



BOARD OF DIRECTORS
MARCH 26, 2004

AGENDA ITEM NO. 04-03-1
ACTION REQUESTED - APPROVE

BOARD OF DIRECTORS DISCUSSION AND ACTIONS

February 27, 2004

Chairman Ron Morrison (National City) called the meeting of the SANDAG Board of Directors to order at 9:13 a.m. The attendance sheet for the meeting is attached.

1. **APPROVAL OF MEETING MINUTES (APPROVE)**

Action: Upon a motion by Vice Chair Mickey Cafagna (Poway) and a second by Mayor Pro Tem Ramona Finnila (Carlsbad), the Board of Directors approved the minutes of the January 23, 2004, Board of Directors meeting. Yes – 16 (weighted vote, 85%). No – 0 (weighted vote, 0%). Abstain – 0. Absent – 3 (Chula Vista, Oceanside, Santee).

2. **ADDITIONS AND DELETIONS**

None.

3. **PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS**

Chuck Lungerhausen, a member of the public, indicated that there was still time to contribute to the Multiple Sclerosis (MS) Walk. He referred to his supportive letter in last Sunday's Union-Tribune issue in the Insight section regarding public transportation. In his letter, he expressed support for a 1 percent sales tax for transportation. He said that too much frugality can have dire consequences. He didn't see how a 1/6 percent share can support a countywide transit system with frequent service.

Kurt Kammeru, former director of the San Diego Regional Energy Office, asked the Board to put more emphasis on energy. He noted that in the last several months many rules have been written with respect to energy choice aggregation. The San Diego Gas & Electric (SDG&E) Company is far along on its plan to obtain controlling interest in energy plants. He stated that the Energy Task Force meeting is scheduled on the same day as another important meeting. He urged the Board to move quicker on the Regional Energy Strategy because opportunities to act are closing.

Barbara Winton, a member of the public, made a number of suggestions including that there be one conductor for every trolley car to provide security and information for the riding public, that parking lots for transit riders need to be more secure, the provision of public rest rooms at major stations, and that Board members ride public transit at least once a month to gain the experience that riders have.

Joe Mannino, representing the North Bay Peninsula Task Force, expressed concern about the freeway interchanges at Interstate 8 (I-8) east connecting to I-5 north and I-5 north connecting to I-8 west. He asked the Board's consideration to add these interchanges to the *TransNet Extension* project list.

Board Member Comments:

Luis Cabrera Cuaron (Mexican Consul) provided comments on two items related to the bilateral cooperation in the region. On February 10, 2004, he and the Mexican Consul to the United States (US) met with the California Attorney General and the San Diego Chief of Police and they agreed to total cooperation to ease the prosecution of crimes on both sides of the border. Also, an agreement was signed concerning a plant for the secondary treatment of sewage. This was an important step forward for this project.

Pedro Orso-Delgado (Caltrans) reported that Caltrans has a project that will address the I-8 westbound to I-5 southbound concern expressed by Mr. Mannino. He announced that Caltrans was able to sell \$615 million in Grant Anticipation Revenue Vehicle (GARVEE) bonds at a rate that resulted in a \$50 million savings statewide because of the good bond rating.

Mayor Lori Holt Pfeiler (Escondido) reported that she presented a status report on the Regional Comprehensive Plan (RCP) to the San Diego County Board of Supervisors. There were questions and general acknowledgements but concern was expressed about rural areas versus urban areas. The County Board said that the County's representation has not been properly acknowledged and that the unincorporated areas have not been recognized. The County Board expressed a desire for two seats at the SANDAG table, with one seat specifically from either District 2 or 5. Mayor Pfeiler suggested that they County Board send a request to the SANDAG Executive Committee for analysis and recommendation. Supervisor Dianne Jacob (County of San Diego) indicated that formal County Board action on this matter has been scheduled.

CONSENT ITEMS (4 through 8)

Chair Morrison noted that corrections on items 6 and 8 were distributed.

4. ACTIONS BY POLICY ADVISORY COMMITTEES (APPROVE)
5. QUARTERLY INVESTMENT REPORT – PERIOD ENDED DECEMBER 31, 2003 (INFORMATION)

State law requires that the Board be provided a quarterly report of investments held by SANDAG. This report includes all money under the direction or care of SANDAG as of December 31, 2003, including funds of the San Diego County Regional Transportation Commission and SourcePoint.

