposed amendments to the Comprehensive Fare Ordinance and TransNet Ordinance. In addition, ITOC members requested that staff provide ITOC with the revenue impact of the proposed increase to the North County Transit District LIFT pass and convey support for scaling back the proposed increase if the revenue impact is insignificant. Yes: Chair Fuller, Vice Chair Vortmann, Mr. Barnum, Mr. Halpern, Mr. Ramer, Mr. Sadowsky, and Mr. Tibbitts. No: None. Abstain: None. Absent: None.
11. Proposed Amendment to SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules (Discussion)

John Kirk, General Council, presented the item.
The ITOC provided feedback on proposed amendments to SANDAG Board Policy No. 031.
Action: This item was presented for discussion.

12. 2018 Regional Transportation Improvement Program: Amendment No. 1 (Discussion)

Sue Alpert, Senior Financial Programming Analyst, provided an update on proposed Amendment No. 1 to the 2018 Regional Transportation Improvement Program, focusing on TransNet-funded projects.
Action: This item was presented for discussion.

13. Regional Monitoring Report (Information)

Seth Litchney, Senior Regional Planner, presented the item.
The ITOC received an overview of the Regional Monitoring Report.
The ITOC asked staff to convey support to the Board of Directors for including scooter usage in future reports.
Action: This item was presented for information.

14. Upcoming Meetings

The next ITOC meeting is scheduled for Wednesday, February 13, 2019, at 9:30 a.m.

15. Adjournment

Chair Fuller adjourned the meeting at 11:47 a.m.
Confirmed Attendance at SANDAG *TransNet* Independent Taxpayer Oversight Committee Meeting

January 9, 2019

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Name</th>
<th>Attended</th>
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<tbody>
<tr>
<td>Finance/Budgeting</td>
<td>Stewart Halpern</td>
<td>Yes</td>
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<tr>
<td>Biology/Environmental</td>
<td>Dustin Fuller</td>
<td>Yes</td>
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<tr>
<td>Contractor/Construction</td>
<td>Brad Barnum</td>
<td>Yes</td>
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<td>Right of Way Acquisition</td>
<td>Gregg Sadowsky</td>
<td>Yes</td>
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<tr>
<td>Licensed Engineer</td>
<td>Kai Ramer</td>
<td>Yes</td>
</tr>
<tr>
<td>Licensed Civil/Traffic Engineer</td>
<td>Jonathan Tibbitts</td>
<td>Yes</td>
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<tr>
<td>Private Sector</td>
<td>Dick Vortmann</td>
<td>Yes</td>
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<td><strong>Advisory Members</strong></td>
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<td>San Diego County Auditor’s Office</td>
<td>Tracy Drager (Alternate)</td>
<td>Yes</td>
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<td><strong>SANDAG Staff Members and Titles</strong></td>
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<tr>
<td>Hasan Ikhrata, Executive Director</td>
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<tr>
<td>Kim Kawada, Chief Deputy Executive Director</td>
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<tr>
<td>José Nuncio, <em>TransNet</em> Department Director</td>
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<tr>
<td>Ariana zur Nieden, Senior <em>TransNet</em> Program Manager</td>
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TransNet Independent Taxpayer Oversight Committee

February 13, 2019

TransNet Smart Growth Incentive Program and Active Transportation Grant Program: Quarterly Status Update and Amendments

Overview
This report provides the status of projects funded through the TransNet Smart Growth Incentive Program (SGIP) and Active Transportation Grant Program (ATGP), and provides information on SGIP and ATGP schedule amendments being requested.

Key Considerations
During the Reporting period (October 1, 2018 and December 31, 2018), five projects were completed.

The following SGIP projects were completed:
- Lemon Grove Avenue Realignment
- Palm Avenue Mixed Use and Commercial Corridor West End Sector
- San Ysidro Wayfinding Signs

The following ATGP projects were completed:
- Coronado Comprehensive Active Transportation Strategy
- County of San Diego Active Transportation Plan

As of December 31, 2018, all projects are on schedule except for one SGIP project, one ATGP project, and two ATGP/Active Transportation Program (ATP) Exchange projects. Projects requesting schedule amendments are listed below:
- Carlsbad Boulevard and Tamarack Avenue Pedestrian Improvements ATGP/ATP Exchange Project
- Escondido Transit Center Active Transportation Connections SGIP Project
- Escondido Creek Trail Signalized Bike/Pedestrian Crossing at El Norte Parkway ATGP Project
- Paseo Santa Fe, Phase II ATGP/ATP Exchange Project (this project has two grant agreements—an SGIP agreement and an ATGP/ATP Exchange agreement)

Attachment 1 (Exhibits A, B and C) provides the status of SGIP, ATGP, and Exchange projects currently underway. Attachments 2–5 details the circumstances resulting in the requests for additional time to complete the projects requesting schedule amendments.

Action Requested: Recommend
The ITOC is asked to recommend that the Regional Planning Committee approve two proposed Smart Growth Incentive Program schedule extensions. The ITOC also is asked to recommend that the Transportation Committee approve three proposed Active Transportation Grant Program schedule extensions.

Fiscal Impact:
Combined, the five completed projects were awarded $2.1 million in grant funds that were matched with $4.3 million, for a total of $6.4 million in improvements.

Schedule/Scope Impact:
All but four projects are on schedule and no projects are on the Watch List.
Next Steps

The Regional Planning Committee will be asked to consider approval of the proposed SGIP amendment request and the Transportation Committee will be asked to consider approval of the proposed ATGP and ATGP/ATP Exchange projects at their March 1, 2019, meetings. The next quarterly status update is scheduled for presentation to the ITOC, Regional Planning Committee, and Transportation Committee in April/May 2019.

Charles “Muggs” Stoll, Director of Land Use and Transportation Planning

Key Staff Contact: Tracy Ferchaw, (619) 699, 1977@sandag.org

Attachments:
1. Status of TransNet SGIP, ATGP, and ATGP/ATP Exchange Projects: Reporting period through December 31, 2018
2. City of Carlsbad’s Amendment Request Letter and Revised Scope, Schedule, and Budget for Carlsbad Boulevard and Tamarack Avenue Pedestrian Improvements Project
3. City of Escondido’s Amendment Request Letter and Revised Scope, Schedule, and Budget for the Escondido Transit Center Active Transportation Connections Project
4. City of Escondido’s Amendment Request Letter and Revised Scope, Schedule, and Budget for Escondido Creek Trail Signalized Bike/Pedestrian Crossing at El Norte Parkway
5. City of Vista’s Amendment Request Letter and Revised Scope, Schedule, and Budget for the Paseo Santa Fe, Phase II Project
<table>
<thead>
<tr>
<th>Grantee</th>
<th>Project</th>
<th>Description of Project Activities</th>
<th>Grant Amount</th>
<th>Contract Execution Date</th>
<th>Contract Expiration Date</th>
<th>Watch List*</th>
<th>Status and Amendment History</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 El Cajon</td>
<td>CAP Environmental and Benefit Cost Analysis</td>
<td>PLANNING: Completes the city's Climate Action Plan (CAP), which will result in a complete environmental benefit-cost analysis and completing a California Environmental Quality Act document. Cycle 4 (FY 2017-2019)</td>
<td>$150,000</td>
<td>08/02/2018</td>
<td>08/02/2019</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
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<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. Cycle 3 (FY 2014 – 2016)</td>
<td>$1,270,000</td>
<td>12/03/2015</td>
<td>06/03/2019</td>
<td>No</td>
<td>Grantee is requesting an additional 12–month schedule extension amendment. No Prior Amendments</td>
</tr>
<tr>
<td>3 La Mesa</td>
<td>North Spring Street Smart Growth Corridor</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-compliant 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. Cycle 3 (FY 2014 – 2016)</td>
<td>$992,503</td>
<td>11/12/2015</td>
<td>07/12/2019</td>
<td>No</td>
<td>Project IS making timely progress toward its revised milestones. No Amendments</td>
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<td>Grantee</td>
<td>Project</td>
<td>Description of Project Activities</td>
<td>Grant Amount</td>
<td>Contract Execution Date</td>
<td>Contract Expiration Date</td>
<td>Watch List</td>
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<td>National City</td>
<td>24th Street Transit Oriented Development (TOD) Overlay</td>
<td>PLANNING: Comprehensively analyzes the study area surrounding the 24th Street Transit Center to plan a new vision for the area to include transit-supportive land use, improved mobility and parking options, and an enhanced public realm. Cycle 4 (FY 2017-2019)</td>
<td>$500,000</td>
<td>12/06/2018</td>
<td>12/06/2020</td>
<td>No</td>
<td>Project IS making timely progress toward its revised milestones.</td>
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<td>No Amendments</td>
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<tr>
<td>San Diego (Civic 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. Cycle 3 (FY 2014 – 2016)</td>
<td>$1,000,000</td>
<td>12/08/2015</td>
<td>01/8/2020</td>
<td>No</td>
<td>Project IS making timely progress toward its revised milestones.</td>
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<td>Am 1 (RPC) — location change</td>
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<td>Am 2 (staff) — 6-month extension</td>
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<td>Am 3 (RPC) – 12-month extension</td>
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<td>San Diego</td>
<td>Morena Boulevard Station Area Study Phase 2</td>
<td>PLANNING: Supports mixed-use, transit-oriented development in the Mid-Coast Trolley station areas by preparing amendments to Linda Vista and Clairemont Mesa planning documents, processing rezones, and developing a programmatic environmental document. Cycle 2 (FY 2011 – 2013) (This project is the only remaining Cycle 2 project)</td>
<td>$400,000</td>
<td>01/21/2014</td>
<td>01/21/2019</td>
<td>No</td>
<td>Project IS making timely progress toward its revised milestones.</td>
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<td>Am 1 (RPC) — 18-month extension</td>
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<td>Am 3 (RPC) — 6-month extension</td>
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Am = Amendment  
RPC = Regional Planning Committee approval  
Staff = Administrative staff approval  

Status of TransNet Smart Growth Incentive Grant Program Projects – Reporting period through September 30, 2018
<table>
<thead>
<tr>
<th>Grantee</th>
<th>Project</th>
<th>Description of Project Activities</th>
<th>Grant Amount</th>
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<th>Status and Amendment History</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 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. Cycle 3 (FY 2014 – 2016)</td>
<td>$400,000</td>
<td>12/04/2015</td>
<td>06/04/2019</td>
<td>No</td>
<td>Project IS making timely progress toward its revised milestones. Am 1 (staff) — 6-month extension</td>
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<td>8 San Diego</td>
<td>College Area Smart Growth Study (CASGS)</td>
<td>PLANNING: Identifies, analyzes, and provides recommendations for nodes and corridors with smart growth development potential within the College Area community. Cycle 4 (FY 2017-2019)</td>
<td>$500,000</td>
<td>01/07/2019</td>
<td>01/07/2021</td>
<td>No</td>
<td>Project IS making timely progress toward its revised milestones. No Amendments</td>
</tr>
<tr>
<td>9 San Diego</td>
<td>University Community Smart Growth Concept Study</td>
<td>PLANNING: Supports the basic principles of smart growth by building upon the community's role as a major employment, retail, education, and housing center interconnected by an expanding regional transportation system. Cycle 4 (FY 2017-2019)</td>
<td>$500,000</td>
<td>01/07/2019</td>
<td>01/07/2021</td>
<td>No</td>
<td>Project IS making timely progress toward its revised milestones. No Amendments</td>
</tr>
<tr>
<td>10 San Diego</td>
<td>Mira Mesa Transit Oriented Development Concept Plan</td>
<td>PLANNING: Produces a land use strategy to support transit/mobility hubs within the Sorrento Mesa and Miramar Road employment areas and the smart growth opportunity areas (SGOAs) along Mira Mesa Boulevard/Black Mountain Road. Cycle 4 (FY 2017-2019)</td>
<td>$500,000</td>
<td>01/07/2019</td>
<td>01/07/2021</td>
<td>No</td>
<td>Project IS making timely progress toward its revised milestones. No Amendments</td>
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### Status of TransNet Smart Growth Incentive Grant Program Projects – Reporting period through September 30, 2018

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<tbody>
<tr>
<td><strong>11 San Diego</strong></td>
<td>Clairemont TOD Design Concepts</td>
<td>PLANNING: Produces a land use strategy to support transit/mobility hubs within the Sorrento Mesa and Miramar Road employment areas and the smart growth opportunity areas (SGOAs) along Mira Mesa Boulevard/Black Mountain Road. Cycle 4 (FY 2017-2019)</td>
<td>$500,000</td>
<td>01/07/2019</td>
<td>01/07/2021</td>
<td>No</td>
</tr>
<tr>
<td><strong>12 Vista</strong></td>
<td>Paseo Santa Fe Phase II</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. Cycle 3 (FY 2014 – 2016)</td>
<td>$2,000,000</td>
<td>11/19/2015</td>
<td>05/19/2019</td>
<td>No</td>
</tr>
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</table>

**Cycle 3 Smart Growth Incentive Program Projects (Completed)**

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<tbody>
<tr>
<td><strong>13 El Cajon</strong></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. Cycle 3 (FY 2014 – 2016)</td>
<td>$400,000</td>
<td></td>
<td>PROJECT COMPLETE — JUNE 2018</td>
</tr>
</tbody>
</table>

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1. The Vista Paseo Santa Fe Phase II Project also received $3.7 million through the Active Transportation Grant Program-Active Transportation Program Funds Exchange awarded in October 2015 (see Exhibit C).

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<tr>
<td>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. Cycle 3 (FY 2014 – 2016)</td>
<td>$400,000</td>
<td></td>
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<td>PROJECT COMPLETE — NOVEMBER 2018</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>Broadway Downtown Village Specific Expansion</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. Cycle 3 (FY 2014 – 2016)</td>
<td>$175,000</td>
<td></td>
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<td>PROJECT COMPLETE — MAY 2018</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>Lemon Grove Avenue Realignment</td>
<td>CAPITAL: Realigns and reconstructs segments of Lemon Grove Avenue (LGA) and North Avenue, the trolley/railroad crossing, and the LGA State Route 94 entrance/exit. Upgrades existing substandard improvements at the trolley/railroad crossing; water and storm drains; and underground San Diego Gas &amp; Electric, Cox, and AT&amp;T transmission and/or distribution overhead lines. Cycle 3 (FY 2014 – 2016)</td>
<td>$805,000</td>
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<td>PROJECT COMPLETE — NOVEMBER 2018</td>
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<td>Grantee</td>
<td>Project</td>
<td>Description of Project Activities</td>
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<tr>
<td>17 National City</td>
<td>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. Cycle 3 (FY 2014 – 2016)</td>
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<td>Grant Amount: $320,000</td>
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<td>Contract Execution Date: PROJECT COMPLETE — DECEMBER 2017</td>
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<tr>
<td>18 National City</td>
<td>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. Cycle 3 (FY 2014 – 2016)</td>
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<td>Grant Amount: $825,000</td>
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<td>Contract Execution Date: PROJECT COMPLETE — MARCH 2018</td>
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<tr>
<td>19 National City</td>
<td>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. Cycle 3 (FY 2014 – 2016)</td>
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<td>Grant Amount: $2,000,000</td>
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<td>Contract Execution Date: PROJECT COMPLETE — MARCH 2018</td>
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<tr>
<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. Cycle 3 (FY 2014 – 2016)</td>
<td>$400,000</td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — AUGUST 2017</td>
</tr>
<tr>
<td>San Diego</td>
<td>Kearny Mesa Smart Growth Employment Area Plan</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. Cycle 3 (FY 2014 – 2016)</td>
<td>$105,000</td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — DECEMBER 2017</td>
</tr>
<tr>
<td>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. Cycle 3 (FY 2014 – 2016)</td>
<td>$350,000</td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — DECEMBER 2018</td>
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<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. Cycle 3 (FY 2014 – 2016)</td>
<td>$200,000</td>
<td></td>
<td></td>
<td></td>
<td>PROJECT WITHDRAWN — FEBRUARY 2018</td>
</tr>
</tbody>
</table>

* Watch List Projects are projects not making timely progress toward their milestones (as defined in SANDAG Board Policy No. 035: Competitive Grant Program Procedures) and that have not yet sought corrective action. Delays in tasks leading up to either the award of a contract or project completion may cause a project to be placed on the watch list.

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<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. Cycle 3 (FY 2014 – 2016)</td>
<td>$250,000</td>
<td>07/17/2017</td>
<td>03/16/2020</td>
<td>No</td>
<td>Project IS making timely progress towards its milestones. No Amendments</td>
</tr>
<tr>
<td>Del Mar</td>
<td>Civic Center Bike Locker Project</td>
<td>BIKE PARKING: By installing dual entry, Bluetooth enabled bike lockers, employees, residents, and visitors alike will be able to store their bike with ease via their smart phone device while they complete their work day, attend to city business, or visit various businesses or parks within walking distance of the Civic Center. Cycle 4 (FY 2017-2019)</td>
<td>$10,000</td>
<td>12/05/2018</td>
<td>12/05/2019</td>
<td>No</td>
<td>Project IS making timely progress towards its milestones. No Amendments</td>
</tr>
<tr>
<td>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. Cycle 3 (FY 2014 – 2016)</td>
<td>$335,000</td>
<td>12/03/2015</td>
<td>06/03/2019</td>
<td>No</td>
<td>Grantee is requesting an additional 12-month schedule extension amendment. No Prior Amendments</td>
</tr>
<tr>
<td>La Mesa</td>
<td>Massachusetts Ave &amp; Blackton Dr – Bike Connectivity and intersection Improvements</td>
<td>CAPITAL: Fills a gap in the City of La Mesa Bike Network by installing a northbound Class II bike lane on the east side of Massachusetts Avenue between Blackton Drive and University Avenue. Cycle 4 (FY 2017-2019)</td>
<td>$123,000</td>
<td>12/05/2018</td>
<td>06/05/2021</td>
<td>No</td>
<td>Project IS making timely progress towards its milestones. No Amendments</td>
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<tr>
<td>La Mesa</td>
<td>University Avenue Corridor – Bike Network and Pedestrian Improvements</td>
<td>CAPITAL: Fills critical gaps in the Currently Adopted Regional Bike Network by providing Class II bike lanes on University Avenue from 69th Street to Harbison Avenue and from La Mesa Boulevard to Baltimore Avenue. Cycle 4 (FY 2017-2019)</td>
<td>$502,000</td>
<td>12/05/2018</td>
<td>09/05/2020</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
</tr>
<tr>
<td>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. Cycle 3 (FY 2014 – 2016)</td>
<td>$50,000</td>
<td>07/21/2017</td>
<td>07/20/2019</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
</tr>
<tr>
<td>National City</td>
<td>Division Street – Euclid to Harbison Bicycle Improvements</td>
<td>CAPITAL: Builds upon the recently constructed (State ATP Cycle 1 funded) Division Street Road Diet project by completing a road diet from Euclid Avenue to Harbison Avenue. Cycle 4 (FY 2017-2019)</td>
<td>$312,000</td>
<td>12/06/2018</td>
<td>10/06/2020</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 Boulevard Inter City-Bike Connection</td>
<td>CAPITAL: Provides nearly 0.2 miles of enhanced (buffered) bike lanes along 33rd Street from Hoover Avenue to National City Boulevard. Cycle 4 (FY 2017-2019)</td>
<td>$394,001</td>
<td>12/06/2018</td>
<td>6/06/2022</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
</tr>
<tr>
<td>National City</td>
<td>Waterfront to Homefront Connectivity Study</td>
<td>PLANNING: Would look at connecting transit, bike, and walking facilities with new technologies of carshare, bikeshare, Neighborhood Electric Vehicles, shuttles, electric bikes, and ride hailing to lower greenhouse gases and vehicle miles traveled. Cycle 4 (FY 2017-2019)</td>
<td>$198,000</td>
<td>12/06/18</td>
<td>12/06/19</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
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<tr>
<td>San Diego</td>
<td>Move Free, SD, Education, Encouragement, and Awareness Campaign</td>
<td>EEA: Designed to create pedestrian, transit, and bike mode shift in the City of San Diego using enhanced data sources to determine the most effective means of communication. Cycle 4 (FY 2017-2019)</td>
<td>$125,000</td>
<td>01/07/2019</td>
<td>01/07/2020</td>
<td>No</td>
<td>Project is making timely progress toward its milestones. No Amendments</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>Loma Santa Fe Active Transportation Improvements</td>
<td>CAPITAL: Provides enhanced bike, pedestrian, and traffic calming improvements. Cycle 4 (FY 2017-2019)</td>
<td>$616,050</td>
<td>01/04/2019</td>
<td>07/04/2020</td>
<td>No</td>
<td>Project is making timely progress toward its milestones. No Amendments</td>
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<tr>
<td>13 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. Cycle 3 (FY 2014 – 2016)</td>
<td>$270,000²</td>
<td></td>
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<td></td>
<td>ATGP CONTRACT COMPLETE – PROJECT PROGRESSING UNDER EXCHANGE CONTRACT</td>
</tr>
<tr>
<td>14 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></td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — JANUARY 2017</td>
</tr>
<tr>
<td>15 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. Cycle 3 (FY 2014 – 2016)</td>
<td>$90,000</td>
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<td>PROJECT COMPLETE — NOVEMBER 2018</td>
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</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 C). The ATGP contract has been completed, and work continues under the Funds Exchange program.
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<tr>
<td>El Cajon</td>
<td>Be Safe, El Cajon</td>
<td>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>
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<td>PROJECT COMPLETE — DECEMBER 2016</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>
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<td>PROJECT COMPLETE — JUNE 2017</td>
</tr>
<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. Cycle 3 (FY 2014 – 2016)</td>
<td>$625,000</td>
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<td>PROJECT COMPLETE — JUNE 2018</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. Cycle 3 (FY 2014 – 2016)</td>
<td>$156,000</td>
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<td>PROJECT COMPLETE — AUGUST 2017</td>
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<td>20</td>
<td>Santee 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. Cycle 3 (FY 2014 – 2016)</td>
<td>$216,900</td>
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<td>PROJECT COMPLETE — APRIL 2018</td>
</tr>
<tr>
<td>21</td>
<td>Solana Beach 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. Cycle 3 (FY 2014 – 2016)</td>
<td>$500,000</td>
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<td>PROJECT COMPLETE — MAY 2018</td>
</tr>
</tbody>
</table>

* Watch List Projects are projects not making timely progress toward their milestones (as defined in Board Policy No. 035) and that have not yet sought corrective action. Delays in tasks leading up to either the award of a contract or project completion may cause a project to be placed on the watch list.
### Status of *TransNet* Active Transportation Grant Program/Active Transportation Program
#### Funds Exchange Projects
**Reporting Period through September 30, 2018**

<table>
<thead>
<tr>
<th>Grantee</th>
<th>Project</th>
<th>Description of Project Activities</th>
<th>Grant Amount</th>
<th>Contract Execution Date</th>
<th>Contract Expiration Date</th>
<th>Watch List*</th>
<th>Status and Amendment History</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> 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. Awarded October 2015.</td>
<td>$1,054,000[^3]</td>
<td>05/09/2016</td>
<td>05/09/2019</td>
<td>No</td>
<td>Grantee is requesting an additional 36-month schedule extension amendment. No Prior Amendments</td>
</tr>
<tr>
<td><strong>2</strong> Escondido</td>
<td>Escondido Creek Bikeway Missing Link</td>
<td>CAPITAL: Constructs Class I and Class II bike facilities that connect the Escondido Creek Trail and Inland Rail Trail. Awarded November 2014</td>
<td>$1,092,000</td>
<td>09/03/2015</td>
<td>03/03/2019</td>
<td>No</td>
<td>Project IS making timely progress toward its milestones. No Amendments</td>
</tr>
<tr>
<td><strong>3</strong> 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. Awarded October 2015</td>
<td>$3,700,000[^4]</td>
<td>04/12/2016</td>
<td>10/12/2019</td>
<td>No</td>
<td>Grantee is requesting an additional 32-month schedule extension amendment. No Prior Amendments</td>
</tr>
</tbody>
</table>

---

[^3]: The Carlsbad Boulevard and Tamarack Avenue Pedestrian Improvement Project also received $270,000 in Cycle 3 of the Active Transportation Grant Program (see Exhibit B).

[^4]: The Vista Paseo Santa Fe Phase II Project also received $2,000,000 in Cycle 3 of the Smart Growth Incentive Program (see Exhibit A).

Am = Amendment
RPC = Regional Planning Committee
## Status of TransNet Active Transportation Grant Program/Active Transportation Program Funds Exchange Projects – Reporting Period through September 30, 2018

<table>
<thead>
<tr>
<th>Grantee</th>
<th>Project</th>
<th>Description of Project Activities</th>
<th>Grant Amount</th>
<th>Contract Execution Date</th>
<th>Contract Expiration Date</th>
<th>Watch List*</th>
<th>Status and Amendment History</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chula Vista</td>
<td>F Street Promenade Streetscape Master Plan</td>
<td>PLANNING: Provides a plan using Complete Street principles, improves access to nearby recreational facilities, and promotes water conservation through improved landscaping features. Awarded November 2014</td>
<td>$491,000</td>
<td></td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — AUGUST 2018</td>
</tr>
<tr>
<td>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. Awarded November 2014</td>
<td>$500,000</td>
<td></td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — DECEMBER 2018</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>Bikeway Village Bayshore Bikeway Access Enhancement Project</td>
<td>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 &quot;Bikeway Village.&quot;</td>
<td>$1,800,000</td>
<td></td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — APRIL 2017</td>
</tr>
<tr>
<td>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></td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — MAY 2017</td>
</tr>
<tr>
<td>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. Awarded November 2014</td>
<td>$875,000</td>
<td></td>
<td></td>
<td></td>
<td>PROJECT COMPLETE — NOVEMBER 2017</td>
</tr>
</tbody>
</table>

* Watch List Projects are projects not making timely progress toward their milestones (as defined in Board Policy No. 035) and that have not yet sought corrective action. Delays in tasks leading up to either the award of a contract or project completion may cause a project to be placed on the watch list.

Am = Amendment
RPC = Regional Planning Committee approval
Staff = Administrative staff approval
1/7/2019

Tracy Ferchaw  
SANDAG  
401 B Street, Suite 800  
San Diego, CA 92101

Dear Ms. Ferchaw,

The City of Carlsbad is requesting an amendment to agreement No. 5004838 for the Carlsbad Boulevard and Tamarack Avenue Pedestrian Improvements Project. The requested 36-month extension will allow for project completion.

Previous efforts undertaken to maintain the project schedule:
The project team has been working diligently to complete the key environmental documents for the project, and this phase is nearing its completion. The city advertised for, selected, and negotiated a scope and fee with an engineering firm to complete the design for the project. The team also conducted an extensive public outreach effort to define the public’s need for the project area. The city made multiple presentations to the Traffic Safety Commission, and to California Coastal Commission staff to coordinate the project.

