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CITIES/COUNTY TRANSPORTATION ADVISORY COMMITTEE (CTAC)

Friday, February 13, 2004
 1:30 – 3:30 p.m.

SANDAG, Conference Room A
 401 B Street, 8th Floor
 San Diego, CA 92101-4231

Staff Contact: Richard Chavez
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CITIES/COUNTY TRANSPORTATION ADVISORY COMMITTEE (CTAC)

Friday, February 13, 2004
1:30 to 3:30 p.m.

SANDAG, Conference Room A
401 B Street, 8th Floor
San Diego, CA 92101-4231

ITEM

+1. Revised Draft Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee (Craig Scott/Lisa Briggs)

Based on further discussions with the San Diego Taxpayers Association, a revised draft Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee (ITOC) has been developed to provide additional detail on the intent of the ITOC, as well as its roles and responsibilities and the selection process for its members.

2. Environmental Mitigation Program (Bob Leiter)

Staff will provide an update on the status of ongoing discussions with resource and permitting agency staff and other interested parties on the proposals for an environmental mitigation program as part of the *TransNet Extension*. The recommended program will become part of the initial draft Ordinance and Expenditure Plan.

3. Private Developer Funding/Impact Fees (Marney Cox)

Staff will provide an update regarding the status of discussions that have been undertaken regarding strengthening the language related to private developer funding as part of the *TransNet Extension*. The recommended language will be included as part of the initial draft Ordinance and Expenditure Plan.

+4. Initial Draft Ordinance and Expenditure Plan (Craig Scott)

Based on initial draft Expenditure Plan for the *TransNet Extension* and the comments received to date from the SANDAG Board of Directors at the January 9, 2004 Policy meeting and the January 30, 2004 discussion at the Board Retreat, an initial draft of the Ordinance and Expenditure Plan for the ballot measure has been developed. This initial draft will be presented to the SANDAG Board of Directors for an accept for distribution action at the February 27, 2004 meeting.

+ next to an agenda item indicates an attachment

CITIES/COUNTY TRANSPORTATION ADVISORY COMMITTEE

February 13, 2004

AGENDA ITEM NO.: **1**

Action Requested: APPROVE

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

Introduction

At the December 19, 2003 Working Group meeting, a detailed proposal for an oversight committee, including proposed membership and selection procedures, major roles and responsibilities, and other funding and administrative components, was included as part of the "Initial Draft *TransNet Extension* Expenditure Plan and Key Ordinance Provisions" agenda report. The Working Group approved the report for presentation to the SANDAG Board of Directors at the January 9, 2004 Policy Board meeting, with the understanding that work would continue on the refinement of the initial draft report including the provisions related to the oversight committee.

The staff has continued to work on the oversight committee proposal in coordination with representatives of the San Diego Taxpayers Association. A revised draft statement of understanding regarding the oversight committee (attached) has been developed as a result of these discussions. The changes to the proposal as contained in the December 19, 2003 agenda report are shown in ***bold italics***. This statement of understanding will be referenced in the Ordinance for the *TransNet Extension* (see Agenda Item No. 5). Thus, the more detailed description of the intent of the oversight committee and its administrative procedures will be contained in this statement of understanding rather than in the Ordinance itself.

Recommendation

It is recommended that the oversight committee proposal, as reflected in the attachment, be approved by the Working Group for incorporation by reference in the *TransNet Extension* Ordinance and Expenditure Plan.

Independent Taxpayer Oversight Committee (ITOC) Proposal

Based on the ongoing discussions with the San Diego Taxpayer's Association regarding the oversight committee concept, a number of changes have been made to the previous version of the proposal discussed at the December 19, 2003 Working Group meeting. A new section has been added to clarify the intent of the ITOC in terms of its functional relationship with SANDAG. In the area of the ITOC's roles and responsibilities, clarifying language has been added to the ITOC's involvement in the system performance measurement process and refinement of project evaluation criteria used as part of the RTP/RTIP process (#6) and in the ongoing SANDAG system performance

monitoring and evaluation process (#7). The concept being that the ITOC should play a key role in these ongoing processes and that, if there is a major change in the region's priorities as reflected in a future update to the RTP, the ITOC would provide recommendations for appropriate changes in the *TransNet* Ordinance and Expenditure Plan. Numerous other changes are proposed to clarify the intent of the ITOC's roles and responsibilities and some of the related administrative procedures. Based on the revised draft, if the measure is successful in November 2004, the ITOC recruitment process would begin by April 1, 2005 so that the ITOC could provide input on the early implementation of the new measure, including the use of bonding to accelerate project delivery.

There were several comments raised about the oversight committee concept at the January 9, 2004 Policy Board meeting and at the annual Board Retreat on January 30, 2004. One suggestion was to revise the proposed membership criteria to consider academic experience, as well as professional experience, when the members of the oversight committee are selected. The language under the Membership and Selection Process section has been revised to include individuals representing the region's colleges and universities with a comparable level of academic experience in one of the seven fields identified as being eligible for consideration. Other suggestions were to add a member with marketing expertise and to add a member representing organized labor. These proposals were discussed with the San Diego Taxpayer's Association members as part of the ongoing discussions on the oversight committee proposal. The concern was that the suggested additions are not consistent with the professional skill set that has been identified to help the oversight committee fulfill its roles and responsibilities and could have potential conflict of interest issues. For these reasons, these additions have not been included in the revised draft.

Revised DRAFT

**STATEMENT OF UNDERSTANDING REGARDING THE IMPLEMENTATION OF THE
INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE
FOR THE *TRANSNET* PROGRAM**

Purpose of the ITOC

The Independent Taxpayer Oversight Committee (ITOC) is intended to provide an increased level of accountability for expenditures made under the *TransNet Extension*, in addition to the independent annual fiscal ***and compliance audits*** required under the existing *TransNet* program. The ITOC should function in an independent, open and transparent manner to ensure that all voter mandates are carried out as required in the Ordinance and Expenditure Plan, and to develop positive, constructive recommendations for improvements and enhancements to the financial integrity and performance of the *TransNet* program.

Intent of the ITOC as a Functional Partner to SANDAG

The TransNet Ordinance contains a summary of the ITOC's role and responsibilities consistent with the above Purpose. In this document additional and supplementary details with regard to the ITOC are delineated, pertaining to the process for selecting members of ITOC, terms and conditions governing membership, responsibilities, funding and administration, and conflict of interest provisions.

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

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

- ***Resource—it is the intent that ITOC will serve as an independent resource to assist in SANDAG's implementation of TransNet projects and programs. The Committee's membership is designed to offer SANDAG a group of professionals who, collectively, can offer SANDAG the benefit of their experience to advance the timely and efficient implementation of TransNet projects and programs. The ITOC will work in a public way to ensure all deliberations are conducted in an open atmosphere. Regular reports from the ITOC to the SANDAG Board of Directors (or policy committees) are expected with regard to program and project delivery, and overall performance.***
- ***Productive—it is the intent that the ITOC will rely upon data and processes available at SANDAG. It is understood, however, that SANDAG will be continuously striving to improve the reliability of data and to update analytical and modeling processes to be consistent with the state-of-art, and that the ITOC***

will be kept abreast of any such efforts, and invited to participate in development of such updates in a review capacity.

- *Cost-efficient—it is the intent that the ITOC will not add cost burden to SANDAG's implementation of the TransNet program and projects. Rather, through a cooperative and productive working relationship between ITOC and the SANDAG implementation team, it is the objective that costs will be saved.*
- *Flexible—it is the intent that the ITOC will assist SANDAG to be opportunistic to take advantage of changing situations in the future with regard to technologies and transportation developments. Therefore, the provisions contained below are viewed through 2038 based upon a 2004 perspective and are not meant to be unduly restrictive on ITOC's and SANDAG's roles and responsibilities.*

Membership and Selection Process

1. Membership: There shall be seven ITOC voting members with the following characteristics *described below. The intent is to have one member representing each of the specified areas of expertise. However, if, after a good faith effort, qualified individuals have not been identified for one or more of the areas of expertise, then no more than two members from one or more members from the remaining areas of expertise may be selected. For each of the areas of expertise listed below, an individual representing one of the region's colleges or universities with a comparable level of academic experience also would be eligible for consideration.*

- A professional in the field of municipal/**public** finance and/or budgeting with a minimum of ten years in a relevant and senior decision making position in the public or private sector.
- A licensed architect, civil engineer or traffic engineer with demonstrated experience of ten years or more in the fields of transportation and/or urban design in government or the private sector.
- A professional with demonstrated experience of ten years or more in real estate, land economics, and/or right-of-way acquisition.
- A professional with demonstrated experience of ten years or more in the management of large-scale construction projects.
- A licensed engineer with appropriate credentials in the field of transportation project design or construction and a minimum of ten years experience in a relevant and senior decision making position in the government or private sector.
- The chief executive officer or person in a similar senior-level decision making position, of a major private sector employer with demonstrated experience in leading a large organization.
- A professional in biology or environmental science with demonstrated experience of ten years or more with environmental regulations and major project mitigation requirements and/or habitat acquisition and management.
- Ex-Officio Members: SANDAG Executive Director and the San Diego County Auditor

The criteria established for the voting members of the ITOC are intended to provide the skills and experience needed for the ITOC to carry out its responsibilities and to play a valuable and constructive role in the ongoing improvement and enhancement of the *TransNet* program.

