



BOARD OF DIRECTORS
JANUARY 23, 2004

AGENDA ITEM NO. 04-01- 1-B
ACTION REQUESTED - APPROVE

SUMMARY OF THE POLICY DEVELOPMENT BOARD MEETING

Meeting of January 9, 2004

The meeting of the SANDAG Policy Development Board was called to order at 10:30 a.m. by Chair Ron Morrison. The attendance sheet for the meeting is attached.

Chair Morrison recognized Dianne Jacob, a new Board member representing the County of San Diego, and a new Board Alternate member, Dave Allen, representing the City of La Mesa.

1. INITIAL DRAFT TRANSNET EXTENSION EXPENDITURE PLAN AND KEY ORDINANCE PROVISIONS

Joe Kellejian, Chair of the SANDAG Transportation Committee, provided an introduction to this item and reviewed the actions of the Ad Hoc Working Group on *TransNet* to date. He noted that members of this Working Group have not expressed any parochial interests, and no bias on any projects or personal philosophy has been injected in this effort. The Task Force would like the Board's assistance in refining the draft *TransNet* Expenditure Plan.

Staff explained the development process for the initial Draft *TransNet* Expenditure Plan. Staff described the framework for the proposed *TransNet* Extension including: a 30-year extension (2008 to 2038), plan reviews every ten years, a Maintenance of Effort (MOE), private developer funding/impact fees, environmental mitigation, a Taxpayer Oversight Committee, Smart Growth incentives, 50/50 matching funds, and an expanded public education program. The *TransNet* Extension is scheduled for the November 2004 ballot, and the Expenditure Plan is designed to achieve the required two-thirds vote requirement.

Staff provided information from the 2002 Transportation Sales Tax Election results in other counties in the state which indicated that only one out of five was approved with the required two-thirds super-majority vote. The San Diego County July 2003 survey results indicated that 74 percent would support a *TransNet* extension and 52 percent would strongly support it, with 22 percent somewhat supporting it.

Staff reported on the components of the initial Draft Expenditure Plan that included the following: Congestion Relief (highway/transit/mitigation), Transit Programs, Local Programs, Financing Costs, Administration, and Oversight Committee.

Staff stated that the next steps are for the Working Group to refine the Expenditure Plan, for the Board to further discuss this at the Retreat, review the proposal for an expanded

public education program, review the draft Ordinance language at the February 27, 2004, Board of Directors meeting, and hold the first and second readings of the Ordinance in April/May. Then it will be transferred to the County of San Diego to be placed on the ballot and to campaign groups for introduction to the public.

Chair Kellejian asked for input from Board members related to the various issues for discussion. The first issue is as follows:

- Does the Initial Draft Expenditure Plan meet the objective of providing a strategic, specific, and geographically balanced set of projects and programs focusing on congestion relief and other key issues?

Councilmember Corky Smith (San Marcos) asked if the transit projects in North County are Bus Rapid Transit (BRT) or the SPRINTER or a combination. *The Executive Director replied that we want to have flexibility for North County to be able to implement whatever will resolve the needs of that area.*

Public Comment:

Gena Franco, City of San Marcos, expressed concerns about the Local Street and Road Formula Program in the proposed Expenditure Plan. The current *TransNet* revenues have been leveraged with federal, state, and private development fees to improve and construct capacity-enhancing projects in each city. The reduction to 10 percent would not allow cities to be able to continue these activities. She asked how the local share was derived. She also wondered why local projects are not included in the mitigation bank.

Stephen Russell, representing City of San Diego Deputy Mayor Toni Atkins, read a statement from the Deputy Mayor that indicated this plan will provide a higher level of service. However, we are not providing our core transit services with this measure. We need to ensure that our existing riders are being provided with improved service. We need basic, ongoing support for our system. She suggested that we make sure that any maintenance of effort does not prohibit operating subsidies and provides funding for the existing system and service levels. She noted that ridership declines when fares are increased and service is reduced.

Kathy Keehan, San Diego County Bicycle Coalition, said that it is not too late to make a policy statement on bicycle and pedestrian improvements in our program. Even though there is an increase in the funds for this category, the funding will be spread over more projects, so there will be little increase for bicycle projects.