A detailed explanation on the reason for delay, and how it was unavoidable:
The City of Carlsbad considers this project as a high-profile project, since it is along the coast and would impact many city residents and visitors. This project does not only have a construction/temporary impact, but will also have a permanent impact on the look and the feel of the whole area. Due to these impacts, the city needed to conduct an extensive public outreach effort to gather the public’s input. Our staff put together two community workshops and open houses, an online survey, an in-person survey, four on-site public informational Q&A’s, two presentations to the Traffic Safety Commission, and a presentation to California Coastal Commission staff. Gathering all input received, staff needed to revise the project concepts and preferred alternatives. Consequently, some of the technical studies already underway needed revisions to incorporate the changed feasible and preferred alternatives. Also, as the city moved forward with the project, we discovered that the property line between the city’s right-of-way (ROW) and the State’s ROW was unclear. This lead to more survey efforts and coordination with the State. Completing the final design, procurement of construction contract, construction, and closing the project is therefore unattainable within the original schedule.

Demonstrate the ability to succeed in the timeframe proposed:
City staff is finalizing a presentation to Carlsbad City Council with request for approval of professional services agreement with Nasland Engineering for the final design of the project. Once council approves the agreement,
the consultant will start work on the final design. City staff will advertise the project for construction, and administer the procurement of the construction contract. Since the project area is along the coast and is visited by thousands of people daily, construction will not occur during the summer months, May to September. City staff truly believe that the 36-month extension serves as the most realistic and attainable schedule to complete the project. Ultimately, this project will have a vast improvement to pedestrians and bicyclists, not only locally, but regionally as well.

Sincerely,

Emad Elias, PE
Associate Engineer
Public Works - Transportation
City of Carlsbad
1635 Faraday Avenue
Carlsbad, CA 92008
www.carlsbadca.gov
760-602-7558 | emad.elias@carlsbadca.gov
# CAPITAL PROJECTS: SCOPE OF WORK, SCHEDULE, AND BUDGET

## PART I: PROJECT OVERVIEW

### PROJECT TITLE:

Carlsbad Blvd and Tamarack Ave Pedestrian Improvement Project

### PROJECT LIMITS:

339 feet north of Tamarack Avenue Intersection on Carlsbad Boulevard and south 1,404 feet across the Agua Hedionda Lagoon bridge along Carlsbad Blvd to connect to the section of the sidewalk that already wide. 339 feet east of and 1,404 west of Carlsbad Boulevard on Tamarack Avenue.

### PROJECT SUMMARY:

Provide enhanced facilities for peds, transit users and bicyclists. The sidewalk on the west side of Carlsbad Blvd will be widened from 5' to 15' from Tamarack Ave to the south side of the bridge (192,100 grant for a portion of the sidewalk). The proposed project will modify the traffic signal and the striping to install new crosswalks and pedestrian signal phasing at the intersection on the NB/SB approaches (192,100 grant). The SB bus stop will be relocated (192,100 grant) and a new one will be built to the south side of the intersection within a new pocket park, one controlled pedestrian crossings, with an improved path/stairs to Carlsbad State Beach and the bathrooms. Bicyclists may be provided with NB and SB bike boxes (192,100 grant). Improvements along Carlsbad Blvd include a repurpose of existing ROW, multi-use trail, mid block crossing with enhanced pedestrian safety features, curb extensions, ADA improvements, high visibility crosswalks, and a pocket park adjacent to the relocated bus stop which will be connected to coastal walking trails.

## PART II: SCOPE OF WORK, SCHEDULE, AND BUDGET

Propose tasks, deliverables, a timeframe, and a budget for implementing the project. The project schedule must be based on "Months from Notice to Proceed."

Capital projects are also required to include $5,000 for baseline bicycle and pedestrian data collection.

Also identify any seasonal constraints that may require the overall project, or specific tasks, to begin or be completed by a specific date.

<table>
<thead>
<tr>
<th>TASK NO.</th>
<th>TASK DESCRIPTION</th>
<th>DELIVERABLES:</th>
<th>START DATE*:</th>
<th>Revised Start Date</th>
<th>COMPLETION DATE*:</th>
<th>Revised Completion Date</th>
<th>TOTAL PROJECT COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Collect Baseline Data (REQUIRED)</td>
<td>Baseline Data Collection Plan; Raw Bike/Ped Data</td>
<td>Notice to Proceed (NTP)</td>
<td>1</td>
<td></td>
<td></td>
<td>$5,000.00</td>
</tr>
<tr>
<td>2</td>
<td>Mobilization</td>
<td>Constraint identification, public outreach, approved project by City Council</td>
<td>2</td>
<td>5</td>
<td></td>
<td></td>
<td>$150,000.00</td>
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<tr>
<td>3</td>
<td>Preliminary Engineering and Planning</td>
<td>Design Concepts; 30% Plans</td>
<td>5</td>
<td>9</td>
<td></td>
<td></td>
<td>$73,600.00</td>
</tr>
<tr>
<td>4</td>
<td>Compete Technical Studies</td>
<td>Various Technical Studies</td>
<td>9</td>
<td>13</td>
<td></td>
<td></td>
<td>$100,000.00</td>
</tr>
<tr>
<td>5</td>
<td>Complete Engineering and Final Design</td>
<td>Status Reports; Engineering Contract; 60%, 90%, and 100% plans</td>
<td>13</td>
<td>34</td>
<td>19</td>
<td>46</td>
<td>$225,000.00</td>
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<tr>
<td>6</td>
<td>Award Construction Contract</td>
<td>Bid Documents; Contract</td>
<td>19</td>
<td>46</td>
<td>20</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Project Construction</td>
<td>Notice of Completion</td>
<td>20</td>
<td>52</td>
<td>36</td>
<td>72</td>
<td>$800,585.00</td>
</tr>
<tr>
<td></td>
<td>Contingency 25%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$238,869.00</td>
</tr>
<tr>
<td></td>
<td>Construction Engineering 15%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$210,800.00</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$1,804,000.00</strong></td>
</tr>
</tbody>
</table>

*Start and Completion dates shall be tracked using "Months from Notice to Proceed (NTP)"

*Revised Completion Date subtracted from the original Completion Date equals the Requested Schedule Extension (example: 72-36=36 months).

SEASONAL CONSTRAINTS, IF ANY:

Construction timeline includes a window of time during the summer months (May-September) when no major construction will be occurring.
**City of Carlsbad**

### PART III: FUNDING SOURCES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL PROJECT COST</td>
<td>$1,804,000.00</td>
</tr>
<tr>
<td>TOTAL GRANT AMOUNT REQUESTED FROM SANDAG</td>
<td>$1,054,000.00</td>
</tr>
<tr>
<td>TOTAL MATCH AMOUNT THAT WILL BE CONTRIBUTED</td>
<td>$750,000.00</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SANDAG % CONTRIBUTION</td>
<td>0.58</td>
</tr>
<tr>
<td>MATCH % CONTRIBUTION</td>
<td>0.42</td>
</tr>
</tbody>
</table>

### PART IV: PHASING (REQUIRED FOR SELECT PROJECTS)

A phasing plan is required for projects that cannot be fully funded by SANDAG and/or capital grant requests over $1 million.

<table>
<thead>
<tr>
<th>PHASE</th>
<th>DESCRIPTION</th>
<th>TOTAL PHASED COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EXAMPLE - CHANGE/REMOVE PRIOR TO APPLICATION SUBMITTAL</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

| TOTAL | $ | - |
January 9, 2019

Ms. Tracy Ferchaw
SANDAG
401 B Street, Suite 800
San Diego, CA 92101

Dear Ms. Ferchaw,

The City of Escondido (City) is requesting an amendment to Agreement No. 5004717 for the Escondido Transit Center Active Transportation Connections (ETC ATC) Project. The requested 12-month extension will provide time to complete construction of the project.

Previous efforts undertaken to maintain the project schedule.
An extension to Agreement No. 5004717 is requested due to the delay in issuance of the resource agency permits. This delay was out of the City’s control. The City provided timely submittals and all information requested, including assisting with draft permit language. In addition, resource agencies were contacted regularly for status updates.

A detailed explanation on the reason for delay, and how it was unavoidable.
Due to the scope and environmental impact of the project, coordination with various resource agencies is required to obtain permitting for the project site. Resource agency permit applications were submitted in June of 2016. Draft permits were received from the US Army Corp of Engineers (ACOE) and California Department of Fish and Wildlife (CDFW) in December 2016 and January 2017. Changes in staffing and permitting approach at the third resource agency (Regional Water Quality Control Board) delayed their permit issuance until March 6, 2018. The revised permitting approach requested by the Regional Water Quality Control Board required revisions to the draft permits issued by ACOE and CDFW. While CDFW issued its final permit in June 2018, the ACOE did not issue its final permit until November 29, 2018. The City released the project for bid one-week after this permit was received.

The original project schedule anticipated environmental clearance within nine months. The actual time required to secure permits was 30 months. This delay was unanticipated and outside of the City’s control due to other agencies’ timelines to issue permits. This delay has impacted the project schedule. Since some activities occurred concurrently, a 12-month time extension is requested.

Demonstrate the ability to succeed in the timeframe proposed.
The City anticipates bids to be received on January 24, 2019 with award of the construction contract at the February 6, 2019 City Council meeting. Construction is expected to begin within three months with 150 working days bringing the project completion date to January 2020. Four months of contingency have been added to the project schedule to account for unforeseen conditions, weather, and plant establishment. Please note, the scope of work and approved project budget has not changed.
The City of Escondido is excited to complete this important project that opens the front door to the Escondido Transit Center by providing a pedestrian bridge adjacent to Valley Parkway. Your consideration of this request is greatly appreciated.

Sincerely,

Elizabeth Lopez
Associate Engineer
City of Escondido
# CAPITAL PROJECTS: SCOPE OF WORK, SCHEDULE, AND BUDGET

## SMART GROWTH INCENTIVE PROGRAM

## PART I: PROJECT OVERVIEW

### PROJECT TITLE:

Escondido Transit Center Active Transportation Connections

### PROJECT LIMITS:

Escondido Transit Center: Valley Parkway between Tulip St. and Quince. Quince St. between Valley Parkway and Grand Avenue.

### PROJECT SUMMARY:

The project fills important gaps in Active Transportation 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 over the Spruce St. Creek and by providing bike lanes. The project connects the ETC to the Mercado/Grand Avenue Smart Growth Project Area to the south-east with bike lanes along Quince St.

## PART II: SCOPE OF WORK, SCHEDULE, AND BUDGET

Propose tasks, deliverables, a timeframe, and a budget for implementing the project. The project schedule must be based on "Months from Notice to Proceed."

Capital projects are also required to include $5,000 for baseline bicycle and pedestrian data collection.

Also identify any seasonal constraints that may require the overall project, or specific tasks, to begin or be completed by a specific date.

### TASK NO. | TASK DESCRIPTION | DELIVERABLES | START DATE* | Revised Start Date | COMPLETION DATE* | Revised Completion Date | TOTAL PROJECT COSTS
--- | --- | --- | --- | --- | --- | --- | ---
1 | Collect Baseline Data (REQUIRED) | Baseline Data Collection Plan; Raw Bike/Ped Data | 0 | 17 | 3 | 19 | $5,000.00
2 | Complete Preliminary Engineering or Planning | Design Concepts; 30% Plans | 3 | 10 | 9 | 19 | $43,000.00
3 | Complete Engineering and Final Design | Status Reports; Engineering Contract; 60%, 90%, and 100% Plans | 6 | 19 | 18 | 27 | $133,000.00
3.1 | Project Management | Status Reports | 6 | 19 | 21 | 27 | $30,000.00
3.2 | Contract Engineering | Engineering Contract; 60%, 90%, and 100% Plans | 3 | 19 | 21 | 27 | $103,000.00
4 | Obtain Environmental Clearance | Various Technical Studies; Environmental Document | 9 | 2 | 18 | 25 | $128,000.00
4.1 | Complete Technical Studies | Various Technical Studies | 9 | 0 | 12 | 6 | $40,000.00
4.2 | Prepare Environmental Document | Environmental Document | 12 | 2 | 15 | 24 | $63,000.00
4.3 | Mitigation & Permitting | Permits | 18 | 6 | 21 | 35 | $25,000.00
5 | Right-of-Way Acquisition | Plat Map; Agreement for Easement or Memorandum of Understanding (MOU) | 0 | 0 | 0 | 0 | $-
6 | Complete Project Construction | Bid Documents; Contract; Status Reports; Notice of Completion | 21 | 36 | 42 | 54 | $961,000.00
6.1 | Award Construction Contract | Bid Documents; Contract | 21 | 36 | 42 | 54 | $34,000.00
6.2 | Construction Management | Status Reports | 24 | 36 | 42 | 54 | $103,000.00
6.3 | Project Construction | Notice of Completion | 24 | 41 | 42 | 54 | $824,000.00
   | DURATION | 0 | 0 | 42 | 54 | $-
TOTAL | | | | | | | $1,270,000.00

*Start and Completion dates shall be tracked using "Months from Notice to Proceed (NTP)"

*Revised Completion Date subtracted from the original Completion Date equals the Requested Schedule Extension (example: 54-42=12 months).
PART III: FUNDING SOURCES

| TOTAL PROJECT COST: | $1,270,000.00 |
| TOTAL GRANT AMOUNT REQUESTED FROM SANDAG: | $1,270,000.00 |
| TOTAL MATCH AMOUNT THAT WILL BE CONTRIBUTED: | $ - |

SANDAG % CONTRIBUTION: 100%
MATCH % CONTRIBUTION: 0%

PART IV: PHASING (REQUIRED FOR SELECT PROJECTS)
A phasing plan is required for projects that cannot be fully funded by SANDAG and/or capital grant requests over $1 million.

<table>
<thead>
<tr>
<th>PHASE</th>
<th>DESCRIPTION</th>
<th>TOTAL PHASED COSTS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHASE 1</td>
<td>PRELIMINARY DESIGN &amp; ENVIRONMENTAL CLEARANCE</td>
<td>$151,000.00</td>
</tr>
<tr>
<td>PHASE 2</td>
<td>FINAL DESIGN AND PERMITTING</td>
<td>$158,000.00</td>
</tr>
<tr>
<td>PHASE 3</td>
<td>CONSTRUCTION</td>
<td>$961,000.00</td>
</tr>
</tbody>
</table>

TOTAL $1,270,000.00

SEASONAL CONSTRAINTS, IF ANY: Bird nesting season may restrict channel clearing as determined by the resource agencies.
January 10, 2019

Ms. Tracy Ferchaw
SANDAG
401 B Street, Suite 800
San Diego, CA 92101

Dear Ms. Ferchaw,

The City of Escondido is requesting an amendment to Agreement No. 5004718 for the Escondido Creek Trail Signalized Bike/Pedestrian Crossing at El Norte Parkway. The requested nine-month extension will provide time to complete construction of the project.

Previous efforts undertaken to maintain the project schedule.
The pedestrian signal is a part of a larger project that includes construction of a new bridge, medians and realignment of utilities. The primary reason for requesting an extension to Agreement No. 5004718 is due to delays associated with utility designs for the larger project. The City has held monthly meetings with utility representatives and has followed up frequently requesting status updates on the design from utility companies.

A detailed explanation on the reason for delay, and how it was unavoidable.
City staff and the consultant team have been diligently working towards completion of this project since early 2016. Upon receipt of Agreement No. 5004718 the City hired consultants to complete design of the grant-funded signal for the bike/pedestrian crossing. The signal plans and specifications were completed in July 2018.

While the grant-funded pedestrian signal has been ready for bid for several months, it cannot be constructed until after the adjacent bridge. Its proximity to the bridge and height would conflict with equipment necessary to construct the bridge. There have been unanticipated delays resulting from utility company completion of conduit and underground cabling design associated with the bridge project. SDG&E has completed undergrounding design; however, Cox Communications design has been delayed. Cox Communication submitted plans for City review in May 2018. The City has reviewed and provided comments on Cox’s draft design, however, updates have not yet been submitted to the City. In addition, while initially AT&T stated they did not have facilities in the area, in July 2018, AT&T informed the City of their desire to install conduit within the bridge deck and provided plans in September 2018. These delays were unanticipated and outside of the City’s control, due to extended timelines for other entities, such as staffing changes and utility relocation issues.

Demonstrate the ability to succeed in the timeframe proposed.
We have been informed by AT&T and Cox representatives that their designs will be completed and submitted no later than February 2019. Both of these agencies designs will be included in the bid documents for construction of the combined bridge and pedestrian signal project.
The project is scheduled to be advertised for bid in March 2019 with award in May 2019. While the signal construction is expected to take six months (five months of which is required to procure material), the signal will not be installed until the bridge foundation is complete. The final payment of retention to the contractor will be after full completion of the larger project, expected to occur in March 2020. Because the timeline for the larger project is longer, a nine-month extension is requested.

The City is excited about filling in this gap in the Escondido Creek Trail with a new pedestrian signal at El Norte Parkway to promote bicycling and walking for Escondido residents. Your consideration of this request is greatly appreciated.

Sincerely,

Matthew Souttere
Associate Engineer
City of Escondido
PART I: PROJECT OVERVIEW

PROJECT TITLE:
Escondido Creek Trail Signalized Bike/Pedestrian Crossing at El Norte Parkway

PROJECT LIMITS:
El Norte Parkway between Valley Parkway and Washington Avenue at the Escondido Creek Trail.

PROJECT SUMMARY:
Provide active transportation connectivity for the Escondido Creek Trail by installing a pedestrian signal and pedestrian refuge across El Norte Parkway, including a decorative trail overhead signage structure in accordance with the Escondido Creek Trail Master Plan. The project also includes a bridge that will provide a sidewalk, decorative fencing, safety barrier, bike lanes and buffers across the Escondido Creek. The bridge costs have been prorated so that only the active transportation related costs are included in the project budget.

PART II: SCOPE OF WORK, SCHEDULE, AND BUDGET

Propose tasks, deliverables, a timeframe, and a budget for implementing the project. The project schedule must be based on "Months from Notice to Proceed."

Capital projects are also required to include $5,000 for baseline bicycle and pedestrian data collection.

Also identify any seasonal constraints that may require the overall project, or specific tasks, to begin or be completed by a specific date.

**TASK NO.** | **TASK DESCRIPTION** | **DELIBERABLES:** | **START DATE:** | **Revised Start Date** | **COMPLETION DATE:** | **Revised Completion Date** | **TOTAL PROJECT COSTS:** |
--- | --- | --- | --- | --- | --- | --- | --- |
1 | Collect Baseline Data (REQUIRED) | Baseline Data Collection Plan; Raw Bike/Ped Data | 0 | 15 | 6 | 17 | $5,000.00 |
2 | Complete Preliminary Engineering or Planning | Design Concepts; 30% Plans | 6 | 5 | 12 | 8 | $10,000.00 |
3 | Complete Engineering and Final Design | Status Reports; Engineering Contract; 60%, 90%, and 100% Plans | 12 | 5 | 21 | 29 | $60,000.00 |
3.1 | Project Management | Status Reports | 0 | 5 | 21 | 29 | $15,000.00 |
3.2 | Contract Engineering | Engineering Contract; 60%, 90%, and 100% Plans | 6 | 5 | 21 | 29 | $45,000.00 |
6 | Complete Project Construction | Bid Documents; Contract; Status Reports; Notice of Completion | 21 | 39 | 42 | 52 | $90,000.00 |
6.1 | Award Construction Contract | Bid Documents; Contract | 21 | 39 | 24 | 42 | $10,000.00 |
6.2 | Construction Management | Status Reports | 21 | 39 | 42 | 51 | $50,000.00 |
6.3 | Project Construction | Notice of Completion | 24 | 42 | 42 | 51 | $530,000.00 |
7.0 | Encouragement Event | DURATION | 41 | 51 | 42 | 51 | $10,000.00 |

**TOTAL PROJECT COST:** $825,000.00

*Start and Completion dates shall be tracked using "Months from Notice to Proceed (NTP)"

*Revised Completion Date subtracted from the original Completion Date equals the Requested Schedule Extension (example: 51-42=9 months).

PART III: FUNDING SOURCES

TOTAL PROJECT COST: $825,000.00
TOTAL GRANT AMOUNT REQUESTED FROM SANDAG: $335,000.00
TOTAL MATCH AMOUNT THAT WILL BE CONTRIBUTED: $340,000.00

SANDAG % CONTRIBUTION: 0.496296296
MATCH % CONTRIBUTION: 0.503703704

PART IV: PHASING (REQUIRED FOR SELECT PROJECTS)
A phasing plan is required for projects that cannot be fully funded by SANDAG and/or capital grant requests over $1 million.

<table>
<thead>
<tr>
<th>PHASE</th>
<th>DESCRIPTION</th>
<th>TOTAL PHASED COSTS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHASE 1</td>
<td>DESIGN</td>
<td>$75,000.00</td>
</tr>
<tr>
<td>PHASE 2</td>
<td>CONSTRUCTION</td>
<td>$90,000.00</td>
</tr>
<tr>
<td>PHASE 3</td>
<td>ENCOURAGEMENT EVENT</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$825,000.00</td>
</tr>
</tbody>
</table>
January 9, 2019

Tracy Ferchaw
SANDAG
401 B Street, Suite 800
San Diego, CA  92101

SUBJECT: SGIP GRANT 5004727 - ATP GRANT 5004839 
PASEO SANTA FE 2

Dear Ms. Ferchaw,

The City of Vista is requesting an amendment for Paseo Santa Fe Phase II agreement No. 5004727 (SGIP project) and agreement 5004839 (ATGP/ATP Exchange project). A Schedule extension of 27 months on Agreement 5004839 and a 32 month schedule extension for Agreement 5004727 will allow for the completion of the project and further align the completion dates for each agreement.

Previous efforts undertaken to maintain the project schedule.
The City of Vista pre-qualified general contractors prior to bidding to obtain bids from contractors that demonstrated the ability to complete similar projects and included an early completion incentive bonus to the general contractor to complete the project on time.

A detailed explanation on the reason for delay, and how it was unavoidable.
The original schedule anticipated the completion of the Phase 2 wet utilities within 32 weeks. After approximately 56 weeks of construction, the wet utilities for Phase 2 are still under construction. Due to the amount of construction occurring in the San Diego area and the need for highly skilled labor, the contractor has not been able to obtain and provide resources (labor and equipment) to keep pace with the original baseline schedule. Based on the contractor progress to date, additional time is required to complete the wet utilities which impacts the project schedule.

Demonstrate the ability to succeed in the timeframe proposed.
This additional time is required to complete the further project tasks; dry utilities (undergrounding overhead utilities and gas line infrastructure), streetscape improvements, and administrative closeout process. The City of Vista is committed to complete the Paseo Santa Fe project by 1/19/2022.

Sincerely,

Conrad “Skip” Hammann

Conrad “Skip” Hammann

Consultant Project Manager
City of Vista

CC: John Conley, Community Development Director
    Judy Ritter, Mayor
### ATP GRANT

**Paseo Santa Fe - Phase II**

South Santa Fe Avenue from Oceanview Drive ending at the realignment of Terrace Drive & Guajome Street in Vista, CA.

Paseo Santa Fe Phase II is an infrastructure and street scape project 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; construction of roundabouts at key intersections; and, install decorative elements such as landscaping, street lights, street signs, and pedestrian furniture. The project will slow traffic and improve multi-modal mobility within the Town Center. The project will transform mobility within Town Center by addressing the needs of pedestrians to access downtown and the improved amenities in retail, housing, recreation and mobility. This project is being supported by a $2M grant from SGIP under contract 5004727, and $3.7M from ATP and $5M from local LSI funds under this new effort. The Scope of Work for this project is for additional improvements along South Santa Fe Ave. and Vista’s Town Center. This contract covers additional Engineering and Design costs, Right of Way acquisition cost, and Construction costs associated with this project.

### PART II: SCOPE OF WORK, SCHEDULE, AND BUDGET

Propose tasks, deliverables, a timeframe, and a budget for implementing the project. The project schedule must be based on “Months from Notice to Proceed.” Capital projects are also required to include $5,000 for baseline bicycle and pedestrian data collection. Also identify any seasonal constraints that may require the overall project, or specific tasks, to begin or be completed by a specific date.

<table>
<thead>
<tr>
<th>TASK NO.</th>
<th>TASK DESCRIPTION</th>
<th>DELIVERABLES:</th>
<th>START DATE*:</th>
<th>Revised Start Date</th>
<th>COMPLETION DATE*:</th>
<th>Revised Completion Date</th>
<th>TOTAL PROJECT COSTS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Collect Baseline Data (REQUIRED)</td>
<td>Baseline Data Collection Plan; Raw Bike/PedData</td>
<td>Notice to Proceed (NTP) 4/12/2016</td>
<td>TWO MONTHS FROM NTP</td>
<td>Completed</td>
<td>$ *In SGIP</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Complete Preliminary Engineering or Planning</td>
<td>Design Concepts; 30% Plans</td>
<td>N/A</td>
<td>Complete</td>
<td>$ -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Complete Engineering and Final Design</td>
<td>Status Reports; Engineering Contract; 60%, 90%, and 100% Plans</td>
<td>3 MONTHS FROM NTP</td>
<td>24 MONTHS FROM NTP</td>
<td>69 Months from NTP</td>
<td>$ 600,000</td>
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<tr>
<td>3.1</td>
<td>Project Management</td>
<td>Status Reports</td>
<td>0 MONTHS FROM NTP</td>
<td>42 MONTHS FROM NTP</td>
<td>69 Months from NTP</td>
<td>$ *In SGIP</td>
<td></td>
</tr>
<tr>
<td>3.2</td>
<td>Contract Engineering</td>
<td>Engineering Contract; 60%, 90%, and 100% Plans</td>
<td>0 MONTHS FROM NTP</td>
<td>42 MONTHS FROM NTP</td>
<td>100% Completed</td>
<td>Included in 3.1</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Obtain Environmental Clearance</td>
<td>Various Technical Studies; Environmental Document</td>
<td>NA</td>
<td>Complete</td>
<td>$ -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1</td>
<td>Complete Technical Studies</td>
<td>Various Technical Studies</td>
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<td>Complete</td>
<td>$ -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2</td>
<td>Prepare Environmental Document</td>
<td>Environmental Document</td>
<td>NA</td>
<td>Complete</td>
<td>$ -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Right-of-Way Acquisition</td>
<td>Plat Map; Agreement for Easement or Memorandum of Understanding (MOU)</td>
<td>3 Months</td>
<td>12 Months</td>
<td>Completed</td>
<td>$ 2,100,000</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Complete Project Construction</td>
<td>Bid Documents; Contract; Status Reports; Notice of Completion</td>
<td>27 MONTHS FROM NTP</td>
<td>45 MONTHS FROM NTP</td>
<td>$ 1,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.1</td>
<td>Award Construction Contract</td>
<td>Bid Documents; Contract</td>
<td>21 MONTHS FROM NTP</td>
<td>24 MONTHS FROM NTP</td>
<td>Completed</td>
<td>$ -</td>
<td></td>
</tr>
</tbody>
</table>
### 6.2 Construction Management

<table>
<thead>
<tr>
<th>Status Reports</th>
<th>22 MONTHS FROM NTP</th>
<th>42 MONTHS FROM NTP</th>
<th>69 Months from NTP</th>
<th>$</th>
<th>*In SGIP</th>
</tr>
</thead>
</table>

### 6.3 Project Construction

<table>
<thead>
<tr>
<th>Notice of Completion</th>
<th>24 MONTHS FROM NTP</th>
<th>42 MONTHS FROM NTP</th>
<th>69 Months from NTP</th>
<th>$</th>
</tr>
</thead>
</table>

*Start and Completion dates shall be tracked using "Months from Notice to Proceed (NTP)" SEASONAL CONSTRAINTS, IF ANY: 
*Revised Completion Date subtracted from the original Completion Date equals the Requested Schedule Extension (example: 69-42=27 months).