Applications will be requested from individuals interested in serving on the ITOC through an open, publicly noticed solicitation process.

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

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

- Two members of the County of San Diego Board of Supervisors
- The Mayor of the City of San Diego
- A mayor from the Cities of Chula Vista, Coronado, Imperial Beach, or National City selected by the mayors of those cities.
- A mayor from the Cities of El Cajon, La Mesa, Lemon Grove, or Santee selected by the mayors of those cities.
- A mayor from the Cities of Carlsbad, Del Mar, Encinitas, Oceanside, or Solana Beach selected by the mayors of those cities.
- A mayor from the Cities of Escondido, Poway, San Marcos, or Vista selected by the mayors of those cities.

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

Terms and Conditions for ITOC members

- ITOC members shall serve a term of four years.
- ITOC members shall serve without compensation except for reimbursement for authorized travel and other direct expenses related to the work of the ITOC.

- If and when vacancies in the membership of the ITOC occur, the nominating body for that member(s) shall nominate an appropriate replacement within 90 days of the vacancy to fill the remainder of the term.
- In no case shall any member serve more than eight years on the ITOC.
- Term limits for ITOC members should be staggered to prevent significant turnover at any one time. The initial appointment process should be based on this staggered term limit concept.

ITOC Responsibilities

The ITOC shall have the following responsibilities:

1. Conduct an annual fiscal and compliance audit of all TransNet-funded activities using the services of an independent fiscal auditor to assure compliance with the voter-approved Ordinance and Expenditure Plan. This annual audit will cover all recipients of TransNet funds during the fiscal year and will evaluate compliance with the maintenance of effort requirement and any other applicable requirements. ***The audits will identify expenditures made for each project in the prior fiscal year.***
2. Prepare an annual report to the SANDAG Board of Directors presenting the results of the annual audit process. The report should include an assessment of the consistency of the expenditures of TransNet funds with the Ordinance and Expenditure Plan and an appropriate set of recommendations for improving the financial operation and integrity of the program for consideration by the SANDAG Board of Directors. ***This consistency evaluation will include a review of expenditures by project type for each local jurisdiction.*** The ITOC shall share the initial findings of the independent fiscal audits and its recommendations with the SANDAG Transportation Committee, ~~SANDAG staff and implementing agencies, as appropriate,~~ 60 days prior to their release to resolve inconsistencies and technical issues ~~and to determine the extent to which SANDAG would agree or disagree with the~~ ***related to the*** ITOC's draft report and recommendations. Once this review has taken place, the ITOC ~~is directed to~~ ***would*** make any final amendments it deems appropriate to its report and recommendations, and adopt its report for submission directly to the SANDAG Board of Directors and the public. The ITOC shall strive to be as objective and accurate as possible in whatever final report it adopts. Upon completion by the ITOC, the report shall be presented to the SANDAG Board of Directors at its next regular meeting and shall be made available to the public.
3. 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 review should include consideration of changes to contracting, construction, permitting and related processes that could improve the efficiency and effectiveness of the expenditure of *TransNet* revenues. These performance audits shall be conducted using the services of an independent performance auditor and should include a review of the ITOC's performance. A draft of the ITOC's report and recommendations regarding the performance audits shall be made available to the SANDAG Transportation Committee, ~~SANDAG staff and implementing agencies, if appropriate,~~ at least 60 days before its final adoption by the ITOC to resolve inconsistencies and technical issues ~~and to determine the extent to which SANDAG would agree or disagree with~~ ***related*** to the ITOC's draft report and recommendations. Once this review has taken place, the ITOC ~~is directed to~~ ***would*** make any final amendments it deems appropriate to its report and related recommendations, and

adopt its report for presentation directly to the SANDAG Board of Directors and the public. The ITOC shall strive to be as objective and constructive as possible in the text and presentation of the performance audits. Upon completion by the ITOC, the report shall be presented to the SANDAG Board of Directors at its next regular meeting and shall be made available to the public.

4. Provide recommendations to the SANDAG Board of Directors regarding any proposed amendments to the Ordinance and Expenditure Plan.
5. Provide recommendations as part of the 10-year review process. This process provides an opportunity to undertake a comprehensive review of the *TransNet* program every 10 years and to make recommendations for improving the program over the subsequent 10 years. This review process should take into consideration the results of the TransNet-funded improvements as compared to the performance standards established through the Regional Transportation Plan and the Regional Comprehensive Plan.
6. Participate in the ongoing refinement of **SANDAG's** transportation system performance measurement process **and the project evaluation criteria** used in development of the Regional Transportation Plan (**RTP**) **and in prioritizing projects for funding in the Regional Transportation Improvement Program. Based on the periodic updates to the RTP, as required by state and federal law, the oversight committee shall develop a report to the SANDAG Transportation Committee, the SANDAG Board of Directors and the public providing recommendations for possible improvements and modifications to the TransNet program.**
7. ***On an annual basis, review ongoing SANDAG system performance evaluations, including SANDAG's "State of the Commute" report, and provide an independent analysis of information included in that report. This evaluation process is expected to include such factors as level of service measurements by roadway segment and by time of day, throughput in major travel corridors, and travel time comparisons by mode between major trip origins and destinations. Such information will be used as a tool in the RTP development process.***
8. Review and comment on the programming of *TransNet* revenues in the Regional Transportation Improvement Program (RTIP). This provides an opportunity for the ITOC to raise concerns regarding the eligibility of projects proposed for funding before any expenditures are made. In addition to a general eligibility review, this effort should focus on significant cost increases and/or scope changes on the major corridor projects identified in the Ordinance and Expenditure Plan.
9. Review proposed debt financings to ensure that the benefits of the proposed financing for accelerating project delivery, avoiding future cost escalation, and related factors exceed issuance and interest costs.
10. ***Review the major Congestion Relief projects identified in the Ordinance for performance in terms of cost control and schedule adherence on a quarterly basis.***

In carrying out its responsibilities, the ITOC shall conduct its reviews in such a manner that does not cause unnecessary project delays, while providing sufficient time to ensure that adequate analysis

can be completed to allow the ITOC to make objective recommendations and to provide the public with information about the implementation of the *TransNet* program.

ITOC Funding and Administration

1. All costs incurred in administering the activities of the ITOC, including related fiscal and performance audit costs, shall be paid annually from the proceeds of the *TransNet* sales tax ~~beginning with the first fiscal year during which funds from the extension of the tax become available~~. The funds made available to the ITOC shall not exceed \$250,000 annually, as adjusted for inflation annually for the duration of the program. Any funds not utilized in one fiscal year shall remain available for expenditure in subsequent years as part of the annual budget process.
2. The expenditures of the ITOC shall be audited annually as part of the same fiscal audit process used for all other *TransNet*-funded activities.
3. ***The process for selecting the initial ITOC members shall be started no later than April 1 of the year following the passage of the Ordinance by the voters. Because the funding for this activity would not be available until Fiscal Year 2008-09, the ITOC activities during the initial transition period will be phased in to the extent possible within the budget constraints of the one percent administrative cap under the current TransNet Ordinance.*** Given the thirty-year duration of the *TransNet* tax extension, the ITOC shall continue as long as funds from the current authorization remain available.
4. An annual ITOC operating budget shall be prepared and submitted to the SANDAG Board of Directors for its approval 90 days prior to the beginning of each fiscal year.
5. All ITOC meetings shall be public meetings conducted in full compliance with the Brown Act. ***The ITOC will meet on a regular basis, at least quarterly, to carry out its roles and responsibilities.***
6. SANDAG Directors and staff will fully cooperate with and provide necessary support to the ITOC to ensure that it successfully carries out its duties and obligations, but should limit involvement to the provision of information required by the ITOC to ensure the independence of the ITOC as it carries out its review of the *TransNet* program and develops its recommendations for improvements.
7. ITOC members and their designated auditors shall have full and timely access to all public documents, records and data with respect to all *TransNet* funds and expenditures.
8. All consultants hired by the ITOC shall be selected on an open and competitive basis with solicitation of proposals from the widest possible number of qualified firms as prescribed by SANDAG's procedures for the procurement of professional services. The scope of work of all such consultant work shall be adopted by the ITOC prior to any such solicitation.
9. SANDAG shall provide meeting space, supplies and incidental materials adequate for the ITOC to carry out its responsibilities and conduct its affairs.