6. FINAL TRANSPORTATION DEVELOPMENT ACT ADMINISTRATION POLICY (ADOPT)

TDA provides ¼ percent of State sales tax for operating and capital support of public transportation systems and nonmotorized transportation projects in the San Diego region. SANDAG, as the Regional Transportation Planning Agency (RTPA), is responsible for administering the program. At the January 14, 2004, and February 20, 2004, Transportation Committee meetings, staff presented the draft Transportation Development Act Administration Policy. SANDAG received two requests for revisions to the Policy, one from North County Transit District (NCTD) and one from the Bicycle-Pedestrian Working Group (BPWG). These changes have been incorporated into the final Policy. The Transportation Committee recommends Board approval of this Policy.

7. SANDAG BUDGET AMENDMENT AND MEMORANDA OF UNDERSTANDING (MOU) WITH THE CITIES OF ENCINITAS AND SOLANA BEACH (APPROVE)

The Board is asked to approve three MOUs. The first two MOUs, between SANDAG and the City of Encinitas, cover SANDAG staff management for the development of three grade separation studies valued at \$1,288,355, and the Leucadia Boulevard Grade Separation Study valued at \$200,000. Board approval will allow staff to proceed with the work and accept the funds from the City of Encinitas by amending \$1,488,355 into the FY 2004 budget. The third MOU is between SANDAG and the City of Solana Beach to establish a cooperative agreement to seek funding to reimburse Solana Beach for the cost of developing a pedestrian grade separation over the Coaster tracks.

8. TRANSIT OPERATING REVENUE ESTIMATES AND ALLOCATIONS (APPROVE)

The transit operators within the SANDAG region receive various revenues to support both ongoing operations and major capital projects. Each year SANDAG provides the estimates from various sources of revenues for transit. This report provides the estimates of transit revenues available for FY 2005 to FY 2009 for each fund type. Pursuant to Senate Bill (SB) 1703, SANDAG proposes, in cooperation with the staffs of the Metropolitan Transit System (MTS) and North County Transit District (NCTD), to conduct a review of the allocation methodology for federal transit funding. The allocation methodology would be developed in consultation with the Joint Committee on Regional Transit (JCRT) and the Transportation Committee for adoption by the SANDAG Board. The Transportation Committee reviewed this information at its February 20, 2004, meeting and recommends that the SANDAG Board: (1) adopt the FY 2005 Apportionments, (2) approve the revenue projections for FY 2006 to FY 2009, and (3) direct staff to work with the staffs of NCTD and MTS in consultation with the JCRT to develop an equitable funding allocation methodology for federal transit funding.

Action: Upon a motion by Vice Chair Cafagna and second by Councilmember Jim Madaffer (City of San Diego), the Board approved Consent Items 4 through 8. Yes – 19. No – 0. Abstain - 0. Absent - 0.

CHAIR'S REPORT

9. RCP PUBLIC INVOLVEMENT — FINAL DATES AND LOCATIONS FOR THIRD ROUND OF WORKSHOPS (INFORMATION)

Mayor Holt Pfeiler announced that the third round of public workshops on the draft RCP and the draft Environmental Impact Report (EIR) are scheduled for late April. She encouraged Board members to calendar these events and to participate in them. These workshops will be structured as "open houses." Mayor Holt Pfeiler asked for the SANDAG Board members to encourage other elected officials to attend these meetings. The primary goals of the workshops will be to receive public input and answer questions related to these two documents. The informal setting will be provided where residents can visit four stations set up along the following major themes: The ABC's of the RCP; the EIR; RCP goals, objectives, and actions; and implementation and performance monitoring. She mentioned that the location of the workshop scheduled for Thursday, April 22, has changed and will now be at the Otay Recreation Center in Chula Vista.

Mayor Pro Tem Finnilla said that at previous RCP workshops, a lot of time was spent trying to diffuse the misgivings about residents' parochial interests. She suggested that at the beginning of this next round of workshops, there could be a short exercise to help them see the RCP as a regional rather than a local plan. Mayor Holt Pfeiler agreed that was an excellent suggestion. She noted that the RCP presentations to the cities are continuing.