#### PART III: FUNDING SOURCES

**TOTAL PROJECT COST:** $3,700,000.00

**TOTAL GRANT AMOUNT REQUESTED FROM SANDAG:** $3,700,000.00

**TOTAL MATCH AMOUNT THAT WILL BE CONTRIBUTED:** $0.00

**SANDAG % CONTRIBUTION:** 100%

**MATCH % CONTRIBUTION:** 0%
## CAPITAL PROJECTS: SCOPE OF WORK, SCHEDULE, AND BUDGET

### PROGRAM:

SMART GROWTH INCENTIVE PROGRAM

### PART I: PROJECT OVERVIEW

#### PROJECT TITLE:

Paseo Santa Fe - Phase II

#### PROJECT LIMITS:

South Santa Fe Avenue from Oceanview Drive ending at the realignment of Terrace Drive & Guajome Street in Vista, CA.

#### PROJECT SUMMARY:

Paseo Santa Fe Phase II is an infrastructure and streetscape project 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; construction of roundabouts at key intersections; and, install decorative elements such as landscaping, street lights, street signs, and pedestrian furniture. The project will slow traffic and improve multi-modal mobility within the Town Center. The project will transform mobility within Town Center by addressing the needs of pedestrians to access downtown and the improved amenities in retail, housing, recreation and more.

### PART II: SCOPE OF WORK, SCHEDULE, AND BUDGET

Propose tasks, deliverables, a timeframe, and a budget for implementing the project. The project schedule must be based on "Months from Notice to Proceed."

Capital projects are also required to include $5,000 for baseline bicycle and pedestrian data collection.

Also identify any seasonal constraints that may require the overall project, or specific tasks, to begin or be completed by a specific date.

<table>
<thead>
<tr>
<th>TASK NO.</th>
<th>TASK DESCRIPTION</th>
<th>DELIVERABLES</th>
<th>START DATE</th>
<th>COMPLETION DATE</th>
<th>TOTAL PROJECT COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Collect Baseline Data (REQUIRED)</td>
<td>Baseline Data Collection Plan; Raw Bike/Ped Data</td>
<td>Notice to Proceed (NTP) 11/16/2015</td>
<td>TWO MONTHS FROM NTP</td>
<td>$ 5,000.00</td>
</tr>
<tr>
<td>2</td>
<td>Complete Preliminary Engineering or Planning</td>
<td>Design Concepts; 30% Plans</td>
<td>N/A</td>
<td>Complete</td>
<td>$ -</td>
</tr>
<tr>
<td>3</td>
<td>Complete Engineering and Final Design</td>
<td>Status Reports; Engineering Contract; 60%, 90%, and 100% Plans</td>
<td>3 MONTHS FROM NTP</td>
<td>24 MONTHS FROM NTP</td>
<td>$ 200,000.00</td>
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<tr>
<td>3.1</td>
<td>Project Management</td>
<td>Status Reports</td>
<td>0 MONTHS FROM NTP</td>
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<td>74 Months from NTP</td>
</tr>
<tr>
<td>3.2</td>
<td>Contract Engineering</td>
<td>Engineering Contract; 60%, 90%, and 100% Plans</td>
<td>0 MONTHS FROM NTP</td>
<td>42 MONTHS FROM NTP</td>
<td>100% Completed</td>
</tr>
<tr>
<td>4</td>
<td>Obtain Environmental Clearance</td>
<td>Various Technical Studies; Environmental Document</td>
<td>NA</td>
<td>Complete</td>
<td>$ -</td>
</tr>
<tr>
<td>4.1</td>
<td>Complete Technical Studies</td>
<td>Various Technical Studies</td>
<td>NA</td>
<td>Complete</td>
<td>$ -</td>
</tr>
<tr>
<td>4.2</td>
<td>Prepare Environmental Document</td>
<td>Environmental Document</td>
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<td>Complete</td>
<td>$ -</td>
</tr>
<tr>
<td>5</td>
<td>Right-of-Way Acquisition</td>
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<td>12 Months</td>
<td>Completed</td>
</tr>
<tr>
<td>6</td>
<td>Complete Project Construction</td>
<td>Bid Documents; Contract; Status Reports; Notice of Completion</td>
<td>27 MONTHS FROM NTP</td>
<td>45 MONTHS FROM NTP</td>
<td>$ 5,500,000.00</td>
</tr>
<tr>
<td>6.1</td>
<td>Award Construction Contract</td>
<td>Bid Documents; Contract</td>
<td>21 MONTHS FROM NTP</td>
<td>24 MONTHS FROM NTP</td>
<td>Completed</td>
</tr>
<tr>
<td>6.2</td>
<td>Construction Management</td>
<td>Status Reports</td>
<td>22 MONTHS FROM NTP</td>
<td>42 MONTHS FROM NTP</td>
<td>74 Months from NTP</td>
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<tr>
<td>6.3</td>
<td>Project Construction</td>
<td>Notice of Completion</td>
<td>24 MONTHS FROM NTP</td>
<td>42 MONTHS FROM NTP</td>
<td>74 Months from NTP</td>
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<tr>
<td>DURATION</td>
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<td><strong>TOTAL</strong></td>
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<td><strong>$ 6,917,500.00</strong></td>
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PART III: FUNDING SOURCES

<table>
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<tr>
<th>Description</th>
<th>Value</th>
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<tbody>
<tr>
<td>TOTAL PROJECT COST:</td>
<td>$7,000,000.00</td>
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<tr>
<td>TOTAL GRANT AMOUNT REQUESTED FROM SANDAG:</td>
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<td>TOTAL MATCH AMOUNT THAT WILL BE CONTRIBUTED:</td>
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<tr>
<td>SANDAG % CONTRIBUTION:</td>
<td>0.285714286</td>
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<tr>
<td>MATCH % CONTRIBUTION:</td>
<td>0.714285714</td>
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</tbody>
</table>
Overview

Consistent with the TransNet Extension Ordinance and previous TransNet Triennial Performance Audits, this report provides a quarterly update on TransNet Major Corridor and Regional Bikeway Program projects.

Key Considerations

Within the Major Corridor and Regional Bikeway programs, there are a total of 9 projects in the environmental phase, 31 projects in the design phase, and 14 projects under construction.

Between October 1 and December 31, 2018, one major project milestone was completed. Interstate 5 (I-5) North Coast Corridor High Occupancy Vehicle (HOV) Lanes Manchester Avenue to Palomar Airport Road achieved the Begin Construction milestone. Construction crews began work to extend an HOV/carpool lane on I-5 in each direction between Manchester Avenue in Encinitas and Palomar Airport Road in Carlsbad.

During the second quarter of FY 2019, significant construction activity continued on several other projects, including the Mid-Coast Light Rail Transit; I-5 HOV San Elijo Bridge Replacement; South Bay Rapid; San Diego River Bridge; Elvira to Morena Double Track; Interstate 805 (I-805) South Soundwalls; San Elijo Lagoon Double Track; Poinsettia Station Improvements; Inland Rail Trail; and Coastal Rail Trail Encinitas. Construction activity increased significantly on the I-805 South Soundwalls Project this quarter.

Construction Costs

The Caltrans 12-month construction index for the third quarter of 2018 (through September 2018) is up 4.7% in comparison to the previous quarter, and up 1% in comparison to the third quarter of 2017. This reflects an increase in overall construction costs. The average number of bidders for the third quarter of 2018 was five, which is up 21% compared to the previous quarter (4.2 bidders), and down 4% compared to the third quarter of 2017 (5.3 bidders).

Next Steps

The next quarterly update on the TransNet Major Corridor and Regional Bikeway Program projects, covering January through March 2019, will be provided at the May 2019 ITOC meeting. There are currently 13 project milestones scheduled for completion during the third quarter of FY 2019.

Progress of Major Corridor and Regional Bikeway Program projects and program trends can be tracked by using the TransNet Dashboard at transnettrip.com.

José Nuncio, TransNet Department Director

Key Staff Contact: Chelsea Gonzales, (619) 699-6930, chelsea.gonzales@sandag.org

Attachment: 1. TransNet Quarterly Status Report: October – December 2018
### Major Corridor Funding Plan*

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount**</th>
<th>% of Total Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>2.78 billion</td>
<td>31.7%</td>
</tr>
<tr>
<td>Local</td>
<td>1.13 billion</td>
<td>12.9%</td>
</tr>
<tr>
<td>State</td>
<td>2.32 billion</td>
<td>26.4%</td>
</tr>
<tr>
<td>TransNet</td>
<td>2.55 billion</td>
<td>29.0%</td>
</tr>
<tr>
<td>Total</td>
<td>8.79 billion</td>
<td>100.0%</td>
</tr>
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</table>

*Funding information is only reflective of TransNet Major Corridors projects since there is a TransNet Ordinance 1:1 match requirement for the Major Corridors Program.

**Funding amounts include prior year funds through FY 27 funds, per the FY 19 budget timeframe.

### Major Corridor & Bikeway Milestones

Milestones marked as A indicate an actualized event. Milestones marked as X indicate a planned event.

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Border Access Corridor</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>SR 905/125/11 Southbound Connectors (CIP-1390505)</td>
<td>ADVERTISE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>I-5 North Corridor</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>I-5 HOV: Birmingham Drive to Palomar Airport Drive (CIP-1200504)</td>
<td>BEGIN</td>
<td></td>
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<td>A</td>
<td></td>
<td></td>
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<tr>
<td>Carlsbad Village Double Track (CIP-1239810)</td>
<td>FED</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>I-5 South Corridor</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>I-5/Gilman Drive Bridge (CIP-1200508)</td>
<td>OPEN</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>I-5/Genesee Auxiliary Lane (CIP-1200512)</td>
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<tr>
<td>I-5/Voigt Drive Improvements (CIP-1200507)</td>
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<tr>
<td>I-805 Corridor</td>
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<tr>
<td>South Bay BRT (CIP-1280504)</td>
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<td></td>
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<tr>
<td>Regional Bikeway</td>
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<td>Border to Bayshore Bikeway (CIP-1223056)</td>
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<td>Uptown Bikeways: Park Boulevard Bikeway (CIP-1223086)</td>
<td>FED</td>
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<tr>
<td>Downtown to Imperial Avenue Bikeway (CIP-1223058)</td>
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<tr>
<td>North Park/Mid-City Bikeways: Landis Bikeway (CIP-1223078)</td>
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<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Park/Mid-City Bikeways: Georgia-Meade Bikeway (CIP-1223082)</td>
<td>ADVERTISE</td>
<td></td>
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<td>X</td>
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<tr>
<td>Bayshore Bikeway: Barrio Logan (CIP-1223055)</td>
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<tr>
<td>Uptown Bikeways: Fourth and Fifth Avenue Bikeways (CIP-1223022)</td>
<td>ADVERTISE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

**Schedule Milestones:**

DED represents the release of the Draft Environmental Document to the public for comment.

FED represents the signing of the Final Environmental Document.

ADVERTISE represents the completion of the project design and advertisement of the construction contract to industry. Before advertisement, all environmental permits have been acquired, right of way has been certified, and the plans, specifications, and engineer’s estimate has been completed.

BEGIN represents the beginning of construction initiated by the Notice to Proceed.

OPEN represents the opening of the constructed facility for its intended use.

CLOSE represents the completion of all construction and most of project closeout items for the project. This includes, but is not limited to: construction contract acceptance, complete plant establishment/landscaping, final inspection, closure of task orders, and all claims settled.
* Support - Includes Administration, Design, Environmental, Right of Way Support, Construction Management, Legal Services, and Communications.

* Monthly expenditures are reported on the 20th of each month.
* Support - Includes Administration, Design, Environmental, Right of Way Support, Construction Management, Legal Services, and Communications.

* Monthly expenditures are reported on the 20th of each month.
Overview

The TransNet Extension Ordinance requires the 18 cities in the San Diego region and the County of San Diego to collect a Regional Transportation Congestion Improvement Program (RTCIP) fee from the private sector for each new housing unit constructed in their jurisdiction.

The purpose of this fee (sandag.org/rtcip) is to help ensure that future development contributes its proportional share of the funding needed to pay for the impact of new growth on the Regional Arterial System and related regional transportation facility improvements, as defined in the most recent Regional Transportation Plan adopted by SANDAG.

Key Considerations

SANDAG is required to adjust the minimum RTCIP fee amount on July 1 of each year based on an analysis of construction cost indices, but never less than 2%. The purpose of this annual adjustment is to ensure that the RTCIP retain its purchasing power to improve the regional arterial system.

Based on an analysis of construction cost trends and relevant indices, staff recommends a 2% fee adjustment to the RTCIP, raising the minimum RTCIP fee from $2,483.48 to $2,533.15 beginning July 1, 2019 (Attachment 1).

Next Steps

In accordance with TransNet Extension Ordinance provisions, each jurisdiction’s RTCIP Funding Program must be submitted for review by the ITOC by April 1 of each year to remain eligible for TransNet local street and road funding. The annual submittal of RTCIP funding programs by local jurisdictions is scheduled for review at the April 10, 2019, ITOC meeting.

José A. Nuncio, TransNet Department Director

Key Staff Contacts: Jim Miller, (619) 699-7325, jim.miller@sandag.org
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Attachment: 1. TransNet RTCIP Discussion Memo

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1 Section 9 of the TransNet Extension Ordinance requires that local jurisdictions establish a program or mechanism for funding the Regional Arterial System. For purposes of the RTCIP, the Regional Arterial System is defined in the most recent Regional Transportation Plan adopted by SANDAG.
Discussion Memo

Background

The TransNet Extension Ordinance (Ordinance) requires the 18 cities and the County of San Diego to collect a fee from the private sector for each new housing unit constructed in that jurisdiction for contribution to the Regional Transportation Congestion Improvement Program (RTCIP). RTCIP revenue is required to be used to construct improvements on the Regional Arterial System, such as new or widened arterials, traffic signal coordination and other traffic improvements, freeway interchange and related freeway improvements, railroad grade separations, and improvements required for express bus and rail transit.

The Ordinance further requires SANDAG to adjust the RTCIP fee amount each year, and states that in no event shall the adjustment be less than 2% per year or more than the percentage increase set forth in the Engineering Construction Cost Index (CCI) published by the Engineering News Record (ENR), or a similar CCI. The purpose of this annual adjustment is to ensure that the RTCIP retains its purchasing power to improve the Regional Arterial System and to help ensure future development contributes its proportional share of the funding needed to pay for the impact of new growth on the Regional Arterial System and related regional transportation facility improvements, as defined in the most recent Regional Transportation Plan adopted by SANDAG.

The RTCIP funding programs fall under the responsibility of the 19 local jurisdictions, which must maintain their RTCIP funding programs and comply with specific administrative requirements in order to remain eligible for TransNet local street and road funding.

The RTCIP has been implemented in the San Diego region since July 1, 2008. Annual RTCIP fee adjustments, funding program reports, and related audits can be found at sandag.org/rtcip. Relevant excerpts can be referenced at TransNet Extension Ordinance and SANDAG Board Policy No. 031.

Analysis of Construction Cost Indices

SANDAG staff evaluated changes recorded in the ENR Los Angeles CCI, which is based on monthly price changes in four areas: lumber, cement, structural steel, and labor. Los Angeles reflects construction cost trends similar to those in San Diego. During the period that covers December 2017 to December 2018 (latest available data), the ENR Los Angeles CCI increased by 0.64%. The other CCIs grew faster, with the ENR National CCI growing 3.3% and the Caltrans CCI increasing 1.1%.

While there is general consensus that construction costs will continue to increase in 2019, there always is uncertainty in forecasting costs in the construction industry due to factors such as changes in domestic and international growth and uncertainties in global politics. In addition, all indices show some volatility, and for that reason, it is important to analyze the longer-term picture from 2008, when the RTCIP was first instituted when considering the required annual adjustment.

The cumulative growth of the RTCIP has been 24.2%, with the ENR Los Angeles CCI seeing a 22.3% growth over the same period. The ENR National CCI (33.1%) and Caltrans CCI (54.3%) both exceeded this rate over the same period. This comparison over time shows that by maintaining the annual adjustment at the minimum 2% increase required, the RTCIP had last year begun to fall behind the overall goal of keeping pace with inflation. While the ENR Los Angeles CCI is the slowest growing of the CCIs considered, the chart below shows it also has increased at basically the same rate as the RTCIP.

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1 Units constructed for extremely low-, very low-, low-, and moderate-income households may be exempted.
To ensure that the RTCIP fee maintains its purchasing power to complete necessary road improvements, staff recommends the minimum required 2% increase that would mirror the small increase in the ENR CCI for Los Angeles. Increasing the fee by a lesser percentage would not keep pace with construction inflation, meaning the RTCIP would have less ability to mitigate transportation impacts of new development, which would be inconsistent with the Ordinance. In addition, increasing by more than the percentage increase set forth in the ENR CCI is not allowable per the Ordinance.

The Cities/County Transportation Advisory Committee, Independent Taxpayer Oversight Committee (ITOC), and Board of Directors review proposed fee adjustments annually. In 2018, ITOC members asked about the use of the ENR CCI for Los Angeles and requested that staff provide a future report analyzing cumulative growth against all construction cost indices to appropriately illustrate how the RTCIP keeps pace with inflation. A comparison of indices over the RTCIP period (2008-2018) is below.

It should be noted that while the ENR LA CCI is lower than the other two indices, the LA index is the most accurate reflection of construction costs in the San Diego region. It also should be noted that the ENR CCI is specific to construction, as opposed to the building cost index, which includes the types of skilled labor seen in building construction, such as bricklayers and carpenters. As the RTCIP can be used for a variety of projects on the arterial system, a roadway-specific index would not necessarily be appropriate.

Indices such as these are by their very nature not exact measures of costs jurisdictions would encounter when building transportation infrastructure. In addition, while the ENR index is measured by taking a broad look at the cost of construction inputs (labor, structural steel, cement, and lumber), the Caltrans CCI is calculated from bids received, and is influenced by the type and number of projects bid, and the number of bidders, and suffers from a higher volatility. For comparison, the Consumer Price Index for all goods in San Diego rose 20.7% from 2008 to 2018, less than all the indices in the chart below.
Comparing Construction Cost Indices (2008=100)
TransNet RTCIP vs. ENR LA CCI, ENR National CCI, and Caltrans CCI
TransNet Independent Taxpayer Oversight Committee

February 13, 2019

Quarterly TransNet Financial Reports for the Period Ending December 31, 2018, and Other Financial Data

Overview

This report provides quarterly TransNet financial information in accordance with requests from the ITOC and in response to recommendations from the first and second TransNet Triennial Performance Audits.

Key Considerations

- SANDAG has an aggregate level debt service profile, with approximately $105.3 million in debt service per year through FY 2048. Senior lien debt service coverage, using sales tax receipts of $304.7 million for the last 12 months ending December 31, 2018, is 2.89 times. Meaning, for every $1 of senior lien debt service, SANDAG received $2.89 of sales tax revenue, providing ample coverage.

- All cities and the County of San Diego are within the allowable 30% spending limitation for the Local Street Improvements (LSI) Maintenance Program.

- All LSI jurisdictions are expected to meet the 75% spending threshold set by the ITOC when taking into consideration:
  - TransNet funds spent to date
  - Remaining programmed funds that are anticipated to be spent by June 30, 2019

Next Steps

The next quarterly report is scheduled for the May 8, 2019, ITOC meeting.

André Douzdjian, Director of Finance

Key Staff Contact: Lisa Kondrat-Dauphin, (619) 699-1942, lisa.kondrat-dauphin@sandag.org

Attachments:
1. Discussion Memo
2. TransNet Extension Quarterly Report for FY 2019, Second Quarter
3. TransNet Extension Estimated Annual Sales Tax Revenue as Compared to Actual Receipts through December 2018
4. ITOC Operating Budget Analysis
5. Local Agency Street and Road Maintenance Analysis as of December 31, 2018
6. TransNet Grant Program Balances as of December 31, 2018
7. Local Agency Street and Road Balances as of December 31, 2018
Discussion Memo

The ITOC requests certain information on a quarterly basis and also is provided information based on recommendations from the first and second TransNet Triennial Performance Audits.

The first TransNet Triennial Performance Audit recommended the following:

- Recommendation No. 17: SANDAG should...report to the ITOC on the status of the debt-to-revenue ratio on a regular basis. (See cover page)

- Recommendation No. 18: Other data that would be valuable for the ITOC to receive is the quarterly data related to sales tax revenue collected in the particular quarter, collected to date, and distributed amongst the various TransNet Extension Ordinance projects, programs, and entities. (Attachment 2)

The following are additional items requested by the ITOC to be provided on a quarterly basis:

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

- The ITOC operating budget analysis (Attachment 4) includes the Board of Directors-approved FY 2019 Program Budget, along with the actual (unaudited) expenses to date for the six months ending December 31, 2018, and the projected budgets for FY 2020 through FY 2021.

- Local Agency Street and Road Maintenance amounts paid to local agencies (Attachment 5)

- Committed and actual spent activity of TransNet grant programs (Attachment 6).

Recommendation No. 7 of the second TransNet Triennial Performance Audit includes the following:

- Replacing the 30% fund balance limitation with a more effective measure to monitor performance... where SANDAG and the ITOC could observe progress and performance through administrative processes rather than through an audit compliance mechanism.

In response to Recommendation No. 7, in November 2013, the ITOC requested minor adjustments to the Local Agency Street and Road balances attachment to assist in monitoring balances and expected use of local agency TransNet funds. The Local Agency Street and Road balances schedule (Attachment 7) includes unaudited balances held at SANDAG and local jurisdictions through December 31, 2018, balance of programmed funds remaining in the Regional Transportation Improvement Program available for payment in FY 2019, estimated balance of funds that have not been programmed, and the cumulative percentage of funds anticipated to be spent through the end of FY 2019 if all funds other than those not programmed are expended. At the request of the ITOC, the heading for column J has been modified to better articulate data provided.
## TransNet Allocations

### FISCAL YEAR: FY 2019  
### QUARTER: 2

<table>
<thead>
<tr>
<th>PROGRAM &amp; RECIPIENT</th>
<th>Sales Tax Allocations</th>
<th>Other Income ¹</th>
<th>Total Allocation</th>
<th>Program Disbursements ²</th>
<th>Debt Service ³</th>
<th>Total Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This Quarter</td>
<td>FY to Date</td>
<td>Program to Date</td>
<td>This Quarter</td>
<td>FY to Date</td>
<td>Program to Date</td>
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<td>PROGRAM &amp; RECIPIENT</td>
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<td>Total Allocation</td>
<td>Program Disbursements</td>
<td>Debt Service</td>
<td>Total Disbursements</td>
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<td></td>
<td>This Quarter</td>
<td>FY to Date</td>
<td>Program to Date</td>
<td>Program to Date</td>
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<td>FY to Date</td>
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## 2008 ABCD Sales Tax Revenue Bond Activity - $600,000,000

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<td>Prior Years</td>
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<td>San Diego County</td>
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## 2010 A Sales Tax Revenue Bond Activity - $338,960,000

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<td>Prior Years</td>
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<tr>
<td>City of San Marcos</td>
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## 2010 B Sales Tax Revenue Bond Activity - $11,040,000

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## 2012 A Sales Tax Revenue Bond Activity - $420,585,000

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<td>Prior Years</td>
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## 2014 A Sales Tax Revenue Bond Activity - $350,000,000

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<td>City of Del Mar</td>
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<td>City of San Marcos</td>
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## 2016 A Sales Tax Revenue Bond Activity - $325,000,000

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## 2018 A Sales Tax Revenue Bond Activity - $537,480,000

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## Footnotes:
1. Other income includes interest revenue, transfers from TransNet I, other non-sales tax revenue, and the one-time swap of Major Corridor Sales Tax Revenue (to LSI Cities and County) for ARRA funds. 2. Program Disbursements include payments to TransNet recipient agencies and program costs, including payments made for Early Action Projects in prior years, and return of funds. 3. Debt Service includes principal and interest payments, including debt payments beginning in March 2008 upon issuance of the 2008 ABCD Sales Tax Revenue Bonds, and other debt service costs net of interest earnings. 4. 2008 Bond Proceeds have been fully disbursed, net of Reserve Requirement of $17.1 million. The Program to Date total includes interest earnings. The 2008 Bonds were partially defeased with the issuance of the 2012 Bonds on June 14, 2012, thereby reducing the 2008 Bond Proceed Disbursement. 5. 2010, 2012, and 2014 Bond Proceeds have been fully disbursed and the Program to Date includes interest earnings. 6. The 2012 Bond total includes a premium of $55.8 million, the 2014 Bond total includes a premium of $55.3 million, the 2016 Bond total includes a premium of $78.8 million, and the 2018 Bond includes a premium of $31.6 million.
# TransNet Extension Estimated Annual Sales Tax Revenue as Compared to Actual Receipts through December 2018

<table>
<thead>
<tr>
<th></th>
<th>Estimates</th>
<th>Actuals</th>
<th>Current Year Actuals vs. Prior Year Actuals</th>
<th>Current Year Actuals vs. Prior Year Forecast</th>
<th>Annual Forecast vs. Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2009</td>
<td>$229,741,846</td>
<td>$221,991,360</td>
<td>-3.37%</td>
<td>-9.07%</td>
<td>-6.00%</td>
</tr>
<tr>
<td>FY 2010</td>
<td>199,792,224</td>
<td>204,191,747</td>
<td>2.20%</td>
<td>-8.02%</td>
<td>-10.00%</td>
</tr>
<tr>
<td>FY 2011</td>
<td>216,443,252</td>
<td>221,304,015</td>
<td>2.25%</td>
<td>8.38%</td>
<td>6.00%</td>
</tr>
<tr>
<td>FY 2012</td>
<td>232,369,215</td>
<td>236,947,112</td>
<td>1.97%</td>
<td>7.07%</td>
<td>5.00%</td>
</tr>
<tr>
<td>FY 2013</td>
<td>249,979,204</td>
<td>247,221,161</td>
<td>-1.10%</td>
<td>4.34%</td>
<td>5.50%</td>
</tr>
<tr>
<td>FY 2014</td>
<td>262,478,164</td>
<td>260,114,931</td>
<td>-0.90%</td>
<td>5.22%</td>
<td>5.00%</td>
</tr>
<tr>
<td>FY 2015</td>
<td>269,965,509</td>
<td>268,840,550</td>
<td>-0.42%</td>
<td>3.35%</td>
<td>4.00%</td>
</tr>
<tr>
<td>FY 2016</td>
<td>278,249,968</td>
<td>275,500,023</td>
<td>-0.99%</td>
<td>2.48%</td>
<td>3.50%</td>
</tr>
<tr>
<td>FY 2017</td>
<td>287,988,716</td>
<td>284,456,260</td>
<td>-1.23%</td>
<td>3.25%</td>
<td>2.62%</td>
</tr>
<tr>
<td>FY 2018</td>
<td>292,132,637</td>
<td>294,501,324</td>
<td>0.81%</td>
<td>3.53%</td>
<td>3.33%</td>
</tr>
<tr>
<td>FY 2019</td>
<td>300,896,616</td>
<td>159,082,440</td>
<td>4.58%</td>
<td>6.41%</td>
<td>3.00%</td>
</tr>
</tbody>
</table>

Cumulative: $2,674,150,924

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$19,460,619</td>
<td>$24,659,716</td>
<td>26.72%</td>
</tr>
<tr>
<td>August</td>
<td>25,947,491</td>
<td>22,950,125</td>
<td>4.85%</td>
</tr>
<tr>
<td>September</td>
<td>29,591,022</td>
<td>24,709,504</td>
<td>-3.57%</td>
</tr>
<tr>
<td>October</td>
<td>20,234,772</td>
<td>31,809,475</td>
<td>9.34%</td>
</tr>
<tr>
<td>November</td>
<td>26,979,628</td>
<td>27,896,830</td>
<td>8.03%</td>
</tr>
<tr>
<td>December</td>
<td>29,904,686</td>
<td>27,056,790</td>
<td>4.58%</td>
</tr>
<tr>
<td>January</td>
<td>21,386,041</td>
<td></td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>28,514,756</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>27,007,955</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>18,761,867</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>30,070,031</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>23,037,748</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cumulative: $300,896,616 \(^1\) $159,082,440 \(^2\)

\(^1\) Latest SANDAG Board of Directors approved estimate.