Conflict of Interest

The ITOC shall be subject to SANDAG's conflict of interest policies. ITOC members shall have no legal action pending against SANDAG and are prohibited from acting in any commercial activity directly or indirectly involving SANDAG, such as being a consultant to SANDAG or to any party with pending legal actions against SANDAG during their tenure on the ITOC. ITOC members shall not have direct commercial interest or employment with any public or private entity, which receives *TransNet* sales tax funds authorized by the voters in this ordinance.

CITIES/COUNTY TRANSPORTATION ADVISORY COMMITTEE

February 13, 2004

AGENDA ITEM NO.: **4**

Action Requested: APPROVE

INITIAL DRAFT ORDINANCE AND EXPENDITURE PLAN

Introduction

At the December 19, 2003 meeting, the Working Group reviewed the Initial Draft *TransNet Extension* Expenditure Plan and Key Ordinance Provisions agenda report and approved the report for presentation to the SANDAG Board of Directors at the January 9, 2004 Policy Board meeting. Based on the comments received to date on the Initial Draft Expenditure Plan, an initial draft of the Ordinance (that incorporates a summary of the Expenditure Plan) for the ballot measure has been developed, as included as Attachment A to this report. We also have included in the initial draft Ordinance possible language to deal with a Proposition 42 guarantee if that is determined to be necessary by the Working Group.

The enabling legislation (SB 361, Statutes of 1985) that allows SANDAG, serving as the San Diego County Regional Transportation Commission, to place a sales tax measure on the ballot requires that a retail transactions and use tax ordinance be developed by the Commission. The ordinance must include the tax rate being imposed, the purposes for which the funds will be used, and the term during which the tax will be imposed. The ordinance also must contain an expenditure plan including the allocation of revenues for the purposes authorized by law. The expenditure plan language included in the attached initial draft Ordinance document is a summary version of the Initial Draft Expenditure Plan report that the Working Group reviewed in December. It is envisioned that a more detailed document similar to the Initial Draft Expenditure Plan report will be developed as a companion document to the Ordinance that may be incorporated by reference in the Ordinance.

Recommendation

It is recommended that the Working Group approve the initial draft *TransNet Extension* Ordinance and Expenditure Plan for consideration by the SANDAG Board of Directors for an accept for distribution action at the February 27, 2004 meeting.

Summary of Major Ordinance Provisions

The attached Ordinance is based on the Initial Draft *TransNet Extension* Expenditure Plan and Key Ordinance Provisions report and has been developed to respond to comments that have been received to date on that report. A variety of comments have been received on the projects and programs contained in the Initial Draft Expenditure Plan and Key Ordinance Provisions. In general,

the focus of the comments has been on increased funding levels for the specific projects or programs of interest to the group or individual making the comment. There have been relatively few comments received related to new projects or programs not included in the Initial Draft Expenditure Plan.

Included as Attachment B is the summary of an optional Expenditure Plan that would provide a Proposition 42 guarantee. This option is one of several being developed to examine the trade-offs needed to provide additional financial resources for the local street and road portion of the program. The following are the major considerations reflected in the Ordinance based on comments received on the Initial Draft Expenditure Plan and some of the outstanding issues that will need to be addressed in the next draft of the Ordinance:

- **Congestion Relief Projects** – A few comments have been received regarding adding new projects to the Initial Draft Expenditure Plan project list. There have been general comments about the need for more funding for highway projects and more funding for transit projects, as well as less funding for transit. Efforts are continuing to refine the cost estimates for all of the projects on the Congestion Relief project list. The operating funding needs for the transit projects on the Congestion Relief project list have been reduced reflecting higher assumed fare revenue on these routes. In addition, more refinements are being evaluated on these services. Regarding the Proposition 42 guarantee, in order to generate the needed revenue, two BRT routes have been eliminated and some of the highway project costs have been reduced. Also in this option (shown in Attachment B), the set aside for financing costs has been included in the overall budget for the Congestion Relief program category. A copy of the Congestion Relief project tables from the Initial Draft Expenditure Plan report is included as Attachment C, for your reference.
- **Local Street and Road Formula Program** – Several comments have been received about the reduced level of funding for this program. Concerns have been expressed about the uncertainty of alternative funding from Proposition 42 and the impacts to the local street and road programs if those funds do not materialize as projected. In response to these concerns, the initial draft Ordinance contains example provisions for a guaranteed funding level under *TransNet* should the estimated revenues from Proposition 42 beginning in Fiscal Year 2009 not be available. Under this option, the “backfill” mechanism would increase the funding provided for local programs up to the 33% level provided for in the current *TransNet* program by shifting funding as needed from the Congestion Relief project category if Proposition 42 funds are reduced or eliminated.
- **Transit Programs** – There have been comments to both increase and decrease the funding provided to transit. Those interested in increasing the funding level have been interested in expanding the basic bus and rail system, particularly in the area of increased local community shuttle/circulator services, and in providing additional services for seniors and persons with disabilities. Those interested in decreasing transit funding were primarily interested in seeing the funding shifted to other purposes like highways and local streets and roads. As discussed above, transit costs in the Congestion Relief category have been reduced to provide the funding needed to provide a Proposition 42 revenue protection fund for local streets and roads, and further refinements continue. A similar Proposition 42 “backfill” mechanism has been included in the Ordinance for transit operating funding. If the estimated increase in transit operating funding from Proposition 42 to be used for improving the base bus and trolley system does not materialize, then funds would be shifted from the Congestion Relief project category to

increase the funding for ongoing transit operations up to 16%. Further details on the distribution of the transit program funding will be added based on the recommendations of the Board's Senior Access Task Force.

- **Environmental Mitigation Program** – Several meetings with resource agencies and other interested groups and organizations have been held regarding this issue. The discussions have focused on the funding level for the environmental mitigation program and several issues related to the implementation of the mitigation bank concept. The status of these discussions and any potential recommendations will be discussed with the Working Group under Item No. 3.
- **Private Developer Funding/Impact Fees** – Discussions related to how best to strengthen the language related to private developer fees are continuing. The status of these discussions and any potential recommendations will be discussed with the Working Group under Item No. 4.
- **Oversight Committee** – A provision related to the new Independent Taxpayer Oversight Committee has been included in the Ordinance. The more detailed Statement of Understanding regarding the Oversight Committee, as discussed under Item No. 2, is included by reference.
- **Priority for Remaining Projects from the Current *TransNet* Program** – In response to concerns raised about the timing of implementation of key projects, particularly those projects which may remain uncompleted from the current *TransNet* program (SR 52, SR 76, and the Mid-Coast Transit project), language has been added to give priority to those projects. To guarantee that those projects would be able to be implemented as soon as possible, the provision states that sufficient bonding capacity shall be reserved for these projects until they are ready to go.

ATTACHMENT A

INITIAL DRAFT *TransNet Extension*

ORDINANCE AND EXPENDITURE PLAN

The San Diego County Regional Transportation Commission ordains as follows:

SECTION 1. TITLE: This ordinance shall be known and may be cited as the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (Commission Ordinance 04-1). This ordinance is an extension of the initial San Diego Transportation Improvement Program ordinance (Commission Ordinance 87-1 – Proposition A, 1987) for a thirty year period commencing on April 1, 2008. The Expenditure Plan for this extension is set forth in Sections 2 and 4 herein.