10. ANNUAL BOARD RETREAT SUMMARY (INFORMATION)

SANDAG staff reported on the three main subjects covered at the recent Board retreat: the RCP, agency consolidation, and the extension of *TransNet*. A summary of the discussions and delineation of the action items for staff follow-through were also reviewed.

Mayor Corky Smith (San Marcos) suggested that our consultant, D. J. Smith, give a briefing to the San Marcos City Council on the *TransNet* measure. The Executive Director stated that those types of presentations will be made once the Expenditure Plan has been adopted.

Staff indicated its hope that each city will take formal positive action on the *TransNet Extension*.

Councilmember Crystal Crawford (Del Mar) stated that she has tried to keep the Del Mar City Council up-to-date with regular presentations from SANDAG staff on the issues. This ensures that they are better informed. She thought that we should schedule more than one *TransNet Extension* presentation at city council meetings.

REPORTS

11. DRAFT *TRANSNET EXTENSION* ORDINANCE AND EXPENDITURE PLAN (ACCEPT FOR DISTRIBUTION)

Mayor Joe Kellejian (Solana Beach), Chair of the SANDAG Transportation Committee, reported that the Board's Ad Hoc Working Group on TransNet has been meeting since last April. This group is made up of elected officials from six subregions. In carrying out the task assigned, the Working Group used the results from a 1,200-person public opinion poll and six focus groups conducted in October and November 2003. Direction from the SANDAG Board was provided at two Policy Board meetings as well as at the Board's Retreat. The Working Group has revised the initial draft Expenditure Plan and has prepared a draft Ordinance. The efforts of the Working Group have focused on development of a proposal that will achieve the required two-thirds voter approval needed for passage. If the *TransNet Extension* is not approved, we will not receive these sales tax funds after the expiration of the original *TransNet* measure in 2008.

Staff reviewed the draft Ordinance and Expenditure Plan development process. The framework for this extension includes: a 30-year time period (2008-2038), plan reviews every ten years, a maintenance of effort, 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 it requires a two-thirds vote. Staff noted that the original measure required only a majority vote. Transportation sales tax election results in several California counties in 2002 indicated that out of five measures, only one met the two-thirds vote requirement for passage.

Staff reviewed the initial draft Expenditure Plan overall program and specific components including congestion relief projects, transit programs for ongoing services, local programs, transportation environment mitigation, administration, and the Oversight Committee.

Staff also reviewed Expenditure Plan issues and options such as the Proposition 42 backfill, which provides protection for ten years of Proposition 42 suspensions; an option to take \$500 million from the Proposition 42 fund and add this to the Local Streets and Roads formula (23 percent), or increase the Local Streets and Roads Program to 33 percent and cut other programs. Staff indicated that the impact of shifting Highway funding to Local Streets and Roads would result in the need to cut \$2 billion in total cost to shift \$1 billion in TransNet funding, and it would reduce the Highway projects list by one-third. The impact of shifting Transit funding to Local Streets and Roads would result in a need to cut \$2 billion in total capital cost to shift \$1 billion in TransNet funding, and/or reduce operating funding, and reduce the Transit project list by one-half.

Staff then reviewed the local program funding distribution methodology related to formula versus competitive grants. Staff met with area city managers and public works directors. There was a lot of concern about having to compete for funding and the consensus preferred a formula basis. An option would be to allocate one program by formula and one by competitive grant.

Key ordinance provisions were highlighted: an independent Taxpayer Oversight Committee, maintenance of effort, private developer funding/impact fees, 10-year plan review, priority for remaining uncompleted projects from current TransNet, and amendment procedures. The next steps are to accept the draft Ordinance and Expenditure Plan for distribution for review and comment, approve a proposal for an expanded public information and education program, refinement of the Ordinance and Expenditure Plan by the Working Group and/or Policy Board, holding the first reading of the Ordinance at the March 26 Board meeting, and scheduling the second reading and adoption of the Ordinance at the April 23 Board meeting.

Board Member Comments:

Chair Morrison noted that this time is limited to specific questions related to the presentation.

Mayor Kellejian stated that the Working Group carried out its work and took results from a 1,200-person opinion survey, six focus groups, Board meetings, and the Retreat to formulate this plan. He stated that the San Diego region is projected to grow by one million additional people. He asked the Executive Director these areas that people are projected live. The Executive Director responded that the most recent 2030 forecast adopted by the Board showed that half of the growth will occur within the City of San Diego, in the South Bay, and in the North County. Mayor Kellejian asked that staff provide more specific information about this to the Board.