\(^2\) Reflects actual year-to-date cash receipts through December 2018.
## ITOC Operating Budget Analysis
### FY 2019 Approved Budget and Actual Expenses for the Six Months Ending December 31, 2018 and Projected Budgets for FY 2020 and FY 2021

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>Budget</td>
<td>Actual&lt;sup&gt;4&lt;/sup&gt;</td>
<td>Variance</td>
</tr>
<tr>
<td>Annual TransNet Allocation&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$399,019</td>
<td>$199,509</td>
<td>$(199,510)</td>
</tr>
<tr>
<td>Carryover TransNet Revenue - budgeted</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>399,019</td>
<td>199,509</td>
<td>(199,510)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Expenses</strong></th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Fiscal Audits&lt;sup&gt;3&lt;/sup&gt;</td>
<td>205,683</td>
<td>80,590</td>
<td>(125,093)</td>
</tr>
<tr>
<td>Triennial Performance Audit&lt;sup&gt;3&lt;/sup&gt;</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mileage</td>
<td>1,710</td>
<td>-</td>
<td>(1,710)</td>
</tr>
<tr>
<td>Advertisement</td>
<td>1,517</td>
<td>-</td>
<td>(1,517)</td>
</tr>
<tr>
<td>Postage/Delivery</td>
<td>196</td>
<td>-</td>
<td>(196)</td>
</tr>
<tr>
<td>Reserve for Outside Consulting Services&lt;sup&gt;5&lt;/sup&gt;</td>
<td>21,577</td>
<td>-</td>
<td>(21,577)</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>230,683</td>
<td>80,590</td>
<td>(150,093)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Net Difference</strong>&lt;sup&gt;6&lt;/sup&gt;</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying over TransNet Revenue - unbudgeted</td>
<td>$184,787</td>
<td>$184,787</td>
<td>$184,787</td>
</tr>
<tr>
<td>Carrying over TransNet Revenue - budgeted (estimated)</td>
<td>168,336</td>
<td>441,162</td>
<td>721,799</td>
</tr>
<tr>
<td>Cumulative Interest Revenue - unbudgeted</td>
<td>28,428</td>
<td>28,428</td>
<td>28,428</td>
</tr>
<tr>
<td>End of Year</td>
<td>$381,551</td>
<td>$654,377</td>
<td>$935,014</td>
</tr>
</tbody>
</table>

### Notes:

<sup>1</sup>Annual budget is $250,000 in 2000 dollars escalated annually by the most recent Consumer Price Index (CPI).

<sup>2</sup>Projected FY 2020 budget is adjusted by 2.7% CPI & FY 2021 budget is adjusted by 2.5% CPI.

<sup>3</sup>FY 2019 annual fiscal audit budget is based on the independent cost estimate for the ITOC Audit RFP. Projected annual fiscal audits for FY 2020 and FY 2021 are based on the negotiated rate included in the current agreement for independent certified public accounting services entered into in FY 2018.

<sup>4</sup>Amounts are unaudited.

<sup>5</sup>Reserve started at $20,000 in FY 2013 with CPI adjustment each subsequent year.

<sup>6</sup>Remaining (unspent)TransNet revenues will carry forward at year-end and be added to Other Available Funds.
# Local Agency Street & Road (LSI) Maintenance (30% LSI Funding) Analysis

## Cumulative SANDAG Activity

As of December 31, 2018

(in thousands)

<table>
<thead>
<tr>
<th>City</th>
<th>TransNet Funds Allocated at December 31, 2018</th>
<th>Other Funds Allocated at December 31, 2018</th>
<th>Total Funds Allocated at December 31, 2018</th>
<th>Expended at December 31, 2018</th>
<th>Unspent Total Balance at December 31, 2018</th>
<th>Cash Balances Available at December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Carlsbad</td>
<td>$8,430</td>
<td>$2,567</td>
<td>$10,997</td>
<td>$(742)</td>
<td>$10,255</td>
<td>$10,255</td>
</tr>
<tr>
<td>City of Chula Vista</td>
<td>16,839</td>
<td>1,330</td>
<td>18,169</td>
<td>(12,125)</td>
<td>6,043</td>
<td>6,044</td>
</tr>
<tr>
<td>City of Coronado</td>
<td>1,770</td>
<td>254</td>
<td>2,024</td>
<td>(226)</td>
<td>1,798</td>
<td>1,797</td>
</tr>
<tr>
<td>City of Del Mar</td>
<td>624</td>
<td>50</td>
<td>674</td>
<td>(403)</td>
<td>271</td>
<td>19</td>
</tr>
<tr>
<td>City of El Cajon</td>
<td>7,045</td>
<td>705</td>
<td>7,750</td>
<td>(4,394)</td>
<td>3,356</td>
<td>3,355</td>
</tr>
<tr>
<td>City of Encinitas</td>
<td>4,936</td>
<td>1,094</td>
<td>6,030</td>
<td>(1,446)</td>
<td>4,584</td>
<td>4,584</td>
</tr>
<tr>
<td>City of Escondido</td>
<td>10,436</td>
<td>1,578</td>
<td>12,014</td>
<td>(9,750)</td>
<td>2,264</td>
<td>2,265</td>
</tr>
<tr>
<td>City of Imperial Beach</td>
<td>2,101</td>
<td>168</td>
<td>2,269</td>
<td>(2,145)</td>
<td>124</td>
<td>124</td>
</tr>
<tr>
<td>City of La Mesa</td>
<td>4,570</td>
<td>993</td>
<td>5,563</td>
<td>(3,445)</td>
<td>2,118</td>
<td>2,118</td>
</tr>
<tr>
<td>City of Lemon Grove</td>
<td>2,107</td>
<td>183</td>
<td>2,290</td>
<td>(2,045)</td>
<td>245</td>
<td>245</td>
</tr>
<tr>
<td>City of National City</td>
<td>4,124</td>
<td>349</td>
<td>4,473</td>
<td>(3)</td>
<td>4,470</td>
<td>567</td>
</tr>
<tr>
<td>City of Oceanside</td>
<td>13,510</td>
<td>2,588</td>
<td>16,098</td>
<td>(13,926)</td>
<td>2,172</td>
<td>2,173</td>
</tr>
<tr>
<td>City of Poway</td>
<td>4,469</td>
<td>348</td>
<td>4,817</td>
<td>(4,484)</td>
<td>333</td>
<td>334</td>
</tr>
<tr>
<td>City of San Diego</td>
<td>94,605</td>
<td>7,949</td>
<td>102,554</td>
<td>(95,381)</td>
<td>7,173</td>
<td>7,173</td>
</tr>
<tr>
<td>City of San Marcos</td>
<td>6,229</td>
<td>963</td>
<td>7,192</td>
<td>(4,161)</td>
<td>3,031</td>
<td>3,031</td>
</tr>
<tr>
<td>City of Santee</td>
<td>4,267</td>
<td>323</td>
<td>4,590</td>
<td>(3,127)</td>
<td>1,463</td>
<td>365</td>
</tr>
<tr>
<td>City of Solana Beach</td>
<td>1,308</td>
<td>138</td>
<td>1,446</td>
<td>(245)</td>
<td>1,201</td>
<td>624</td>
</tr>
<tr>
<td>City of Vista</td>
<td>6,730</td>
<td>1,102</td>
<td>7,832</td>
<td>(5,396)</td>
<td>2,436</td>
<td>2,436</td>
</tr>
<tr>
<td>San Diego County</td>
<td>44,730</td>
<td>4,030</td>
<td>48,760</td>
<td>(3,308)</td>
<td>45,452</td>
<td>40,683</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$238,831</strong></td>
<td><strong>$26,710</strong></td>
<td><strong>$265,543</strong></td>
<td><strong>(166,753)</strong></td>
<td><strong>$98,787</strong></td>
<td><strong>$88,192</strong></td>
</tr>
</tbody>
</table>

1. Unaudited.
2. Other Funds (Column B) may include TransNet I funds carried over to the TransNet Extension Program, Interest earnings, and ARRA swap.
3. Expended amounts (Column D) include payments made to local jurisdictions and Program Costs.
4. Maintenance activity is tracked to ensure no more than 30% of funds will be cumulatively paid to the local jurisdiction and/or used for Program Costs; however actual payment to local jurisdictions for Maintenance projects may not exceed both the Unspent Total Balance (Column E) and Cash Balances Available (Column F).
5. As noted in **bold**, amounts in Column F are less than Column E when the local jurisdiction is programming and spending more than 70% LSI on Congestion Relief projects.
**TransNet Grant Program Balances**  
**As of December 31, 2018**  
*(Unaudited)*

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Received</td>
<td>Non-Grant (Regional) Revenue</td>
<td>Awarded Grant Revenue</td>
<td>Grantee Expenditures</td>
<td>Unspent Grant Commitment</td>
</tr>
<tr>
<td>Total Revenue Received&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$57,158,115</td>
<td>$37,222,845</td>
<td>$19,935,270</td>
<td>$12,476,455</td>
</tr>
<tr>
<td>Active Transportation Grant Program (ATGP - Bike/Ped)&lt;sup&gt;3,4&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smart Growth Program (SGIP)&lt;sup&gt;5&lt;/sup&gt;</td>
<td>56,040,580</td>
<td>n/a</td>
<td>57,660,532</td>
<td>26,703,054</td>
</tr>
<tr>
<td>Local Environmental Mitigation Program (EMP)&lt;sup&gt;6&lt;/sup&gt;</td>
<td>48,375,879</td>
<td>31,763,468</td>
<td>16,612,411</td>
<td>12,970,034</td>
</tr>
<tr>
<td>Senior Mini-Grant Program (SMGP)&lt;sup&gt;9&lt;/sup&gt;</td>
<td>14,015,437</td>
<td>n/a</td>
<td>14,659,444</td>
<td>12,913,754</td>
</tr>
</tbody>
</table>

<sup>1</sup>Total Revenue Received is net of program costs.

<sup>2</sup>Grantee Expenditures may include estimated accruals for the period ending December 31, 2018.

<sup>3</sup>Includes awarded ATGP Cycles 1, 2, and 2A (FY 2010-2012) and five Cycle 4 (FY 2017-2019) projects; Cycle 3 (FY 2014-2016) and the remainder of Cycle 4 projects (FY2017-2019) of the ATGP were funded with TDA funds.

<sup>4</sup>*TransNet* 2% (Bike/Ped) revenue allocation is used toward regional bike projects in addition to the ATGP Grant Program.

<sup>5</sup>Includes awarded SGIP Cycles 1, 2, and 3 (FY 2009-2016), Cycle 4 SGIP projects (FY2017-2019) and *TransNet* Exchange projects. The SANDAG BOD awarded $27 million for 24 local SGIP projects in the summer/fall of 2018. All project contracts have not yet been executed.

<sup>6</sup>Local EMP revenues are used toward grant and non-grant projects. Includes awarded EMP Land Management Grants (FY 2006-2016). Land Acquisition Grants from Cycle 1 (FY 2014) are funded from Major Corridor EMP and are therefore not included in this report.

<sup>7</sup>Local EMP non-grant projects and expenditures are funded with sales tax revenue while regional projects may also receive bond proceed funding.

<sup>8</sup>The SANDAG BOD awarded $1.8 million for 17 Local EMP grants on 11/18/16 and all contracts have been executed. Contract execution for the next cycle of grants is anticipated in October 2018 (the Call for Projects is currently out for the 9th Cycle).


<sup>10</sup>SMGP Awarded Grant Revenue (Column C) includes *TransNet* allocations through FY 2019 whereas Column A represents Total Revenues Received through December 31, 2018.
### Local Agency Street & Road Balances

**As of December 31, 2018**

(in thousands)

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Agency</td>
<td>Cumulative (Actuals) Received Through 12/31/18</td>
<td>FY19 Estimated Allocation Balance net of D/S Costs</td>
<td>Cumulative Disbursed</td>
<td>At SANDAG</td>
<td>At Local Agencies</td>
<td>Cash Balances Total</td>
<td>Actual % spent (Cumulative)</td>
<td>Programmed Funds Available to Draw in FY19</td>
<td>Estimated Cumulative Balance Available to Program</td>
</tr>
<tr>
<td><strong>LSI Allocations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash Balances Held</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Local Agency**
  - City of Carlsbad
  - City of Chula Vista
  - City of Coronado
  - City of Del Mar
  - City of El Cajon
  - City of Encinitas
  - City of Imperial Beach
  - City of La Mesa
  - City of Lemon Grove
  - City of National City
  - City of Oceanside
  - City of Poway
  - City of San Diego
  - City of San Marcos
  - City of Santee
  - City of Solana Beach
  - City of Vista
  - County of San Diego

- **Cumulative (Actuals) Received Through 12/31/18**
  - $35,184
  - $57,595
  - $6,454
  - $2,147
  - $24,669
  - $19,299
  - $7,221
  - $17,775
  - $7,282
  - $14,252
  - $51,445
  - $15,331
  - $324,895
  - $22,873
  - $14,616
  - $4,616
  - $24,879
  - $155,091

- **FY19 Estimated Allocation Balance net of D/S Costs**
  - $1,548
  - $3,038
  - $316
  - $4
  - $1,203
  - $852
  - $350
  - $774
  - $356
  - $533
  - $2,085
  - $740
  - $16,939
  - $2,085
  - $400
  - $1,200
  - $2,085

- **Cumulative Disbursed**
  - $16,939
  - $11,247
  - $1,651
  - $17
  - $4,203
  - $4,964
  - $12,391
  - $2,103
  - $357
  - $138
  - $1,103
  - $1,042
  - $3,101
  - $3,500
  - $2,085
  - $1,200

- **At SANDAG**
  - $757
  - $811
  - $209
  - $-17
  - $146
  - $391
  - $1,046
  - $12
  - $-357
  - $434
  - $1,039
  - $340
  - $2,471
  - $350
  - $402

- **At Local Agencies**
  - $17,696
  - $12,058
  - $1,860
  - $223.7%
  - $4,057
  - $4,572
  - $13,437
  - $2,115
  - $357
  - $572
  - $2,142
  - $974
  - $1,320
  - $10,426
  - $652

- **Cash Balances Total**
  - $14,337
  - $13,174
  - $1,335
  - $8
  - $3,018
  - $5,138
  - $3,822
  - $39
  - $626
  - $380
  - $3,200
  - $2,297
  - $3,018
  - $2,388
  - $2,297

- **Actual % spent (Cumulative)**
  - 75.1%
  - 96.8%
  - 77.2%
  - 224.1%
  - 91.3%
  - 98.6%
  - 87.8%
  - 83.0%
  - 98.8%
  - 95.9%
  - 102.4%
  - 96.5%
  - 98.8%
  - 95.0%
  - 97.3%
  - 149.2%
  - 164.8%

- **Programmed Funds Available to Draw in FY19**
  - $4,150
  - $1,111
  - $1,335
  - $12
  - $2,388
  - $88
  - $291
  - $39
  - $626
  - $380
  - $3,200
  - $580
  - $88
  - $2,297
  - $2,388
  - $2,297

- **Estimated Cumulative Balance Available to Program**
  - 86.6%
  - 96.8%
  - 77.2%
  - 224.1%
  - 91.3%
  - 98.6%
  - 87.8%
  - 83.0%
  - 98.8%
  - 95.9%
  - 102.4%
  - 96.5%
  - 98.8%
  - 95.0%
  - 97.3%
  - 149.2%
  - 164.8%

- **Proposed % applied to projects by 6/30/19 (Cumulative)**
  - 14,337
  - $113,353
  - $63,801

---

1. Amounts are unaudited
2. For participants in the SDCRTC Debt Program (bonds or commercial paper), amounts may include interest earned on the unspent proceeds (cash and investment balances) and bond proceeds.
3. Remaining biennial programmed amounts available for drawing for FY19, less negative balances at local agencies.
4. Disbursements include formula-based regular monthly payments to local agencies as requested and may include program costs, debt service payments and payments using debt proceeds.
5. Monitoring threshold. Amounts in bold represent estimated percentage spent in excess of available funds that may be due to debt proceeds disbursed and/or programming based on two years of allocations.
6. Column (J) represents the percentage of actual sales tax spent cumulatively compared to actual cumulative sales tax revenue allocated. Allocations may include interest earnings and debt proceeds.
7. May include rounding.
TransNet Independent Taxpayer Oversight Committee

February 13, 2019

Quarterly Finance Report and Update on Financial Markets – Through December 2018

Overview

Staff provides quarterly briefings on the latest developments in the financial markets, economy, sales tax revenues, and strategies being explored and implemented to minimize possible impacts to the TransNet Program.

Key Considerations

- The local economy is near “full employment,” with the San Diego economy adding close to 37,000 jobs in the past year, bringing unemployment to a very low 3.2% in November 2018, down from 3.5% in November 2017.

- The end of 2018 was marked by increasing volatility, brief inversion of the U.S. Treasury yield curve, huge sell-offs in the equity market, continued trade disputes, and a partial government shutdown.

- As was widely anticipated, at the December meeting of the Federal Open Market Committee, officials voted to raise rates for the fourth time in 2018, targeting a range of 2.25% to 2.50%. In a statement that followed, Federal Reserve Chairman Jerome Powell indicated that the Fed would be patient with its policy in 2019, lowering the rate hike estimates to two.

- Senior lien debt service coverage, using sales tax receipts of $304.7 million for the last 12 months ending December 31, 2018, is 2.89 times. Meaning, for every $1 of senior lien debt service, SANDAG received $2.89 of sales tax revenue, providing ample coverage and supporting triple-A ratings.

- SANDAG staff has selected a syndicate of bankers for underwriting services for the sale of Grant Anticipation Notes (GANs), expected in early summer 2019. The proceeds from the GANs sale will be used for construction expenses associated with the Mid-Coast Trolley.

André Douzdjian, Finance Director

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                            Ray Major, (619) 699-1930, ray.major@sandag.org
                            Lisa Kondrat-Dauphin, (619) 699-1942, lisa.kondrat-dauphin@sandag.org

Attachments:  1. Financial Market Review
               2. Local Economy and Sales Tax Revenues
               3. SANDAG Investments and Debt Portfolio

Action Requested: Information

This report provides an update on the latest developments in the financial markets, economy, sales tax revenues, and strategies being explored and implemented to minimize possible impacts to the TransNet Program.

Fiscal Impact:

Senior lien debt service coverage remains strong at 2.89 times, providing ample coverage and supporting triple-A ratings.

Schedule/Scope Impact:

The San Diego economy is near “full employment,” with the local economy adding close to 37,000 jobs in the past year.
Financial Market Review

The end of 2018 was marked by increasing volatility, brief inversion of the U.S. Treasury yield curve, huge sell-offs in the equity market, continued trade disputes, and a partial government shutdown. In December, the U.S. Treasury yield curve inverted between two- and five-year maturities for the first time since 2007. Although the latest inversion was short-lived, inversions have been known to precede economic recessions. For now, the treasury yield curve remains near its flattest level in over a decade. Much like the rest of 2018, rates in the final quarter were volatile. While short-term rates rose sharply mirroring the several Federal Open Market Committee (FOMC) rate increases, the longer-term rates have not shared that same momentum. As was widely anticipated, at the FOMC December meeting, officials voted to raise rates for the fourth time in 2018, targeting a range of 2.25% to 2.50%. In a statement that followed, Federal Reserve Chairman Jerome Powell indicated that the Fed would be patient with its policy in 2019, lowering the rate hike estimates to two.

The U.S. equity markets plummeted in December. The S&P 500 fell by 20% from its September 2018 peak. The poor performance was attributable to lower growth expectations and future uncertainty. Labor market conditions remain strong, adding more than 300,000 jobs in December alone. The unemployment rate rose slightly to 3.9% at the end of 2018, as more Americans joined the labor force. The third-quarter Gross Domestic Product (GDP) grew at an annualized rate of 3.4%, missing the 3.5% estimate by a hair. GDP for the fourth quarter of 2018 is projected to be slower at 2.8%. The 2019 GDP growth is expected to be moderate, but remain healthy. The partial government shutdown that lasted 35 days also is expected to have some impact on the overall growth prospects going into 2019. When it comes to sustainable long-term growth, the federal budget deficit and the trade deficit will continue to be areas of concern.

At home, the short-term spending bill to reopen the government through February 15 only is a temporary fix and the border wall continues to be a topic of discussion. Trade talks with China progressed slowly; however, concerns about a trade war continue to weigh on the economy. A disorderly Brexit continues as the U.K. struggles to find a deal that will be approved by Parliament with less than 60 days before the scheduled departure or “exit” date. Italian budget concerns deepened as their banking system lost 30% of its market value in 2018, and recovery is anticipated to be slow with the backdrop of political turmoil. These and several other geopolitical risks in the Eurozone and the Middle East continue to affect the national and global markets.

Compared to January 2018, the AAA Municipal Market Data (MMD) index (industry-accepted index for tax-exempt bonds) rose by at least 12 basis points (bps), or .12% on the short-end of the yield curve and as much as 51 bps or .51% on the long-end. The current 30-year AAA MMD bond yield is 3.06%.
AAA MMD Yield Curve Movement

Benchmark Tax-Exempt Rate History (January 4, 1993 to January 18, 2019)

Benchmark Tax-Exempt Rate History (September 1, 2016 to January 18, 2019)
**Municipal Market Supply**

Total tax-exempt municipal bond supply for 2018 was $291.6 billion, down nearly 26% compared to 2017. The new tax legislation, which was passed in December 2017 and became effective in January 2018, eliminated the ability to advance refund bonds on a tax-exempt basis. Over the last decade, advance refundings (i.e., refund bonds more than 90 days ahead of their call date) have constituted roughly 20% of the tax-exempt market, and the decline in 2018 issuance volume is largely attributable to the loss of tax-exempt advance refundings. SANDAG and all issuers maintain their ability to refund callable bonds on or after their call date.

**Interest Rate Forecasts**

The table below provides an average of interest rate forecasts by industry professionals. These are surveyed and compiled by Bloomberg. The two-year United States Treasury (UST) rate is forecast to increase to 2.93% by the end of 2019. The ten-year UST rate is forecast to increase to 3.1% by the end of 2019. The 30-year UST rate is forecast to increase to 3.36% by the end of 2019. The Fed Funds rate is forecast to increase approximately 40 bps through calendar year 2019, and then decrease slightly through 2020, suggesting an eventual rate lowering by the FOMC in 2020.

<table>
<thead>
<tr>
<th>Forecast</th>
<th>01/22/2019</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-Year UST</td>
<td>3.06%</td>
<td>3.12%</td>
<td>3.26%</td>
<td>3.32%</td>
<td>3.36%</td>
<td>3.45%</td>
<td>3.47%</td>
<td>3.46%</td>
<td>3.44%</td>
</tr>
<tr>
<td>10-Year UST</td>
<td>2.74%</td>
<td>2.88%</td>
<td>3.01%</td>
<td>3.07%</td>
<td>3.10%</td>
<td>3.14%</td>
<td>3.16%</td>
<td>3.16%</td>
<td>3.15%</td>
</tr>
<tr>
<td>2-Year UST</td>
<td>2.59%</td>
<td>2.73%</td>
<td>2.87%</td>
<td>2.91%</td>
<td>2.93%</td>
<td>2.96%</td>
<td>2.97%</td>
<td>2.97%</td>
<td>2.93%</td>
</tr>
<tr>
<td>3M London Interbank Offered Rate</td>
<td>2.77%</td>
<td>2.81%</td>
<td>2.96%</td>
<td>3.04%</td>
<td>3.09%</td>
<td>3.12%</td>
<td>3.14%</td>
<td>3.13%</td>
<td>3.08%</td>
</tr>
<tr>
<td>Federal Funds Target Rate Upper Bound</td>
<td>2.50%</td>
<td>2.55%</td>
<td>2.75%</td>
<td>2.85%</td>
<td>2.90%</td>
<td>2.90%</td>
<td>2.85%</td>
<td>2.85%</td>
<td>2.80%</td>
</tr>
<tr>
<td>Federal Funds Target Rate Lower Bound</td>
<td>2.25%</td>
<td>2.31%</td>
<td>2.51%</td>
<td>2.58%</td>
<td>2.66%</td>
<td>2.63%</td>
<td>2.60%</td>
<td>2.58%</td>
<td>2.56%</td>
</tr>
</tbody>
</table>

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1 Issuance data from Thomson Reuters
2 Bloomberg survey compilation as of January 22, 2019
Local Economy and Sales Tax Revenues

The San Diego economy added roughly 37,000 jobs in the past year, bringing unemployment to a very low 3.2% in November 2018, down from 3.5% in November 2017.\footnote{Most-recent data. Statistics have been delayed due to the federal government shutdown.} The local economy is near “full employment,” and this has begun to show in both lower numbers of jobs added and in wage growth, as San Diego regional weekly pay grew 2.8% in the last year (Q2 2018 – Q2 2017), and more-recent national figures have shown this to be a widespread trend. This recent upturn has led to some growth in consumer spending, as taxable retail sales were up 3.5% in FY 2018 versus FY 2017. Consumer spending makes up more than 70% of the economy and is a primary driver of sales tax revenue.

In additional metrics, San Diego has continued to attract venture capital, roughly $2 billion in the last year (through Q3 2018), with the largest amount (well over half) going to healthcare/life sciences firms, as is the norm in San Diego. Construction maintained its pace, adding roughly 10,000 housing units in 2018 for the fourth year in a row. This better pace is still slightly below the number needed to keep pace with population growth (about 12,000). A decade of low construction has led to steadily rising rents and home prices that create a situation where only roughly a quarter of San Diego households could afford a median-priced home. Median home prices in San Diego County hit a record high of $580,000 in July, but have recently backed off slightly both locally and nationally.