SECTION 2. EXPENDITURE PLAN SUMMARY: This ordinance provides for the implementation of the San Diego Transportation Improvement Program, which will result in countywide transportation facility and service improvements including highway improvements, rail transit improvements, new bus rapid transit services, local bus service improvements, senior and disabled transportation service improvements, local street and road improvements, bicycle and pedestrian facility improvements, community infrastructure improvements to support smart growth development, and related environmental mitigation and enhancement projects. These needed improvements shall be funded by a one-half of one percent transactions and use tax established for a period not to exceed thirty years. The revenues shall be deposited in a special fund and used solely for the identified improvements. The specific projects and programs to be funded shall be further identified in the document titled ____ and is hereby incorporated by reference as if fully set forth herein. A summary of the major projects and programs, including the major highway and transit improvements depicted on Figure 1, [**Note: Figure 1 will be a black and white version of the major capital improvements regionwide**] is provided in the following sections. All dollar references in this ordinance are in 2002 dollars.

A. Congestion Relief Projects:

1. Highway and transit capital projects: Of the total funds available, an estimated \$____ million will be combined with \$____ in federal, state, local and other revenues to complete the following projects (see Figure 1):

- a. Highway Capital Improvements (including managed lane/high-occupancy vehicle (HOV) lane additions and general purpose lane additions) - \$____ million:

[Note: This section will list each individual major highway project based on the final Expenditure Plan.]

- b. Bus Rapid Transit (BRT) and Rail Transit Capital Improvements - \$____ million:

[Note: This section will list each major transit capital project based on the final Expenditure Plan.]

2. Operating Support for the BRT and Rail Transit Capital Improvements: Of the total funds available, an estimated \$720 million will be used to operate the new services to be constructed under Section 2 (A) (1) (b).

3. Financing Costs: An estimated \$380 million will be used to offset the estimated financing costs related to bonds issued to accelerate the implementation of the major Congestion Relief projects identified in Section 2(A).
4. Proposition 42 Revenue Protection Fund: An estimated \$500 million will be used, as needed, to offset reductions in revenue expected to come from Proposition 42 beginning in Fiscal Year 2009 for local street and road and transit operating purposes as provided in Sections 4(C)(4) and 4(D)(4).

B. Transit Programs:

An estimated \$1,235 million will be used to provide ongoing support for the reduced-price monthly transit programs for seniors, persons with disabilities and students and for other rail, express bus, local bus, community shuttles and dial-a-ride services, including specialized services for seniors and persons with disabilities, and related capital improvements.

C. Local Programs:

An estimated total of \$1,710 will be allocated to local programs in the following three categories:

1. Local Street and Road Program. An estimated \$950 million will be allocated on a fair and equitable basis (Section 4(D) (a)) to each city and the County of San Diego (hereinafter referred to as local agencies) to supplement other revenues available for local street and road improvements. These revenues may be used only for direct expenditures for maintenance, rehabilitation and reconstruction of roadways, traffic operations improvements, and construction of new or expanded facilities. These funds also may be used for transit-related purposes including capital improvements needed to accommodate transit services and operating support for local shuttle and circulator routes and other services.
2. Regional Arterials and Grade Separations. An estimated \$380 million will be allocated on a competitive grant basis for the implementation of improvements to the Regional Arterial System as identified in the Regional Transportation Plan to provide for congestion relief, improved safety, traffic signal coordination, integration of BRT and other transit services, and related benefits. Funding also could be made available for high-priority rail grade crossing projects in addition to those included in the specific rail transit Congestion Relief Projects identified in Section 2(A)(1)(b). These funds will be used to match federal, state, local, and private funding to maximize the number of improvements to be implemented.
3. Livable Communities Incentive Programs. An estimated \$380 million will be allocated in equal parts to two categories of improvements. The Bicycle, Pedestrian and Neighborhood Safety Program will provide funding on a competitive grant basis for bikeway facilities and connectivity improvements, pedestrian and walkable community projects, bicycle and pedestrian safety projects and programs, and traffic calming projects. The Smart Growth Incentive Program will provide funding on a competitive grant basis for a broad array of transportation and related infrastructure improvements that will assist local agencies in better integrating transportation and land use, such as enhancements to streets and public places, funding of infrastructure needed to support

development in smart growth opportunity areas consistent with the Regional Comprehensive Plan, and community planning efforts related to smart growth. These funds will be used to match federal, state, local, and private funding to maximize the number of improvements to be implemented

D. Environmental Mitigation:

An estimated \$377million will be used to fund habitat-related environmental mitigation activities in support of the implementation of the major highway, transit and regional arterial improvements identified in the Regional Transportation Plan. The intent is to establish a mitigation bank to provide for large-scale acquisition and management of critical habitat areas and to create a legally binding mechanism for mitigating future transportation improvements thereby reducing future costs and accelerating project delivery. If the mitigation bank approach is not implemented, then these funds shall be used for environmental mitigation purposes on a project by project basis. Any remaining funds not required for such purposes shall be used for the Congestion Relief projects identified in Section 2(A). **[Note: The details of this program are under development. Further refinement to this language may be required.]**

E. Administration and Independent Taxpayer Oversight Committee:

Up to one percent per year of the total annual revenues available will be used for administrative expenses (estimated at \$95 million over the thirty-year period) and up to \$250,000 per year will be used for the operation of an Independent Taxpayer Oversight Committee (estimated at \$7.5 million over the thirty year period).

SECTION 3. IMPOSITION OF TRANSACTIONS AND USE TAX: In addition to any other taxes authorized by law, there is hereby imposed in the incorporated and unincorporated territory of the County of San Diego, in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2, of the Revenue and Taxation Code and Division 12.5 of the Public Utilities Code commencing with Code Section 132000, an extension of the existing transactions and use tax at the rate of one-half of one percent (1/2%) commencing April 1, 2008 for a period not to exceed thirty years in addition to any existing or future authorized state or local transactions and use tax. If, during this time period, additional state or federal funds become available which would fund the projects and services contained in the Regional Transportation Plan, then the tax may be reduced by action of the Commission.

SECTION 4. EXPENDITURE PLAN PURPOSES: The revenues received by the Commission from this measure, after deduction of required Board of Equalization costs for performing the functions specified in Section 132304(b) of the Public Utilities Code, shall be used to improve transportation facilities and services countywide as set forth in the Expenditure Plan and in a manner consistent with the long-range Regional Transportation Plan and the short-range multi-year Regional Transportation Improvement Program, and for the administration of the San Diego County Regional Transportation Commission Act (hereinafter referred to as the "Act") commencing with Public Utilities Code Section 132000. The annual revenues shall be allocated as follows:

- A. ___ percent for the major highway and transit Congestion Relief projects specified in Section 2(A) (1).

- B. ___ percent for operation of the specific transit Congestion Relief projects as described in Section 2(A) (2). This funding is for the operation of new or expanded services only and is not available for the operation of services in existence prior to the operative date of this Ordinance.
- C. Thirteen percent for the transit programs described in Section 2(B). The revenues made available annually for transit purposes shall be allocated and expended pursuant to the following distribution formula and priorities:

[Note: The breakdown of the transit programs to be detailed further based on recommendations from the Senior Access Task Force and related discussions]

1. ___ percent shall be used 'to support improved transportation services for seniors and disabled persons. These funds shall be allocated in a similar manner as funds made available through Section 99275 of the Public Utilities Code.
2. From the remaining revenues, there shall be expended such sums as necessary to guarantee in the North San Diego County Transit Development Board and Metropolitan Transit Development Board areas of jurisdiction for the duration of the measure (1) a monthly regional transit pass for senior (60 years or older) and disabled riders priced at not more than 25 percent of the cost of the regular regional monthly transit pass, and (2) a monthly regional youth transit pass for students (18 years or under) priced at not more than 50 percent of the cost of the regular regional monthly transit pass.
3. Remaining revenues shall be allocated for transit service improvements, including operations and supporting capital improvements. The revenues shall be allocated through the annual transit operator budget process and the improvements to be funded shall be consistent with the Short Range Transit Plan.
4. To maintain eligibility for the receipt of funds under Section 4(C), a transit operator must limit the increase in its total operating cost per revenue vehicle hour from one fiscal year to the next to no more than the increase in the Consumer Price Index over the same period. If the requirement is not achieved, the operator may not receive any additional funding under Section 4(C) in the following year above the amount received in the previous fiscal year. If there were unusual circumstances in a given fiscal year, the operator may request the approval of the Commission to calculate the requirement as an average over the previous three fiscal years. The operator may also request the approval of the Commission to exclude from the calculation certain cost increases that were due to external events beyond the operator's control, including, but not limited to, increases in the costs for fuel, insurance premiums, or new state or federal mandates.
5. The funding level established for this program was based on the assumption that additional funding for transit operations would be available from Proposition 42 beginning in Fiscal Year 2009 that, when combined with revenues under Section 4(C), would provide for improvements to the base level of bus and rail services in the region. If the anticipated revenues are not available in a given fiscal year from Proposition 42, or other new revenue sources established after the effective date of this Ordinance, then the funding provided under Section 4(C) shall be increased up to sixteen percent.