Mayor Mark Lewis (El Cajon) expressed concern about the proposed private developer impact fees. The City of El Cajon does not currently charge impact fees. He asked if the City will be required or encouraged to levy these impact fees. He thought these additional fees will be a disincentive for affordable housing. *Staff replied that consultants tell us that we will lose approval percentage points if we don't include this component, otherwise TransNet could be viewed as a bailout for the construction industry. Staff has been working with the Building Industry Association (BIA). He supported increased capacity on local roads.*

Councilmember Barry Jantz (La Mesa) stated that local governments are not pleased with the Proposition 42 backfill proposal. He wondered if the proposed Proposition 42 backfill option be guaranteed if the *TransNet Extension* is approved. Also, he wanted to know what happens after the first ten years. He also asked for an explanation of the two-thirds vote of the SANDAG Board to amend the Ordinance. *Staff replied that the SANDAG Board has a weighted vote calculation. Any amendment would have to be approved in that way. The Proposition 42 backfill mechanism could be amended by a two-thirds vote of the SANDAG Board.*

Councilmember Jantz stated that one of the options was to structure the Ordinance so that there would not be a two-thirds vote in certain categories. *Staff answered that the Ordinance could exempt certain components from a two-thirds vote requirement.*

Mayor Bud Lewis (San Diego County Water Authority) suggested that staff develop a priority list of projects for presentations made to the public about the proposal.

Councilmember Jack Dale (Santee) asked about the 50/50 percent match. *The Executive Director said that we would try to leverage projects with 50 percent from TransNet funding and 50 percent from the State Transportation Improvement Program (STIP) or federal funding. We would need to make sure the projects are environmentally cleared and hold bonding capacity so we could proceed on the projects.*

Councilmember Dale asked if the 50 percent match would delay a specific project. *The Executive Director stated that staff's recommendation is to advance as many projects as soon as possible. The match is how we come up with a list of projects, but the SANDAG Board will choose which projects to fund.*

Mayor Corky Smith commented that the San Marcos City Council is concerned about the proposed developer fee and the Proposition 42 backfill. He asked if the developer fee will stay in the individual jurisdiction or if it will be distributed throughout the county. *Staff indicated that that decision has not yet been made. The preference of the building industry is a broader use of the funds for regional facilities.*

Councilmember Jack Feller (Oceanside) asked if there is a way to bond against the *TransNet Extension* proceeds for the future. *Staff responded affirmatively.*

Councilmember Judy Ritter (North County Transit District [NCTD]), asked about the possible loss of funding for the Sprinter project with the options that change the Highway and Transit component percentages in favor of Local Streets and Roads. *The Executive Director replied that the Sprinter was in the original TransNet measure and is not included in the TransNet Extension.*

Councilmember Crystal Crawford (Del Mar) asked about the separate documents that are referred to in the Ordinance and their amendment by majority vote. *Staff described four attachments to the TransNet Extension measure. These documents relate to changes to the detailed maps, the Oversight Committee description, and the environmental mitigation language. Staff stated that minor administrative changes to these documents can be made by majority vote. Staff offered to develop more precise language to clarify what documents can be amended by majority vote.*

Councilmember Crawford asked why commercial development was being exempted from the proposed development impact fees. *Staff replied that the primary reason has to do with the state of today's economy throughout the State of California and the perception of the business climate. In addition, the TransNet Extension's campaign depends upon collaboration and the reliance on partners to carry this forward. We will need the business community to work with us to get the measure approved.*

Councilmember Crawford asked for information that showed what each jurisdiction levies in development impact fees. *Staff indicated that this information was*

developed for the Working Group. It showed the development impact fees including residential and nonresidential fees. Some areas don't charge development impact fees and some do. It was noted that San Diego's impact fees are relatively high, but there is not a significant differential between what is being charged for business and residential impact fees.

Mayor Pro Tem Finnilla suggested that our strategy not include regional development impact fees in the *TransNet Extension* but include it when we go out with the Integrated Regional Infrastructure Strategy (IRIS). *The Executive Director stated that the difference is how you distribute dollars that go back to the cities. SANDAG does not have the authority to impose a fee. A condition in the Ordinance would collect the development impact fee through the land use agencies. There would be little or no leverage to make sure this happened through IRIS.*

In response to a question raised by Mayor Dick Murphy (City of San Diego), *staff responded that nonresidential development impact fees vary depending upon different levels. Staff offered to provide related information to Mayor Murphy.*

A break was called at 10:44 a.m., and the meeting was reconvened at 10:54 a.m.