\textit{TransNet} revenues have increased 3.1% over the last four quarters (Q2 2018 – Q2 2017). Strong gains were seen in the construction (5.3% annual growth) and retail (3%) categories, while all other sectors saw at least 2.4% growth. \textit{TransNet} revenues grew 3.53% in FY 2018, exceeding expectations by .8% ($294.5 million vs. $292.1 million), and the current approved forecast for FY 2019 is $300.9 million, which would be roughly 2.2% growth.
SANDAG Debt Portfolio Overview and Looking Ahead

**Outstanding Debt Overview**

SANDAG, serving as the San Diego County Regional Transportation Commission, has $2.26 billion of outstanding long-term debt, including the Series 2018A Short-Term Notes (Notes) issued in April 2018. Of the total debt portfolio, 18% consists of synthetic, fixed-rate bonds (variable-rate bonds hedged with fixed-payer interest rate swaps), and the remaining 82% are fixed-rate bonds. The Transportation Infrastructure Finance and Innovation Act (TIFIA) loan is undrawn and does not represent an obligation of SANDAG at this time. A summary of the outstanding bonds is tabulated and graphically presented below.

<table>
<thead>
<tr>
<th>Series</th>
<th>Tax Status</th>
<th>Coupon Type</th>
<th>Original Issue Size</th>
<th>Outstanding Par</th>
<th>Call Option</th>
<th>Final Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008A</td>
<td>Tax-Exempt</td>
<td>Variable-Rate</td>
<td>$150,000,000</td>
<td>$100,575,000</td>
<td>Current</td>
<td>4/1/2038</td>
</tr>
<tr>
<td>2008B</td>
<td>Tax-Exempt</td>
<td>Variable-Rate</td>
<td>$150,000,000</td>
<td>$100,575,000</td>
<td>Current</td>
<td>4/1/2038</td>
</tr>
<tr>
<td>2008C</td>
<td>Tax-Exempt</td>
<td>Variable-Rate</td>
<td>$150,000,000</td>
<td>$100,575,000</td>
<td>Current</td>
<td>4/1/2038</td>
</tr>
<tr>
<td>2008D</td>
<td>Tax-Exempt</td>
<td>Variable-Rate</td>
<td>$150,000,000</td>
<td>$100,575,000</td>
<td>Current</td>
<td>4/1/2038</td>
</tr>
<tr>
<td>2010A</td>
<td>Taxable BABs</td>
<td>Fixed-Rate</td>
<td>$338,960,000</td>
<td>$338,960,000</td>
<td>Make-Whole</td>
<td>4/1/2048</td>
</tr>
<tr>
<td>2010B</td>
<td>Tax-Exempt</td>
<td>Fixed-Rate</td>
<td>$11,040,000</td>
<td>$6,235,000</td>
<td>4/1/2020</td>
<td>4/1/2030</td>
</tr>
<tr>
<td>2012A</td>
<td>Tax-Exempt</td>
<td>Fixed-Rate</td>
<td>$420,585,000</td>
<td>$324,400,000</td>
<td>4/1/2022</td>
<td>4/1/2048</td>
</tr>
<tr>
<td>2014A</td>
<td>Tax-Exempt</td>
<td>Fixed-Rate</td>
<td>$350,000,000</td>
<td>$336,130,000</td>
<td>4/1/2024</td>
<td>4/1/2048</td>
</tr>
<tr>
<td>2016A</td>
<td>Tax-Exempt</td>
<td>Fixed-Rate</td>
<td>$325,000,000</td>
<td>$317,680,000</td>
<td>4/1/2026</td>
<td>4/1/2048</td>
</tr>
<tr>
<td>2018A Notes</td>
<td>Tax-Exempt</td>
<td>Fixed-Rate</td>
<td>$537,480,000</td>
<td>$537,480,000</td>
<td>Non-Callable</td>
<td>4/1/2021</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>$2,263,185,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Series</th>
<th>Tax Status</th>
<th>Coupon Type</th>
<th>Original Issue Size</th>
<th>Outstanding Par</th>
<th>Final Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIFIA*</td>
<td>Taxable</td>
<td>Fixed-Rate</td>
<td>$537,484,439</td>
<td>$0</td>
<td>10/1/2045</td>
</tr>
<tr>
<td><strong>Total with Loan Commitment</strong></td>
<td></td>
<td></td>
<td>$2,263,189,439</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The TIFIA loan will be drawn upon in 2021 to retire the 2018A Notes. The simultaneous draw on the TIFIA loan and the retirement of the 2018A Notes will have an offsetting impact and will not increase the amount of total obligations outstanding.
**Debt Service and Coverage**

SANDAG has debt obligations on three separate lien levels, providing different priority of sales tax payment to investors based on their respective lien level. Senior lien obligations are paid first, followed by subordinate lien obligations, and then junior subordinate lien obligations (i.e., TIFIA loan). This three-tiered lien structure has been developed by SANDAG to maximize program capacity, keep senior lien ratings as high as possible, and minimize borrowing costs.

The 2018A Notes are repayable from sales tax revenues that are subordinate to the outstanding bonds (which are on the senior lien) and are on parity with the existing commercial paper (which is on the subordinate lien). The TIFIA loan is repayable from a third lien that is subordinate to the senior lien bonds, the 2018A Notes, and the commercial paper. As a result, senior lien debt service remains level in aggregate, at about $105.2 million annually.

<table>
<thead>
<tr>
<th>Aggregate Debt Service Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millions</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td></td>
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<td></td>
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<tr>
<td></td>
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<tr>
<td></td>
</tr>
</tbody>
</table>

Assuming SANDAG draws on the TIFIA loan as expected to complete the Mid-Coast Trolley, SANDAG aggregate debt service will peak at $163.3 million in FY 2045. Senior lien debt service coverage, using sales tax receipts of $304.7 million for the last 12 months ending December 31, 2018, is 2.89 times. Meaning, for every $1 of senior lien debt service, SANDAG received $2.89 of sales tax revenue, providing ample coverage and supporting SANDAG senior lien triple-A ratings. Total coverage, when comparing the annual revenues to peak debt service (including assumed debt service on the undrawn TIFIA loan) in FY 2045, is 1.87 times.

**Major Corridors Coverage**

In accordance with the TransNet Ordinance, the Major Corridors subprogram receives 38% of TransNet revenues after allocations for administrative and Independent Taxpayer Oversight Committee expenses. Major Corridors is the most capital-intensive program, funding various projects, including the Mid-Coast Trolley. Costs associated with these projects can and have been funded with tax-exempt bonds. SANDAG Board Policy No. 036 dictates that the Major Corridors subprogram (and other TransNet subprograms) maintain an annual debt service coverage ratio of at least 1 times, meaning that for every $1 of TransNet revenue, there is no more than $1 of debt service allocated to the subprogram in any given year. SANDAG Board Policy No. 036, Section 2.3, states as follows:

> 2.3 Borrowing requirements are determined for each eligible sub-program and debt service is allocated to each sub-program based upon its pro rata share of bond proceeds. It is the general principal for the TransNet Plan of Finance that the annual debt service for each sub-program be less than the annual sales tax revenue allocated to a sub-program on an annual basis. This 1.0 times
program debt service coverage requirement ensures that no single sub-program incurs more debt than it can afford.

For planning purposes, debt service has been structured using a forecast of sales tax receipts. Based on this forecast, and including the 2018 issuance of the Notes, coverage in the Major Corridors Program is projected to drop to 1.01 times in FY 2019 and 1.04 times in FY 2020. Annual coverage rebounds after the retirement of the notes in FY 2021 and falls to 1.17 times when the TIFIA loan begins to amortize in FY 2026 based on the most recent revenue forecast. The TIFIA debt service structure in the Major Corridors Program increases over time, in anticipation of increased sales tax revenue.
Recent Variable-Rate Demand Bond and Swap Mark-to-Market Performance

SANDAG has $402.3 million of outstanding variable-rate demand bonds (VRDBs) (Series 2008A, B, C, and D), as shown below. These VRDBs are backed by standby bond purchase agreements from certain financial institutions. The interest rate on these bonds resets weekly through a remarketing process. As a performance measure, the bonds are compared to the Securities Industry and Financial Markets Association (SIFMA) benchmark index.

Following the passage of the Tax Cut and Jobs Act in December 2017, SIFMA has been very volatile. In 2018, SIFMA swung by 50 basis points (bps) to 80 bps in either direction every 3 to 10 weeks until August 2018. While it seemed to stabilize in the final months of 2018, it is down 43 bps in the three weeks since the beginning of 2019. SIFMA is currently 1.28%, or 51% of one-month LIBOR. Despite the volatility, SANDAG VRDBs continued to trade well compared to SIFMA. This volatility is effectively hedged by SANDAG interest rate swaps.

<table>
<thead>
<tr>
<th>Series</th>
<th>SBPA Provider</th>
<th>Remarketing Agent</th>
<th>Reset Average</th>
<th>SIFMA Average</th>
<th>Spread to SIFMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008A</td>
<td>JPMorgan Chase Bank, N.A.</td>
<td>Barclays Capital Inc.</td>
<td>.81%</td>
<td>.90%</td>
<td>-9 bps</td>
</tr>
<tr>
<td>2008B</td>
<td>JPMorgan Chase Bank, N.A.</td>
<td>Goldman, Sachs &amp; Company</td>
<td>.81%</td>
<td>.90%</td>
<td>-9 bps</td>
</tr>
<tr>
<td>2008C</td>
<td>Bank of America, N.A.</td>
<td>JPMorgan Securities LLC</td>
<td>.82%</td>
<td>.90%</td>
<td>-8 bps</td>
</tr>
<tr>
<td>2008D</td>
<td>State Street</td>
<td>Stifel, Nicolaus &amp; Company, Inc.</td>
<td>.81%</td>
<td>.90%</td>
<td>-9 bps</td>
</tr>
</tbody>
</table>

SANDAG also has $402.3 million of fixed-payer interest rate swaps outstanding, the purpose of which is to hedge the interest rate variability associated with the $402.3 million of variable-rate bonds. Additionally, SANDAG has $313.2 million of basis swaps outstanding. Under the basis swaps, which became effective on April 1, 2018, when the existing fixed-payer swaps originally were scheduled to convert from the LIBOR to the SIFMA-based indices, SANDAG pays its counterparty a floating interest rate payment based on the SIFMA index and receives a floating payment based on 107.4% of three-month LIBOR. The market value of the SANDAG swap portfolio changes with interest rate fluctuations. The mark-to-market (MTM) valuation is $43,744,742, meaning SANDAG would need to pay approximately $43.7 million to terminate the entire swap portfolio in the current market. The swaps are performing as expected, and currently there are no reasons why SANDAG would need to terminate the swaps. Additionally, SANDAG is not required to post collateral under the swap agreements.
## Swap Portfolio Overview

<table>
<thead>
<tr>
<th>Associated Series</th>
<th>SANDAG Pays</th>
<th>SANDAG Receives</th>
<th>Trade Date</th>
<th>Effective Date</th>
<th>Maturity Date</th>
<th>MTM Value (As of 1/18/2019)</th>
<th>Notional Outstanding</th>
<th>Bank Counterparty</th>
</tr>
</thead>
</table>

### Total Fixed-Payer Swaps

- **Series 2008**
  - SIFMA Swap Index
  - 107.4% of 3 month USD-LIBOR
  - Trade Date: 3/19/2009
  - Effective Date: 4/1/2018
  - Maturity Date: 4/1/2038
  - MTM Value: $12,005,852.10
  - Notional Outstanding: $156,600,000

### Total Index Conversion Swaps

- **Series 2008**
  - SIFMA Swap Index
  - 107.4% of 3 month USD-LIBOR
  - Trade Date: 3/19/2009
  - Effective Date: 4/1/2018
  - Maturity Date: 4/1/2038
  - MTM Value: $12,005,852.10
  - Notional Outstanding: $156,600,000

### Total Combined

- **Total Fixed-Payer Swaps**: ($67,756,446.46) $402,300,000
- **Total Index Conversion Swaps**: $24,011,704.20 $313,200,000
- **Total Combined**: ($43,744,742.26) $715,500,000

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Cost of Capital

SANDAG has a very attractive weighted average cost of capital (WACC) of 3.35%. This cost can vary based on swap performance and the cost of liquidity to support the variable-rate debt.

The 2008A–D bonds, with the current swap rate and associated fees, provide a cost of capital equal to 4.11%. The 2010A bonds were issued as taxable Build America Bonds and have a borrowing cost of 3.89%. The 2010B tax-exempt bonds have a borrowing cost of 3.14%. The 2012A, 2014A, and 2016A bonds were sold at an all-in cost of 3.72%, 3.85%, and 3.29%, respectively. The 2018A Short-Term Notes have a borrowing cost of 1.86%. Taken together, SANDAG has issued approximately $2.39 billion in long-term debt to accelerate project delivery, for a WACC of 3.35%.

<table>
<thead>
<tr>
<th>SANDAG’s WACC Calculations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Synthetic Fixed Rate:</strong></td>
</tr>
<tr>
<td>Series</td>
</tr>
<tr>
<td>2008A</td>
</tr>
<tr>
<td>2008B</td>
</tr>
<tr>
<td>2008C1</td>
</tr>
<tr>
<td>2008C2</td>
</tr>
<tr>
<td>2008D</td>
</tr>
<tr>
<td><strong>2008 Weighted Average</strong></td>
</tr>
<tr>
<td><strong>Fixed Rate:</strong></td>
</tr>
<tr>
<td>Series</td>
</tr>
<tr>
<td>2010A</td>
</tr>
<tr>
<td>2010B</td>
</tr>
<tr>
<td>2012A</td>
</tr>
<tr>
<td>2014A</td>
</tr>
<tr>
<td>2016A</td>
</tr>
<tr>
<td>2018A Notes</td>
</tr>
<tr>
<td><strong>Total Weighted Average Without TIFIA Loan</strong></td>
</tr>
</tbody>
</table>

Commercial Paper

In addition to the long-term debt, SANDAG has a short-term Commercial Paper Program supported by a Letter of Credit (LOC) from Bank of America Merrill Lynch. The Commercial Paper Program was authorized at $100 million and has a current outstanding balance of $26.7 million as of December 31, 2018, when it was remarketed out 84 days at a rate of 1.8%. The supporting LOC with Bank of America Merrill Lynch was procured in September 2018 through a solicitation process that helped SANDAG attain a lower LOC fee of .32% for the next three years.
Looking Ahead

SANDAG entered into a Full Funding Grant Agreement (FFGA) with the Federal Transit Administration in September 2016 to help fund the Mid-Coast Trolley. The FFGA provides a commitment for up to $1.043 billion between federal fiscal years 2016 and 2026, of which SANDAG has received $330 million to date, and expects to receive the remainder through 2026. All prior plans of finance presented to the Board of Directors have included issuance of Grant Anticipation Notes (GANs) in 2019, secured by such future FFGA receipts. The GANs are not expected to be secured by a lien on sales tax revenues. In preparation for the transaction, SANDAG staff started the procurement process for an underwriting team as well as bond and disclosure counsel late last year. Wells Fargo Securities was selected to serve as the senior underwriter with Citigroup Global Markets Inc, Goldman Sachs & Co. LLC, and J.P. Morgan to serve as the co-managers. Norton Rose Fulbright US LLP has been selected to serve as bond counsel; and Orrick, Herrington & Sutcliffe LLP has been selected to serve as disclosure counsel. SANDAG kicked off the GANs transaction in late January. The proceeds from the GANs sale will be used for construction expenses associated with the Mid-Coast Trolley. Staff will continue to provide more information and updates in subsequent reports.
TransNet Independent Taxpayer Oversight Committee

February 13, 2019

TransNet Environmental Mitigation Program:
Annual Status Report and Implementation Actions

Overview

The TransNet Extension Ordinance and Expenditure Plan, approved by voters in 2004, includes the Environmental Mitigation Program, which provides funding to mitigate habitat impacts from regional and local transportation projects and provides funding for regional land management and biological monitoring.

On February 22, 2008, the Board of Directors authorized a Memorandum of Agreement with Caltrans, the U.S. Fish and Wildlife Service, and the California Department of Fish and Wildlife to establish a process to implement the goals of the TransNet Environmental Mitigation Program over a ten-year period.

Key Considerations

Since its inception in 2008, the TransNet Environmental Mitigation Program has played a vital role in habitat conservation, scientific research, and land management across San Diego County. To date, 40 sites have been preserved, totaling 8,780 acres of land. Attachment 1 provides key achievements of the TransNet Environmental Mitigation Program, with a focus on work completed in FY 2018 that includes:

- Habitat Conservation – In June of 2018, SANDAG completed the acquisition of 111 acres of undeveloped land for preservation in Carmel Valley.
- Scientific Research – On-going research on golden eagles is being used to understand how eagles are using the regional open space preserve system.
- Environmental Stewardship – In 2018, a grant-funded project documented juvenile southwestern pond turtles (a state species of concern) at Sycuan Peak Ecological Reserve for the first time due in part to the removal of invasive species that feed on the juvenile turtles.
- Regional Coordination – Established in 2008, the San Diego Management and Monitoring Program continues to coordinate science-based biological management and monitoring of lands in San Diego County; has collectively partnered with over 115 organizations; and has been involved with over 68 restoration projects covering 12,600 acres of land.

Next Steps

Item 10B is a proposed new Memorandum of Agreement outlining the implementation of the TransNet Environmental Mitigation Program for the next ten years.

Charles “Muggs” Stoll, Director of Land Use and Transportation Planning

Key Staff Contacts:  Kim Smith, (619) 699-6949, kim.smith@sandag.org
                     Keith Greer, (619) 699-7390, keith.greer@sandag.org

Attachment:  1. TransNet Environmental Mitigation Program 2018 Status Report

Overview

Since its inception in 2008, the TransNet Environmental Mitigation Program (EMP) has played a vital role in habitat conservation, scientific research, and land management across San Diego County.

Through the TransNet EMP, the San Diego Association of Governments (SANDAG) purchases, conserves, and restores native habitat to offset potential impacts from the development of transportation projects. TransNet, a regional half-cent sales tax for transportation approved by San Diego County voters, sets aside $850 million to fund the EMP. The TransNet Independent Taxpayer Oversight Committee closely monitors program expenditures to ensure public accountability.

As of January 2019, the EMP has helped acquire 8,780 acres of valuable open space in partnership with other government agencies and conservation groups. The program also has provided 117 grants to local organizations and jurisdictions for land management efforts, such as native habitat restoration and invasive species removal.

Accomplishments

8,780 total acres preserved by TransNet EMP and partners
5,421 acres preserved by TransNet
$161 million (including leveraged funds) in open space investments
$41 million in leveraged funds from conservation partners
117 land management grants totaling $16.6 million awarded to local organizations

How big is 8,780 acres?

Preserved by TransNet EMP and partners

To see pictures and locations of all the land acquisitions, check out the TransNet interactive story map on KeepSanDiegoMoving.com.

Videos of conservation projects also are available on the same website.

An eight-episode mini web series on California Mountain Lions is also available on Youtube. https://youtu.be/MGEdiCLPOGs

Scientific Research

EMP funds are making it possible for scientists to conduct a host of cutting-edge field studies in the San Diego region. These studies include regional monitoring of coastal California gnatcatchers across the U.S. range, including a separate study to determine how well gnatcatchers are recovering from the 2003, 2007, and 2014 wildfires in San Diego County. These studies have identified characteristics of habitat used by gnatcatchers to guide coastal sage scrub restoration by land managers.

A five-year study is being completed to determine how habitat quality, drought, predation, insect food supply, and other factors are affecting cactus wren reproduction and population size. This study along with genetic testing will help to reverse the decline of coastal cactus wren.

Development of a region-wide monitoring strategy for the arroyo toad will help coordinate future regional surveys and priority objectives for land managers.

Telemetry research on golden eagles is being used to develop habitat selection models related to land use and terrain.

Habitat Conservation

The open space conserved by the EMP helps to expand existing parks and preserves and create continuous wildlife corridors that benefit a variety of animal species, including the coastal California gnatcatcher, Ridgway’s rail, Hermes copper butterfly, Least Bell’s vireo, arroyo toad, mountain lion, burrowing owl, coastal cactus wren, and plants such as the Otay Mesa mint. The land acquisitions are located in strategic areas countywide, helping to close gaps between conserved areas.

In its early years, the EMP focused on acquisition of uplands. Focus has shifted to the acquisition and restoration of wetlands, including coastal lagoons identified under the North Coast Corridor Public Works Plan. Additional efforts will aim to identify and restore freshwater wetlands.

In June of 2018, SANDAG completed the acquisition of 111 acres of undeveloped land for the federally endangered Least Bell’s vireo and coastal California gnatcatcher.

In its early years, the EMP focused on acquisition of uplands. Focus has shifted to the acquisition and restoration of wetlands, including coastal lagoons identified under the North Coast Corridor Public Works Plan. Additional efforts will aim to identify and restore freshwater wetlands.

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Accomplishments as of January 2019

40 sites preserved
8,780 total acres
5,421 acres preserved by TransNet
$161 million (including leveraged funds) in open space investments
$41 million in leveraged funds from conservation partners
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Development of a region-wide monitoring strategy for the arroyo toad will help coordinate future regional surveys and priority objectives for land managers.

Telemetry research on golden eagles is being used to develop habitat selection models related to land use and terrain.
Environmental Stewardship

EMP grants support land management activities, coordination, and collaboration across the region. Activities funded by the grants include but are not limited to invasive plant removal, trail restoration, protective fencing, habitat restoration, and monitoring of animals and plants.

In 2018, photos of basking juvenile southwestern pond turtles were documented at Sycuan Peak Ecological Reserve. The U.S. Geological Survey has been removing invasive species at this location to promote the continued existence of these species with EMP funding.

Invasive plants, which adversely affect the nesting sites for the California least tern and other rare plant species such as Nuttall’s lotus, were removed by volunteers from the sand dunes at Mission Bay funded by an EMP grant to the San Diego Audubon.

The annual monitoring of over 30 rare plant species continues with workshops held to train land managers and land owners on rare plant monitoring protocols. These surveys are used to create a monitoring baseline to track future changes for these species and prioritize management needs.

Regional Coordination

As part of the EMP, a working group of land managers and conservationists meet regularly to discuss regional environmental issues, share insights and findings with each other, and collaborate on strategic planning for species and habitat management.

In addition, the EMP established the San Diego Management and Monitoring Program (SDMMP) in 2008 to coordinate science-based biological management and monitoring of lands in San Diego County that have been protected through various conservation planning and mitigation efforts. The SDMMP works collaboratively with over 115 partner organizations, many of which own conserved lands, to create more efficient strategies for managing and monitoring plants and animals. These partners include local, state and federal government agencies, non-profit organizations, and research and education organizations.

115 partner organizations, including 14 research and education, 32 government and wildlife agencies, and 69 NGOs.

Over 1,800 documents are available on the SDMMP website, including the Management & Monitoring Strategic Plan.

132 projects submitted to the website from 16 collaborators. SDMMP has been involved with over 68 restoration projects covering 12,600 acres.

Over 500 geographic datasets gathered and formatted for stakeholder use. Over 1,000 rare plant surveys stored in a uniform database.

Held over 27 trainings and workshops for land managers, researchers, and policy makers, as well as over 80 monthly Management and Monitoring Coordination Meetings.
Overview
In March 2008, the Board of Directors entered into a Memorandum of Agreement (MOA) with Caltrans, the U.S. Fish and Wildlife Service, and the California Department of Fish and Wildlife for the implementation of the TransNet Environmental Mitigation Program. The MOA was amended in August 2013 to clarify the economic benefit provisions of the Environmental Mitigation Program.

To help guide future work, SANDAG has been working with its partner agencies to develop a new MOA; the previous version expired in February 2018.

Key Considerations
The 2008 MOA was used as a starting point to initiate discussion regarding the new MOA. Included in Attachment 1 are the proposed changes to clarify points that arose over the first ten-years, which are shown in red text.

The proposed MOA supports implementation of the TransNet Environmental Mitigation Program for the next ten years and clarifies the flow of funds for transportation mitigation, as well as regional land management and biological monitoring.

In particular, it will:
- Extend the MOA for another ten years – through FY 2029.
- Continue funding for the Habitat Conservation Fund, including the San Diego Management and Monitoring Program at the same level ($4 million annually) for the next ten years.
- Capture all the Board of Directors actions approved during the first ten years into the MOA as attachments.
- Update the timing and release of funding related to a provision of the TransNet Environmental Mitigation Program referred to as Economic Benefit.


Regional Planning Committee
The Regional Planning Committee recommended approval of the MOA at its February 1, 2019, meeting, with modifications, as shown in Attachment 1. Modifications were recommended by the signatories to the MOA, with support from members of the Environmental Mitigation Program Working Group and SANDAG staff.
Next Steps

Execution of the new MOA will allow continuation of the TransNet Environmental Mitigation Program for regional land management and biological monitoring for the next ten years.