These additional funds shall be deducted from the funds provided under Section 4(A).
(Note: This is an example of how a Prop. 42 guarantee could be structured. Other options are being considered.)

- D. Eighteen percent for the Local Programs described in Section 2(C) in the following three categories:
1. Ten percent for the local street and road program described in Section 2(C)(1). The revenues available for the local street and road program shall be allocated and expended pursuant to the following distribution formula:
 - a. Each local agency shall receive an annual base sum of \$50,000.
 - b. The remaining revenues after the base sum distribution shall be distributed to the each local agency on the following basis:
 1. Two-thirds based on total population using the most recent Department of Finance population estimates.
 2. One-third based on maintained street and road mileage.
 - c. For the purposes of Section 4D(1)(a) and (b), any new incorporations or annexations which take place after July 1 of any fiscal year shall be incorporated into the formula beginning with the subsequent fiscal year. The San Diego Association of Governments population estimates of such new incorporations or annexations shall be used until such time as Department of Finance population estimates are available.
 2. Four percent for the regional arterial and grade separation program as described in Section 2(C)(2), with at least 75 percent of such funds to be allocated for regional arterial improvements and no more than 25 percent allocated for grade separation projects.
 3. Four percent for the livable communities incentive programs as described in Section 2(C)(3), with fifty percent allocated for the Bicycle, Pedestrian, and Neighborhood Safety Program and fifty percent for the Smart Growth Incentive Program.
 4. The funding level established for this program was based on the assumption that additional funding for local street and road purposes would be available from Proposition 42 that, when combined with revenues under Section 4(D), would provide for an increase in overall funding for street and road purposes for the local agencies in the region. If the anticipated revenues are not available in a given fiscal year from Proposition 42, or other new revenue sources established after the effective date of this Ordinance, then the funding provided under Section 4(D) shall be increased up to thirty-three percent. These additional funds shall be deducted from the funds provided under Section 4(A) and shall augment the funds to be distributed under Section 4(D)(1).
[Note: This is an example of how a Prop. 42 guarantee could be structured. Other options are being considered.]

- E. ___ percent for the Environmental Mitigation program described in Section 2(D).
- F. Up to 1% for administration of the program as described in Section 12.
- G. Up to \$250,000 per year, with adjustments for inflation based on the Consumer Price Index, for activities related to the Independent Taxpayer Oversight Committee as described in Section 11.
- H. General Provisions:
 - 1. In implementing the projects funded under Section 4(A), priority shall be given to projects included in the Expenditure Plan for Proposition A as passed by the voters in 1987 that remain uncompleted. The Commission shall ensure that sufficient funding or bonding capacity remain available to implement such projects as expeditiously as possible once the environmental clearance for these projects is obtained and needed state and federal matching funds are committed.
 - 2. Once any state highway facility or usable portion thereof is constructed to at least minimum acceptable state standards, the state shall be responsible for the maintenance and operation thereof.
 - 3. All new projects, or major reconstruction projects, funded by revenues provided under this Ordinance shall accommodate travel by pedestrians and bicyclists, except where pedestrians and bicyclists are prohibited by law from using a given facility or where the costs of including bikeways and walkways would be excessively disproportionate to the need or probable use. Such facilities for pedestrian and bicycle use shall be designed to the best currently available standards and guidelines.
 - 4. All state highway improvements to be funded with revenues as provided in this measure, including project development and overall project management, shall be a joint responsibility of CALTRANS and the Commission. All major project approval actions including the project concept, the project location, and any subsequent change in project scope shall be jointly agreed upon by CALTRANS and the Commission and, where appropriate, by the Federal Highway Administration and/or the California Transportation Commission.

SECTION 5. EXPENDITURE PLAN PROCEDURES:

- A. Each local agency shall annually develop a five-year list of projects to be funded with revenues made available for local street and road improvements under Section 4(D). A local public hearing on the proposed list of projects shall be held by each local agency prior to submitting the project list to the Commission for approval pursuant to Section 6.
- B. All projects to be funded with revenues made available under Section 4 must be consistent with the Regional Transportation Plan (RTP). Project priorities or phasing shall also be consistent with the RTP. The Expenditure Plan shall be reviewed for consistency with RTP following each major update of the RTP as required by state or federal law. The Expenditure Plan shall be amended as necessary to maintain consistency with the Regional Transportation Plan. If funds become available in excess of the amount allocated in the Expenditure Plan, additional projects shall be added to the Expenditure Plan consistent with the priorities in the

Regional Transportation Plan. Any amendments to the Expenditure Plan shall be made in accordance with the procedures for amending this ordinance as provided for in Section 16.

- C. In the allocation of all revenues made available under Section 4, the Commission shall make every effort to maximize state and federal transportation funding to the region. The Commission may amend the Expenditure Plan, in accordance with Section 16, as needed to maximize the transportation funding to the San Diego region.

SECTION 6. PROJECT PROGRAMMING APPROVAL: The Commission shall annually approve a five-year project list and a biennial program of projects to be funded during the succeeding two fiscal years with the revenues made available under Section 4 herein. The program of projects will be prepared as a part of the Regional Transportation Improvement Program (RTIP) process as required by state and federal law. A public hearing will be held prior to approval of the program of projects. The Commission may amend the program of projects as necessary in accordance with the RTIP amendment procedures. No major projects shall be funded with the revenues made available under Section 4 unless the projects are in the approved program of projects.

SECTION 7. COOPERATIVE FUND AGREEMENTS: Except as provided for herein, the distribution of funds as set forth in Section 4 shall be met over the duration of the measure. To maximize the effective use of funds, revenues may be transferred or exchanged under the following circumstances:

- A. The Commission, or agencies receiving funds by annual or multi-year agreement, may exchange funds provided that the percentage of funds allocated for each purpose as provided in Section 4 is maintained over the duration of the measure over each 10-year period as described in Section 17. All proposed exchanges, including agreements between agencies to exchange funds, must include detailed fund repayment provisions, including the appropriate treatment of interest earnings. All exchanges must be approved by the Commission and shall be consistent with any and all rules approved by the Commission relating thereto.
- B. The Commission may exchange revenues for federal, state, or other local funds allocated or granted to any public agency within or outside the area of jurisdiction of the Commission to maximize effectiveness in the use of revenues. Such federal, state, or local funds shall be distributed in the same manner as the revenues from the measure.

SECTION 8. MAINTENANCE OF EFFORT: It is the intent of the Legislature, as stated in the Act, and the Commission that revenues provided from this measure be used to augment, not supplant existing local revenues being used for the purposes set forth in Section 4 herein. Each local agency receiving revenues pursuant to Section 4(D) shall annually maintain as a minimum the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years completed prior to the effective date of this Ordinance (Fiscal Years 2000-01, 2001-02, 2002-03), as was reported in the State Controller's Annual Report of Financial Transactions for Streets and Roads and as verified by an independent auditor. The maintenance of effort level as determined through this process shall be subject to adjustment every three years based on the Construction Cost Index developed by the Caltrans. The Commission shall not allocate any revenues pursuant to Section 4(D) to any eligible local agency in any fiscal year until that local agency has certified to the Commission that it will include in its budget for that fiscal year an amount of local discretionary funding for streets and roads purposes at least equal to the minimum maintenance of effort requirement. An annual independent audit shall be conducted to verify that the maintenance of

effort requirement for each agency was met. Any local agency which does not meet its maintenance of effort requirement in any given year shall have its funding under Section 4(D)(1) reduced in the following year by the amount by which the agency did not meet its required maintenance of effort level. Any local street and road revenues not allocated pursuant to the maintenance of effort requirement shall be redistributed to the remaining eligible agencies according to the formula described in Section 4(D)(1). The maintenance of effort requirement also shall apply to any local agency discretionary funds being used for the other purposes specified under Section 4.

SECTION 9. PRIVATE SECTOR FUNDING: Revenues provided from this measure shall not be used to replace private developer funding that has been or will be committed for any project. **[Note: This is the language from the current Ordinance. Discussions are continuing related to the development of stronger language to include in this section.]**

SECTION 10. BONDING AUTHORITY: Upon voter approval of the measure, the Commission shall have the authority to issue bonds payable from the proceeds of the tax to accelerate the construction of needed transportation facility improvements. The Commission, in allocating the annual revenues from the measure, shall meet all debt service requirements prior to allocating funds for other projects.