Public Comment:

Bob Emery, a member of the public, expressed concern about the parochial attitude of significant stakeholders. He said that this type of attitude will not get the *TransNet Extension* passed. If the County of San Diego chooses to opt out, there is no chance to get the *TransNet Extension* passed and the region will get zero funds when the original *TransNet* sales tax expires in 2008. If we don't come together on this issue as a region and allow all of us to benefit then we all will have nothing. Everybody cannot have all they want, and everyone must accept their share.

Carolyn Reis, representing NCTD, indicated that transit professionals support the *TransNet Extension*. We all realize that a half-penny is not enough to fund critical transportation projects. She said that *TransNet* isn't just vital for transit, it is also vital for streets and local roads. The investment in transit is also an investment in our economy. For every *TransNet* dollar invested the region receives \$6 in return. Transit facilities spur economic growth and are successful in attracting federal funds. Without *TransNet* the region lands up a double loser. We also limit our transportation choices for the future. Transit helps people who need help the most. We must complete the transit system and cooperate for our region's future.

Kathy Keehan, representing the San Diego County Bicycle Coalition, expressed concern about the "livable communities" portion of the proposed *TransNet Extension*. The Coalition asked that this money be allocated through a competitive grant process. The amount in the proposed *TransNet Extension* is less than the \$1 million they are getting now due to the increased number of competing interests for those funds.

Matt Adams, staff Vice President of Government Affairs for the BIA in San Diego County, stated that the BIA has been long opposed to development impact fees.

The building industry has contributed more than \$450 million in San Diego County. The BIA is prepared to try to reach an appropriate accommodation in the *TransNet Extension*. He said that development impact fees will make housing more expensive. He stated that development fees pay for infrastructure.

Clive Richard, a member of the public, expressed concern that various forms of transportation are being pitted against one another. It is not transit versus highways versus local streets and roads. He said that transportation is built around the idea of choice. Since he has chosen to use public transportation, he needs transit and it helps to relieve congestion. Most of the *TransNet Extension* money will be used to match state and federal funds.

Lynn Baker, representing the Endangered Habitat League, talked about the land use/transportation connection. She suggested that 38 percent of all new housing should be for low and very low income housing. She stated that we can only make sure we have a full range of income levels and abilities if we provide transit where we put housing. We have to have enhanced transit to get to where we are going in 30 years. She expressed disappointment in the County of San Diego's attitude. She suggested that developer impact fees be used for local streets and roads. She supported a grant program for the "livable communities" aspect. She also said that appropriate funding for transportation is essential.

Sally Fall, a member of SANDAG's Walkable Communities Committee, said that she is a strong supporter of *TransNet* and the 4 percent slated for the "livable communities" component. One concern has to do with the funding split of 50 percent formula and 50 percent competitive grant awards. She stated that a competitive grant program encourages people to be innovative and creative. She encouraged the Board to hand out the livable communities incentive program money by competitive grant.

Jay Turner, representing the North Park Main Street group, said that they have benefited from competitive grants from SANDAG in the past. He stated that the competitive grant system encourages people from different jurisdictions to talk with one another. He said that the competitive grant system keeps us smart and we need this in San Diego County. He also supported core funding for transit operations.

Jeffrey Tom, Executive Director of the Uptown Partnership, supported the preservation of the competitive grants process for the livable communities' portion of *TransNet*. He said that the existing competitive grant process works. He thought it was important to continue support for transit funding.

Bill Lieberman, a member of the public, was glad to see that Otay Ranch was built with accommodations for transit, but he expressed concern about the loss of bus rapid transit (BRT) in the RCP. He said that we have banked our future on BRT to attract demanding people to transit. We won't be able to do that if we only have one route in the system that operates infrequently. If we can't get the money for transit, we will have to look at other ways of doing it. He opposed taking money from transit for local streets and roads.