Brad Barnum with the Associated General Contractors (AGC) said that the construction industry in the state is in trouble due to funding reductions. The AGC will support these efforts but it wants to ensure that there is a balance between construction projects and environmental concerns. He recommended that the reliance on Proposition 42 funding be reconsidered as he didn't feel it would be available.

Robert Hoffman, SMART, said one-third of *TransNet* funding is dedicated to transit, yet transit only handles 2 percent of transportation needs. He thought that there should be more funds for the transportation mode that carries the most people.

Lynn Baker, a member of the public, said that we have greater transit needs than we have funding. We are looking at how to make better land use and transportation connections so that people can live near where they work and they can walk to employment and activity centers. She would like to see improved funding for the Smart Growth incentive, though she was mindful of the many competing interests for funding. She suggested that SANDAG look at design standards so that we get what we are paying for in terms of performance.

Jim Schmidt, a member of the public, said that there are nine lane changes on State Route (SR) 67 from Lakeside north. He thought this should be reviewed. He also hoped there would not be a lot of opposition to the SR 67 or the Mid-Coast LRT projects.

Gary Brown, City of Imperial Beach, said that Maricopa County in Arizona has gone through a very similar look at extending a tax for transportation, and it will have an initiative facing the ballot this year. He suggested that SANDAG call its Arizona counterpart to learn from its experiences and to watch how that election goes. He noted that Arizona does not have the super-majority approval requirement.

Matt Adams, representing the Building Industry Association (BIA), said that we need good projects that will provide traffic congestion relief for the public. We should also ensure there is a plan that provides reliable funds for the entire transportation network, including streets and roads. The BIA has been in discussions with staff regarding the development impact fees. He said that the development community has paid out over \$500 billion dollars in development fees throughout this region. All of the fees result in higher housing costs. Imposing additional fees will only make matters worse. We need to have appropriate ways to move about in the county. It's not just about transportation; it's also about public safety.

NOTE: Comments from Walt Brewer were received via e-mail following this meeting. Mr. Brewer's comments related to putting transit's contribution in the proper context to the total number of daily trips, and the disproportionate amount of funding that goes to transit. The full e-mail of Mr. Brewer's comments will be provided upon request.

Mayor Pro Tem Ramona Finnilla (Carlsbad) said that she was not sure the public understands the importance of arterial roads.

Councilmember Corky Smith suggested that perhaps it would be a good strategy to show what has been done with the existing *TransNet* measure funding. A lot of people believe that elected officials are trying to cater to the developer community. We should explain how much the developers have paid and for what they have paid. He asked if there is any opposition to this proposal. *Chair Kellejian responded that he does not know of any major opposition to this ballot initiative.*

Transportation Chair Kellejian suggested that individual cities develop a fact sheet that shows what they have accomplished with their share of *TransNet* monies and the major projects that come through their area that have enhanced their subregion. He said that the City of Solana Beach developed such a pamphlet and placed it in the Solana Beach city hall for distribution to the public.

Chair Morrison clarified that we are not talking about the total *TransNet* measure at this meeting, just the Expenditure Plan.

The Executive Director said that this is a draft plan. We are hearing from a lot of people, but have not heard opposition to this measure. What we have heard from all sectors of the public is the ability to do more in the program.

Supervisor Dianne Jacob wondered why several projects are not included in the *TransNet* proposal. She strongly encouraged that we separate out Proposition 42 from the *TransNet* measure, and look at the *TransNet* Extension standing on its own. The County of San Diego is concerned about the decrease in the local road funding versus a 50 percent increase in transit. She suggested that we decrease the transit amount and increase the local road funding. She asked that money be set aside for the widening of SR 94 and improvements to the SR 67/Bradley interchange. The money should come from the transit share.

Leon Williams, Chair of the Metropolitan Transit System (MTS), said that we cannot use the analogy that only 2 percent of the total trips use transit. We will not solve our transportation problems if we rely on the road system. He agreed that we need more smart growth to encourage people to live and work near their places of employment. He noted that a lot of our money is spent on maintaining the current transit system.

Transportation Chair Kellejian asked for input on the next issue for discussion:

- Does the initial Draft Expenditure Plan strike the proper balance in terms of funding for the specific projects and programs that have been identified?