SECTION 11. INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE: An Independent Taxpayer Oversight Committee (ITOC) shall be established to provide an enhanced level of accountability for expenditure made under the Expenditure Plan. The ITOC will ensure that all voter mandates are carried out as required and will develop recommendations for improvements to the financial integrity and performance of the program. The roles and responsibilities of the ITOC, the selection process for ITOC members, and related administrative procedures are further described in the "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program" which is hereby incorporated by reference as if fully set forth herein

SECTION 12. ADMINISTRATIVE EXPENSES: Revenues may be expended by the Commission for staff salaries, wages, benefits, and overhead and those services including contractual services necessary to administer the Act; however, in no case shall such expenditures exceed one percent of the annual revenues provided by the measure. Any funds not utilized in a given fiscal year shall remain available for expenditure in subsequent fiscal years. Costs of performing or contracting for project related work shall be paid from the revenues allocated to the appropriate purpose as set forth in Section 4 herein. An annual independent audit shall be conducted through the Independent Taxpayers Oversight Committee to assure that the revenues expended by the Commission under this section are necessary and reasonable in carrying out its responsibilities under the Act.

SECTION 13. ESTABLISHMENT OF SEPARATE ACCOUNTS: Each agency receiving funds pursuant to Section 4 shall have its funds deposited in a separate Transportation Improvement Account. Interest earned on funds allocated pursuant to this Ordinance shall be expended only for those purposes for which the funds were allocated.

SECTION 14. IMPLEMENTING ORDINANCES: Upon approval of this measure by the voters the Commission shall, in addition to the local rules required to be provided pursuant to this ordinance, adopt implementing ordinances, rules, and policies and take such other actions as may be necessary and appropriate to carry out its responsibilities.

SECTION 15. EFFECTIVE AND OPERATIVE DATES: This ordinance shall become effective on November 2, 2004 only if two-thirds of the electors voting on the measure at the election held on November 2, 2004 vote to approve the ordinance. If so approved, the provisions of this ordinance shall become operative on April 1, 2008, and the programs to be implemented with revenues provided through the measure will begin on July 1, 2008, with the exception of any capital improvements that may be advanced through the use of bond proceeds.

SECTION 16. AMENDMENTS: This ordinance may be amended to further its purposes by ordinance, passed by roll call vote entered in the minutes, with two-thirds of the Commission concurring. Separate documents incorporated by reference in the Ordinance may be amended by a majority vote.

SECTION 17. TEN-YEAR COMPREHENSIVE PROGRAM REVIEW: The Commission shall conduct a comprehensive review of all projects and programs implemented under the Expenditure Plan to evaluate the performance of the overall program over the previous ten years and to make revisions to the Expenditure Plan to improve its performance over the subsequent ten years. Revisions to the Ordinance and Expenditure Plan required as a result of the ten-year review shall be subject to the amendment process in Section 16.

SECTION 18. DESIGNATION OF FACILITIES: Each project or program in excess of \$250,000 funded in whole or in part by revenues from the measure shall be clearly designated during its construction or implementation as being provided by revenues from the measure.

SECTION 19. SEVERABILITY: If any section, part, clause or phrase of this ordinance is for any reason held invalid or unconstitutional, the remaining portions shall not be affected but shall remain in full force and effect.

SECTION 20. ANNUAL APPROPRIATIONS LIMIT: Article XIII(B) of the California Constitution requires the establishment of an annual appropriations limit for certain governmental entities. The maximum annual appropriations limit for the Commission has been established as \$___ million as of _____, 2003. The appropriations limit shall be subject to adjustment as provided by law. All expenditures of the transactions and use tax revenues imposed in Section 3 are subject to the appropriations limit of the Commission.

SECTION 21. DEFINITIONS:

- A. *Commission*. Means the San Diego County Regional Transportation Commission created by Chapter 1576 of the Statutes of 1985 (Division 12.5 of the Public Utilities Code, commencing with Section 132000).
- B. *Transit*. Means all purposes necessary and convenient to the construction, operation and maintenance of transit services and facilities including the acquisition of vehicles and right-of-way. Transit services include, but are not limited to, local and express bus, bus rapid transit (BRT), paratransit (dial-a-ride), light rail (trolley) and commuter rail services and facilities.
- C. *Local Streets and Roads*. Means all purposes necessary and convenient for the purposes as described in Section 2(C)(1).

ATTACHMENT B

Optional *TransNet* Expenditure Plan Summary

(in millions of 2002 dollars)

Expenditure Plan Component	Percent of Total	Total <i>TransNet</i> Requirement (30-Year Totals)	Initial Draft Exp. Plan Comparison
Congestion Relief Projects	62.1%	\$5,900	\$6,072
Highway/Transit Capital Projects (1)	45.3%	\$4,300	\$4,715
Project Specific Transit Operations (2)	7.6%	\$720	\$980
Financing Costs	4.0%	\$380	same
Proposition 42 Revenue Protection Fund (3)	5.2%	\$500	new
Transit Programs	13.0%	\$1,235	same
Local Programs	18.0%	\$1,710	same
Local Street & Road Formula Program	10.0%	\$950	
Regional Arterial/Grade Separation Program	4.0%	\$380	
Livable Communities Incentive Program	4.0%	\$380	
Capital Project Environmental Mitigation (4)	4.0%	\$377	same
Administration	1.0%	\$95	same
Oversight Committee	0.1%	\$7.5	same
TOTAL <i>TransNet</i> Funding Requirement	98.2%	\$9,324.5	\$9,500
TOTAL <i>TransNet</i> Funds Available	100.0%	\$9,500	same

NOTES:

1. The Congestion Relief project cost estimates have been refined to reduce the *TransNet* requirement for capital projects to \$4,300 million. In addition to relatively minor adjustments, major changes include adding SR 94 from SR 125 to SR 94, reducing funding for I-5 north of SR 78, reducing funding on SR 78, and cutting BRT routes in the SR 52 and Genesee Ave. corridors.

2. The operating subsidy needs of the BRT and rail projects have been reduced to \$720 million to reflect higher assumed fare revenues levels and the availability of FasTrak revenues from the expanded managed lane network.

3. Proposition 42 Revenue Protection Fund has been created by the funds reduced by the adjustments described in Notes 1 and 2.

4. The funding proposal for the Capital Project Environmental Mitigation Program is still being refined. The \$377 million shown reflects the same amount as included in the initial draft Expenditure Plan. If the funding allocated to the environmental program increases, funding may need to be reduced from one or more of the projects on the Congestion Relief Program list and/or from one of the other draft Expenditure Plan program categories.

TABLE 1: SUMMARY BY CORRIDOR

Table		Capital Cost*	Operating Cost	State/Fed. Funds**
2	I-15	\$1,410	\$200	\$0
3	I-805	\$2,080	\$170	\$0
4	I-5 (INTERNATIONAL BORDER TO I-805)	\$1,710	\$240	\$300
5	I-5 (I-805 TO VANDEGRIFT BLVD)	\$1,670	\$110	\$530
6	SR-52	\$450	\$30	\$0
7	SR-94 / SR-125	\$550	\$0	\$0
8	SR-67	\$240	\$0	\$0
9	I-8 (New Project)	\$30	\$0	\$0
10	SR-78	\$700	\$100	\$0
11	SR-76	\$180	\$0	\$0
12	MID-CITY SAN DIEGO TO DOWNTOWN SAN DIEGO	\$80	\$90	\$0
13	GENESEE AVENUE	\$280	\$40	\$0
14	CORONADO TUNNEL	\$25	\$0	\$0
15	Border Access Improvements	\$25	\$0	\$0
	TOTAL: ALL CORRIDORS	\$9,430	\$980	\$830
	TOTAL CAPITAL AND OPERATING COSTS	\$10,410		

(See FIGURE 1)

CHANGES TO NOVEMBER 21, 2003 PRE-DRAFT VERSION SHOWN IN BOLD

Note: Costs in millions of 2002 dollars and rounded to the nearest \$10 million, with the exception of the matching funds included for the Coronado Tunnel and Border Access improvement projects.

* Off the total capital cost of \$9,430 million, TransNet funding is assumed to leverage 50% from federal, state, and other sources, reducing the TransNet requirement to 50% - or \$4,715 million.