Charles “Muggs” Stoll, Director of Land Use and Transportation Planning

Key Staff Contacts:  Kim Smith, (619) 699-6949, kim.smith@sandag.org
                   Keith Greer, (619) 699-7390, keith.greer@sandag.org

Attachment:   1. Draft Memorandum of Agreement
Memorandum of Agreement (MOA XXXX) among the San Diego Association of Governments (SANDAG), the California Department of Fish and Wildlife (CDFW), the California Department of Transportation (Caltrans), and the United States Fish & Wildlife Service (USFWS) (collectively “the signatories”) Regarding the Mitigation for Transportation Projects Under the TransNet Extension Ordinance Environmental Mitigation Program

WHEREAS, the San Diego Association of Governments (SANDAG), as the designated Regional Transportation Planning Agency, is required to prepare a Regional Transportation Plan (RTP) for the San Diego region pursuant to Section 65080 of the Government Code;

WHEREAS, in October 2015, the SANDAG Board of Directors adopted San Diego Forward: The Regional Plan (2015 Regional Plan) as the regional RTP;

WHEREAS, the RTP includes a list of transportation network improvements and other transportation policies and programs that are intended to improve the mobility of people and goods throughout the region which are further clarified in the Regional Transportation Improvement Program (RTIP), which covers five fiscal years and was most recently adopted in 2016;

WHEREAS, the TransNet Extension Ordinance and Expenditure Plan (TransNet Extension Ordinance) Commission Ordinance 04-01 was adopted by the SANDAG Board on May 28, 2004, to provide for continuation of the half-cent transportation sales tax for 40 years to relieve traffic congestion, improve safety, and match state/federal funds;

WHEREAS, the TransNet Extension Ordinance was approved by the voters on November 2, 2004;

WHEREAS, the TransNet Extension Ordinance included the establishment and implementation of an Environmental Mitigation Program (EMP), including 11 principles that further defined the major elements of the EMP;

WHEREAS, in January 2005, the SANDAG Board approved a set of projects for accelerated implementation referred to as the TransNet Early Action Program (EAP);

WHEREAS, mitigation, which means for purposes of this Memorandum of Agreement (MOA), the early acquisition, creation, restoration, enhancement, and/or management of high-quality habitat, is more cost-effective and more biologically beneficial than the mitigation of habitat based on a project-by-project approach to mitigation;

WHEREAS, the TransNet EMP is intended, in part, to provide for early large-scale acquisition and management of important habitat areas and to create a reliable funding approach for required mitigation for future transportation improvements, thereby enabling the purchase of habitat that may become scarcer in the future, reducing future costs, and accelerating project delivery;

WHEREAS, proactive mitigation of transportation projects would provide an opportunity to implement the TransNet EMP by providing opportunities for early large-scale conservation, permit streamlining, and certain cost savings;
WHEREAS, the need for biological monitoring and management of the habitat preserve areas is critical to maintain habitats and ecosystem processes for the persistence and resilience of native flora and fauna;

WHEREAS, the signatories to this MOA agree that SANDAG will continue to include updates to funding for the biological mitigation of transportation projects to implement the currently adopted RTP, and additional funding for regional management and monitoring to implement the Regional Management Strategic Plan;

WHEREAS, the TransNet Extension Ordinance contains the provision that the EMP could yield an economic benefit of $200 million (estimated in 2002 dollars) through the benefits of incorporating specified regional and local transportation projects into applicable habitat conservation plans, thereby allowing mitigation requirements for covered species to be fixed, and allowing mitigation requirements to be met through purchase of land in advance of need in larger blocks at a lower cost;

WHEREAS, on March 19, 2008, SANDAG, the California Department of Transportation (Caltrans), the United States Fish and Wildlife Service (USFWS), and the California Department of Fish and Wildlife (CDFW) entered into a MOA regarding the mitigation for transportation projects under the TransNet Extension Ordinance EMP;

WHEREAS, on September 26, 2008, the SANDAG Board approved the attached process and criteria for SANDAG staff to utilize in evaluating and acquiring mitigation lands under the TransNet EMP, included as part of the Construction and Mitigation Strategy (CMS) shown in Attachment A;

WHEREAS, in October 2011, the Governor of California signed Senate Bill 468, which states that “SANDAG shall commit to dedicate a portion of the TransNet Regional Habitat Conservation Fund for regional habitat acquisition, management, and monitoring activities necessary to implement habitat conservation plans based on the estimated economic benefits derived from permitting and approval efficiencies on the north coast corridor project as a result of the procedures of this section, with that funding to be released by SANDAG in phases based upon the proportion of project work that has been issued permits, consistency reviews, or other applicable approvals, and in accordance with any other criteria as deemed appropriate by SANDAG taking into account the purpose and intent of TransNet”;

WHEREAS, in August 2013, the signatories amended the MOA originally signed in March 2008, to clarify the process and phasing of the release of economic benefit funding utilizing the existing process identified in the original MOA and subsequent SANDAG Board actions;

WHEREAS, the signatories have determined that entering into this MOA does not constitute a project as that term is used in the California Environmental Quality Act (CEQA), California Public Resource Code section 21000, et seq., that entering into this MOA does not constitute a major federal action significantly affecting the human environment as those terms are used in the National Environmental Policy Act (NEPA), 42 U.S.C. section 4321, et seq., and that CEQA and NEPA compliance are conditions precedent to any signatory being committed to carry out any obligations set forth in this MOA for which such compliance is required;

1 The Regional Management Strategic Plan is a comprehensive plan to promote the management and monitoring of at-risk native species and their habitat in the San Diego region.
NOW THEREFORE, BE IT RESOLVED that the signatories agree as follows:

1. The signatories agree to continue to implement the CMS (Attachment A, and incorporated by reference as if fully restated here) as the method for identifying priority habitat acquisition, creation, and restoration opportunities that will be designed to fully mitigate the range of anticipated wildlife habitat, natural communities, fisheries, and sensitive species impacts resulting from projects in the currently adopted RTP, as well as for local transportation projects that are funded through TransNet. The CMS aligns the estimated impacts of these transportation project(s) to mitigation opportunities, which are intended to be the basis for determining subsequent agreements identified under Section 7 below, and the parties agree that such agreements may provide regulatory assurances under the authority and jurisdiction of the signatory agencies.

2. SANDAG agrees to continue to include in future budget updates, a cash flow for mitigation of TransNet regional and local transportation projects totaling no less than $440 million (nominal dollars) through the expiration of this MOA pursuant to a SANDAG-approved budget that can be amended through an annual process.

   Funding can be used for: (1) acquisition; (2) restoration and enhancement; and (3) monitoring and management, as required to meet each transportation project’s full mitigation needs. Funds not utilized in any given year could be rolled over into the next fiscal year. Borrowing to the degree necessary to meet this objective would be implemented consistent with the adopted Plan of Finance (POF), with debt service to be paid from annual EMP revenues. Up to $82 million in interest-free fund transfers from transportation categories could be provided as a loan to finance the early acquisitions. Additionally, $30 million in debt-service assistance as identified in the TransNet Extension Ordinance also could be provided. Interest-free fund transfers from transportation project categories could be allowed in such a way that transportation projects are not delayed. Such transferred funds would be returned for use on transportation projects by the end of the TransNet Extension in 2048.

3. SANDAG has allocated $4 million a year, starting at the beginning of FY 2008 and will continue to allocate this amount annually until the end of FY 2029 to be used for regional management and monitoring. The source of the funds allocated for regional management and monitoring are attributed to the Regional Conservation Fund as described in TransNet Extension EMP Principle 4.

4. SANDAG will continue to provide an annual report analyzing the status and progress of the MOA in implementing the goals of the TransNet EMP for presentation to the SANDAG Board.

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2 Sensitive species are generally those that have been covered, or are anticipated to be covered, by approved or in progress Natural Communities Conservation Program (NCCP)/Habitat Conservation Program (HCP) planning efforts.
5. The signatories agree to evaluate and SANDAG would modify, if necessary, the POF no later than ten years after execution of this MOA to **accommodate any insufficiencies identified in the tri-annual Independent Taxpayer Oversight Committee performance audit, SANDAG Audit Committee recommendations, and/or ten-year TransNet comprehensive review** to address potential variations in funding, changes to the adopted RTP, and changes to the CMS.

6. EMP funds will be made available according to the schedule described in the POF. The release for advance mitigation will be contingent upon executed agreements intended to establish the mitigation of TransNet-funded regional and local transportation projects as identified in Attachment B (which is incorporated by reference as if fully restated here). The agreements may take various forms and address a range of actions from project-specific to more programmatic-level approaches towards mitigation and conservation actions. Types of agreements could include, but are not limited to:

   - **a. Advanced Permittee Responsible Mitigation Agreements** (e.g., Interstate 5 North Coast Corridor Agreement)
   - **b. Letter of Concurrence and Commitments** (e.g., Sage Hill agreement)
   - **c. Wetland Mitigation Banking Agreement** (e.g., Rancho Jamul)
   - **d. Advanced Conservation Banking Agreement** (e.g., Hidden Valley Memorandum of Understanding [MOU])
   - **e. Programmatic Consultation** (e.g., Rail Corridor from Orange County to Oceanside)
   - **f. Early Federal Endangered Species Act Section 7 Consultation**
   - **g. Project(s) Specific Agreement(s)**
   - **h. Natural Community Conservation Plan/Habitat Conservation Plan NCCP/HCP**
   - **i. Regional General Permits** (e.g., Contra Costa County)
   - **j. Regional Conservation Investment Strategy**

7. The focus of the initial mitigation efforts under this CMS will be on those projects identified in the latest adopted RTP and approved by the SANDAG Board. The focus will be on projects identified as EAP projects followed by other regional projects included in the RTP. Mitigation opportunities for the remaining transportation projects will be initiated if the signatories of this MOA agree that an environmental mitigation opportunity has arisen to satisfy a non-EAP project consistent with Section 2 above.
8. **SANDAG will work with the local jurisdictions to identify the mitigation needs for local transportation projects identified in the most currently adopted RTIP and utilize existing lands acquired for local streets and roads or assist the jurisdictions with acquisition, restoration and management to meet their mitigation needs. Existing credits are currently memorialized in the Conservation Credit Agreement dated November 25, 2014. Mitigation lands for local streets and roads projects will occur in the permitted subarea plan or with written approval of the United States Fish and Wildlife Service and the California Department of Fish and Wildlife (Wildlife Agencies) within the associated subregional NCCP plan area, with written approval of the Wildlife agencies.**

9. **Economic Benefit will be released in accordance with the implementation policies identified in Attachment C of this MOA or a similar mutually agreed upon methodology developed over the life of the MOA, after repayment of the debt financing has been fulfilled on existing bonds issued to promote advance mitigation during the first ten years of the program.**

10. **The mitigation requirements for each project(s) will be addressed on a case-by-case basis and incorporated into a specific agreement pursuant to Section 6 above to be executed by the signatories. The signatories hereto intend that if a project(s) conforms to the scope, general alignment, and biological effects analysis described in an executed agreement pursuant to Section 6 above, no additional compensatory mitigation to satisfy the Federal Endangered Species Act (ESA), the California Endangered Species Act (CESA), the California NCCP, or Fish and Game Code section 1600 et seq., are anticipated; however, final determination of project impacts and necessary mitigation will be determined through applicable statutory permitting processes. The parties agree to follow the CMS process for identification and acquisition of mitigation property as described in Attachment A of the MOA.**

11. **Each project will be reviewed by the Wildlife Agencies through applicable statutory and regulatory processes. In addition, the Wildlife Agencies will determine each project’s consistency with executed agreements. The Wildlife Agencies will contact, in writing, the signatories within 60 days of receipt of the SANDAG request for concurrence regarding conformance with the executed agreements. If the project does not conform, the Wildlife Agencies will identify necessary actions required for consistency with the approved agreement(s). For projects that conform to the approved agreements, the Wildlife Agencies will expedite issuance of the permits, as staffing resources allow. Notwithstanding this section or any other provision of this MOA, nothing in this MOA is intended or will be interpreted to pre-determine the outcome of any applicable statutory and regulatory processes under ESA, NEPA, CEQA, NCCP, or other applicable federal or state laws.**

12. **Principals of federal or state “Safe Harbor” agreements pursuant to 50 CFR §§ 17.22(c) and at 17.32(c), or Section 2089 of California Fish and Game Code, may be included, as appropriate, and as determined by the relevant parties, in any agreement that improves resources in advance of project impacts for resources that may be affected by the transportation project (e.g., coastal lagoon restoration).**
13. Local jurisdictions with approved NCCP/HCPs and incidental take authorizations/exemptions that include local transportation projects as covered activities, have received regulatory assurances regarding mitigation for such projects, as provided for in the federal No Surprises Rule (e.g., cities of Chula Vista, San Diego, La Mesa, Poway, Carlsbad, and the County of San Diego). Other jurisdictions may obtain such assurances for covered transportation projects upon approval by the Wildlife Agencies of their NCCPs/HCPs and issuance of corresponding incidental take authorizations.

14. Mitigation for projects identified in Attachment B may be substituted for other TransNet projects as identified in the most recently adopted RTP. Substituted projects must have impacts equal to or less than the original project and the exchange must be approved by the Wildlife Agencies. The amount of use of mitigation credits would be addressed by subsequent agreements as identified in Section 6 above.

15. The Wildlife Agencies will actively cooperate with SANDAG and Caltrans during the permitting process for TransNet projects impacting wetlands, and waters of the United States, which are regulated by the U.S. Army Corps of Engineers, EPA, Regional Water Quality Control Board, and/or CDFW through wetland banking agreements, master streambed alteration agreements, regional general permits, or mechanisms, as appropriate. The signatories support wetland creation, where appropriate and feasible, and restoration projects for use as advance mitigation and, as appropriate will mutually assist with identifying and/or obtaining funding for planning and permitting of the creation and restoration projects.

16. USFWS will support and, if appropriate, present the federal Consistency Determination for federal projects to the California Coastal Commission for coastal wetland restoration agreement(s) provided USFWS determines the projects meet the Consistency Determination requirements under federal and state law.

17. SANDAG, acting as the San Diego County Regional Transportation Commission, is accountable for all TransNet expenditures pursuant to the TransNet Extension Ordinance. As such, SANDAG is responsible for the expenditure of funds for advanced mitigation through the execution of the agreements described in Section 6, above. It is the intent of SANDAG to continue to utilize the capabilities and expertise of Caltrans staff, a SANDAG-contracted independent third-party, or itself to acquire real property and to develop and implement restoration plans. The Wildlife Agencies will cooperate in identifying opportunities and priorities consistent with the CMS.

18. The signatories agree in good faith to expend the technical, and staff resources necessary to implement the provisions of this MOA. However, nothing in this MOA shall be construed as obligating the signatories to expend funds, or for the future payment of money, in excess of appropriations authorized by law, nor does this MOA pre-determine the outcome of any future statutory or regulatory process under federal or state law or the execution of further agreements between the signatories. In addition, nothing in this MOA will be construed to establish a limit on the funds necessary to provide mitigation as required under the ESA and the CESA, or any other applicable law or regulation; all mitigation costs set forth in this MOA, including Attachments A and B, and the documents referred to herein are estimates only.
19. The signatories agree to review and modify this MOA, if necessary, after ten years from its execution by all signatories based upon its performance in providing advanced mitigation, enhanced project delivery, and overall availability of TransNet funding. Based upon the results of this review, all signatories retain the right to obtain mitigation of individual projects on a project-by-project basis pursuant to Section D and Principle 11 of the TransNet Extension Ordinance, the ESA, and the CESA.

20. Nothing in this MOA shall supersede those provisions adopted by the voters in November 2004 under the TransNet Extension Ordinance.

21. Any notice required or permitted under this MOA may be personally served on another party, by the party giving notice, or may be served by certified mail, return receipt requested, to the following addresses:

For SANDAG:  
401 B Street, Suite 800  
San Diego, CA 92101  
Attention: Hasan Ikhrata

For USFWS:  
2177 Salk Avenue, Suite 250  
Carlsbad, CA 92008  
Attention: Field Supervisor

For CDFW:  
3838 Ruffin Road  
San Diego, CA 92123  
Attention: Ed Pert

For Caltrans:  
4050 Taylor Street  
San Diego, CA 92110  
Attention: Cory Binns

22. That unless it is amended by the parties in writing, this MOA shall terminate ten years after execution of this agreement, or on such earlier or later date as the parties may agree to in writing. This MOA shall continue in effect unless and until a party to the MOA gives 60 days written notice of its desire to withdraw from the MOA. If such notice is given, the MOA shall continue to be binding on those parties who have not formally withdrawn.

23. No Member of Congress shall be entitled to any share or part of this Agreement, or to any benefit that may arise from it.

24. This MOA shall be interpreted in accordance with the laws of the State of California and applicable federal laws.

25. All terms, conditions, and provisions hereof shall inure to and shall bind each of the parties hereto, and each of their respective successors, and assigns.

26. For purposes of this MOA, the relationship of the parties is that of independent entities and not as agents of each other or as joint venturers or partners. The parties shall maintain sole and exclusive control over their personnel, agents, consultants, and operations.

27. No alteration or variation of the terms of this MOA shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

28. Nothing in the provisions of this MOA is intended to create duties or obligations to or rights in third parties to this MOA, to accord to any third party a right to sue pursuant to this MOA, or to affect the legal liability of the parties to this MOA to third parties.
This MOA may be executed in any number of identical counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument when each party has signed one such counterpart.

IN WITNESS WHEREOF, the Parties hereto have executed this MOA effective on the day and year first above written.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

HASAN IKHRATA
Executive Director

CALTRANS

CORY BINNS
District 11 Director

UNITED STATES FISH AND WILDLIFE SERVICE

Carlsbad Fish and Wildlife Service
Field Supervisor

CALIFORNIA DEPARTMENT OF FISH
AND WILDLIFE

ED PERT
Deputy Director

Attachments: A. TransNet Conservation and Mitigation Strategy
B. Estimated Mitigation Need and Cost by Project
C. TransNet Economic Benefit Implementation Policy Points
The goal of the TransNet Conservation and Mitigation Strategy (CMS) is to: (1) identify conservation opportunities for habitat acquisition, creation, and restoration that promotes regional habitat conservation planning; and (2) align these opportunities in such a way to fully mitigate the range of potential wildlife habitat, natural communities, fisheries, and sensitive species impacts resulting from transportation projects in the currently adopted Regional Transportation Plan (RTP) pursuant to Section 14 of the TransNet EMP Memorandum of Agreement (MOA).

A. Identification of Conservation Opportunities

The United States Fish and Wildlife Service and the California Department of Fish and Wildlife (Wildlife Agencies) will partner with SANDAG and Caltrans to identify conservation opportunities that promote the regional conservation of biodiversity, thereby implementing San Diego’s regional habitat plans that have been adopted (or will be adopted) under the Natural Community Conservation Planning Act (NCCP), and as Habitat Conservation Plans (HCPs) under the Endangered Species Act. Implementation of these NCCPs/HCPs will collectively promote San Diego Forward: The Regional Plan’s (2015 Regional Plan) policy objectives to, “focus growth in areas that are already urbanized, allowing the region to set aside and restore more open space in our less developed areas,” and “protect and restore our region’s urban canyons, coastlines, beaches and water resources,” and also will provide certainty and streamlined regulatory permitting of future transportation projects.

The opportunities will consist of identification of land acquisitions, upland and wetland restoration and creation, and other specific actions that will contribute to the goal of “maintain[ing] and enhance[ing] biological diversity in the region and conserving viable populations of endangered, threatened, and key sensitive species and their habitat, thereby preventing local extirpation and ultimate extinction (MSCP Biological Goals and Standards).”

In assisting with the development of the conservation opportunities, the Wildlife Agencies will use the basic fundamental tenets of habitat reserve design based upon the recommendations of the NCCP scientific advisors, and specific objectives based upon the current needs of the regional NCCPs/HCPs, as well as the opportunities to leverage TransNet funds with non-TransNet funding. While the fundamental tenets will not change over time, the objectives will be subject to periodic reassessments as the regional NCCP/HCP matures.

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2 Specific objectives could include, as examples, preservation of vernal pool and maritime succulent scrub habitat, restoration of quino checkerspot butterfly and burrowing owl habitat, and creation of coastal wetland habitat.
B. Alignment with Regional Transportation Plan Mitigation Needs

Based upon a review of the projects in the most currently adopted RTP and current Regional Transportation Improvement Program (RTIP), and the estimated impacts (Attachment B), as amended, the Wildlife Agencies will partner with SANDAG and Caltrans, and other federal and state regulatory agencies, to align mitigation needs of the RTP project(s) with the identified conservation opportunities, with an emphasis on transportation projects belonging to the Early Action Program (EAP) and then to other projects. The conservation opportunity will meet the mitigation needs of the project(s) and be formalized in an appropriate agreement as identified in the MOA prior to the release of funds for acquisition of such property. The Wildlife Agencies will not mandate a specific opportunity as the required mitigation, but instead will provide a range of options for SANDAG and Caltrans to consider based upon cost, timeliness, and respect for private property rights, other state and federal regulatory requirements, and other considerations.

Conceptually, conservation opportunities that achieve the mitigation for estimated RTP project(s) impacts can be grouped into coastal wetlands, jurisdictional freshwater wetlands, uplands, and species specific. Habitat acquisition, restoration, creation, and species-specific enhancement will all be considered, as appropriate.

It is expected that in order to implement this approach, some projects may require additional biological analysis to provide more specificity on the habitats and species that could be impacted and conservation opportunities as a follow-up to confirm the assumptions of executed agreements as described in the MOA.

C. TransNet

The following process and criteria were adopted by the SANDAG Board of Directors on August 1, 2008, to guide SANDAG and Caltrans staff with the identification and acquisition of mitigation property when implementing the TransNet Environmental Mitigation Program (EMP). They will be used to implement the identification and acquisition of land under the EMP.

1. Conservation and Mitigation Strategy

Compensatory mitigation for RTP projects will require the following general types of habitats: coastal wetlands, freshwater wetlands, and uplands. During the development of the TransNet EMP, a planning level estimate was made for the amount of acres to be acquired, restored, and managed for these habitat types and an estimated cost. In addition, depending on the number of regulatory permits and size of expenditures; various levels of assurances will be required. The following outlines the process and criteria for advanced mitigation; an illustrative flowchart is provided (see Section D.1). Those transportation projects included in the RTIP that have identified or are in the process of identifying environmental mitigation through various regulatory permitting processes are not subject to the process and criteria set out in this document, and therefore, will not be postponed.

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3 Pursuant to the MOA, the RTP referenced in these guidelines is the 2015 Regional Plan. Projects may be substituted in future RTP updates following the provisions of Section 14 of the MOA.
2. Identification of Opportunities
   a. SANDAG, Caltrans, USFWS, and CDFG will work on identifying opportunities that meet the mitigation needs of future RTP projects per the MOA.
   b. The above agencies will be working with outside organizations (for example, local jurisdictions, nonprofits, private land owners, consultants) to identify opportunities and will develop a strategic alliance with the State Wildlife Conservation Board (WCB) and California State Coastal Conservancy (SCC) to leverage funding and achieve larger mutual goals while providing advanced mitigation for RTP Projects.

3. Strategy for Mitigation of Coastal Wetlands
   a. SANDAG, Caltrans, USFWS, and CDFG have agreed that the mitigation solution for the projects in the coastal zone will require a unique approach. The agencies, along with partners from the California Coastal Commission, SCC, U.S. Army Corps of Engineers, and local stakeholders have developed an Advanced Permittee Responsible Mitigation Agreement that complements the Public Works Plan for projects in the coastal Interstate 5 (I-5) Corridor. This approach consists of a strategy that looks at the existing ecological health of the coastal wetlands in San Diego County, and the opportunities for “ecological lift” by creation/restoration, enhancement, and capital improvement activities that improve the ecological functioning of the wetland. These activities will be assigned mitigation credits equivalent to the ecological lift resulting from the action compared to existing conditions of the wetlands. This may include acquisitions for the creation of wetlands where possible.
   b. Agreements will be entered into by SANDAG, Caltrans, and the regulatory agencies that comprise the Resource Enhancement Mitigation Program of the Public Works Plan/Transportation and Resource Enhancement Program for the I-5 North Coast Corridor to implement the Advanced Permittee Responsible Mitigation Agreement.
   c. Acquisition of property could occur prior to the signing of a new agreement provided that all parties agree in writing that the site would become part of the coastal wetland mitigation strategy and agree to the value of mitigation credits.

4. Strategy for Mitigation of Non-Coastal Wetlands and Uplands
   a. SANDAG and Caltrans will seek assurances through a wetland mitigation bank agreement, conservation agreement, or alternative agreements as determined to the satisfaction of SANDAG and Caltrans.
   b. A letter of concurrence and commitment from USFWS and CDFG stating that a property is suitable for mitigation will be required prior to an appraisal of the property.
c. It is the intent of SANDAG to have all assurances from the regulatory agencies in place prior to expenditures of any funds necessary for acquisition. SANDAG may rely upon a letter of concurrence and commitment from the Wildlife Agencies to secure the property in fee title, easement, option, or lease. Restoration, if necessary, would come after additional assurances (for example, mitigation bank agreement, approved restoration plans) from the regulatory agencies are in place.

D. Process and Criteria for Mitigation

SANDAG and Caltrans staff will pursue mitigation opportunities consistent with the strategies above and secure opportunities as illustrated in Section 3. Section 4 describes the criteria that will guide SANDAG and Caltrans staff in the acquisition of conservation opportunities. SANDAG and Caltrans staff will formalize in writing how the proposed acquisition/restoration of the proposed property conforms to these criteria.

Pursuant to Section 7 of the MOA, “the focus of the initial mitigation efforts under this CMS will be on those projects identified in the latest adopted RTP and approved by the SANDAG Board. The focus will be on projects identified as EAP projects followed by other regional projects included in the RTP. Mitigation opportunities for the remaining transportation projects will be initiated if the signatories of this MOA agree that an environmental mitigation opportunity has arisen to satisfy a non-EAP project . . .”
1. Conceptual Implementation Flow Chart

To be used for acquisition/restoration of properties for advanced mitigation.

SANDAG, Caltrans, USFWS, and CDFG will work on identifying opportunities that meet the mitigation needs of future RTP project per MOA.

Additional assurances are described in Section 6 of the MOA and include but are not limited to advance mitigation agreements, mitigation banks, and programmatic consultations.
2. **TransNet EMP Mitigation Evaluation Criteria**

a. **RTP Mitigation:** The property will satisfy one or more RTP projects as identified in the MOA with a focus on projects identified as EAP followed by other regional projects in the RTP. Mitigation opportunities to meet other RTP projects and local street and road projects will be considered under the terms of the MOA. The regulatory agencies will be required to provide assurance in the form of a letter of concurrence and commitment that the land is adequate for mitigation prior to appraisal of the property. Additional assurance such as conservation or mitigation bank agreements may be required prior to execution of a purchase agreement and/or the restoration of the property.

b. **Jurisdictional Land Use Plans:** Use of the site as habitat mitigation/open space is consistent with the long-range land use and transportation policies of one or more local jurisdictions. If the use of the site as habitat mitigation/open space is not consistent, the jurisdiction(s) does not object to the site being purchased for mitigation.

c. **Willing Seller:** Owner of the property is a willing seller with clear title to the property and any hazardous material identified in a Phase I environmental site assessment has been evaluated and addressed.

d. **Appraisal:** The property must be appraised by a qualified licensed appraiser in accordance with established acquisition and appraisal standards and the first written offer will reflect the fair market value of the property.

e. **Promotes Natural Community Conservation Planning:** The proposed mitigation will contribute to the success of the San Diego regional NCCP by acquiring and restoring unique habitat areas, key populations of endangered species, lands adjacent to existing conserved habitat lands, and/or promoting wildlife linkages with the goal of establishing mitigation ratios in subsequent agreements pursuant to the adopted habitat conservation plans.

f. **Owner/Manager:** Perpetual ownership of the land has been identified, as well as a qualified land manager. The identified owner is a public agency or nonprofit willing to provide a conservation easement or deed restriction to SANDAG or Caltrans upon transfer of title that contains a reversionary clause back to SANDAG or Caltrans if the land is not being managed and monitored pursuant to a Resource Management Plan acceptable to the Wildlife Agencies. SANDAG, Caltrans, and the land manager have agreed upon the annual cost to manage the land and the method for funding the annual management costs.
g. Cost: The cost of the mitigation is consistent with the estimates established under the TransNet Extension Ordinance as adjusted for inflation in the TransNet Plan of Finance. The Executive Director or designee shall have the authority to expend funds for mitigation up to 10 percent above the planning level estimates, subject to SANDAG Board Policy No. 017. Staff shall track and monitor any cost savings on a program-wide basis. The Executive Director shall have the authority to approve expenditures of funds for mitigation above 10 percent of the planning level estimates if there are enough cost savings accumulated on a program-wide basis to cover the expected costs as verified through an analysis prepared by staff and verified by the TransNet Program Manager. Expenditures for mitigation that exceed the planning level estimate or the appraised value of the property by 10 percent and above any accumulated programmatic cost savings would require approval by the SANDAG Board to proceed, subject to SANDAG Board Policy No. 017. SANDAG staff will track the expenditures and cost savings of the mitigation and provide an annual report to the Independent Taxpayer Oversight Committee and SANDAG Board with any recommendations for adjustments to ensure that the program-wide costs are consistent with the estimates established under the TransNet Extension Ordinance.
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Notes:

*These projects are from the 2030 Regional Transportation Plan approved March 2003, which was in effect at the time of the TransNet Ordinance. Projects may change pursuant to future RTP updates approved by the SANDAG Board. Following the adoption of each new RTP the attachment will be revised.*

*TPMF – Transportation Project Mitigation Fund*

*Acreages estimated using Generalized Vegetation mapping from SANDAG 1995 Regional Vegetation database.*

*Cost per acre based on recent mitigation ratios, acquisition, restoration, creation, and endowment costs.*

*Costs are in 2002 dollars.*
TransNet Economic Benefit Implementation Policy Points

1. Economic Benefit consists of those funds that are generated by the mitigation of regional transportation projects and local streets and roads that occur in advance of permit needs that were estimated at $200 million in 2002. SANDAG tracks these funds in its Capital Improvement Project No. 1200300 Regional Habitat Conservation Fund.