Councilmember Hal Ryan (City of Santee) asked if the Board will be discussing the draft Ordinance language at the Retreat. *The Executive Director replied that he was unsure if it would be ready by then, but we will be discussing the public education effort at the Board's Retreat.*

Councilmember Ryan asked about the timing for changes to the Ordinance plan. *The Executive Director stated that the Ordinance will have a 45-day review period. Then the first and second readings will occur after that review period. We will have between February and April to make amendments to the draft Ordinance language.*

Councilmember Ryan asked if staff has conducted an analysis with regard to match funding. *The Executive Director replied that some projects are at a 20/80 percent match and others are at a 50/50 match level. The SANDAG Board of Directors set the framework for a 50/50 match in the TransNet Extension proposal. This percentage would give us the*

opportunity to provide a maximum number of projects. Federal and state dollars typically require a minimum 20 percent match.

Councilmember Ryan asked where we are with regard to developer impact fees. *The Executive Director stated that the private sector (private campaign side) conducted a poll during the holidays in December. The poll results are not yet ready. Staff will bring this information back before the draft Ordinance is developed.*

Councilmember Ryan asked if the amount estimated for the financing costs is realistic. *The Executive Director replied that this is a conservative estimate.*

Councilmember Ryan asked if the language on page 11 under the Livable Communities Incentive Program is oriented toward development that is planned or that now exists. *The Executive Director clarified that there are a lot of smart growth things that have happened in the region, but through redevelopment efforts will provide for a better transportation and land use connection. Councilmember Ryan expressed concern about how this might be perceived by voters. Transportation Chair Kellejian added that this is for projects that will happen in the future. The Executive Director agreed to strengthen that language.*

Councilmember Bob Emery (Poway) emphasized the importance of maintaining transit operations. He said that there has to be an alternative in place for automobiles, which is transit at an efficient level.

Councilmember Maggie Houlihan (Encinitas) stated that the Livable Communities Incentive Program seems to be underfunded. She wondered if there is an actual increase over what is allotted for bicycles. *The Executive Director answered that as a total it increases and it will come down to the projects that are included in this section. We can do this smarter so that it solves more than one goal. Councilmember Houlihan said that one of the biggest problems bicyclists face is safety. She wants to make sure that we introduce safe routes to work (for both walking and bicycling).*

Mayor Mark Lewis (El Cajon) emphasized that constructing surface streets means jobs in communities. He agreed that we need to get the biggest bang for our buck with projects. When there is congestion on freeways, you can use surface streets to get where you need to go. The public will ask what is in it for me. We need to improve our customer service for transit services. Transportation Chair Kellejian asked staff to provide Mayor Lewis the public survey results which show the public's interest.

Councilmember Patricia McCoy (Imperial Beach) said that she will defer her questions related to transit versus streets and roads to the Retreat discussion.

Mayor Mary Sessom (Lemon Grove) stated that we need to ensure the percentage for local roads is one-third and not a decreased percentage. She didn't consider grade separations to be in the local roads funding and should be transferred to the transit category. In the Livable Communities Incentive Program, we may be increasing the funding, but we are adding more than 4 percent in other eligible programs. We have to do better with our criteria to determine the projects that will be included in the initiative.

Councilmember Jack Feller (Oceanside) said that we will need to provide for transit now to accommodate senior citizens in the future, and have that balance between transit and roads.

Judy Ritter (North County Transit District [NCTD]) said that NCTD fully supports this extension. There are many competing interests for the money and there has been a good job in spreading the projects around the region. We have to offer transportation options.

Deputy Mayor Finnilla agreed with Supervisor Jacob on the significance of Proposition 42. We can hope for it but it shouldn't be mentioned that the possibility exists for additional funding. Cities cannot rely on funding from the state. She expressed concern about the cost for the proposed decrease in the amount of fares for seniors. She suggested that the age for seniors be increased from 60 to 65 years of age. She said that we have to be cost-effective in doing business and cut costs.

The Executive Director stated that in terms of developing this proposal, we looked at all the funding sources that are available, including Proposition 42. Our whole transportation program is based on leveraging *TransNet* funds with state and federal funding. The Executive Director stated that the Ordinance should be written in such a way to allow for flexibility to use *TransNet* funding if Proposition 42 funding was suspended.