**The figures in this column represent the additional state and federal funds needed to complete the project as described in the 2030 RTP in cases where a project of reduced scope is proposed.

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

TABLE 2: I-15 CORRIDOR

(SEE FIGURE 2)

Project Number	Route/Facility	From	To	Existing	Improvement	"Mobility 2030" Improvement	TransNet Extension		State/fed funds*
							Capital Cost	Operating Cost	
1	I-15	SR 163	SR56	8F	8F+4ML/MB	8F+4ML/MB	\$220		
2	I-15	Centre City Pkwy	SR 78	8F	8F+4ML	8F+4ML	\$120		
3	I-15	SR94	SR 163	6F/8F	8F+2HOV	8F+2HOV	\$200		
4	HOV 2 HOV	I-15	SR 78	--	E to S, N to W	E to S, N to W	\$200		
5	HOV 2 HOV	I-15	SR 94	--	S to W, E to N	S to W, E to N	\$150		
6	SR94	I-5	I-15	8F	8F+2HOV	8F+2HOV	\$80		
7	BRT Rt 610 via I15/SR94 CAPITAL OPERATIONS	Escondido Trans Ctr	Downtown San Diego	--	No Kearny Mesa Transitway; uses HOV lanes on I-15 between Qualcomm and SR 52. Builds/upgrades 6 BRT stations, upgrades downtown stations, builds DARs in 4 locations.	Build Kearny Mesa Transitway for BRT only	\$360		
7	BRT Rt 610 via I15/SR94 OPERATIONS	Escondido Trans Ctr	Downtown San Diego	--	10 min peak / 15 min offpeak service by 2030	5 min peak / 10 min offpeak service		\$120	
8	BRT Rt 470 via I15/Mira Mesa Blvd CAPITAL OPERATIONS	Escondido Trans Ctr	Sorrento Mesa	--	Escondido to Sorrento Mesa; Uses Rt 610 stations and DARs.	Temecula to Sorrento Mesa	\$80		
8	BRT Rt 470 via I15/Mira Mesa Blvd OPERATIONS	Escondido Trans Ctr	Sorrento Mesa	--	15 min peak only service from Escondido by 2030	15 min peak / 30 min off peak (from Escondido) and 30 min peak / 60 min offpeak (from Temecula) service by 2030		\$80	
TOTAL FOR CORRIDOR:							\$1,410	\$200	\$0

BRT capital costs include new and/or improved stations, direct access ramps (DARs), vehicles, right of way, and arterial priority measures.

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

TABLE 3: I-805 CORRIDOR

(SEE FIGURE 3)

Project Number	Route/Facility	From	To	Existing	Improvement	"Mobility 2030" Improvement	TransNet Extension		State/fed funds*
							Capital Cost	Operating Cost	
9	I-805	SR 905	SR 54	8F	8F+2HOV, Reversible	8F+4MIL	\$150		
10	I-805	SR 54	I-8	8F	8F+4MIL	8F+4MIL	\$450		
11	I-805	Mission Valley Viaduct		8F	8F+4MIL	8F+4MIL	\$250		
12	I-805	I-8	I-5	8F	8F+4MIL	8F+4MIL	\$380		
13	I-805 and SR 54 interchange improvements (E to S)								
14	BRT Rt 628 via I805/SR94 CAPITAL	Otay Mesa	Downtown San Diego	--	Builds fewer DARs along I-805 reflecting changes to highway improvement; Builds 13 stations and DARs in 4 locations.	Builds direct access ramps and stations for I-805 BRT services	\$490		
14	BRT Rt 628 via I805/SR94 OPERATIONS	Otay Mesa	Downtown San Diego	--	10 min peak / 15 min offpeak service by 2020	5 min peak / 10 min offpeak service by 2030		\$100	
15	SR94 HWAY	I-805	I-15	8F	8F+2HOV	8F+2HOV	\$70		
16	BRT Rt 680 via I805/I15/SR52 CAPITAL	San Ysidro	Sorrento Mesa	--	Builds 1 new station; uses DARs and stations built by routes 610 and 628.	Same improvement	\$60		
16	BRT Rt 680 via I805/I15/SR52 OPERATIONS	San Ysidro	Sorrento Mesa	--	15 min peak only service by 2015; 10 min peak only service by 2030	5 min peak / 10 min offpeak service by 2030		\$70	
17	SR 52	I-15	I-805	6F	6F+2HOV	6F+2HOV	\$70		
18	HOV 2 HOV	I-805	SR 52	--	W to N, S to E	W to N, S to E	\$150		
TOTAL FOR CORRIDOR:							\$2,080	\$170	\$0

BRT capital costs include new and/or improved stations, direct access ramps (DARs), vehicles, right of way, and arterial priority measures. Costs for a HOV to HOV connector at I-805 and SR 94 were deleted.

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

TABLE 4: I-5 CORRIDOR (International Border to I-805)

(SEE FIGURE 4)

Project Number	Route/Facility	From	To	Existing	Improvement	"Mobility 2030" Improvement	TransNet Extension		State/fed funds*
							Capital Cost	Operating Cost	
19	I-5	SR 905	SR 54	8F	8F+2HOV	8F+2HOV	\$130		
20	I-5	SR 54	I-8	8F	8F+2HOV	8F+2HOV	\$600		\$300
21	Blue Line Trolley	Improvements			Conversion to low-floor vehicles, enhanced stations, signal upgrades, extended platforms, grade separations in Chula Vista	Additional vehicles, enhanced stations, grade separations in Chula Vista	\$280		
21	Blue Line Trolley	Improvements			7.5 min peak / 7.5 min offpeak by 2020	Same improvement		\$60	
22	MidCoast LRT CAPITAL	Old Town	UCSD/UTC	--	Extension of light rail transit from Old Town Transit Center to UTC via I-5 and UCSD	Same improvement	\$670		
22	MidCoast LRT OPERATIONS	Old Town	UCSD/UTC	--	15 min all day service by 2020	7.5 min peak / 15 min offpeak service by 2020		\$90	
23	Super Loop CAPITAL	UTC	UCSD	--	Signal priority, queue jumper lanes, other arterial improvements, vehicles, stations	Included in overall Green Car network	\$30		
23	Super Loop OPERATIONS	UTC	UCSD	--	10 minute all day service by 2010	Same improvement		\$90	
TOTAL FOR CORRIDOR:							\$1,710	\$240	\$300

BRT capital costs include new and/or improved stations, direct access ramps (DARs), vehicles, right of way, and arterial priority measures.

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

TABLE 5: I-5 CORRIDOR (I-805 to Vandegrift Blvd)

(SEE FIGURE 5)

Project Number	Route/Facility	From	To	Existing	Improvement	"Mobility 2030" Improvement	TransNet Extension		State/fed funds*
							Capital Cost	Operating Cost	
24	I-5/I-805	Merge		16F	16F+4ML	16F+4ML	\$30		
25	I-5	SR 56	Leucadia Blvd	8F	8F+4ML	10F+4ML	\$400		\$130
26	I-5	Leucadia Blvd	Vandegrift	8F	8F+4ML	8F+4ML	\$370		
27	HOV 2 HOV	I-5	I-805	--	N to N, S to S	N to N, S to S	\$180		
28	FWY 2 FWY	I-5	SR 56	--	W to N, S to E	W to N, S to E	\$140		
29	FWY 2 FWY	I-5	SR 78	--	W to S, S to E	W to S, S to E	\$150		
					Corridor transit improvements that would include some combination of projects from the following: Coaster: Vehicles, stations improvements including parking, double tracking and other improvements, Del Mar tunnel; and BRT (EI Camino Real): Vehicles, stations, signal priority and other arterial improvements along El Camino Real, direct access ramps on I-5 south from Encinitas	Coaster: Vehicles, stations improvements including parking, double tracking and other improvements, Del Mar and University City tunnels; and, BRT (EI Camino Real): vehicles, stations, signal priority and other arterial improvements along El Camino Real, direct access ramps on I-5 south from Encinitas	\$400		\$400
30	I-5 CORRIDOR: COASTER/BRT (EI Camino Real) CAPITAL	Improvements		--	Coaster: Up to 20 min peak / 30 min offpeak service by 2030; I-5/EI Camino Real (EI Camino Real): Up to 15 min peak / 30 min offpeak service by 2020	Coaster: 20 min all day service by 2030; BRT (EI Camino Real): 10 min all day service by 2020		\$110	
							\$1,670	\$110	\$530

BRT capital costs include new and/or improved stations, direct access ramps (DARs), vehicles, right of way, and arterial priority measures. I-5 (Leucadia Blvd to Vandegrift) - costs for two Direct Access Ramps in the Carlsbad and Oceanside areas for HOV's and future transit services at \$50M each were deleted.