David Krough, a member of the public, said that it is logical and ethical for new residents to pay their share of the cost of regional transportation infrastructure. Traffic congestion is what has happened in the past. There has been money for local streets and roads but none for transportation facilities such as freeways. He wondered how the world would be different now if *TransNet* had not been enacted originally. He said that we need more money for expanding freeways, and checks and balances that the money is spent appropriately. He requested that the development impact fee be incorporated into the *TransNet Extension* with an early implementation date.

Alejandra Mier y Teran, representing the Otay Chamber of Commerce, said that the Chamber has officially endorsed the *TransNet Extension*. She expressed concern about project cuts if money is taken from the transit component for local streets and roads. She noted that State Route (SR) 905 from Otay Mesa to the rest of the San Diego highway network is important not only to those in the Otay Mesa area but to companies regionwide that export goods to Mexico. She requested that money for border projects remain in the *TransNet* Expenditure Plan.

Stephen Russell, representing City of San Diego Deputy Mayor Toni Atkins, stated that BRT projects will have significant positive impacts to our transportation system. Deputy Mayor Atkins also supported funds for transit operations for jobs and our economy. The *TransNet Extension* proposal constitutes a starvation diet. We are seeing declining performance of the system, progressive service reductions, and fare increases which result in ridership declines. MTS staff analysis has indicated that the "bounceback effect" from the last fare increase has lost its effectiveness. As transportation authorities we are failing in our mission to provide adequate transportation.

Harry Mathis, representing San Diego Trolley, Inc., said that there are a number of competing interests for a limited amount of money. It is time to come together. Unless we have a solid front, the *Transit Extension* will fail. He said that approval of the *TransNet Extension* will signal the federal government our commitment to transportation.

Chair Morrison reiterated that there is not sufficient money to address all of the needs. At the same time, we can do a number of alternatives and every one has their consequences. If we don't have something that is voter approved, we end up with zero.

Board Member Comments:

Supervisor Dianne Jacob stated that since the last SANDAG Board meeting, she has had the opportunity to meet with various SANDAG staff. There are five outstanding issues from the County's perspective related to the proposed *TransNet Extension*: (2) wording should be added to identify three projects that were in the 1987 Ordinance and are not yet complete (SR 76, Mission to I-15; SR 52, SR 125 to SR 67; and the Mid-Coast Light Rail Project); (2) with regard to amendments, the wording should be modified to exclude from future change the priority projects and the allocations for Local Streets and Roads; (3) drop the Proposition 42 backfill and allocate the \$500 million to the Local Streets and Roads Program, (4) transfer

\$480 million from Transit programs to Local Streets and Roads with the following percentages: Major Highways (42.4 percent), Transit (28.3 percent), and Local Streets and Roads (28.3 percent); and (5) change the Livable Communities component so that 2 percent for Bicycle, Pedestrian, and Neighborhood Safety Programs are allocated on a regional competitive grant basis, and 2 percent of the Smart Growth Incentive Program is allocated to local jurisdictions via a formula program. She stated that over the next 30 years major local roads will be 100 years of age and will need capacity improvements. We will jeopardize the public and access if these roads are not improved. The local road network to accommodate the projected increased population is extremely important.

John Snyder, County Director of Public Works, stated that all five issues have to do with the allocation formulas for certain parts of the Local Streets and Roads allocations. He also noted that in some cases references in the draft *TransNet* Ordinance cited paragraphs that didn't exist and incorrect paragraphs.

Supervisor Jacob said that she wanted to continue to work with SANDAG, but there are gaps in the Ordinance that need to be filled and outstanding issues. Her recommendation would be to implement all of the County recommendations, or at least refer them to the Ad Hoc Working Group on TransNet, and continue this item to the next Board of Directors meeting to allow the Working Group to fill in the blanks and SANDAG staff to complete the document.

Mayor Kellejian asked if these issues were from the five members of the Board of Supervisors. Supervisor Jacob said that they were not, but that she has kept the other Supervisors informed about this information.

Vice Chair Cafagna commented a concern about the competitive grant program for the Bicycle, Pedestrian, and Neighborhood Safety Programs because a lot of agencies don't have the ability to compete for these funds. He recommended that 2 percent be allocated to local communities, but that qualified projects be brought before SANDAG for allocation.

Vice Chair Cafagna agreed with items 1 and 2 as suggested by Supervisor Jacob, however, he said that we have been working on a *TransNet Extension* program that will get passed. Public transportation is a key element in receiving those votes. Taking money from transit and moving it to local roads will not improve our chances for getting the *TransNet Extension* passed. We need to complete a system that will work.