2. Economic Benefit would be generated upon a transportation project(s) or phase of a larger project obtaining final regulatory sign off on all federal, state, and local permits, or equivalent consistency reviews or approvals required to develop the transportation infrastructure.

3. Potential Economic Benefit will be reduced by the allocation already approved by the SANDAG Board of Directors ($40 million) and any future allocations under this Memorandum of Agreement (MOA). The remaining Economic Benefit will be evaluated for release at the termination of this MOA when debt service for borrowing for the first ten years of the Environmental Mitigation Program (EMP) has been completed.

4. Economic Benefit for regional transportation projects will be derived by the proportionate amount of actual mitigation cost for the project divided by the total mitigation cost provided under the EMP for all projects and then multiplied by remaining economic benefit. Larger projects developed in phases would release their economic benefit in proportion to the economic benefit calculated for the entire project.

5. Economic Benefit accrued for local streets and minor regional projects would be determined by the total cost of mitigation divided by the total available local street funds then multiplied by the remaining economic benefit.

6. Allocated Economic Benefit funds would be converted to the year of expenditure dollars by the SANDAG Board based upon using growth in TransNet revenues.

7. Economic Benefit can be used for regional habitat acquisition, management, and monitoring necessary to implement the regional habitat conservation plans utilizing the established SANDAG processes.

8. SANDAG will utilize the evaluation criteria contained in the CMS, which is Attachment A to the MOA.

9. A committee comprised of representatives from SANDAG, Caltrans, United State Fish and Wildlife Service, California Department of Fish and Wildlife, and U.S. Geological Survey would evaluate all proposals resulting from a call for projects for land acquisitions and provide their recommendation to the SANDAG Board using evaluation criteria approved by the SANDAG Board and the eligibility findings identified in Policy Point No. 8, above.

10. The EMP Working Group would make a recommendation to the Regional Planning Committee for any allocations of economic benefit funds proposed for regional management and monitoring. Economic Benefit funding for management and monitoring would be allocated by the SANDAG Board as part of the annual allocations of funding.
11. Economic Benefit would be calculated after debt service for borrowing for the first ten years of the EMP has been completed, and then as part of the Plan of Finance approval by the SANDAG Board. Economic Benefit would be released in phases so as not to impact the infrastructure improvements previously approved by the Board for design and/or construction. Any bonding required to fund Economic Benefit would be consistent with the TransNet Implementation Guidelines adopted by the SANDAG Board on September 24, 2004, which indicates that borrowing would be limited to $30 million and, to the degree needed, up to $82 million in “intra-program fund transfers from transportation categories.”
2019 ITOC Annual Report: Appointment of Subcommittee

Overview
In accordance with the TransNet Extension Ordinance, one of the responsibilities of the ITOC is to prepare an annual report to the Board of Directors presenting both the results of its annual fiscal and compliance audits, and its triennial performance audits. The most recent annual report (2018 ITOC Annual Report) was presented to the Board of Directors in July 2018 (Attachment 1).

Key Considerations
The 2019 ITOC Annual Report Subcommittee meetings are anticipated to occur through June 2019 and immediately after each regularly scheduled ITOC meeting. A kick-off meeting also would be scheduled for late February.

Next Steps
Once the ITOC establishes a 2019 Annual Report Subcommittee and selects a project manager from its membership, SANDAG staff will coordinate subcommittee meetings and assist the ITOC Subcommittee in preparing a draft annual report for consideration by the ITOC.

The 2019 Annual Report Subcommittee will return with a draft 2019 ITOC Annual Report for ITOC review in spring 2019. Consideration of the final draft annual report is scheduled for the June 2019 ITOC meeting. Chair Dustin Fuller will present the final 2019 ITOC Annual Report at the June 2019 Board of Directors meeting.

José Nuncio, TransNet Department Director
Key Staff Contact: Ariana zur Nieden, (619) 699-6961, ariana.zurnieden@sandag.org
Attachment: 1. 2018 ITOC Annual Report
Letter From The ITOC Chair

San Diego County voters originally approved the TransNet Ordinance and Expenditure Plan for 20 years (1988–2008) and subsequently extended the program for 40 years (2008–2048). Revenue from the half-cent sales tax—leveraged with significant funds from federal, state, and local sources along with borrowings against future revenue—funds highway, transit, and bike/pedestrian improvements, as well as smart growth and environmental conservation.

The TransNet Extension Ordinance and Expenditure Plan passed in November 2004 mandated that an Independent Taxpayer Oversight Committee (ITOC) composed of volunteer citizens be formed to:

• provide an enhanced level of accountability for the expenditure of funds;
• help ensure that all Ordinance mandates are carried out as required; and
• develop recommendations for improvements to the financial integrity and performance of the program.

The 2018 ITOC Annual Report provides an overview of what was accomplished in the year and a look at what the TransNet program has completed to date. This report includes several highlights:

• Results of the FY 2018 TransNet Triennial Performance Audit and related ITOC recommendations
• Findings of the FY 2017 TransNet Annual Fiscal and Compliance Audits
• ITOC recommendations provided as part of the TransNet Ten-Year Review
• A summary of monitoring activities the ITOC undertook during the past year
• Snapshots of TransNet-funded projects completed or underway
• Details of ongoing efforts to implement the SANDAG Plan of Excellence and its 7-Point Data Accuracy and Modeling Work Plan

To learn more about what the ITOC does and how you can get involved, visit sandag.org/itoc.

Dustin Fuller,
ITOC Chair

Questions?
The ITOC welcomes your feedback on this report or other TransNet-related matters. Inquiries can be directed to itoc@sandag.org.

A few seats for membership on the ITOC will open soon. Individuals interested in serving on the committee, as vacancies occur, are encouraged to email itoc@sandag.org to be placed on the vacancy notification list.
**FY 2018 TransNet Triennial Performance Audit**

In accordance with the TransNet Extension Ordinance, one of the responsibilities of the ITOC is to conduct triennial performance audits of SANDAG and other agencies involved in the implementation of TransNet-funded projects and programs to review project delivery, cost control, schedule adherence, and related activities. The fourth triennial performance audit was conducted in FY 2018 by the ITOC with the assistance of an independent auditor in accordance with the requirements of the TransNet Extension Ordinance. The following pages contain the Executive Summary from the FY 2018 TransNet Triennial Performance Audit. To view the full performance audit, please visit: [www.sandag.org/finaltransnet2018performanceaudit](http://www.sandag.org/finaltransnet2018performanceaudit)

**Executive Summary**

In June 2017, the Independent Taxpayer Oversight Committee (ITOC) selected Sjoberg Evashenk Consulting, Inc. (SEC), to conduct the required FY 2018 TransNet Triennial Performance Audit for the three-year period between Fiscal Years 2015 and 2017. Because the audit was conducted simultaneously with the TransNet 10-Year Look-Back Review required by the TransNet Extension Ordinance and Expenditure Plan, relevant data since the start of the TransNet was incorporated, as appropriate.

Mostly, ITOC found that the San Diego Association of Governments (SANDAG) and its TransNet partners were on track towards meeting the primary goals of TransNet as outlined for voters at the 10-year mark of the 40-year program—with the exception of mixed results for relieving congestion and improving safety. Since the start of the TransNet Extension Ordinance, 61 percent of major corridor projects were either completed or in-process and significant progress was made toward many of the TransNet goals.

**Progress Towards Meeting Ordinance Goals, 2005 to 2016**

<table>
<thead>
<tr>
<th>TransNet Goal</th>
<th>Progress to Date</th>
<th>Goal Met?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Relieve Congestion</td>
<td>• Commutes of less than 30 minutes decreased from 67% percent to 64%. • Highway pavement condition improved, although local roadway pavement condition declined. • Also, use of alternate modes as a percent of total commute decreased from 18% to 17%.</td>
<td>Mixed Results Thus Far</td>
</tr>
<tr>
<td>2 Improve Safety</td>
<td>• Highway and Roadways injuries decreased by 9% and fatalities decreased by 19%. • However, Bike and Pedestrian injuries and fatalities increased by 21% and 18%, respectively.</td>
<td>Mixed Results Thus Far</td>
</tr>
<tr>
<td>3 Match State and Federal Funds</td>
<td>• Major corridor funds was leveraged at $1.89 to $1.00. • Local Street and Road planned leveraging was $1.10 to $1.00.</td>
<td>Yes</td>
</tr>
<tr>
<td>4 Expand Freeways</td>
<td>• Expanded freeways; for example, projects were completed on the I-15, I-805, SR 52, and SR 76. • 61% of capital construction projects were completed or in-progress.</td>
<td>Yes</td>
</tr>
<tr>
<td>5 Maintain and Improve Roads</td>
<td>• At least 136 projects completed and approximately $714 million dedicated for local streets and roads.</td>
<td>Yes</td>
</tr>
<tr>
<td>6 Increase Transit for Seniors and Persons with Disabilities</td>
<td>• Ridership for seniors and persons with disabilities appeared to have increased by 7% since the start of the TransNet Extension Ordinance.</td>
<td>Yes</td>
</tr>
<tr>
<td>7 Expand Commuter Express Bus, Trolley, and COASTER Services</td>
<td>• Expanded transit services; for example, 3 new Rapid Bus Services Routes were put into service. • 94 vehicles (including 65 light-rail trolley vehicles) were purchased.</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Note: ¹ For years where data was available. ² Local Street and Road leveraging was based on project funding planned per the Regional Transportation Improvement Program data and not actual local funds expended.

Like other entities across the nation, SANDAG faces continued challenges funding the TransNet Program and balancing less than expected sales tax revenues with often increasing project costs. SEC found the assumptions and strategies used in the latest TransNet Plan of Finance aligned with others and incorporated leading practices including increased transparency over the uncertainty of revenue sources. Yet, if needed funds do not materialize to cover major capital construction, SANDAG may need to assess options and make critical decisions such as delaying projects, reducing scope, or eliminating projects.

Further, while solid practices were in place over areas such as capital construction projects, Environmental Mitigation Program activities, and transit service, ITOC noted areas where SANDAG and its TransNet partners could further strengthen and improve efficiency and effectiveness of TransNet Program oversight and delivery. This includes continuous rigorous monitoring of economic conditions that may impact sales tax revenues and project costs in addition to the development of a formal performance framework to analyze TransNet progress against Ordinance goals among other enhancements that can be made.
Finance

Many of the fiscal challenges since the start of TransNet were also experienced at other similar organizations such as lower than forecasted sales tax collections and balancing project costs with reduced revenues. Yet, we found financing practices were reasonable, given the process changes made to recent revenue estimation processes, and aligned with industry practices including leveraging of sales tax funds and the use of debt. However, because construction costs increased at a faster pace than TransNet revenues, it may become more difficult to complete major corridor projects within the 2048 horizon year without historic leveraged rates of additional funding sources.

Financing Strategy

- Use of Plan of Finance followed leading practices and met TransNet leveraging goals.
- Revised Plan of Finance used leading practices and funds were leveraged as intended.
- Recent Plan of Finance reflected SANDAG’s efforts to increase transparency of revenue uncertainty.
- Funds leveraged met intent of TransNet with SANDAG securing $1.89 in state and federal funds for every $1 of TransNet funds.

Revenues

- TransNet collections were lower than forecasted, but not unlike similar organizations.
- Updated forecasts show a decline in future revenues that could potentially impact future projects.
- Positive changes were made to help reduce any future revenue forecasting errors.

Costs

- Initial project cost assumptions were reasonable, but transparency of cost updates could be improved.
- Initial cost estimate assumptions were conservative and reasonable.
- Construction costs since 2005 increased at a faster rate than revenues.
- Regular updates and better communication of reasons for project cost changes are needed.

Debt Service

- While debt financing was reasonable, transition to pay-as-you-go could impact pace of project completion.
- Debt financing allowed SANDAG to accelerate early action program projects.
- SANDAG’s use of debt versus pay-as-you-go financing compared with similar agencies’ practices.
- Major corridor debt service and related revenue growth must be closely monitored to assess impact on other TransNet areas.
- Annual TransNet revenues are projected to exceed debt service, but periods of higher risk exist.

Capacity for Future

- Capacity for future projects must be closely managed to complete major corridor projects.
- Given current revenue projections, SANDAG needs to effectively leverage other funds to deliver major corridor projects by 2048.
- Future mix of projects needed may change and affect funding needs.

Transit Operations Plan

- As additional Rapid routes begin service, changes to the Transit Operations Plan may be needed.
- Assumptions used in Transit Operations Plan were generally reasonable, but future shortfalls exist.

“Annual TransNet revenue growth needs to be approximately 2.9%, on average, to cover increased debt service by FY 2026.”
Performance

Key elements of a performance framework were not established at the start of the Ordinance to measure output and performance against the goals of TransNet. Even though certain performance data was available through a variety of sources, it was not consistently summarized and reported regionally at the SANDAG level.

- While TransNet established goals, performance targets were not established; yet, government best practices recommend using targets as part of a comprehensive performance plan.
- Performance not measured for all TransNet areas, and additional data is needed to assess performance in certain modes.
- Significant performance data is still needed for Local Street and Road Program.
- Detailed performance analysis and more reporting are needed.
- Story map tracked some outputs and accomplishments, although more is needed.

Major Corridor Capital Construction

Like others in the nation, highways continue to be congested and injuries and fatalities have recently increased after a declining trend since the start of TransNet. However, since the beginning of TransNet, 61 percent of projects were completed or started. Solid project management practices were in place, including innovative project delivery methods that appear to be realizing benefits and cost savings.

Congestion

- Vehicle miles of travel (VMT) slightly increased as has commute time less than 30 minutes.
- Hours of delay per capita increased.

Safety

- Injuries and fatalities on highways and roadways recently increased after a declining trend over the last decade.

Pavement and Bridge Condition

- Highway pavement quality increased, and fewer bridges were in distressed condition.

Innovative Construction Manager/General Contractor (CMGC) Project Delivery Method Reports Advantages

- CMGC relatively new to transportation industry.
- Caltrans considered CMGC leading practices and developed a framework to measure success.
- Although premature to fully assess, I-5 North Coast Corridor (Build NCC) partners already report synergies from CMGC.
- Mid-Coast Corridor partners also report early benefits of CMGC although data to capture performance of CMGC is not yet available.
Local Street and Road

Absent performance outcome data, resulting performance of local street and road improvements was limited to pavement condition as a measure of road quality. Additionally, both the Ordinance and SANDAG Board of Directors (Board) policy requirements pertaining to local jurisdictions’ 70/30 fund split for congestion relief and maintenance compliance and compliance with bicycle (bike) and pedestrian accommodations need to be reevaluated.

- Pavement condition declined, but recent efforts may reverse trend as survey results show improving conditions.
- 70/30 congestion relief and maintenance project split needs revisiting to provide more flexibility for locals to meet infrastructure needs.
- Continued effort is needed to demonstrate compliance with bike and pedestrian accommodations under SANDAG Board Policy No. 031, Rule 21.

Transit Services

With $344 million allocated to transit operators since the start of TransNet, the Metropolitan Transit System and North County Transit District served over 100 million riders annually—an increase since the start of TransNet, although ridership has recently declined. Systemwide, the transit network generally demonstrated strong performance as compared to peers with results mostly meeting targets. TransNet-only funded Rapid services also showed positive performance.

- Ridership declined 3 percent, but Rapid route ridership funded solely by TransNet grew 31 percent.
- TransNet goal of increased services for seniors and those with disabilities was met with increases of 1.7 million riders and 7 percent since 2007.
- On-time performance fluctuated by mode, but Rapid on-time performance was consistently higher than 82 percent.
- Rapid passengers per hour increased 7 percent, and farebox recovery increased as well.
- Transit pass subsidy disparity may impact funds available for other transit services.
- TransNet limitations on operating cost increases may be too restrictive.
Bicycle and Pedestrian

Bicycle (bike) and pedestrian modes of transportation increased since the start of TransNet, but have fluctuated over the past three years with a downward trend between 2014 and 2016 for both bike ridership and bike commute share.

- Bike ridership and its share of commute increased since the start of TransNet, but decreased from 2014 to 2016.
- Total commutes increased 4 percent across all modes, yet bike ridership decreased 13 percent. This is not unlike trends observed across the nation. In contrast, average annual bike commuters increased by 35 percent since the start of TransNet.
- Limited data exists to establish ridership baselines for bike and pedestrian performance.
- Bike and pedestrian safety was better over last three years, but worse since start of TransNet.
- Regional bike early action program project management methods align with leading practices.
- EAP activities recently ramped up, but some projects showed delays.

Environmental Mitigation

With nearly $222 million spent to-date on TransNet’s Environmental Mitigation Program (EMP), much has been accomplished—more than half of the mitigation projects outlined in the Ordinance have mitigation activities underway or are being restored. However, more work needs to be done to communicate performance toward environmental goals.

- EMP processes and agreements were successful and significant progress was made—although much work remains as efforts shift towards restoration efforts.
- Restoration costs are expected to exceed estimates mostly because the program is restoring more wetlands that were acquired as agreed by the California Coastal Commission for the North Coast Corridor.
- Funds collected and land acquired for local street and road mitigation were underutilized by local entities.
- Habitat conservation performance structure was in place, but communicating complex results to the public remains a challenge.
- Too early in program lifecycle for significant land management activities.
Information and Transparency

While TransNet represents a significant portion of the region’s transportation improvements, progress toward TransNet goals was not tracked. To increase visibility of the TransNet Program and its contribution for the region, more can be accomplished through SANDAG and its TransNet partners’ websites and social media features.

- SANDAG did not specifically track or report progress against Ordinance goals such as congestion relief, safety, and increased services to seniors and persons with disabilities.
- Public surveys reveal mixed results on transportation services.
- TransNet Program promotion could be strengthened.
- Visibility of TransNet for the public could be enhanced.
- Dashboard is innovative tool, but projects were not always easily linked with Ordinance, and initial budgets were not included to allow public to get full snapshot of activities.
- Decision makers and public would benefit from succinct summarized insights from SANDAG staff to navigate voluminous information presented.

Fiscal Year 2017 TransNet Annual Fiscal and Compliance Audit Highlights

The TransNet Extension Ordinance requires recipients of TransNet funds to undergo an independent annual fiscal and compliance audit. These audits are in the form of agreed-upon procedures (AUP) and include certain requirements of the Ordinance, SANDAG Board Policy, and requests of the ITOC. The ITOC is responsible for issuing an annual audit statement for each jurisdiction’s compliance with these requirements. The Summary of Results and AUP reports for the year ended June 30, 2017, are available on the SANDAG website at sandag.org/itoc.

Recipient agencies were in compliance with the major TransNet provisions. The audit noted the following key results:

- As required by SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules, each recipient agency accounted for TransNet activities in a separate fund, or via an alternative method, as approved by SANDAG.
- Revenues for each recipient agency were recorded and expenditures reported by all recipient agencies were allowable in accordance with the TransNet Ordinance, TransNet Extension Ordinance, and SANDAG Board Policy No. 031.
- SANDAG appropriately allocated TransNet revenues – at least 70 percent for congestion relief purposes and up to 30 percent for maintenance purposes – in accordance with the TransNet Extension Ordinance.
- All street and road recipient agencies were in compliance with the Maintenance of Effort (MOE) requirement ensuring that TransNet revenues were used to augment, not supplant, local revenues. The City of Lemon Grove reported an unmet MOE requirement in the amount of $21,196 for the year ended June 30, 2016. The SANDAG Board of Directors approved allowing the City of Lemon Grove until June 30, 2019, to make up the deficit in accordance with the TransNet Extension Ordinance. The deficit was cured during the year-ended June 30, 2017.
- FY 2017 was the ninth year recipient agencies were required to perform the agreed-upon procedures under the TransNet Extension Ordinance. Based upon results of the procedures performed, the report also noted the following:
  - Revenues collected by each city and the County of San Diego under the Regional Transportation Congestion Improvement Program, except for the cities of Encinitas, Escondido, and National City, were in compliance with Section 9 (a) of the TransNet Extension Ordinance and SANDAG Board Policy No. 031. The cities of Encinitas, Escondido, and National City have either collected or are in the process of collecting the shortfall.
  - All reporting agencies, with the exception of the City of Escondido, were in compliance with Board Policy No. 031, Rule #17, Section IV, requiring TransNet recipient agencies to maintain a fund balance that does not exceed 30 percent of its annual apportionment. Local Street and Road funds will be withheld from the City of Escondido until such time that the Director of Finance certifies the City has gained compliance.
  - The North County Transit District (NCTD) was in compliance with operator eligibility requirements for both bus and rail services. The SANDAG Board of Directors approved an adjustment to the MTS annual calculation for operator rail eligibility requirements, as allowed by the Ordinance, thereby rendering the agency in compliance.

Example Staff Summary Report for Agenda Item

PROS & CONS:
PROS: Notification can lead to action to forestall development activity in freeway corridors and help minimize costs as well as ensure eventual completion of the facility.
CONS: By utilizing funds for advance purchase of right-of-way, these funds are not available for other uses such as design and construction.

TECHNICAL & POLICY IMPLICATIONS:
TECHNICAL: Unless precluded early in the process, development within freeway alignments will result in increased right-of-way costs in the future.
POLICY: With the passage of Proposition 400 on November 2, 2004, the RTP includes funding for right-of-way acquisition as part of the funding for individual highway projects. This funding is spread over the four phases of the Plan. Funding for advance acquisitions may be made available on a case-by-case basis.
TransNet Ten-Year Review – ITOC Recommendations
The TransNet Extension Ordinance requires that the SANDAG Board of Directors, acting as the San Diego County Regional Transportation Commission, conduct a ten-year comprehensive program review of all TransNet projects and programs to evaluate and improve performance of the overall program.

The Ten-Year Review kicked off in early summer 2017 and is being conducted as a two-step process. The first step was a “look back” to assess the performance of the overall TransNet program to date. The second step is a “look ahead” utilizing the results from the first step as a basis to consider potential revisions to the Expenditure Plan and other provisions of the Ordinance to improve performance of the TransNet program going forward. Based on committee, working group, and Board feedback, proposed changes to the Ordinance or Board policies resulting from the “look-back” will be brought forward for Board consideration leading up to adoption of the Regional Plan. To view the entire TransNet Extension Ordinance: Ten-Year Look-Back report and SANDAG info Bulletin, visit: sandag.org/transnet10yearreview

Consistent with its role and responsibilities, the ITOC prepared the following letter with its recommendations on the TransNet Ten-Year Review for SANDAG Board consideration.

Letter from ITOC with Recommendations to the SANDAG Board of Directors on the TransNet Ten-Year Comprehensive Program Review
January 12, 2018
Hon. Terry Sinnott, Councilmember
Chair, SANDAG Board of Directors

The ITOC reviewed the Comprehensive Program Review Report in some detail at its January 10, 2018, meeting. ITOC found the report to be a very comprehensive review and presentation of the past ten-year results related to SANDAG’s management of the TransNet Ordinance. Overall, the report reflects the significant progress made by SANDAG in substantially meeting most, albeit not all, Key TransNet Goals.

While ITOC believes that the consultants have done an exemplary job of the task of reporting on SANDAG’s activities and the outcomes of those activities, we encourage the Board, as part of this 10-Year Review, to request more assessment, evaluation and prescription, the purpose of which is to enhance future decision-making.

The report and its historical trend line data sheds light on several underlying issues which ITOC believes warrant further study and analysis, including:

1. Congestion Relief is a “Key TransNet Goal”. The report shows that both in 2005 and in 2015, the average vehicular commute time in the San Diego region was the second lowest (behind Las Vegas) in its peer group, and that such average vehicular commute times worsened in all cases over the 10-year period. This appears to be disturbing given the significant investments and projects completed by SANDAG over the period, but there are numerous underlying questions to be answered (e.g. differences in relative population and employment growth during the period) before any meaningful assessment can be made of whether we should be satisfied or disappointed at San Diego’s relative performance. More important, without such deeper analysis and evaluation, it is difficult to conclude what are the implications for future decision-making.

2. The Safety section indicates that overall Highway Safety (collisions and fatalities) have been reduced as a percentage of vehicle miles driven. While that is very good news, the data shows that the rate of bike rider collisions had worsened, significantly, by 21% over the ten years. ITOC assumes this result coincides with an increase in ridership. What if any impact that increase in ridership had on the safety results is not discussed. Two of the five city peer groups did not show any such increase in accidents.
Given the amount of money that has been spent to expand, improve and enhance the safety of our bike paths, lanes, etc., ITOC asks staff to perform a much more robust analysis of cause and effect here to ascertain what can we do differently with our dollars to get a better result.

3. Similarly, Pedestrian Safety worsened, by a very significant 18%, over the ten years as related to the number of vehicle miles driven. This is a very disturbing and unacceptable trend. Three of the five city peer groups did not see any increase in pedestrian collisions over this time period. ITOC has asked staff to further analyze this issue to again see what can be done differently with our tax dollars to get a better result.

4. The Transit Performance section showed that transit ridership had increased by a cumulative 11% over the last ten years. While an increase is obviously the desired impact, given the very significant dollars invested in Transit, with only an 11% increase, are we getting value for our tax dollars in Transit?

This ridership increase is not correlated to overall increase in travel over the ten-year period. This leaves unanswered the question, has our transit investment actually increased the percentage of commuters using transit or does this recognized increase in ridership just reflect more commuters in total across all modes. The question that needs be answered is has the percentage of total commute traffic by transit increased?

5. The data on Transit Farebox recovery as a percent of total operating costs shows San Diego in all modes of Transit being substantially higher (better) than the peer average. However, the data shows that the average seat utilization, while improving, is still very low, ranging from a high of 38% to a low of 20% across the different modes of Transit.

The question ITOC has asked staff to investigate is the price demand elasticity between fare levels and ridership. Would a lower fare (lower percentage of total operating cost) like exists in the peer group expand ridership yielding the environmental benefits one seeks with transit? Correspondingly could the TransNet budget support what would possibly be higher TransNet operating deficits that result.

6. The report acknowledges the excellent and accelerated progress and completions of the many major projects undertaken. Most importantly, we need to know the best current estimate of how many projects will not yet be completed and their estimated remaining costs in order to understand whether the “pay-go” proceeds, in conjunction with funds from state and federal programs, will be sufficient to complete those projects. The report further acknowledges that this achievement was largely a result of borrowing against future TransNet tax receipts to advance the start of several of these major projects.

The report also states that this borrowing and spending currently of projected future tax receipts is nearing its end as debt capacity limits will soon be reached. This will necessitate reverting to a “Pay As You Go” process wherein annual spending will be limited to just those actual annual tax receipts. The report is silent on how much future tax receipts will actually be available to “pay as you go” for projects, versus simply paying for past debt principal and interest. ITOC asked staff to do a projection of the future tax receipts allocable by the TransNet Ordinance percentage to Major Projects (reasonable best case/worst case projection) and how those projected receipts will be spent for debt service compared to new projects.

In conclusion, we are compelled to point out that a major flaw in this review - though through no fault of any of the consultants, the current Board or current SANDAG staff – is that, aside from the projects identified for completion, the goals established at the outset of the program were neither sufficiently robust nor measurable as to enable a more impactful Ten-Year Review. In this regard, ITOC wholeheartedly supports the approach being taken with the new San Diego Forward: The 2019 - 2050 Regional Plan, which includes a clear framework for and specific performance measures for defining success.