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

TABLE 6: SR-52

(SEE FIGURE 6)

Project Number	Route/Facility	From	To	Existing	Improvement	"Mobility 2030" Improvement	TransNet Extension		State/fed Funds*
							Capital Cost	Operating Cost	
31	SR 52	I-15	SR 125	4F	6F+2ML (Reversible)	6F+2ML (Reversible)	\$170		
(I-15 - I-805 segment included in I-805 corridor for transit services; I-805/SR 52 HOV2HOV Connector included in I-805 corridor for transit services)									
32	SR 52	SR 125	SR 67	--	4F	4F	\$240		
33	BRT Rt 660 via SR52/I-805 CAPITAL	El Cajon	Sorrento Mesa	--	Low-cost SR-52 BRT express service, no East County direct access ramps; upgrades 2 stations and builds DAR in Nobel Drive location	SR-52 BRT express service with East County direct access ramps.	\$40		
33	BRT Rt 660 via SR52/I-805 OPERATIONS	El Cajon	Sorrento Mesa	--	15 min peak only service by 2020	10 min peak only service by 2020		\$30	
TOTAL FOR CORRIDOR:							\$450	\$30	\$0

TABLE 7: SR-94 / SR-125

(SEE FIGURE 6)

Project Number	Route/Facility	From	To	Existing	Improvement	"Mobility 2030" Improvement	TransNet Extension		State/fed Funds*
							Capital Cost	Operating Cost	
34	SR 94 and SR 125 Interchange				W to N, S to E	W to N, S to E	\$110		
(I-805 to I-5 segments included in I-15 and I-805 corridors for transit services)									
35	SR 94	Jamacha Rd	Steele Canyon	2C	4C	4C	\$20		
36	SR 94/SR 125	I-805	I-8	8F	8F+2HOV	8F+2HOV	\$350		
37	Orange Line Trolley CAPITAL	Improvements		--	Conversion to low-floor vehicles, enhanced stations, signal upgrades, extended platforms. Current headway.	Additional vehicles, enhanced stations	\$70		
TOTAL FOR CORRIDOR:							\$550	\$0	\$0

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

TABLE 8: SR-67

(SEE FIGURE 6)						TransNet Extension		State/fed Funds*		
						Capital Cost	Operating Cost			
Project Number	Route/Facility	From	To	Existing	Improvement	"Mobility 2030" Improvement				
38	SR 67	Mapleview St	Dye Rd	2C	4C - To be constructed with environmental enhancements	4C	\$240			
TOTAL FOR CORRIDOR:								\$240	\$0	\$0

TABLE 9: I-8 CORRIDOR (NEW PROJECT)

(SEE FIGURE 6)						TransNet Extension		State/fed Funds*		
						Capital Cost	Operating Cost			
Project Number	Route/Facility	From	To	Existing	Improvement	"Mobility 2030" Improvement				
39	I-8	Second St	Los Coches	4F	6F	6F	\$30			
TOTAL FOR CORRIDOR:								\$30	\$0	\$0

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

TABLE 10: SR-78

(SEE FIGURE 7)

Project Number	Route/Facility	From	To	Existing	Improvement	"Mobility 2030" Improvement	TransNet Extension		State/fed funds*
							Capital Cost	Operating Cost	
40	SR 78	I-5	I-15	6F	6F+2HOV	6F+2HOV	\$500		
	FWY 2 FWY	I-5	SR 78		Included in I-5 North Coast Corridor				
	HOV 2 HOV	I-15	SR 78		Included in I-15 Corridor				
41	SR 78 Corridor SPRINTER/BRT (Palomar Airport Rd) CAPITAL	Improvements		--	Corridor transit improvements that would include some combination of projects from the following: SPRINTER: double tracking, North County Fair extension, some grade separations; and BRT (Palomar Airport Rd): vehicles, signal priority and other arterial improvements; builds 18 stations	SPRINTER: double tracking, North County Fair extension, some grade separations; and BRT (Palomar Airport Rd): vehicles, signal priority and other arterial improvements; builds 18 stations	\$200		
41	SR 78 Corridor SPRINTER/BRT (Palomar Airport Rd) OPERATIONS	Improvements		--	SPRINTER: Up to 15 min all day service by 2030; and BRT (Palomar Airport Rd): up to 15 min peak / 30 min off peak service by 2020	SPRINTER: 10 min all day service by 2030; and, BRT: 10 min all day service by 2020	\$100		
TOTAL FOR CORRIDOR:							\$700	\$100	\$0

BRT capital costs include new and/or improved stations, direct access ramps (DARs), vehicles, right of way, and arterial priority measures.

Major east-west transit service improvements are assumed for the corridor with the primary option being increased service on the Sprinter or BRT service in the Palomar Airport Rd./San Marcos Blvd. corridor.

TABLE 11: SR-76

(SEE FIGURE 7)

Project Number	Route/Facility	From	To	Existing	Improvement	"Mobility 2030" Improvement	TransNet Extension		State/fed funds*
							Capital Cost	Operating Cost	
42	SR 76	Melrose Dr	I-15	2C	4C - (Mission Road to I-15 segment to be constructed with environmental enhancements)	4C	\$180		
TOTAL FOR CORRIDOR:							\$180	\$0	\$0

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

TABLE 12: MID-CITY SAN DIEGO TO DOWNTOWN SAN DIEGO

Project Number	Route/Facility	From	To	Existing	Improvement	"Mobility 2030" Improvement	TransNet Extension		State/fed funds*
							Capital Cost	Operating Cost	
43	BRT Showcase Rt 611 via El Cajon & Park BIVDs C/APITAL	SDSU	Downtown San Diego	--	Signal priority, queue jumper lanes, other arterial improvements, vehicles; builds 13 stations and upgrades to downtown stations	Same improvements	\$80		
43	BRT Showcase Rt 611 via El Cajon & Park BIVDs OPERATIONS	SDSU	Downtown San Diego	--	10 min peak / 15 min offpeak by 2030	5 min peak / 10 min offpeak service by 2030		\$90	
TOTAL FOR CORRIDOR:							\$80	\$90	\$0

BRT capital costs include new and/or improved stations, direct access ramps (DARs), vehicles, right of way, and arterial priority measures.

TABLE 13: GENESEE AVENUE

Project Number	Route/Facility	From	To	Existing	Improvement	"Mobility 2030" Improvement	TransNet Extension		State/fed funds*
							Capital Cost	Operating Cost	
44	BRT Rt 621 via Genesee Ave	Downtown San Diego	UTC	--	Signal priority, queue jumper lanes, other arterial improvements, vehicles; builds 13 stations, upgrades downtown stations; builds DARs in 1 location; no Sorrento Mesa Transitway	Same improvements with addition of Sorrento Mesa Transitway	\$280		
44	BRT Rt 621 via Genesee Ave	Downtown San Diego	UTC	--	10 min peak / 15 min offpeak by 2035	5 min peak / 10 min offpeak service by 2030		\$40	
TOTAL FOR CORRIDOR:							\$280	\$40	\$0

BRT capital costs include new and/or improved stations, direct access ramps (DARs), vehicles, right of way, and arterial priority measures.

CORRIDOR ANALYSIS FOR TRANSNET EXTENSION

TABLE 14: CORONADO TUNNEL

(SEE FIGURE 7)							TransNet Extension		State/fed funds
							Capital Cost	Operating Cost	
Project Number	Route/Facility	From	To	Existing	Improvement	"Mobility 2030" Improvement	Capital Cost	Operating Cost	State/fed funds
45	SR75/SR 282	Glorietta Blvd	Alameda Blvd	--	Tunnel Construction Match Only	Referenced in Mobility 2030	\$25		
TOTAL FOR CORRIDOR:							\$25	\$0	\$0

TABLE 15: Border Access Improvements

(SEE FIGURE 7)							TransNet Extension		State/fed funds
							Capital Cost	Operating Cost	
Project Number	Route/Facility	From	To	Existing	Improvement	"Mobility 2030" Improvement	Capital Cost	Operating Cost	State/fed funds
46	Border Access Improvements	Misc. Improvements to Improve Access in the Border Area.		--	Construction Match	Misc. improvements consistent with RTP	\$25		
TOTAL FOR CORRIDOR:							\$25	\$0	\$0