Pedro Orso-Delgado, Director of District 11, Caltrans, stated that there has to be a balanced transportation system and a better information network indicating parallel routes to freeways. We also need a network that works together. He agreed that we need to account for the Proposition 42 money.

Councilmember Crystal Crawford (Del Mar) agreed that we need to complete transit and bicycle projects. She also agreed that we cannot build ourselves out of traffic congestion. She expressed an interest in having someone with marketing expertise on the Oversight Committee. She noted that at the last Del Mar City Council meeting, action was taken in favor of collecting developer impact fees specifically for transportation infrastructure improvements.

Mayor Steve Padilla (Chula Vista) commented that as a region we need to look for a maximum balanced effect systemwide. It is important to remember that the frame of reference for the funding estimates is based on the ability to leverage funding. We need to identify the projects that will be eligible for other funding.

Transportation Chair Kellejlan stated that we are looking at a balanced program that will receive the most benefit to the voters to achieve the two-thirds approval.

Mayor Pro Tem Phil Monroe (Coronado) suggested that there should be a university professor with experience on transportation systems on the Oversight Committee. He wondered if this could be added to another of the categories from which to choose the membership of this committee.

Leon Williams introduced the new MTS Executive Director, Paul Jablonski. Mr. Jablonski said that this is an exciting time for San Diego with this *TransNet* Extension. The building

out of the highway system is being shown as counterproductive due to increased infrastructure costs and the importance of transit. You have to look at how transit performs in places where it is efficient.

Chair Morrison announced that this discussion will be continued at the Board's Retreat.

4. UPCOMING MEETINGS

The next Policy Board meeting is tentatively scheduled for 9 a.m. on February 13, 2004.

5. ADJOURNMENT

The meeting was adjourned at 12:24 p.m.

Respectfully submitted for approval.

GARY L. GALLEGOS
Secretary

**CONFIRMED ATTENDANCE
SANDAG POLICY DEVELOPMENT BOARD OF DIRECTORS' MEETING
JANUARY 9, 2004**

JURISDICTION/ ORGANIZATION	NAME	ATTENDING	COMMENTS
City of Carlsbad	Ramona Finnila (Member)	Yes	
City of Chula Vista	Steve Padilla (Member)	Yes	
City of Coronado	Phil Monroe (Member)	Yes	
City of Del Mar	Crystal Crawford (Member)	Yes	
City of El Cajon	Mark Lewis (Member)	Yes	
City of Encinitas	Maggie Houlihan (Alternate)	Yes	
City of Escondido	Lori Holt Pfeiler (Member)	Yes	
City of Imperial Beach	Patricia McCoy (Member)	Yes	
City of La Mesa	Dave Allan (Alternate)	Yes	
City of Lemon Grove	Mary Sessom (Member)	Yes	
City of National City	Ron Morrison, Chair (Member)	Yes	
City of Oceanside	Jack Feller (Member)	Yes	
City of Poway	Bob Emery (Alternate)	Yes	
City of San Diego – A	Dick Murphy (Member)	No	
City of San Diego - B	Jim Madaffer (First Alternate)	No	
City of San Marcos	Corky Smith (Member)	Yes	
City of Santee	Hal Ryan (Member)	Yes	
City of Solana Beach	Joe Kellejian (Member)	Yes	
City of Vista	Morris Vance (Member)	Yes	
County of San Diego	Dianne Jacobs (Member)	Yes	
ADVISORY MEMBERS LISTED BELOW (ATTENDANCE NOT COUNTED FOR QUORUM PURPOSES)			
Caltrans	Pedro Orso-Delgado (Alternate)	Yes	
MTDB	Leon Williams (Member)	Yes	
NCTD	Judy Ritter (Member)	Yes	
Imperial County	Victor Carrillo (Member)	No	
US Dept. of Defense	CAPT Christopher Schanze (Member)	No	
SD Unified Port District	Jess Van Deventer (Member)	No	
SD County Water Authority	Bud Lewis (Member)	No	
Baja California/Mexico	Luis Cabrera Cuaron	No	