The ITOC looks forward to continuing to work with the SANDAG Board and staff to help achieve the goals set out by the ordinance and would be happy to further discuss our views on all of the above at any time.

Sincerely,
Dustin Fuller, Chair
TransNet ITOC
\textbf{ITOC Activities for Fiscal Year 2018}

The ITOC conducted, reviewed, and provided recommendations on many key TransNet-supported programs during the 2018 fiscal year:

- FY 2017 TransNet Fiscal and Compliance Audits
- FY 2018 TransNet Triennial Performance Audit
- TransNet Ten-Year Comprehensive Program Review
- FY 2015 TransNet Triennial Performance Audit
- Regional Transportation Improvement Program
- 2015-2016 State of the Commute report
- Environmental Mitigation Program
- TransNet Senior Mini-Grant, Smart Growth Incentive, and Active Transportation Grant programs
- Proposed 2018 TransNet short-term bond issuance
- Quarterly financial reports and updates on financial markets
- Performance of the TransNet debt program
- FY 2019 to FY 2023 TransNet program revenue estimates
- FY 2019 TransNet Early Action Program Budget
- Proposed TransNet Indirect Cost Allocation Guidelines
- Cost estimating process for TransNet projects
- 2016-2017 TransNet Major Corridors Plan of Finance Update
- TransNet Transit Operations Funding update
- San Diego Forward: The 2019-2050 Regional Plan Draft Performance Measures and Draft Revenue-Constrained Transportation Scenarios
- FY 2019 ITOC operating budget
- Regional Transportation Congestion Improvement Program
- TransNet Local Street and Road Program annual status, including:
  - City of San Diego Transportation Capital Improvement Program
  - Highway 101 Streetscape Improvement project
  - Use of TransNet Debt Program by the Cities of La Mesa and San Diego
- Senate Bill 1 state funding awards
- Progress reports on the TransNet program
- SANDAG 7-Point Data Accuracy and Modeling Work Plan update
**TransNet Matches Other Fund Sources**

TransNet funds are matched with other funds to deliver projects in the short-term. The 2016 Regional Transportation Improvement Program (RTIP) covers a five-year period from FY 2017 to FY 2021, and is a multi-billion dollar program of projects planned by SANDAG and jurisdictions throughout the county. These projects are funded by federal, state, TransNet sales tax, and other local funding sources. The ITOC reviews projects proposed for funding with TransNet funds and does this as part of its review of the RTIP.

While the TransNet local sales tax dollars represent a relatively stable source critical to financing regional transportation programs and projects, when compared to federal, state, and other funding available, these outside fund sources constitute a proportionally larger share of the overall funding available.

Source: 2016 Regional Transportation Improvement Program

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**Senate Bill 1 Provides Support to Meet Local Needs**

One example that illustrates the impact these outside funds have toward improving transportation infrastructure in the region is the enactment of Senate Bill 1 (SB 1). The San Diego region has been awarded more than $898 million through SB1-funded grant programs for road rehabilitation, congestion relief, trade corridor, transit, and rail improvements.

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**TransNet Continues to Improve Transportation Infrastructure**

TransNet provides a significant source of funding for a variety of capital construction projects on highways and transit corridors, local streets and roads, and bikeways, in addition to an Environmental Mitigation Program, new transit services, and grants for smart growth, active transportation, and subsidized transit for seniors and person with disabilities. Approximately $4.9 billion, of the total $18.8 billion expected to be generated by TransNet, has been spent as of June 30, 2018. Another $1.05 billion is committed to be spent over the next three years.

Source: 2016 Regional Transportation Improvement Program

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**TransNet Funding**

![TransNet Funding Chart](chart.png)

The chart above illustrates the distribution of funds for various transportation improvement programs. The breakdown includes:

- **TransNet**
- **Federal**
- **Local/Private**
- **State**
- **Other Fund Sources**

*TransNet includes bond proceeds.*

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**SB1—Total Awards for SD Region $898.69 Million**

FY 2018–FY 2023

- **Transit and Intercity Rail Capital** $86.27
- **Trade Corridor Enhancement** $105.17
- **Caltrans** $246.74
- **State Transportation Improvement** $169.74
- **State Rail Assistance/State of Good Repair** $8.79
- **Local Streets and Roads—Formula** $35.40
- **Planning Grants** $4.45
- **Freeway Service Patrol** $2.13
- **Local Partnership** $31.44
- **Active Transportation** $13.56
- **Local Streets and Roads—Formula** $35.40
- **SB1—Total Awards for SD Region** $898.69 Million

**TransNet Funding — Regional Transportation Improvement Program ($000)**

FY 2017–FY 2021

- **TransNet—TSI, $229,641**
- **TransNet—MC, $1,412,636**
- **TransNet—SS, $5,081**
- **TransNet—BPNS, $127,734**
- **TransNet—REMP, $242,865**
- **TransNet—SGIP, $11,798**
- **TransNet—Border, $10,835**
- **TransNet—Bond, $10,187**
- **TransNet—ADA, $6,052**
- **TransNet—REMP, $242,865**
- **TransNet—LSI, $527,028**
- **TransNet—MC, $1,412,636**

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**Symbols and Abbreviations**

- **ADA** – Americans with Disabilities Act
- **BPNS** – Bicycle, Pedestrian and Neighborhood Safety
- **BRT** – Bus Rapid Transit
- **LSI** – Local Street Improvements
- **MC** – Major Corridor
- **REMP** – Regional Environmental Mitigation Program
- **SGIP** – Smart Growth Incentive Program
- **SS** – Senior Services
- **TSI** – Transit System Improvement
TransNet Progress Highlights

FY 2018 was an historic year for the TransNet Extension Program. The Interstate 5/Genesee Interchange linking University City to La Jolla, and featuring 10 lanes and a bike bridge, opened. The Mid-Coast Trolley made progress, as columns and station structures took shape. And the South Bay Rapid transit bus line – linking Otay Mesa to Downtown San Diego – headed toward completion. To learn more about what was accomplished last year, watch the 2017 recap video on youtube.com/SANDAGregion.

MID-COAST TROLLEY
Extending the Blue Line Trolley service from Santa Fe Depot in Downtown San Diego to the University City community, the Mid-Coast Trolley will expand transportation capacity in the corridor to accommodate existing and future travel demands and provide an effective alternative to congested freeways and roadways. Construction began in 2016 and service is anticipated to begin in 2021. TransNet provided more than $770 million for this project.

BAYSHORE BIKEWAY
The Bayshore Bikeway is a 24-mile regional bike corridor that will provide a vital and scenic connection to major bayfront employers, as well as tourist and recreational destinations. Approximately 16 miles of bike paths have been built to date, most recently in National City. The National City segment constructed a separated bike path along Harbor Drive and bike lanes on Tidelands Avenue and W. 32nd Street and was completed in 2018. TransNet funding provided $3.1 million for this segment of the Bayshore Bikeway.

I-5/GENESEE INTERCHANGE
The I-5/Genesee Avenue Interchange Project replaced the existing six-lane Genesee Avenue overpass with a ten-lane structure to accommodate current and future traffic demands in the job intensive community, greatly improving the movement of people and goods through the area. $17.2 million of TransNet funding was allocated for this critical interchange, which began construction in 2015 and will open to traffic in 2018.

MID-CITY CENTERLINE
The SR 15 Mid-City Centerline Rapid Transit Stations project is San Diego’s first set of freeway-level transit stations along SR 15 at University Avenue and El Cajon Boulevard. The project also included the construction of transit-only lanes within the existing median from just north of I-805 to just south of I-8. Construction began in 2015 and was completed in 2018. TransNet provided $38.2 million for this project.

SUPERLOOP RAPID
The SuperLoop Rapid Transit Project provides frequent, high-speed service and innovative vehicle amenities within the North University City area of San Diego, operating seven days a week. Construction on the final five stations and transit signal priority equipment in the La Jolla Colony segment was completed in 2018. TransNet funding provided $34.7 million to construct SuperLoop Rapid.

I-5/HOV LANES
As part of the integrated, multi-modal approach of the North Coast Corridor program, one carpool lane in each direction will be constructed on I-5 from Lomas Santa Fe Drive in Solana Beach to SR 78 in Oceanside. Construction began in 2017 and is anticipated to be complete in 2021. TransNet provided $850 million for this project.
SOUTH BAY RAPID
GUIDEWAY BRIDGE AND
EASTLAKE PARKWAY
South Bay Rapid will include 12 stations along a 26-mile route from the Otay Mesa Port of Entry to Downtown San Diego, providing travelers with a frequent and reliable transit choice. At the heart of the project is a dedicated transit guideway – a nearly six-mile long transit-only lane that will include a guideway bridge over SR 125 and path for pedestrians. $98 million of TransNet funds were allocated for this segment of the project. Construction on South Bay Rapid began in 2016 and service is expected to begin by 2019.

ORANGE LINE TROLLEY
IMPROVEMENTS
This project will replace and maintain the Overhead Contact System (OCS) materials and equipment that power the trolley – work is occurring along the Orange Line Trolley track between 16th & Commercial streets in Downtown San Diego and the El Cajon Transit Center. The project began in 2017 and is anticipated to be complete in 2018. TransNet funding provided $32.1 million for these critical improvements.

POINSETTIA STATION
IMPROVEMENTS
This project will renovate the Poinsettia Station in Carlsbad to improve travel wait times, provide easier access, reduce train delays, enhance pedestrian safety, and upgrade station amenities. The new platform will be lengthened to accommodate longer trains and an undercrossing will be installed, featuring stairways and ramps on both sides of the tracks. Construction began in 2018 and is anticipated to be complete by 2020. $16.2 million of TransNet funds were allocated for this project.

SAN ELIJO LAGOON RESTORATION
The San Elijo Lagoon Restoration is a cooperative effort between multiple agencies and the San Elijo Lagoon Conservancy to enhance and restore the San Elijo Lagoon. The project includes enhancing wetland and upland areas, improving tidal flow, and replenishing beach sand. TransNet provided $41 million for the complete restoration of the lagoon, which began in 2017 and is anticipated to be complete by 2021.

STATE ROUTE 11/OTAY MESA EAST PORT OF ENTRY
SANDAG and Caltrans, along with key local, state, and federal agencies, are constructing an innovative port of entry in the San Diego-Baja California region with the objective of significantly reducing border wait times. The State Route 11/Otay Mesa East Port of Entry (POE) project will provide fast, predictable, and secure crossings that connect directly to a new state-of-the-art POE serving both personal and commercial vehicles. The first segment of SR 11 and the three northbound connectors linking SR 11/125/905 opened in 2016, and currently the project team is conducting a binational analysis on innovations to incorporate into the new POE. TransNet allocated $10.8 million to construct this vital connection between the United States and Mexico.
TransNet Progress to Date

Over the past three decades, TransNet funds have played a crucial role in the region’s ability to secure matching funds from federal, state, and other local sources and advance completion of major capital projects. Every TransNet dollar invested in completed projects has effectively been tripled by leveraging funds from other sources.

Approximately $3.3 billion in TransNet funding has been invested in completed projects to date, and these funds have helped leverage more than $10 billion in outside funds to deliver more than 650 highway, transit, bike and pedestrian, habitat conservation, local street repairs, and grant projects and programs. Incorporated into the TransNet Extension Ordinance was an assumption that TransNet funds dedicated to the Major Corridor Program would leverage approximately 50% from federal, state and other sources—meaning that one outside dollar would be leveraged for every TransNet dollar received, or a 1:1 match ratio. To date, Major Corridor Program TransNet funds have been matched closer to 2:1. Furthermore, from 1988 to 2016, the actual match ratio of outside funds to TransNet funds is 3:1 for the entire TransNet program.

Promises Made, Promises Kept

The TransNet Extension Ordinance included a Major Corridors program to fund 48 highway and transit capital improvement projects. To meet this objective, in 2005, the TransNet Early Action Program was created as a subset of the Major Corridors Program to expedite completion of projects.

Even through the depths of the Great Recession (2008-2011), SANDAG succeeded in advancing projects by using long-term, borrowing secured by future TransNet sales tax revenue to capitalize on low cost construction costs and interest rates, as well as to seize competitive funding opportunities. Ten years into the TransNet Extension Ordinance – with a quarter of the 40-year measure having elapsed – SANDAG has completed or started construction on 61 percent of the projects listed in the ballot measure.

To take a virtual tour of TransNet-funded projects, view the story map on KeepSanDiegoMoving.com/TransNet.
Future Activities/Challenges/Opportunities

The ITOC plays a valuable role in the ongoing improvement and enhancement of the financial integrity and performance of the TransNet program. Below are descriptions of key FY 2018 activities to be carried forward into FY 2019.

Enhancing Transparency, Accountability, and Data Integrity through the SANDAG Plan of Excellence and its 7-Point Plan

In FY 2017, ITOC members reviewed and commented on the SANDAG 7-Point Data Accuracy and Modeling Work Plan (7-Point Plan). The 7-Point Plan strengthens accuracy, quality, and transparency in data, analytics, and modeling programs at SANDAG. In November 2017, the 7-Point Plan was incorporated into the SANDAG Plan of Excellence (Plan). The Plan is a comprehensive response to the requirements and recommendations SANDAG committed to undertake to strengthen the credibility of the organization through increased transparency and accountability. The Plan incorporates more than 35 action items, organized into eight focus areas, that integrate improvements to existing business practices and introduce new operational procedures so SANDAG becomes an even better regional agency and sets a standard for excellence that benefits the San Diego region. The ITOC will continue to monitor implementation of the Plan during the upcoming fiscal year.

Transitioning from Accelerating Capital Projects through Financing to Pay-As-You-Go

SANDAG has been able to greatly accelerate the development, construction and completion of major new roads and transit projects funded by your TransNet sales tax dollars through the use of long-term borrowings which will be repaid from future years’ sales tax receipts collected under the TransNet program. For example, the I-15 Express Lanes project, which was completed and opened for traffic in 2011 would likely not have been built until several years later without the use of this debt financing. In many cases, the use of debt to accelerate projects also created significant cost savings by enabling SANDAG to borrow at historically low interest rates and take advantage of the relatively low construction costs immediately following the major recession which began in 2008. As shown in the chart below, for the next three years, the majority of expected TransNet sales tax revenue will be required to repay these borrowings and the related interest payments (together, labeled “debt service”), leaving only a relatively small portion of future years’ tax receipts available for projects not currently contemplated in SANDAG’s Plan of Finance. Accordingly, without the addition of new federal, state or local funds, SANDAG’s ability to make significant additions or changes to its current roster of planned projects will be limited by this financial constraint. It must be noted that this is not a surprise and is the expected result of the decision to incur the debt in order to realize the benefits of enabling the public to sooner utilize the projects, along with significant construction cost savings in many cases.

How Can You Get Involved?

KeepSanDiegoMoving.com
Offers real time information about TransNet projects, including a Dashboard that shows budgets and schedules.

sandag.org/TransNet
Contains key documents related to the TransNet Extension Ordinance.

Meetings
ITOC meets on a regular basis, usually the second Wednesday of the month at 9:30 a.m. at SANDAG offices, 401 B Street, Suite 800, San Diego, CA 92101. A list of past and upcoming agendas for all ITOC meetings can be found at sandag.org/itoc.

Questions?
Inquiries to the ITOC can be directed to itoc@sandag.org. Any persons interested in serving on the committee, as vacancies occur, are encouraged to email SANDAG to be placed on the vacancy notification list.
Proposed FY 2020 ITOC Annual Operating Budget

Overview

The TransNet Extension Ordinance (Ordinance) states that costs incurred in administering ITOC activities are to be paid from TransNet sales tax proceeds and audited annually. The Ordinance also specifies that the responsibilities of the ITOC include conducting the annual fiscal and compliance audits, coordinating triennial performance audits, and developing the associated year-end report for the Board of Directors and the public. Mileage, advertisement, postage, and consulting service expenses, salaries, and benefits incurred for staff involved in administering ITOC activities also are an eligible ITOC cost per the Ordinance.

Key Considerations

The Ordinance states that an amount no less than $250,000 (plus inflation) may be allocated from TransNet revenues to support ITOC activities. For FY 2020, this equals $422,485.

The proposed FY 2020 ITOC operating budget is $375,824, which is consistent with estimated funding levels for FY 2020, and $46,661 less than the available annual allocation amount (Attachment 1).

Staffing Costs

It is important to note that the estimated FY 2019 funding levels reflect the actual contract cost of the annual fiscal audit and include direct staff costs that originally were not included in the adopted budget. Direct staff costs previously have been funded through the agency’s general administration budget to ensure sufficient funding was available for other eligible ITOC activities. The past ten years of a fairly consistent budget demonstrates ITOC annual revenues can provide the necessary funding to support direct staff costs and other eligible activities within the operating budget. As such, consistent with the Ordinance, these staffing costs will be included in the ITOC operating budget going forward.

Action Requested: Recommend

The ITOC is asked to recommend that the Board of Directors approve the proposed ITOC Operating Budget as part of the FY 2020 SANDAG Program Budget.

Fiscal Impact:
The proposed FY 2020 ITOC operating budget is $375,824, which is consistent with estimated funding levels for FY 2020.

Schedule/Scope Impact:
The ITOC operating budget funds the administration of ITOC activities, including conducting the annual fiscal and compliance audits; coordinating triennial performance audits; and developing the associated year-end report, mileage, advertisement, postage, and consulting service expenses, salaries, and benefits incurred for staff involved in administering ITOC activities.

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1 The Ordinance establishes that SANDAG shall provide meeting space, supplies, and incidental materials adequate for the ITOC to carry out its responsibilities and states that administrative support related to these incidental items shall not be charged against the funds set aside for the administration of the ITOC.

2 The Executive Director amended the FY 2019 ITOC operating budget to incorporate staffing costs for the fiscal and performance audits and development of the ITOC annual report.
Next Steps

The Board of Directors is scheduled to consider approval of the draft FY 2020 Overall Work Program Budget, including the proposed ITOC operating budget, at its March 22, 2019, meeting.

José A. Nuncio, TransNet Department Director

Key Staff Contact: Ariana zur Nieden, (619) 699-6961, ariana.zurnieden@sandag.org

Attachment: 1. ITOC Annual Project Funding Work Element for FY 2019 Budget Amendment and FY 2020 Proposed Budget
### Work Element: 1500200 Independent Taxpayer Oversight Committee Program

#### Annual Project Funding

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransNet ITOC Program</td>
<td>$394,972</td>
<td>$399,019</td>
<td>$422,485</td>
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<tr>
<td>Total</td>
<td>$394,972</td>
<td>$399,019</td>
<td>$422,485</td>
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</table>

#### Actual Project Funding

<table>
<thead>
<tr>
<th></th>
<th>FY 2018 Actual</th>
<th>FY 2019 Estimated</th>
<th>FY 2020 Budget</th>
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<tbody>
<tr>
<td>Labor</td>
<td>$0</td>
<td>$226,439</td>
<td>$226,165</td>
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<tr>
<td>Annual Fiscal Audits</td>
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<td>$205,683</td>
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<td>Triennial Performance Audit</td>
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<td>$0</td>
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<tr>
<td>Mileage</td>
<td>$0</td>
<td>$1,710</td>
<td>$1,756</td>
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<tr>
<td>Advertisement</td>
<td>$988</td>
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<td>$1,558</td>
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<tr>
<td>Postage/Delivery</td>
<td>$11</td>
<td>$196</td>
<td>$201</td>
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<tr>
<td>Reserve for Outside Consulting Services&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$0</td>
<td>$21,577</td>
<td>$22,160</td>
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<tr>
<td>Total</td>
<td>$365,953</td>
<td>$230,683</td>
<td>$375,824</td>
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<tr>
<td>Net Difference</td>
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<td>$468,336</td>
<td>$46,661</td>
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<tr>
<td>Carry Over Balance&lt;sup&gt;3&lt;/sup&gt;</td>
<td>$213,216</td>
<td>$384,552</td>
<td>$283,473</td>
</tr>
</tbody>
</table>

1. Annual revenue is $250,000 escalated annually by the most current Consumer Price Index (CPI).
2. Reserve started at $20,000 in FY 2013 with CPI adjustment each subsequent year.
3. Carryover balance includes prior year unspent funding and may include interest earned.

### Objective

The objective of this work element is to fulfill the requirements of the TransNet Extension Ordinance, which authorizes the Independent Taxpayer Oversight Committee (ITOC) to oversee a number of functions relating to independent oversight of the TransNet Program. Emphasis in FY 2020 will be on reviewing the 2019-2020 TransNet Plan of Finance (POF) update; overseeing implementation of recommendations from the FY 2018 TransNet Triennial Performance Audit; and providing oversight for the continued implementation of the TransNet Program.

### Previous Accomplishments

Previous accomplishments include completion of the FY 2018 TransNet Triennial Performance Audit, providing recommendations as part of the first TransNet Ten-Year Comprehensive Program Review, and completion of the FY 2018 TransNet fiscal and compliance audits.

### Justification

The ITOC Program fulfills a voter mandate in the TransNet Extension Ordinance.

**Project Manager:** Ariana zur Nieden, TransNet Department  
**Committee(s):** None  
**Working Group(s):** Independent Taxpayer Oversight Committee
## Product, Tasks, and Schedules for FY 2020

<table>
<thead>
<tr>
<th>Task No.</th>
<th>% of Effort</th>
<th>Task Description / Product / Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20</td>
<td>Review the 2019-2020 POF update and oversee implementation of recommendations from the FY 2018 TransNet Triennial Performance Audit. Approval of the POF; status reports on progress of implementing Triennial Performance Audit recommendations.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Completion Date: 6/30/2020</td>
</tr>
<tr>
<td>2</td>
<td>25</td>
<td>Produce annual ITOC report in accordance with the TransNet Extension Ordinance.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Product: 2020 ITOC Annual Report to the Board of Directors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Completion Date: 6/30/2020</td>
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<tr>
<td>3</td>
<td>10</td>
<td>Provide additional review services by independent consultant, as appropriate.</td>
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<tr>
<td></td>
<td></td>
<td>Product: Independent report to the Board of Directors</td>
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<td></td>
<td></td>
<td>Completion Date: 6/30/2020</td>
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<tr>
<td>4</td>
<td>45</td>
<td>Oversee annual TransNet fiscal and compliance audits and present recommendations and findings, if any, to the ITOC, Transportation Committee, and Board of Directors.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Completion Date: 6/30/2020</td>
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</table>

## Future Activities

Future activities will include overseeing the annual fiscal and compliance audits, FY 2021 TransNet Triennial Performance Audit, and review of the next POF update.
FY 2020 to FY 2024 TransNet Program Revenue Estimates

Overview
Each year, SANDAG provides funding estimates for TransNet funds for the upcoming fiscal year, as well as a projection for the next four fiscal years, to inform the development of budgets for ongoing operations and capital projects.

Key Considerations
The TransNet Program revenue estimate is prepared using the most current estimated growth rate and a range of plus or minus 5% is provided.

For FY 2020, the estimate is approximately $309.9 million and reflects a growth rate of 3% over the FY 2019 estimate of approximately $300.9 million, which was approved by the Board of Directors in February 2018.

The overall TransNet revenue estimates by subprogram for FY 2020 through FY 2024 are shown in Attachment 1.

Next Steps
The Transportation Committee will review the TransNet estimates at its February 15, 2019, meeting. Upon approval by the Board of Directors, SANDAG will use the TransNet Program revenue estimates to inform the FY 2020 budget development process.

José Nuncio, TransNet Department Director
Key Staff Contacts:  Dawn Vettese, (619) 595-5346, dawn.vettese@sandag.org
Jim Miller, (619) 699-7325, jim.miller@sandag.org

Fiscal Impact:
TransNet Program revenues for FY 2020 are estimated at $309.9 million, reflecting a growth rate of 3% over the FY 2019 estimate.

Schedule/Scope Impact:
Pending approval by the Board of Directors, SANDAG will use the FY 2020 to FY 2024 TransNet Program revenue estimates to inform the FY 2020 budget development process.

Action Requested: Information
Staff will present an overview of FY 2020 to FY 2024 TransNet Program revenue estimates.

Attachment:
1. TransNet Program: Estimates from FY 2020 – FY 2024 (in $000s)
### TransNet Program

Estimates from FY 2020 to FY 2024 (in $000s)

<table>
<thead>
<tr>
<th>TransNet Program Revenues</th>
<th>FY 2019</th>
<th>105%</th>
<th>FY 2020</th>
<th>95%</th>
<th>FY 2021</th>
<th>95%</th>
<th>FY 2022</th>
<th>95%</th>
<th>FY 2023</th>
<th>95%</th>
<th>FY 2024</th>
<th>95%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TransNet Program Allocations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Administrative Allocations</td>
<td>$3,009</td>
<td>$3,099</td>
<td>$3,213</td>
<td>$3,331</td>
<td>$3,451</td>
<td>$3,574</td>
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<tr>
<td>Independent Taxpayer Oversight Committee</td>
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<td>$422</td>
<td>$433</td>
<td>$444</td>
<td>$455</td>
<td>$467</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bike, Pedestrian &amp; Neighborhood Safety</td>
<td>$6,018</td>
<td>$6,198</td>
<td>$6,426</td>
<td>$6,662</td>
<td>$6,902</td>
<td>$7,147</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Total off-the-top Programs</td>
<td>$9,426</td>
<td>$9,720</td>
<td>$10,072</td>
<td>$10,438</td>
<td>$10,808</td>
<td>$11,188</td>
<td></td>
<td></td>
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<tr>
<td><strong>Net Available for Subprograms</strong></td>
<td>$291,471</td>
<td>$300,203</td>
<td>$311,226</td>
<td>$322,684</td>
<td>$334,273</td>
<td>$346,178</td>
<td></td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

| **Program Allocations** | | | | | | | | | | | | | | | | |
| Major Corridors Program | $123,584 | $127,286 | $131,960 | $136,818 | $141,732 | $146,779 |
| New BRT/Rail Operations | $23,609 | $24,316 | $25,209 | $26,137 | $27,076 | $28,040 |
| Transit System Improvements | $48,093 | $49,534 | $51,352 | $53,243 | $55,155 | $57,119 |
| Local System Improvement | $96,185 | $99,067 | $102,705 | $106,486 | $110,310 | $114,239 |
| **Total Program Allocations** | $291,471 | $300,203 | $311,226 | $322,684 | $334,273 | $346,178 |

*Totals may not add up due to rounding

**NOTES:**

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

1. Up to 1% of the annual revenues shall be allocated for administrative expenses, which includes Commission/Board expenses, administrative reserve.
2. Total of 2% shall be allocated for bicycle facilities.
3. 42.4% of the total revenues less off the top programs shall be allocated for Major Corridor projects which include transportation mitigation under the Environmental Mitigation program (EMP) and any finance charges incurred.
4. 8.1% of the total revenues less off the top programs shall be allocated to operate new rail or bus rapid transit (BRT) services.
5. 16.5% of the total revenues less off the top programs shall be allocated for purposes of public transit services including providing for senior and American with Disabilities Act (ADA)-related services.
6. 33% of total revenues less off the top programs shall be allocated for local street improvement services, which includes roadway projects, as well as local EMP and smart growth incentive programs.