Mayor Pro Tem Finnila expressed four concerns: cities that already have regional impact fees will need a timeline to change their current practice, she suggested that in transit a senior be defined as someone who is 65 years of age, she cautioned the Board about the environmental mitigation language as it may affect the amendment of agreements currently under process with the wildlife agencies, and she stated that the State has its own rules.

Pedro Orso Delgado stated that assumptions in the Mobility 2030 plan will be impacted if the *TransNet Extension* is not approved.

Mayor Steve Padilla (Chula Vista) said that housing is not viable without infrastructure, and it is good public policy to include development impact fees. He wasn't sure about changing the wording for veto power on the two-thirds vote requirements. He opposed the allocation of \$500 million for backfill on Proposition 42 and transferring \$480 million from Transit to Local Roads. He agreed with comments on smart growth related to competitive grants but he was willing to continue to work on criteria. He said that we need to get regional consensus in order to move forward.

Leon Williams, Chairman of the MTS Board, commented that it is very important to look at what is going to do us the most good. If we develop public transportation in the right way we can focus development and diminish the impact on the rural areas and streets and roads. We should not diminish public transportation as it is one of the main keys to solve congestion problems. He didn't think that impact fees add much to the cost of housing but that new development adds significantly to infrastructure needs. He stated that the market drives the cost of housing, not impact fees.

Councilmember Madaffer said that of all the jurisdictions, the City of San Diego could demand more money for local streets but it is not. He agreed that we need to have a connected transit system. He also supported the Mid-Coast Light Rail Line. He agreed that we need to get serious consensus on this measure.

Vice Chair Cafagna commented that this is a working draft document. He recognized that the County has different issues than most of the cities because of the lack of development. He agreed that we need to deal with the County's request for local capacity as a separate issue.

Councilmember Ritter said that she was not comfortable with cutting the allocation for transit.

Mayor Kellejian reiterated that the *TransNet Extension* plan has been driven by what people want. People want to come from their home and get to the freeway or get to transit and get back and they don't want to take a lot of time to do it. The people have said they want BRT. For us to cut transit at this point is going against the people of San Diego. Our growth pattern is going to be within the City of San Diego. If we go against what people want us to do, the *TransNet Extension* will not pass. People are not as concerned about the back country roads as they are about getting on the freeways. He expressed grave concerns about the County's requests.

Councilmember Crawford supported the notion of having a Policy Board meeting on March 12. She said that we need to give staff direction today to be able to have the first reading of the Ordinance, and we don't have the time to keep changing this. This document has been well researched and well developed. We have to continue to look at this on a regional perspective for the long-term benefits of the region. She encouraged each of the city councils to take a look at all of the information provided by staff. The Del Mar City Council has approved the notion of

development impact fees. She didn't believe that the data supports the BIA's concerns.

Councilmember Barry Jantz said that his preference would be to take a final document from SANDAG for ratification by his city council. He expressed concern about development impact fees.

Supervisor Jacobs said that she hoped we can put together a plan that respects parochial interests as well as the interests of the region.

Mayor Bud Lewis (Carlsbad) reiterated that if the *TransNet Extension* does not get passed the region will get nothing.

Chair Morrison provided comments related to Supervisor Jacob's five issues. He stated that there are a number of concerns with transferring money from transit. He didn't have any problem with identifying projects that have not been completed, and he thought that the suggested exclusions from future changes were good. He said that we cannot turn the Oversight Committee into a paper tiger. All of our local jurisdictions are concerned about the allocations between the three components (Transit, Highways, and Local Streets and Roads). He thought that splitting the livable communities section makes sense, but with appropriate criteria. He noted that it is not important what is palatable to the SANDAG Board, but what is palatable to the people that will get the *TransNet Extension* approved.

The Executive Director suggested that an Ad Hoc Working Group on TransNet meeting be scheduled for Friday, March 5. The Working Group would then develop a recommendation to come back to the Board at a special meeting on March 12. We would then leave March 26 as a regular business meeting and have the first reading of the Ordinance at the April 9 Board meeting. This would give Board members a month to take this information back to their city councils/Board of Supervisors. The second reading would occur on May 14.

Councilmember Feller agreed with the Supervisor's listing on the priority of projects. He also concurred with comments made by Councilmember Jantz.

Action: Upon a motion by Supervisor Jacob and a second by Councilmember Madaffer, the Board deferred this item to the Ad Hoc Working Group on TransNet meeting on March 5 and directed that action to accept the draft *TransNet Extension* Ordinance and Expenditure Plan for distribution to member agencies and interested parties for review and comment be postponed to a special Board meeting scheduled for March 12. Yes – 14 (weighted vote, 93%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – 6 (Coronado, Encinitas, Imperial Beach, Lemon Grove, City of San Diego (B), and Santee).

12. *TRANSNET* PUBLIC INFORMATION/EDUCATION PROGRAM (Resolution 2004-15)
(APPROVE)

Staff reported that we need a balanced information/education program about *TransNet*. The overall program has several tactics: direct mail, advertising, publicity, a speakers bureau, collateral materials, Web site enhancements, cable television, and letter writing. We are also request that the County reserve the top position for us on the November ballot (Proposition A). Staff stated that it is particularly important for each jurisdiction to take formal action on the *TransNet Extension* proposal with local publicity. We also need Board members and staff to talk about *TransNet* to community leaders.

Staff indicated that Councilmember Jerry Rindone has offered to help mobilize students around the county in favor of this program.

Staff has developed a brochure about the existing *TransNet* program and a fact sheet on the Local Street and Roads program as well. We are working on Web site enhancements to show what *TransNet* has already provided and what is proposed.

Councilmember Crawford asked about the balance in the Reserve account after this expenditure. *Staff replied that there would be a \$700,000 balance in the TransNet Reserve account following this action.*

Councilmember Feller asked if this information will get lost in the election materials for the March ballot. Chair Morrison said that this campaign will occur in the May, June, or July. Once the campaign is put on the ballot we cannot spend public money on this type of program. These materials are for information only, not advocacy. He noted that this program will not occur until after the Expenditure Plan has been completed.

Councilmember Jantz expressed concern about the expense of this program. He also thought that rather than trying to hit all of the voters in the County we should be targeting the message. Chair Morrison said that targeting would have the appearance of advocacy rather than information.

Action: Upon a motion by Councilmember Madaffer and a second by Mayor Pro Tem Finnilla, the Board adopted Resolution #2004-15 authorizing the Executive Director to expend \$1,050,000 from the *TransNet* Reserve account to provide public information and education about the draft *TransNet Extension* Ordinance and Expenditure Plan as well as the existing *TransNet* program. Yes – 9 (weighted vote, 75%). No – 3 (County of San Diego, El Cajon, and La Mesa) (weighted vote, 25%). Abstain – 0 (0%). Absent – 0.

13. 2004 STATE TRANSPORTATION IMPROVEMENT PROGRAM ALTERNATIVES
(INFORMATION)

Chair Morrison indicated that this report is for information only. A presentation on this item will be made at the March 26 Board meeting.

Action: This item was presented for information.

14. UPCOMING MEETINGS

The next Board of Directors business meeting is scheduled for Friday, March 12.

16. ADJOURNMENT

The meeting was adjourned at 12:49 p.m.

GARY L. GALLEGOS
Secretary

**ATTENDANCE
SANDAG BOARD OF DIRECTORS' MEETING
FEBRUARY 27, 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	Christy Guerin (Member)	Yes	
City of Escondido	Lori Holt Pfeiler (Member)	Yes	
City of Imperial Beach	Patricia McCoy (Member)	Yes	
City of La Mesa	Barry Jantz (Member)	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	Mickey Cafagna, Vice Chair (Member)	Yes	
City of San Diego - A	Dick Murphy (Member)	Yes	
City of San Diego - B	Jim Madaffer (Member)	Yes	
City of San Marcos	Corky Smith (Member)	Yes	
City of Santee	Jack Dale (Alternate)	Yes	
City of Solana Beach	Joe Kellejian (Member)	Yes	
City of Vista	Morris Vance (Member)	Yes	
County of San Diego	Diane Jacob (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 Richard Gamble (Alternate)	Yes	
SD Unified Port District	Jess Van Deventer (Member)	Yes	
SD County Water Authority	Bud Lewis (Alternate)	Yes	
Baja California/Mexico	Luis Cabrera Cuaron (Member)	Yes	